



GREAT YARMOUTH
BOROUGH COUNCIL

Council

Date: Thursday, 22 July 2021

Time: 19:00

Venue: Assembly Room

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.

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 MAYOR'S ANNOUNCEMENTS

To consider any announcements from Her Worship the Mayor.

4 ITEMS OF URGENT BUSINESS

To consider any Items of Urgent Business.

5 MINUTES 5 - 11

To confirm the minutes of the meeting held on the 25 May 2021.

**6 SERVICE COMMITTEE DECISION LIST FOR THE PERIOD 1 12 - 19
MARCH TO 1 JUNE 2021**

Report attached.

7 HOUSING REVENUE ACCOUNT OUTTURN 2020-21 20 - 31

Report attached.

8 2020-21 TREASURY MANAGEMENT OUTTURN REPORT 32 - 43

Report attached.

9 GENERAL FUND OUTTURN 2020-21 44 - 77

Report attached.

**10 TOWN DEAL HEADS OF TERMS, PRIORITISATION EXERCISE 78 - 82
AND MONITORING & EVALUATION UPDATE**

Report attached.

**11 INDEPENDENT REMUNERATION PANEL - REVIEW OF 83 - 86
MEMBERS' SCHEME OF ALLOWANCES**

Report attached.

- 12 GOVERNANCE OF GREAT YARMOUTH PRESERVATION TRUST AND NORFOLK CONSERVATION LIMITED - THE LOCAL AUTHORITIES (COMPANIES) ORDER 1995** **87 - 112**

Report attached.

- 13 WINTER GARDENS - NATIONAL LOTTERY HERITAGE FUND ACCEPTANCE** **113 - 117**

Report attached.

- 14 NOTICE OF MOTION**

To consider the following motion from Councillors Smith, Plant, P Carpenter, P Hammond, Wells and Flaxman-Taylor.

We as Elected Members of Great Yarmouth Borough Council request that Council agree to holding an Extraordinary meeting of Council to consider the granting of Freedom of the Borough to Michael Thomas Jeal.

- 15 NOTICE OF MOTION**

To consider the following motion received from Councillors Waters-Bunn, Wainwright, Robinson-Payne, T Wright, Williamson and Cordiner-Achenbach.

Fireworks are used by people throughout the year to mark different events. While they can bring much enjoyment to some people, they can cause significant problems and fear for other people and animals.

There are many vulnerable members of our community that are petrified by the loud noises fireworks make, such as the elderly, those who live alone, those that suffer from PTSD and mental health disorders as well as some children and adults with learning difficulties. These people can be very distressed by the noise and many have to suffer in silence on their own.

Fireworks can be a source of fear and distress for many animals (including pet animals, farm livestock and wildlife). Animals affected

not only suffer psychological distress but can also cause themselves injuries - sometimes very serious ones - as they attempt to run away or hide from the noise.

I therefore call upon GYBC, to only allow noise free / low noise fireworks to be used in any organised firework displays held on its land, from July 2021 onwards.

These events will still be enjoyed by the masses that enjoy firework displays, and will also give the opportunity for those who do not like the loud bangs to enjoy them too.

When advertising these events we can publicise why we have changed also. I also call upon GYBC to write to all outlets that sell fireworks to suggest that from today onwards, they only sell noise free / low noise fireworks in their establishments.

16 NOTICE OF MOTION

To consider the following Motion from Councillors T wright, B Wright, Fairhead, Borg, Williamson, B Walker and C Walker .

Great Yarmouth Borough Council believes planning works best when developers and the local community work together to shape local areas and deliver necessary new homes; and therefore calls on the Government to protect the right of communities to object to individual planning applications.

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."



Council

Minutes

Tuesday, 25 May 2021 at 19:00

PRESENT:

His Worship, The Mayor, Councillor Jeal (in the Chair); Councillors Annison, Bensly, Bird, Borg, Cameron, Candon, G Carpenter, P Carpenter, Cordiner-Achenbach, Fairhead, Flaxman-Taylor, Freeman, Galer, Hacon, D Hammond, P Hammond, Lawn, Martin, Plant, Robinson-Payne, Scott-Greenard, Smith, Smith-Clare, Talbot, Thompson, Wainwright, B Walker, C M Walker, Waters-Bunn, Wells, Williamson, A Wright & B Wright.

Ms S Oxtoby (Chief Executive Officer), Ms K Sly (Finance Director), Ms C Whatling (Monitoring Officer), Mrs P Boyce (Strategic Director), Ms K Watts (Strategic Director), Mrs C Dyble (Head of Marketing & Communications), Mrs L Goodman (Events Manager), Ms B Todd (Civic & Events Co-ordinator) Mrs S Wintle (Corporate Services Manager) & Mrs C Webb (Executive Services Officer).

MAYOR'S ANNOUNCEMENTS

His Worship, the Mayor, Councillor Jeal, requested that Council hold a minutes silence as a mark of respect following the recent passing of the Duke of Edinburgh and to remember all those who had lost their lives during the pandemic.

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mogford & Stenhouse.

2 DECLARATIONS OF INTEREST

There were no declarations of interest given at the meeting.

3 ELECTION OF MAYOR FOR THE 2021/2022 MUNICIPAL YEAR

It was proposed and seconded that Councillor Sue Hacon be elected Mayor of the Borough of Great Yarmouth for the 2021/22 Municipal Year.

Her Worship, the Mayor, Councillor Sue Hacon hereby signed the declaration of office and gave an acceptance speech.

RESOLVED:-

That Councillor Sue Hacon be elected Mayor of the Borough of Great Yarmouth for the 2021/22 Municipal Year.

Proposer: Councillor Annison.

Seconder: Councillor Fairhead.

4 VOTE OF THANKS TO OUTGOING MAYOR

Councillor Robinson-Payne gave the vote of thanks to the outgoing Mayor, Councillor Michael Jeal.

The Leader of the Council, Councillor Carl Smith seconded the vote of thanks to the outgoing Mayor, Councillor Michael Jeal.

The outgoing Mayor, Councillor Michael Jeal, addressed Council and gave a passionate speech as he re-countered his childhood and how he had grown

up to become Mayor of Great Yarmouth. His message to the residents of the Borough was that no matter how humble your beginnings were, this did not define you and you could become anything or anyone you aspired to become, even the Mayor of Great Yarmouth. He wished the new Mayor, Councillor Sue Hacon, the best year ever and assured her that she would have a wonderful time serving the residents of this great Borough.

RESOLVED:

That a vote of thanks be given to the outgoing Mayor, Councillor Michael Jeal.

Proposer: Councillor Robinson-Payne

Seconder: Councillor Smith.

5 ELECTION OF DEPUTY MAYOR FOR THE 2021/22 MUNICIPAL YEAR

The Leader of the Council, Councillor Smith proposed that Councillor Adrian Thompson be elected Deputy Mayor for the 2021/22 Municipal Year. This was seconded by Councillor Plant.

Councillor Wainwright proposed that Councillor Colleen Walker be elected Deputy Mayor for the 2021/22 Municipal Year. This was seconded by Councillor Robinson-Payne.

The Deputy Mayor, Councillor Adrian Thompson hereby signed the declaration of office and gave an acceptance speech.

Following a vote, it was RESOLVED:-

That Councillor Adrian Thompson be elected Deputy Mayor for the 2021/22 Municipal Year.

Proposer: Councillor Smith

Seconder: Councillor Plant

6 APPOINTMENT OF CHAPLAIN - 2021/22 MUNICIPAL YEAR

Her Worship, the Mayor, Councillor Hacon announced that Canon Simon Ward, would be appointed as her Chaplain for the 2021/22 Municipal Year.

Canon Simon Ward hereby said prayers to protect the Mayor, Councillors, officers and all the residents of the Borough during the coming year.

RESOLVED:-

That Canon Simon Ward be appointed as Mayor's Chaplain for the 2021/22 Municipal Year.

7 MINUTES

The minutes of the Council meeting held on 23 February 2021 were confirmed.

Proposer: Councillor Smith
Seconded: Councillor Plant.

8 APPOINTMENT OF LEADER AND DEPUTY LEADER OF THE COUNCIL

Councillor Smith was proposed by Councillor Plant and seconded by Councillor Grant as the Leader of the Council.

Councillor Plant was proposed by Councillor Smith and seconded by Councillor Candon as the Deputy Leader of the Council

RESOLVED:-

(i) That Councillor Smith be elected Leader of the Council.

Proposer: Councillor Plant
Seconded: Councillor Grant.

(ii) That Councillor Plant be elected Deputy leader of the Council

Proposer: Councillor Smith
Seconded: Councillor Candon.

9 COMMITTEE TIMETABLE 2021-22

The Leader of the Council presented the Committee Timetable 2021/22 for approval with one amendment in consultation with the Chief Executive Officer and the Corporate Services Manager that Council be moved from the 8 July to 22 July to allow for business to be undertaken prior to the summer recess during August.

Councillor Wainwright reported that he was unhappy that the meeting timetable was being changed to accommodate "double-hatters" which gave the impression that those Councillors prioritised County Council meetings over Borough Council meetings. The Leader of the Council reminded Councillor Wainwright that he had been a County Councillor and a Borough Councillor in

the past.

Councillor Williamson raised the issue of the cancellation of the Town Centre Member Working Group scheduled for Monday 7 June 2021. The Chief Executive Officer reported that this was an unfortunate error and that the meeting would still go ahead on 7 June 2021 but at the earlier start time of 11:00.

Councillor Waters-Bunn asked that the Appeals Committee revert back to being held on a Friday morning as it had always been in the past as it was now timetabled for a Tuesday which was unacceptable to her as it would mean that she would be unable to attend.

RESOLVED:

That the Committee Timetable for 2021/22 be agreed taking into account the amendments agreed at the meeting.

Proposer: Councillor Smith
Seconder: Councillor Plant.

10 COMMITTEE MEMBERSHIPS 2021/22

The Leader of the Council presented the Committee Memberships 2021/22 for approval.

Councillor Wainwright requested that one alteration to the Appeals Committee be made, that Councillor Robinson-Payne be nominated to the Committee in place of Councillor Martin and that the Corporate Services Manager had been made aware of this change prior to the meeting.

RESOLVED:

That the Committee Membership 2021/22 be approved.

Proposer: Councillor Smith
Seconder: Councillor Plant.

11 APPOINTMENT OF CHAIR'S AND VICE-CHAIR'S OF COMMITTEE'S 2021/22

The Leader of the Council presented the appointment of Chairs and Vice-Chairs of Committees 2021/22 for approval.

RESOLVED:

That the Appointments of Chairs and Vice-Chairs to Committees for 2021/22 be approved.

Proposer: Councillor Smith
Seconder: Councillor Plant.

12 WORKING GROUPS MEMBERSHIPS 2021/22

The Leader of the Council presented the Working Groups Membership 2021/22 for approval.

RESOLVED:-

That the Working Groups Membership 2021/22 be approved.

Proposer: Councillor Smith
Seconder: Councillor Plant.

13 REVIEW OF OUTSIDE BODIES

The Leader of the Council presented the Review of Outside Bodies List for approval; item numbers 1 to 45 would be taken en bloc but there had been two nominations for item number 46. This motion was seconded by Councillor Plant.

In regard to item no 46, nomination to the Youth Advisory Board, Councillor Smith had nominated Councillor Galer and Councillor Wainwright had nominated Councillor Martin.

Following a vote, it was RESOLVED:-

(i) That item numbers 1-45 were approved en bloc; and

(ii) That Councillor Galer be elected to serve on the Youth Advisory Board.

Proposer: Councillor Smith
Seconder: Councillor Plant.

15 APPOINTMENT OF MAJOR PROJECTS AND DEVELOPMENT DIRECTOR

The Leader of the Council reported that Mr Iain Robertson had been appointed to the post of Major Projects and Development Director.

The Leader of the Council requested that the thanks of the Council be recorded in respect of all the hard work which Lindsay Barker, Strategic Director, had carried out whilst she was with us, especially in regard to the new Marina Centre, as she would sadly be leaving the Council on 23 June 2021. This was seconded by Councillors Plant and Wainwright.

16 ANNOUNCEMENTS FROM MAYOR, HEAD OF PAID SERVICE AND LEADER

The Leader of the Council asked that his thanks be recorded to the Corporate Services Manager and all the Council staff for their dedication, hard work and commitment over the last 16 months.

The Leader of the Council thanked all the present Councillors and former Councillors, Cara Walker and Steve Scott-Greenard for their support during the pandemic. The Leader welcomed back Councillor Ron Hanton and welcomed new Councillor Robert Peck.

The Leader of the Council asked that his thanks and those of his fellow Councillors be recorded to David Wiles, Media and Communications Manager, who was leaving the Council at the end of May to take up a new position at Windsor & Maidenhead Council. The Leader thanked David for all his support and wished him well for the future.

Councillor Wainwright echoed the thanks of the Leader of the Council and thanked all the staff for their commitment and for pulling together over the previous, exceptional 16 months.

The Head of Paid Service congratulated Her Worship, the Mayor, Councillor Sue Hacon and wished her a wonderful year in office. She thanked the Leader and Councillor Wainwright for all their support over the last 16 months as this had made her job much easier. She reiterated that it was sad to lose Lindsay and David and she welcomed Iain to the Council. She also gave her heartfelt thanks to all the staff for their sterling work during the last 16 months.

Her Worship, the Mayor, Councillor Sue Hacon gave a short speech and thanked the Councillors who had nominated and supported her for this once in a lifetime opportunity. She vowed to promote the borough to the best of her ability during her year in office. Her two chosen charities for the year would be Dial and the National Coastwatch. The Civic Service would be held on Sunday, 15 August 2021 at the Minister.

The meeting ended at: 21:00

Service Committee Decision List from 1 March 2021 to 1 June 2021

	Details of Decision	Officer Lead
1	<p>Economic Development Committee – 1 March 2021</p> <p>ECONOMIC GROWTH DELIVERY AND RECOVERY UPDATE</p> <p>RESOLVED:-</p> <p>(1) That the Committee review the appended Economic Growth Strategy Delivery Plan update and Recovery Progress Report;</p> <p>(2) That the Committee review and comment on the development of the wider business support programme proposed as part of the investment of the Additional Restrictions Grant (ARG) allocation, building local business support capacity, ensuring schemes are co-ordinated in line with other District & Borough Council's.</p>	Michelle Burdett
2	<p>Economic Development Committee – 1 March 2021</p> <p>OFFSHORE WIND COMPETITIVENESS PROJECT - GENERATE BRAND UPDATE</p> <p>RESOLVED:-</p> <p>That the Committee review and comment upon the context of the report, noting the progress to date, the preferred branding, next steps and proposals for the completion and roll-out of the accompanying marketing strategy.</p>	Michelle Burdett
3	<p>Economic Development Committee – 1 March 2021</p> <p>CULTURE, HERITAGE & TOURISM STRATEGY AND DELIVERY PLAN</p> <p>RESOLVED:-</p> <p>That the Committee reviewed and commented on the Culture, Heritage & Tourism Strategy Delivery Plan progress update.</p>	Michelle Burdett

4	<p>Economic Development Committee – 1 March 2021</p> <p>QUARTER 3 PERFORMANCE REPORT - ECONOMIC DEVELOPMENT</p> <p>RESOLVED:-</p> <p>That the Committee note the Quarter 3 Performance Report and agree all measures to be monitored during the next quarter.</p>	David Glason
5	<p>Housing & Neighbourhoods Committee – 4 March 2021</p> <p>COMMUNITY CHAMPIONS' PROGRAMME</p> <p>RESOLVED:-</p> <p>That the Committee endorse the proposals for a Community Champions' programme in the Borough of Great Yarmouth.</p>	Paula Boyce
6	<p>Housing & Neighbourhoods Committee – 4 March 2021</p> <p>REVIEW OF VCSE GRANTS 2020/21 & PROPOSED GREAT YARMOUTH COMMUNITY INVESTMENT FUND</p> <p>RESOLVED :</p> <p>That the Committee agree to:-</p> <p>(1) Note the achievements of the commissioned VCSE organisations in supporting local communities during the pandemic and provide advice regarding the one underspent grant allocation</p> <p>(2) Cease the current community grant scheme on 30 August 2021</p> <p>(3) Establish the Great Yarmouth Community Investment Fund through the formation of a strategic partnership with the Norfolk Community Foundation (NCF) from 1 April 2021</p> <p>(4) Provide a funding contribution of £50,000 from 2021/22 for a new community grants scheme as part of the Great Yarmouth Community Investment Fund to be administered by the NCF in line with the priorities set within the Great</p>	Paula Boyce

	<p>Yarmouth Locality Strategy and detailed in the criteria of this report at para 3.5</p> <p>(5) Delegates authority to the Strategic Director to sign a formal Funding Agreement with the Norfolk Community Foundation</p> <p>(6) Receive future six-month updates and annual reports on the work of the Great Yarmouth Community Investment Fund as set out in the terms of the Agreement with the Norfolk Community Foundation.</p> <p>(7) Approve that Firstmove Furnishaid to keep its grant as allocated in order to deliver the outcomes originally intended, ideally before 30 August 2021 or as soon as possible.</p>	
7	<p>Housing & Neighbourhoods Committee – 4 March 2021</p> <p>LOCALITY STRATEGY</p> <p>RESOLVED:-</p> <p>That the Committee:-</p> <p>(1) Review and agree the Great Yarmouth Locality Strategy</p> <p>(2) Request officers, in conjunction with partner organisations, to develop a suite of outcome based Action Plans and to provide a six monthly update on those actions to the Committee.</p>	Paula Boyce
8	<p>Housing & Neighbourhoods Committee – 4 March 2021</p> <p>DEVELOPMENT STANDARD - ESTABLISHMENT OF TASK AND FINISH GROUP</p> <p>RESOLVED:-</p> <p>That the Committee note the report and nominate five members to participate in the Development Standard Task & Finish Group.</p>	Nicola Turner

	<p>Housing & Neighbourhoods Committee – 4 March 2021</p> <p>SOCIAL HOUSING WHITE PAPER</p> <p>RESOLVED:-</p> <p>That the Committee note the areas of focus of the Social Housing White Paper and the role of the Committee in monitoring compliance and the performance of the Council's landlord functions.</p>	Nicola Turner
9	<p>Policy & Resources Committee – 23 March 2021</p> <p>ENDORSEMENT OF THE JOINT NORFOLK STRATEGIC PLANNING FRAMEWORK (VERSION 3)</p> <p>RESOLVED:</p> <p>That the Committee endorse the Norfolk Strategic Planning Framework and accompanying guidance on Climate Change and 4G and 5G infrastructure</p>	Sam Hubbard
10	<p>Policy & Resources Committee – 23 March 2021</p> <p>FLEXITIME POLICY</p> <p>RESOLVED:</p> <p>That the Committee agree the new Flexitime Policy.</p>	Sarah Tate

11	<p>Policy & Resources Committee – 23 March 2021</p> <p>FLEXIBLE WORKING POLICY</p> <p>RESOLVED:</p> <p>That the Committee agree the updated Flexible Working Policy.</p>	Sarah Tate
12	<p>Policy & Resources Committee – 23 March 2021</p> <p>REVENUES WRITE OFF REPORT</p> <p>RESOLVED :</p> <p>That the Committee approve and authorise individual write-offs as detailed within the Schedule 1 (Business Rates) and Schedule 2 (Sundry Debt).</p>	Miranda Lee
13	<p>Policy & Resources Committee – 23 March 2021</p> <p>SEAFRONT MASTERPLAN FOR GREAT YARMOUTH AND GORLESTON</p> <p>RESOLVED :</p> <p>That the Committee recommend to Full Council that the calculation of the 2021/22 tax base totalling 28,910 and the estimated tax bases for the Borough and for each Parish, as detailed in Appendix 1 of the report.</p>	Kate Blakemore

14	<p>Policy and Resources Committee – 23 March 2021</p> <p>TOWN DEAL PROCESS UPDATE</p> <p>RESOLVED:</p> <p>(1) That the Committee agree & accept the Heads of Terms for a Town Deal of up to £20.1 million.</p> <p>(2) That the Committee note the deadlines for responses; signed Heads of Terms by 24 March 2021 at the latest and details of interventions being taken forward and a plan for addressing key conditions by 24 May at the latest.</p>	Sheila Oxtoby
15	<p>Policy and Resources Committee – 23 March 2021</p> <p>2021-22 PERIOD 10 BUDGET MONITORING</p> <p>RESOLVED:</p> <p>That the Committee note the content of the report and the revised forecast for 2020/21.</p>	Karen Sly
16	<p>Policy and Resources Committee – 23 March 2021</p> <p>CAPITAL STRATEGY 2021-22</p> <p>RESOLVED:</p> <p>That the Committee recommend to Full Council the 2021/22 Capital Strategy.</p>	Karen Sly
16	<p>Policy and Resources Committee – 23 March 2021</p> <p>INVESTMENT STRATEGY 2021-22</p> <p>RESOLVED:</p> <p>That the Committee recommend to Full Council the 2021/22 Investment Strategy.</p>	Karen Sly

17	<p>Policy and Resources Committee – 1 June 2021</p> <p>ANNUAL PERFORMANCE REPORT</p> <p>RESOLVED:-</p> <p>(1) That the Committee review and approve the 2020/21 Annual Performance report;</p> <p>(2) That all key projects will continue to be monitored over the financial year with the aim of maintaining a green status (on target) and where possible attaining a green status for those key projects which are currently amber.</p>	James Wedon
18	<p>Policy and Resources Committee – 1 June 2021</p> <p>NORFOLK COUNTY COMMUNITY SAFETY PARTNERSHIP (NCCSP) STRATEGY CONSULTATION</p> <p>RESOLVED:- That the Committee provide feedback as part of the presentation to assist with the finalisation of the plan.</p>	Kate Blakemore
19	<p>Policy and Resources Committee – 1 June 2021</p> <p>LOCAL PLAN PART 2 UPDATE AND ADOPTION OF REVISED LOCAL DEVELOPMENT SCHEME</p> <p>RESOLVED:-</p> <p>That the Committee notes progress on the Local Plan Part 2 and adopts the revised Local Development Scheme as detailed at Appendix 2 of the report.</p>	Sam Hubbard
20	<p>Policy and Resources Committee – 1 June 2021</p> <p>GREAT YARMOUTH HERITAGE ACTION ZONE</p> <p>RESOLVED:-</p> <p>(1) That the Committee note the Heritage Action Zone progress update.</p> <p>(2) That the Committee delegate authority to any Strategic Director to sign off HAZ Scheme grants to third-parties, including items B, C, D, E, F and N from the main HAZ projects list which appears at paragraph 1.6 of this report, subject to approval of an application by the Officer Working Group and compliance with all relevant scheme criteria, conditions and checks.</p>	Michelle Burdett

	<p>(3) That the Committee delegate authority to any Strategic Director to sign off HAZ Scheme expenditure on items A and G of paragraph 1.6, subject to approval of these items by the Officer Working Group and compliance with all relevant scheme criteria, conditions and checks.</p> <p>(4) That the Committee approve expenditure of HAZ Scheme funds on items H, I, J, K, L and M of paragraph 1.6 as incidental project costs which meet the Scheme criteria and conditions.</p>	
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URN: 21-124

Subject: Housing Revenue Account Outturn 2020/21

Report to: Council – 22 July 2021

Report by: HRA Service Accountant

SUBJECT MATTER

This report presents the following:

- The draft outturn position for the Housing Revenue Account for the 2020/21 financial year, which has been used to inform the production of the statutory account for audit and subsequent approval
- Details of the more significant year-end variances compared to the current budget for 2020/21
- Details of 2020/21 budget underspends requested to be carried forward to 2021/22.

RECOMMENDATIONS

That Council approve:

1. The outturn position for the Housing Revenue Account for 2020/21 as included in the report and appendices
2. The updated 2021/22 HRA revenue and expenditure budget as detailed at Appendix C
3. The updated 2021/22 HRA capital programme and associated financing of the as detailed within the report and at Appendix D.

1. Introduction

- 1.1. There is a statutory requirement to maintain a Housing Revenue Account (HRA) and that account must not show a deficit. The HRA is a separate (ring fenced) account of the Council covering income and expenditure relating to its role as landlord. Under the self-financing arrangements for local authorities, the HRA records the costs of management and maintenance of the Council's dwellings and the related income from rents and other charges. The Government provides guidance on what should be included in the HRA to protect Council tenants.

- 1.2. Although there is not a requirement for a similar separation of capital expenditure, the capital programme as it relates to the HRA is separately monitored. This report outlines the full 2020/21 financial year's outturn.
- 1.3. The position as reported has been used to inform the publication of the draft statement of account which are subject to external audit review ahead of approval by the Audit and Risk Committee by the statutory deadline.

2. HRA Outturn 2020/21

- 2.1. The Housing Revenue Accounts annual outturn was a deficit of £1.001m against a budget deficit of £1.446m, resulting in a variance of £445k.
- 2.2. The 2020/21 £445k outturn variance is largely due to savings on demand lead annual revenue repair workflows such as void repairs and gas servicing and maintenance. These revenue services have reflected a reduction in demand, as a result of increased capital improvements works in prior year, increase stock quality overall.
- 2.3. The Housing Revenue Account has been impacted by the 2020/21 COVID-19 pandemic. Reduced Right to buy sales in year, have resulted in reduced receipts available for financing programmes in 2020/21. To mitigate this reduction, the revenue financing capital contribution has been increased.
- 2.4. A summary of the outturn position for the HRA is included at Appendix A, table 1 below provides details of the year end variances of the income & expenditure account.

Table 1 – HRA Income and Expenditure Outturn Variances 2020/21

Table 1	Current Budget £000	Outturn £000	Variance £000	Comments
Dwelling Rents	(21,817)	(21,903)	(86)	Increased dwelling rent due to reduced Right to Buy sales in year, along with increased Affordable stock added.
Other non-dwelling rents - Garage & stores rentals	(275)	(240)	35	Garage & Stores rent income reduced due to the impact of COVID-19.
Charges for services and facilities	(1,442)	(1,193)	249	Income received from services and facilities impacted by COVID-19. Enhanced tenancy management charge revised to reflect reduction in staff costs included in charge.
Capital Grants & Contributions receivable	(50)	(28)	22	Reduced expenditure in year has resulted in a reduced reserves contribution.
Income Total	(23,584)	(23,364)	220	

Table 1	Current Budget £000	Outturn £000	Variance £000	Comments
Repairs & Maintenance	8,984	8,419	(565)	Revenue repair budgets such as responsive repairs and voids have reflected an underspend of £591k. Asbestos testing is underspent by £55k. This is partly due to asbestos works being included within other capital programmes, such as kitchen and bathroom completions. Revenue neighbourhood planned works is overspent by £157k. This captures the completion of canopy works. Revenue heating repair costs are underspent by £242k. This is due to reduced demand, following increased completion of capital heating works within the stock.
Supervision and Management	2,908	2,693	(215)	Reduced utility costs in year reflecting an underspend of £57k. Staff cost savings relating to car allowance (£23k) and mobile charges (£9k) are underspent in year. Revenue computer costs are reduced in year due to the system upgrade delays (£55k).
Supervision and Management (Direct Employee)	2,439	2,376	(63)	Underspend due to staff turnover and vacancies in year.
Rents Rates & Taxes - e.g. Council tax, utility charges	249	322	73	Increased empty dwelling rate charges and increased insurance premiums due to the impact of COVID-19.
Depreciation	3,780	3,678	(102)	Deprecation reduced against budget estimate.
HRA revenue contribution to capital expenditure	3,267	4,041	774	Reduced capital receipts available in year, due to reduced Right to Buy sales. Increased revenue contribution to fund the capital improvement programme completed.
HRA Interest Payable on Loans	2,874	2,691	(183)	Underspend due to reduced borrowing in year and lower interest rates received
Contribution to Pension Reserves	394	58	(336)	Budget based on estimates provided in year. Reduced costs in the year reflect vacancies held.

Table 1	Current Budget £000	Outturn £000	Variance £000	Comments
Earmarked Reserves (Middlegate)	0	(32)	(32)	Earmarked reserve to support Middlegate regeneration review spend.
Expenditure Total	24,895	24,246	(649)	

3. Capital Programme Financing 2020/21

3.1. Appendix B provides details of the outturn on the HRA capital programme 2020/21 along with the explanations for the variances. Table 2 below provides a summary of the outturn position, along with the corresponding impact on the 2020/21 capital financing within the HRA.

Table 2 – Current HRA Capital Programme Financing 2020/21

Table 2	Current Budget £000	Outturn £000	Variance £000
Kitchens & Bathrooms	3,050	3,376	326
Windows & Doors	650	592	(58)
Planned Maintenance	665	387	(278)
Energy Efficiency Improvements	1,185	1,270	85
Specific Planned Projects	620	418	(202)
Empty Properties	700	614	(86)
New Affordable Housing - Right to Buy receipts	3,280	3,289	9
Additional Housing	250	0	(250)
Neighbourhood Plans	2,090	1,895	(195)
Housing Transformation Budget	415	18	(397)
Keysafe Installation	0	47	47
Total Expenditure	12,905	11,906	(999)
Financing:			
Borrowing	3,520	3,293	(227)
Capital Receipts	2,288	895	(1,393)
Revenue	3,267	4,012	745
Depreciation	3,780	3,678	(102)
Leasehold Contribution	50	28	(22)
Total Financing	12,905	11,906	(999)

3.2. Capital improvements have been impacted by the currently COVID-19 pandemic, delaying some programmes due to access restrictions and reduced resource. Although many programmes have completed planned outturn numbers, some budgets are requested to be carried forward to support 2021/22 programmes. Underspends identified to be carried forward into 2021/22, total £1,267k. A summary of the changes can be found in the table 3 below.

3.3. The 2020/21 financial year has reflected a significant decline in Right to Buy completions in comparison to prior years. This decline appears to be an impact of the current Covid-19 pandemic.

3.4. Reduced Right to Buy sales impact the availability of capital receipts to fund the capital programme. As a result of reduced receipts in year, the HRA is reliant on revenue contributions to fund the remaining capital programme and has increased the contribution by £745k.

3.5. Total receipts from sales in year equaled £395k. The remaining receipts have been drawn from the capital receipt reserve to support the service in 2020/21.

4. 2020/21 Budget to be carried forward into 2021/22

4.1. Appendix C and D provide the revised position of both the revenue and capital 2021/22 programmes incorporating the 2020/21 carried forward budgets detailed below.

4.2. Table 3 provides a summary of the 2020/21 budgets required to be carried forward to 2021/22.

Table 3 - Forecasted Requests to Carry forward capital budgets

Project	Current budget 2020/21	C/Fwd Budget Amendment	Reason for change:	Financing from:
Housing Transformation Budget	415	396	Transformation underspend	HRA Revenue
Additional Housing	250	250	Programmed works delayed due to COVID-19	HRA Borrowing
De-Carbonisation	400	240	External wall installation programme to follow roofing completions	HRA Revenue
Empty Properties	700	85	Major voids spend underspent	HRA Revenue
Improvement windows & doors	650	55	Window and doors programme delay due to fire door installations	HRA Revenue
Planned Maintenance	200	31	Major Adaptations restricted due to COVID-19	HRA Revenue
Specific Planned Projects	600	210	Long term void underspend	HRA Revenue
	3,215	1,267		

5. Right To Buy (RTB) Summary 2020/21

- 5.1. Overall 2020/21 reflected a decline in the number of RTB sales in comparison to previous years (2017/18 – 47, 2018/29 – 50, 2019/20 - 27). The Council have completed 9 Right to Buy Sales during 2020/21 against an estimated figure of 37.
- 5.2. Reduced RTB sales in year, along with increased acquisitions and new build dwelling additions being added, means the overall lettable stock total has increased in year to 5,787.
- 5.3. The Council is responsible for managing stock of 5,787 dwellings as at the 31 March 2021 (5,766 in 2019/20). Table 4 shows a summary on the movement and breakdown of the Housing Stock during 2020/21.

Table 4 – HRA Housing Stock summary 2020/21

	2019/20	2020/21
Stock as at 1 April	5,783	5,774
Less:		
Sales	-27	-9
Conversions	0	0
Demolished	0	0
Add		
New dwellings	0	0
Repurchase/Purchase	10	22
Stock as at 31 March	5,766	5,787

Summary of Housing Stock		
Houses	2,244	2,249
Flats and Maisonettes	2,633	2,639
Bungalows	897	899
	5,774	5,787

6. HRA Reserve balances

- 6.1. As a result of the 2020/21 reduced deficit in year, the HRA is holding a higher balance moving into 2020/21 than originally anticipated, as shown in Table 5.

Table 5 – HRA Reserves Summary 2020/21

Housing Revenue Account Balances – Movement 2020/21	£000
Opening Balance - 1 April 2020	9,559
Add Expected forecast Surplus/ (Deficit)	(1,446)
Forecast Balance	8,113
Actual Surplus/ (Deficit)	(1,001)
Balance Carried forward – 1 April 2021 (subject to Audit)	8,558

7. Conclusion

- 7.1. The Housing Revenue Accounts annual outturn was a deficit of £1.001m, against a budget deficit of £1.446m, resulting in a variance of £445k. The impact of the 2020/21 deficit, means that the HRA will carry forward £8.558m of reserves into 2021/22.
- 7.2. Reduced Right to Buy sale completions in 2020/21, along with increased acquisitions and new build dwelling additions being added, means the overall lettable stock total has increased in year to 5,787.
- 7.3. Due to the impact of COVID-19 restrictions on capital improvement works, budget totalling £1,267k is requested to be carried forward to support 2021/22 programmes.

8. Financial Implications and Risks

- 8.1. The detail within the report highlights the significant variances for the 2020/21 financial year, including a full year review of the HRA revenue and capital budgets
- 8.2. The HRA monitoring report aims to capture all impacts as a result of the 2020/21 COVID-19 pandemic. This includes capital budget carry forward requests to support 2021/22 shortfalls.
- 8.3. The position as reported, has been used to inform the publication of the draft statement of account, which are subject to external audit review ahead of approval by the Audit and Risk Committee by the statutory deadline.

9. Background Papers

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 (including VAT and tax):	
Legal Implications (including human rights):	
Risk Implications:	
Equality Issues/EQIA assessment:	
Crime & Disorder:	
Every Child Matters:	

Appendix A - HRA Income and Expenditure 2020/21

	Budget £000	Outturn £000	Variance £000
Dwellings Rents	(21,817)	(21,903)	(86)
Non Dwelling rents	(275)	(240)	35
Interest & Investment income	(15)	(16)	(1)
Charges for services and facilities	(1,442)	(1,193)	249
Total Income	(23,549)	(23,352)	197
Repairs & Maintenance	8,984	8,419	(565)
Supervision and Management (Direct Employee)	2,439	2,376	(63)
Supervision and Management	2,908	2,693	(215)
Rents Rates & Taxes	249	322	73
Depreciation	3,780	3,678	(102)
Capital expenditure funded by the HRA	3,267	4,041	774
HRA Interest Payable	2,874	2,691	(183)
Provision for bad and doubtful debts	150	135	(15)
Total Expenditure	24,651	24,355	(296)
Transfers (from)/to Earmarked Reserves	0	(32)	(32)
Capital Grants & Contributions receivable	(50)	(28)	22
Contribution to Pension Reserves	394	58	(336)
Deficit/(Surplus) for the year	1,446	1,001	(445)
Bfwd HRA Reserves Balance (01 Apr)	9,559	9,559	0
Deficit/(Surplus) for the year	1,446	1,001	(445)
Cfwd HRA Reserves Balance (31 Mar)	8,113	8,558	445

Appendix B - HRA Capital Programme Outturn Variances 2020/21

	Current Budget £000	Outturn £000	Variance £000	Reason
Kitchens & Bathrooms	3,050	3,376	326	Kitchen and bathroom improvement spend has exceeded its budget provision for 2020/21, with 513 Kitchen and 412 bathroom improvements being completed.
Improvement Programme Windows and Doors	650	592	(58)	Programmed Window and Doors have experience delays due to fire doors availability restrictions. Remaining budget allocation is requested to be carried forward.
Planned Maintenance	665	387	(278)	Rewires programme is reflecting a £257k underspend. Capital adaptations works have resulted in an £31k underspend. Planned maintenance works have been reduced as a result of the COVID-19 lockdowns, works overall have been reduced due to limited access availability. Remaining adaptation budget is requested to be carried forward.
Energy Efficiency Improvements	1,185	1,270	85	Heating works have been accelerated in year. Capital overspends have been support by revenue repair heating savings in year.
Specific Planned Projects	620	418	(202)	Whole house and empty property programmes have experienced delays due to additional time being required to individually prepare and tender each project. Reduced workflows have also been as a result of increased number of affordable homes purchased requiring works. Remaining long term void budget is requested to be carried forward.
Empty Properties	700	614	(86)	Major voids reduced workflows is due to increased completions of the number of affordable homes purchased, requiring works.
Additional Housing	250	0	(250)	Due to delays, no spend was incurred within 2020/21. Budgeted provision is to be carried forward to 2021/22.
New Affordable Housing - Right to Buy receipts	3,280	3,289	9	Twelve properties have been purchased from the open market year to date as part of the planned programme using retained receipts. New build works have also been completed on two sites,

	Current Budget £000	Outturn £000	Variance £000	Reason
				resulting in an additional eight affordable units. Currently the 1-4-1 receipt commitments are ahead of the retention requirement.
Neighbourhood Plans	2,090	1,895	(195)	Neighbourhood planned works reflect an overspend of £157k, including the completion of dwelling canopies. External wall insulation (EWI) has reflected a £299k underspend, due to roofing works needing to be completed prior to the completion of EWI works. Budget is requested to be carried forward for EWI improvements in 2021/22.
Housing Transformation Budget	415	18	(397)	Delay to programme has resulted in reprofile of spend. Remaining budget is requested to be carried forward.
Key safe Installation	0	47	47	Additional works to replace key safes within Housing. Programme to continue within 2021/22 against key safe budget allowance.
	12,905	11,906	(999)	

Appendix C – Revised 2021/22 HRA Income and Expenditure

	Original Budget £000	Revised Budget £000	Variance £000
Dwellings Rents	(21,495)	(21,495)	0
Non Dwelling rents	(275)	(275)	0
Interest & Investment income	(15)	(15)	0
Charges for services and facilities	(1,366)	(1,366)	0
Total Income	(23,151)	(23,151)	0
Repairs & Maintenance	9,257	9,257	0
Supervision and Management (Direct Employee)	2,580	2,580	0
Supervision and Management	3,126	3,126	0
Rents, Rates, Taxes and Other Charges	284	284	0
Depreciation	3,738	3,738	0
Capital Expenditure funded by the HRA	2,334	3,561	1,227
HRA Interest Payable	2,945	2,946	1
Provision for bad and doubtful debts	150	150	0
Employer's Pension Adjustment	513	513	0
Total Expenditure	24,927	26,155	1,228
Transfers (from)/to Earmarked Reserve	(30)	(30)	0
Capital Grants & Contribution receivable	(20)	(20)	0
Net (surplus)/Deficit for the year	1,726	2,954	1,228
HRA Reserves Balance B/Fwd.	8,558	8,558	0
Deficit/(Surplus) in year	1,726	2,954	1,228
HRA Reserves Balance C/Fwd.	6,832	5,604	(1,228)

Appendix D - Revised 2021/22 HRA Capital programme

Capital programme	Revised budget £000	Revised budget £000	Variance £000
Kitchens & Bathrooms	2,869	2,869	0
Windows & Doors	592	647	55
Planned Maintenance	611	642	31
Energy Efficiency Improvements	1,173	1,173	0
Specific Planned Projects	546	756	210
Empty Properties	700	785	85
New Affordable Housing - Right to Buy receipts	3,648	3,648	0
New Affordable Housing – Additional Non 1-4-1 Provision	250	500	250
Decarbonisation	1,738	1,978	240
Neighbourhood Plans	91	91	0
Housing Transformation Budget	211	607	396
Total Expenditure	12,429	13,696	1,267
Financing:			
Borrowing	4,110	4,150	40
Capital Receipts	2,227	2,227	0
Revenue	2,334	3,561	1,227
Depreciation	3,738	3,738	0
Leasehold Contribution	20	20	0
Total Financing	12,429	13,696	1,267

Subject: 2020/21 TREASURY MANAGEMENT OUTTURN REPORT

Report to: Council - 13 July 2021

Report by: Karen Sly, Finance Director



SUBJECT MATTER

This report presents the treasury management activity for the 2020/21 financial year and includes:

1. The overall treasury position for 2020/21
2. The borrowing requirement and debt for 2020/21
3. The borrowing outturn for 2020/21

RECOMMENDATIONS

Council are asked to :

Approve the Treasury Management outturn report and indicators for 2020/21.

1. INTRODUCTION AND BACKGROUND

- 1.1 The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management annual report after then end of each financial year. This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.
- 1.2 The Authority's treasury management strategy for 2020/21 was approved at a meeting of the Council in February 2020. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.
- 1.3 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 30th July 2020.

2. NATIONAL CONTEXT AND ECONOMIC COMMENTRY

- 2.1 Economic background: The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.

- 2.2 Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31st March 2021.
- 2.3 The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.
- 2.4 Government initiatives supported the economy and the Chancellor announced in the 2021 Budget a further extension to the furlough (Coronavirus Job Retention) scheme until September 2021. Access to support grants was also widened, enabling more self-employed people to be eligible for government help.
- 2.5 Despite the furlough scheme, unemployment still rose. Labour market data showed that in the three months to January 2021 the unemployment rate was 5.0%, in contrast to 3.9% recorded for the same period 12 months ago. Wages rose 4.8% for total pay in nominal terms (4.2% for regular pay) and was up 3.9% in real terms (3.4% for regular pay). Unemployment is still expected to increase once the various government job support schemes come to an end.
- 2.6 Inflation has remained low over the 12 month period. Latest figures showed the annual headline rate of UK Consumer Price Inflation (CPI) fell to 0.4% year/year in February, below expectations (0.8%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.7% year/year (1.0% expected). After contracting sharply in Q2 (Apr-Jun) 2020 by 19.8% q/q, growth in Q3 and Q4 bounced back by 15.5% and 1.3% respectively. The easing of some lockdown measures in the last quarter of the calendar year enabled construction output to continue, albeit at a much slower pace than the 41.7% rise in the prior quarter. When released, figures for Q1 (Jan-Mar) 2021 are expected to show a decline given the national lockdown.
- 2.7 Financial markets: Monetary and fiscal stimulus helped provide support for equity markets which rose over the period, with the Dow Jones beating its pre-crisis peak on the back of outperformance by a small number of technology stocks. The FTSE indices performed reasonably well during the period April to November, before being buoyed in December by both the vaccine approval and Brexit deal, which helped give a boost to both the more internationally focused FTSE 100 and the more UK-focused FTSE 250, however they remain lower than their pre-pandemic levels.
- 2.8 Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021 the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated.

- 2.9 The 5-year UK benchmark gilt yield began the financial year at 0.18% before declining to -0.03% at the end of 2020 and then rising strongly to 0.39% by the end of the financial year. Over the same period the 10-year gilt yield fell from 0.31% to 0.19% before rising to 0.84%. The 20-year declined slightly from 0.70% to 0.68% before increasing to 1.36%. 1-month, 3-month and 12-month SONIA bid rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year. The yield on 2-year US treasuries was 0.16% at the end of the period, up from 0.12% at the beginning of January but down from 0.21% at the start of the financial year. For 10-year treasuries the end of period yield was 1.75%, up from both the beginning of 2021 (0.91%) and the start of the financial year (0.58%).
- 2.10 Credit review: After spiking in March 2020, credit default swap spreads declined over the remaining period of the year to broadly pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, albeit Santander UK is still an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The other ringfenced banks were trading around 33 and 34bps while Nationwide Building Society was 43bps.
- 2.11 Credit rating actions to the period ending September 2020 have been covered in previous outturn reports. Subsequent credit developments include Moody's downgrading the UK sovereign rating to Aa3 with a stable outlook which then impacted a number of other UK institutions, banks and local government. In the last quarter of the financial year S&P upgraded Clydesdale Bank to A- and revised Barclay's outlook to stable (from negative) while Moody's downgraded HSBC's Baseline Credit Assessment to baa3 whilst affirming the long-term rating at A1.
- 2.12 The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

3. LOCAL CONTEXT

- 3.1 At 31 March 2021, the Authority had net borrowing of £100.422m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary	31.3.21 Actual £m
General Fund CFR	£58.881
HRA CFR	£88.261
Total CFR	£147.142

Table 1: Balance Sheet Summary	31.3.21 Actual £m
Less: Other debt liabilities*	(£0.536)
Borrowing CFR	£146.606
Less: Long Term Investments	(£1.000)
Less: Usable reserves	(£38.400)
Less: Working capital	(£6.784)
Net borrowing	£100.422

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

3.2 The Authority's strategy was to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position at 31 March 2021 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary	31.3.20 Balance £m	2020/21 Movement £m	31.3.21 Balance £m	31.3.21 Rate %
Long-term borrowing	£86.262	(£3.679)	£82.583	4.44% - 4.95%
Short-term borrowing	£32.500	£19.092	£51.592	0.11% - 1.45%
Total borrowing	£118.762	£15.413	£134.175	
Long-term investments	£9.433	(£8.433)	£1.000	0.41%
Cash and cash equivalents	£11.306	£21.447	£32.753	0.00-0.20%
Total investments	£20.739	£13.014	£33.753	
Net borrowing	£98.023	£2.399	£100.422	

Note: the figures in the table are from the balance sheet in the Authority's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments. Long-term investments consist of Equinox Enterprises Ltd which repaid fully in year and CCLA Property Fund a mid-long-term strategic investment.

4. BORROWING UPDATE

4.1 In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. From 26 November the margin on PWLB loans above gilt yields was reduced from 1.8% to 0.8% providing that the borrowing authority can confirm that it is not planning to purchase 'investment assets primarily for yield' in the current or next two financial years. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. As part of the borrowing process authorities will now be required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 Officer. The PWLB can now also restrict local authorities from borrowing in unusual or large amounts.

4.2 Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could

result in the PWLB requesting that Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.

- 4.3 Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.
- 4.4 The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to take advantage of the reduction in the PWLB borrowing rate.
- 4.5 Municipal Bonds Agency (MBA): The MBA revised its standard loan terms and framework agreement. Guarantees for the debt of other borrowers are now proportional and limited and a requirement to make contribution loans in the event of a default by a borrower has been introduced. The agency has issued 5-year floating rate and 40-year fixed rate bonds in 2020, in both instances Lancashire County Council is the sole borrower and guarantor. A planned third bond issuance by Warrington Borough Council was withdrawn in early December after the reduction in PWLB borrowing rates. If the Authority intends future borrowing through the MBA, it will first ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and is satisfied with them.
- 4.6 UK Infrastructure Bank: In his March 2021 budget the Chancellor confirmed that a UK Infrastructure Bank will be set up with £4bn in lending earmarked for local authorities from the summer of 2021. Loans will be available at gilt yield plus 0.60%, 0.20% lower than the PWLB certainty rate. A bidding process to access these loans is likely with a preference to projects likely to help the government meet its Net Zero emissions target. However other “high value and complex economic infrastructure projects” may also be considered.

5. BORROWING ACTIVITY

- 5.1 At 31 March 2021 the Authority held £134.174m of loans, an increase of £15.4m from 31 March 2020, as part of its strategy for funding previous and current years’ capital programmes. Outstanding loans on 31 March are summarised in Table 3 below.

Table 3: Borrowing Position	31.3.20 Balance £m	2020/21 Movement £m	31.3.21 Balance £m	31.3.21 Rate %	31.3.21 Maturity years
Public Works Loan Board	£71.387	£0	£71.387	3.15%-4.40%	10-40 years
Banks (LOBO)	£3.000	£0	£3.000	4.95%	1-2 years
Banks (fixed term)	£7.000	£0	£7.000	3.35%-3.98%	<1-60 years
Local authorities (long-term)	£4.888	(£3.592)	£1.196	4.44%	>1 year
Local authorities (short-term)	£32.588	£19.004	£51.592	0.11%-1.45%	<1 year
Total borrowing	£118.763	£15.412	£134.174		

- 5.2 The Authority’s chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority’s long-term plans change being a secondary objective.

- 5.3 In furtherance of these objectives, new loans totalling £61m were borrowed in 2020/21 to repay £45.5m existing short-term borrowing and create liquidity. This strategy enabled the Authority to reduce net borrowing costs by utilising the Local authority lending market.
- 5.4 New borrowing of £61m from Local Authorities in the year was for less than 1 year and at interest rates between 0.05% and 0.95%. Loans repaid to Local Authorities in the year of £45.5m were from between less than a month and 1 year at interest rates of between 0.05% and 1.30%.
- 5.5 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short and long-term borrowing was maintained.
- 5.6 PWLB funding margins have lurched quite substantially and there remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.
- 5.7 LOBO loans: The Authority continues to hold £3m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The bank did not exercise its option to increase the rate during the year.

6. TREASURY INVESTMENT ACTIVITY

- 6.1 The Authority holds a level of invested funds, representing income received in advance of expenditure plus balances and reserves held and money borrowed in advance of need. During 2020/21, the Authority's investment balances ranged between £12m and £28m, averaging £21m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position	31.3.20 Balance £m	2020/21 Movement £	31.3.21 Balance £m	31.3.21 Rate %
Banks & building societies (unsecured)	£9.469	(£8.114)	£1.355	0.00%
Government (Inc. local authorities)	£0.250	£19.040	£19.290	0.00% - 0.01%
Money Market Funds	£10.920	£1.080	£12.000	0.0% - 0.03%
Other Pooled Funds – Property Funds	£1.000	£0	£1.000	4.41%
Total investments	£21.639	£12.006	£33.645	

- 6.2 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 6.3 Continued downward pressure on short-dated cash rate brought net returns on sterling low

volatility net asset value money market funds (LVNAV MMFs) close to zero even after some managers have temporarily lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.

- 6.4 Deposit rates with the Debt Management Account Deposit Facility (DMADF) have continued to fall and are now largely around zero.
- 6.5 The net return on Money Market Funds net of fees, which had fallen after Bank Rate was cut to 0.1% in March, are now at or very close to zero; fund management companies have temporarily lowered or waived fees to avoid negative net returns.
- 6.6 The progression of credit risk and return metrics for the Authorities investments managed in-house are shown in the extracts from Arlingclose quarterly investment benchmarking in table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house	Average Credit Score - time weighted	Average Credit Rating - time weighted	Bail-in Exposure	Weighted Average Maturity (days)	Total Return %
31.03.2020	4.42	AA	98%	4.42	0.37%
31.03.2021	4.26	AA-	41%	4.26	0.04%
Similar Las	4.70	A+	65%	4.70	0.13%
All Las	4.53	A+	63%	4.53	0.15%
Treasury investments externally managed funds – Income Return					Total Return %
31.03.2020	N/A	N/A	N/A	N/A	4.42%
Similar Las	N/A	N/A	N/A	N/A	3.88%
All Las	N/A	N/A	N/A	N/A	3.85%

**The 2020/21 TMSS set the limit per institution at £3m with which the Authority complied. The above table does not include investments with the DMO £13.290m the total investments as at 31st March 2021 was £33.620m.*

*** £12m of the total £33.620m investments exposed to bail-in on 31/3/2021 was invested in Money Market Funds which are pooled funds which have a highly diversified portfolio of money market and other instruments. The Money Market Funds which are used by the Council to maintain high credit security and liquidity.*

- 6.7 In accordance with the strategy, £1m of the Authority's investments are held in CCLA Local Authority Property Fund an externally managed strategic pooled property fund where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. For this reason, the Council's investment in strategic pooled funds has only been made with funds it anticipates will remain available for investment over the medium to long-term (i.e. 3 to 5 years). This will minimise the risk from incurring any potential capital loss on selling the investment at an unfavourable point in time. As at the end of March 2021, the pooled fund investments had an unrealised loss of

£103,858.86 to point of purchase, any gains would only be realised when the holdings are sold. These funds generated an average total return of £39k (4.44%) to support services in year.

- 6.8 Similar to many other property funds, dealing (i.e. buying or selling units) in the CCLA Local Authorities' Property Fund was suspended by the fund in March 2020 and lifted in September. There was also a change to redemption terms for the CCLA Local Authorities Property Fund; from September 2020 investors are required to give at least 90 calendar days' notice for redemptions. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year period total returns will exceed cash interest rates.
- 6.9 These unrealised capital losses will not have an impact on the General Fund as the Authority has elected to present changes in the funds' fair values in other comprehensive income (FVOCI).
- 6.10 Following the cut in Bank rate from 0.75% to 0.10% in March 2020, the Authority had expected to receive significantly lower income from its cash and short-dated money market investments, including money market funds in 2020/21, as rates on cash investments are close to zero percent. Income from most of the Authority's externally managed funds will also be lower than in 2019/20 and earlier years. Whilst the arrival and approval of vaccines against COVID-19 and the removal of Brexit uncertainty that had weighed on UK equities were encouraging developments, dividend and income distribution was dependent on company earnings in a very challenging and uncertain trading environment as well as enforced cuts or deferral required by regulatory authorities. The impact of low interest rates in 2020/21 when comparing 2020/21 to 2019/20 the Council received 42% less by way of income distribution on its average investment portfolio of £29m.

7. FINANCIAL IMPLICATIONS

- 7.1 **Other Non-Treasury Holdings and Activity** - Although not classed as treasury management activities the definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 7.2 At the balance sheet date of 31st March 2021, the Authority also held £58.1m of investments in directly owned property, loans to homeowners and local bodies and investments in a trading subsidiary. There has been no significant change from last financial year.
- 7.3 These non-treasury investments generated £2.3m of investment income for the Authority after taking account of direct costs, representing a rate of return of 4.0%. This is higher than the return earned on treasury investments but reflects the additional risks to the Authority of holding such investments.

- 7.4 **Performance** Report - The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and is developing further performance measures on this.
- 7.5 **Compliance** Report – The Finance Director reports that all treasury management activities undertaken during 2020/21 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy 2020/21. The Authority utilised the low-cost Local Authority lending market to increase its liquidity resilience and reduce costs by taking out low rate, short term loans.
- 7.6 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 6 below, and compliance with the specific investment limits is demonstrated in table 7 below.

Table 6: Debt Limits	2020/21 Maximum £m	31.3.21 Actual £m	2020/21 Operational Boundary £m	2020/21 Authorised Limit £m	Complied? Yes/No
Borrowing	£137.197	£134.174	£174.00	£179.000	Yes
Long term liabilities, PFI & Finance Leases	(£0.664)	(£0.536)	£2.000	£2.000	Yes
Total debt	£136.533	£133.638	£176.000	£181.000	Yes

- 7.7 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt did not exceed the operational boundary during 2020/21.

Table 7: Investment Limits	2020/21 Maximum	31.3.21 Actual	2020/21 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£2.6m	£1.330	£2m each	No
UK Central Government	Unlimited	£13.290	Unlimited	Yes
UK Central Government Local Authorities	£8m	£6m	£2m (2years)	Yes
Any group of organisations under the same ownership	Nil	Nil	£2m per group	Yes
Any group pooled funds under the same Management	£5m	£4m	£6m	Yes
Negotiable instruments held in a broker's nominee account	Nil	Nil	£4m per broker	Yes
Foreign countries	Nil	Nil	£1.5m per country	Yes
Registered providers and registered social landlords	Nil	Nil	£2m in total	Yes
Unsecured investments with building societies	£1.5	Nil	£1.5m in total	Yes
Loans to subsidiary trading company	£6.2m	Nil	Not set	N/A
Loans to unrated corporates	Nil	Nil	£1m in total	Yes

Money Market Funds	£18.485m	£12m	£3m per fund £12m in total	No
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7.8 The Council exceeded the investment limits in table 7 above during the first month of 2020/21 in Barclays FIBCA account where the maximum limit of £1.5m was breached the Council had invested at the highest £2.6m. The Money Market Fund maximum limit of £12m was also breached where the Council had invested at the highest £18.845, this was due to the Council having higher retained cash balances than anticipated due the timing of receipt of grant monies ahead of paying out. The Debt Management Office investment rate during part of the year was negative interest rates therefore the Council considered our strategic goals of security, liquidity and return and chose the Money Market Funds as the most appropriate to achieve the strategic goals.

7.9 **Treasury Management Indicators** - The Authority measures and manages its exposures to treasury management risks using the following indicators.

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

Credit risk indicator	31.3.21 Actual	2020/21 Target	Complied?
Portfolio average credit rating	AA-	A	Yes

7.11 **Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount cash available to meet unexpected payments within a rolling three-month period, and the amount it can borrow each quarter without giving prior notice.

Liquidity	31.3.21 Actual	2020/21 Target	Complied?
Total cash available without notice	£13.580m	£11.250m	Yes
Total sum borrowed in past 3 months without prior notice	£0m	Not set	N/A

7.12 **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	31.3.21 Actual	20/21 Limit	Complied
Upper limit on one-year revenue impact of a 1% rise in interest rates	£0.089	£0.050	No
Upper limit on one-year revenue impact of a 1% fall in interest rates	£0.034	£0.094	Yes

7.13 The impact of a change in interest rates is calculated on the assumption that maturing loans

and investment will be replaced at current rates.

- 7.14 The impact of a 1% rise in interest rates limit was breached, this is because the limit was set based on a lower investment balance and higher loan balances which reflected the Councils portfolio as at 31/12/2019 when the Treasury Management Strategy was written. The Councils investment balances have increased by 25% and loan balances have decreased by 33% due to Government funding received to assist with the pressures relating to the pandemic.

- 7.15 **Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Maturity Structure of Borrowing	31.3.21 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	38%	50%	0%	Yes
12 months and within 24 months	0%	50%	0%	Yes
24 months and within 5 years	2%	60%	0%	Yes
5 years and within 10 years	4%	80%	0%	Yes
10 years and above	55%	100%	0%	Yes

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

- 7.17 **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Principal Sums Invested for Periods Longer than 365 days	2020/21 £m	2021/22 £m	2022/23 £m
Actual principal invested beyond year end	£1m	£1m	£1m
Limit on principal invested beyond year end	£12m	£12m	£12m
Complied	Yes	Yes	Yes

8. OTHER

- 8.1 CIPFA consultations: In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principles-based consultations and will be followed by more specific proposals later in the year.

- 8.2 In the Prudential Code the key area being addressed is the statement that "local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed". Other proposed changes include the sustainability

of capital expenditure in accordance with an authority's corporate objectives, i.e. recognising climate, diversity and innovation, commercial investment being proportionate to budgets, expanding the capital strategy section on commercial activities, replacing the "gross debt and the CFR" with the liability benchmark as a graphical prudential indicator.

- 8.3 Proposed changes to the Treasury Management Code include requiring job specifications and "knowledge and skills" schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee for MiFID II professional clients and a new TMP 13 on Environmental, Social and Governance Risk Management.
- 8.4 IFRS 16: The implementation of the new IFRS 16 Leases accounting standard has been delayed for a further year until 2022/23.

Subject **GENERAL FUND OUTTURN 2020/21**

Report to **Council – 22 July 2021**

Report by: **Finance Director**



SUBJECT MATTER

This report presents for the general fund, the revenue and capital outturn position for the financial year 2020/21. The position as presented will be used for the production of the statutory accounts for the same financial period. The report also takes the opportunity to update the capital programme and presents a revised reserves statement.

The outturn position shows a favourable variance on the general fund net cost of services of £497,250, before the movement in reserves.

RECOMMENDATIONS:

In relation to the general fund outturn position, Council are asked to approve:

- 1) The outturn position for the general fund for 2020/21 as included in the report and appendices;
- 2) The transfers to and from reserves as detailed within the report and Appendix A along with an updated reserves statement (Appendix C);
- 3) Transfer the surplus to the earmarked reserves as detailed within the report;
- 4) The financing of the 2020/21 capital programme as detailed within the report and appendices;
- 5) The updated capital programme for 2021/22 as included in the report (section 5) and Appendix E.

1. INTRODUCTION AND BACKGROUND

- 1.1. This report presents the outturn position for the general fund revenue account and capital programme for the 2020/21 financial year. The outturn position on the Housing Revenue Account will be reported to the Housing and Neighbourhoods Committee.
- 1.2. The reporting of the outturn position compared to the budget precedes the production of the draft statutory statement of accounts which are then subject to external audit review. The deadline for the publication of the draft (unaudited) accounts is 31 July 2021.
- 1.3. The budget for 2020/21 was set by Council in February 2020 and at the time assumed a transfer from general reserves of £189,458. Since then the budget has been updated to reflect in year budget virements and during the year the budget monitoring reports have been presented to members. The last position (as at period 10) was reported to Policy and Resources Committee in March 2021 at which time presented a forecast outturn position of a £130,898 surplus.
- 1.4. The detail within the report and appendices provides commentary on the more significant variances along with the impact of Covid-19 expenditure incurred and funding received to mitigate the impact to the Council.

- 1.5. The outturn position for the general fund after allowing for adjustments to and from reserves is an underspend of £497,250.
- 1.6. The report also includes a forecast position statement for the level of reserves along with the outturn and financing position for the 2020/21 capital programme. The capital programme for the period 2021/22 to 2022/23 has been updated to reflect the outturn position and where capital schemes have slipped between financial years. More details on the capital programme are included at section 5.

2. GENERAL FUND POSITION

- 2.1. Further details on the general fund position is included in Appendices A and B. Unlike capital budgets unspent revenue budgets are not automatically carried forward at the year end where an annual budget provision exists. There will be circumstances however where it is appropriate to carry forward a revenue budget for example where an underspend relates to a grant received which has not yet been fully utilised or where there has been a delay in the planned use, with the funds being rolled forward within an earmarked reserve to match spend in a future year. In addition, where a budget has been provided as a one-off in the year and remains unspent due to a change the delivery timescale. For 2020/21 there have been a greater number of roll forward requests due to underspends occurring at the service level due to the impact of responding to the pandemic and also the timing of receipts of grant income. All underspends and roll forward requests have been reviewed in the context of the overarching financial position for the Council and the impact of Covid-19 and transfers to and from reserves made in line with the Council's policy framework for reserves. Further detail on the reserves for the year are provided at section 4 and Appendix C.
- 2.2. The table below provides a summary of service and non service variances, further detail on the variances is included in the following paragraphs and within Appendix B.

Summary Table	Current Budget £000	Outturn £000	Variance	Note
1) Net cost of service	13,026	8,865	(4,161)	2.3-2.5
2) Non-Service Expenditure /Income:				2.6
a) Recharges to the Housing Revenue Account	(1,727)	(1,730)	(3)	
b) Treasury Management Activity	982	317	(665)	2.7
c) Accounting Adjustments	(1,979)	(1,829)	150	2.8
d) Pension and employee adjustments	2,047	1,918	(129)	2.9
e) Parish Precepts & Concurrent Grants	504	504	0	
f) Capital Financing from Revenue	1,514	1,675	161	2.10
g) Contributions to/(from) reserves	(1,229)	12,841	14,070	2.11
3) Funding	(12,988)	(23,073)	(10,085)	2.14
Net (Surplus)/Deficit	150	(499)	(649)	

- 2.3. **Net Cost of Service**— This represents the net service under and overspends including where grants have been received but not matched by spend but do remain fully committed albeit in

the following year. The variance includes the allocation of covid funds which have been received in 2020/21 but are allocated to spend commitments in 2021/22, most significantly the Contain Outbreak Management Fund (COMF) grant that was received towards the end of the financial year from Norfolk County Council. This has been carried forward in an earmarked reserve and is committed for spend associated the deployment of the Covid Marshalls and associated costs for the continuing pro-active work to contain outbreaks. In addition, new burdens funding was allocated for the 2020/21 financial year and has been carried forward to mitigate the ongoing costs for administering the various business grants in the 2021/22 financial year.

- 2.4. Commentary on the direct costs and income variances within the individual services is provided at Appendix B. Some of the service underspends have been carried forward to the 2021/22 financial year and have been offset by a transfer to reserves. A number of the service variances have occurred due to the pandemic. For example there have been underspends across some of the employee establishment budgets where posts were vacant in the year, although some of this has been offset by the use of interim and agency staff, also underspends on the training budgets due to training not being undertaken as previously anticipated prior to the pandemic.
- 2.5. At the service level there has been a reduction in income from fees and charges received in the year largely due to the covid restrictions, for example car parking which has been mitigated by the covid funding received. Further commentary on the impact of covid and the funding received is included at section 3.
- 2.6. **Non Service Expenditure and Income** – This includes a number of accounting adjustments and non service headings for which the more significant variances are explained below.
- 2.7. **Treasury Management Activity** – This includes the variances in relation to investment income and interest payable. The budget for 2020/21 anticipated loan interest payable totalling £1,278,393, the outturn position was £617,514 resulting in an underspend of £660,879, mainly due to external borrowing not being undertaken at the levels anticipated partly due to slippage in the capital programme and a higher cash balance maintained during the year due the receipt of grant funds from the government ahead of these being paid. Interest receivable in the year has exceeded the budget by £3,748 resulting in a net favourable variance of £664,628 from treasury management activity.
- 2.8. **Accounting Adjustments** – This reflects the reversal of recharges for depreciation included in the net cost of services and is offset by a corresponding entry in the service line.
- 2.9. **Pension and Employee Adjustments** – This includes pension costs that are not allocated to the services.
- 2.10. **Capital Financing from Revenue** – This includes the Minimum Revenue Provision (MRP) which represents the cost to the revenue account of decisions made in respect of the financing of capital expenditure in the current and prior years along with revenue contributions to capital to finance capital spend in the year. The outturn position in respect of MRP shows an underspend of £101,438 mainly due to slippage in the capital programme. However, an additional revenue contribution to capital has been allowed for in the year due to the additional costs to the capital programme from the impact of Covid on certain projects including the Marina build costs, £262,907 has therefore been allocated from the covid funding to mitigate these costs.
- 2.11. **Contributions to and from reserves** – The total variance of £13.691 million includes the adjustment required for the Business Rates Section 31 Grant of £10.1 million received in the year to compensate for the additional covid reliefs granted in 2020/21. The correct accounting treatment of this requires it to be allocated to the general fund in the year but will be utilised

in 2021/22 to fund the collection fund deficit. This means that the reserves for the Local Authority are significantly increased at 31 March 2021 but will then be reduced again by March 2022.

- 2.12. Grants that have been received in the financial year which are still to be matched by spend have been carried forward in earmarked reserves at 31 March 2021. This includes allocations of the Contain Outbreak Management Fund as mentioned previously and Covid New Burdens funding for the administration of business grants in 2021/22, totalling £1.03 million. Other non-service grants for example future high street and other project funding will have been carried forward where they remain unspent.
- 2.13. There have been a number of carry forward requests of revenue budgets where either ongoing budgets are not included in the base budget and to allow greater capacity in 2021/22. Furthermore there has been a delay in the utilisation of some of the prior year carry forward requests (from 2019/20) and therefore these have remained in reserves as opposed to be utilised in the 2020/21 financial year. Overall this has resulted in a net transfer to reserves of £2.6 million (excluding the business rates adjustment for the collection fund) compared to the original budgeted figure of £824k to be transferred from earmarked reserves.
- 2.14. **Non-Service Funding** - This variance relates to the treatment of the Section 31 grants received for the business rate reliefs for covid. The Covid 19 pandemic has impacted on collection of council tax, council tax support and business rates reliefs provided and will all impact on the collection fund surplus or deficit. However due to accounting practice and regulations any impact in the current year will be reversed out from the General Fund and will impact in future years. Councils are required to spread the deficits arising from the collection fund over a three year period and due to the protections offered and the additional grant (section 31 grants for the additional business rate reliefs) received it is recommended that the funds be allocated to the collection fund reserve to fund the deficit balance and the impact in future financial years.

3. COVID

- 3.1. The outturn position reflects the funding received and financial impact of Covid in the year. There are a number of direct and in direct financial implications of the Covid pandemic on the Council's financial position and including reduction in income from sales, fees and charges, for example car parking income, additional spending pressures, including ICT solutions to facilitate home working and virtual meetings, re-directing staff resources at various stages of the pandemic to deliver support the residents and businesses alike including the administration of over £63 million in business grants from April 2020 which are still being administered to date.
- 3.2. The Council received the following funding directly allocated by central government in the year to fund the financial costs of the pandemic.

Financial Support (2020/21)	£000
Covid 19 Emergency funding (Tranches 2, 3 and 4)	2,118
Sales Fees and Charges Claims	931
New Burdens Funding	475
TOTAL	3,524

- 3.3. The Sales, Fees and Charges support scheme funds only 75% of the lost income (after a 5% allowance) compared to the 2020/21 base budget. There were a number of income losses that were outside of the scope of the scheme, namely commercial income, rental income,

compensation to third parties for their loss of income and income that could be recovered in a later year for example rental deferrals. This meant that any shortfall income outside the scope of the scheme along with the 25% not covered needed to be covered by the Council or from the covid emergency funding received. A further in direct impact of the pandemic has led to an increased provision required for bad debts, an additional provision of £613,000 has been included across a number of services in the year to allow for the increased risk of non recovery of income relating to 2020/21.

- 3.4. In addition, the Council has received in the region of £70million in grant funding for business grants. Any funding not utilised from the business grants is repaid to the MHCLG.

4. RESERVES

- 4.1. Appendix C provides the detail of the General Fund reserves including proposed movements allowing for the requested carry forwards. The Council holds a general reserve for which the recommended balance is currently £3 million. The purpose of holding a general reserve is to provide a working balance to help cushion the impact of uneven cash flows to avoid temporary borrowing and to provide a contingency to help cushion the impact of unexpected events or emergencies, for example Covid 19. In addition to the general reserve the Council holds a number of earmarked reserves to meet known or predicted liabilities and funds that are carried forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists. There are a number of earmarked reserves that have balances, where the timing of the use of the reserve is yet to be agreed and/or where contributions from the reserves will be made during 2021/22 for spending commitments.
- 4.2. The transfers to and from reserves (general and earmarked) are included within the reserves statement as detailed at Appendix C. The appendix shows the planned use of reserves over the medium term to take account of where funding has been rolled forward from 2020/21 for use future years. All reserves will be reviewed as part of the upcoming work on the Medium Term Financial Strategy which will be presented to Members later in the year.
- 4.3. In summary, the outturn position for the year ending 31 March 2021 is a £497,250 surplus. This is after allowing for planned movements to and from reserves as detailed in the report and the earmarking of funds for ongoing commitments and to provide further mitigation in 2021/22 of the impact of Covid above that assumed in the budget.
- 4.4. It is recommended that the surplus be allocated to the following earmarked reserves:
- 4.4.1. Treasury Management Reserve - £100,000 to be allocated to provide funds to mitigate the smoothing of the impact of fluctuations in interest payable and receivable.
 - 4.4.2. Insurance Fund Reserve - £250,000 to be allocated to be held for assets that require self insurance due to risks not covered, to be reviewed annually.
 - 4.4.3. Special Projects Reserve - £147,250 to be allocated to be used for matched funding and to provide capacity for delivery of a number of significant projects that are planned and underway, for example supporting the future high streets and town deal projects.

5. GENERAL FUND CAPITAL PROGRAMME

- 5.1. This section of the report along with Appendix D presents the outturn and financing of the 2020/21 capital programme, along with an updated programme for 2021/22. The updated programme allows for slippage of capital schemes between financial years. The outturn position for the 2020/21 capital programme, at Appendix D, highlights where schemes have slipped between financial years. The reasons for slippage include where schemes have not

progressed as originally planned and the funding will be carried forward to the new financial year.

- 5.2. The following table provides a summary of the 2020/21 capital programme for the general fund.

	Original Budget 2020/21 £000	Revised Budget 2020/21 £000	Outturn £000	Variances £000	Roll Forward to 2021/22 £000
Executive	533	214	214	0	0
Neighbourhood Management	200	200	96	(104)	101
Customer Services	574	614	31	(583)	575
Inward Investment	24,902	25,917	5,475	(20,442)	20,442
Housing (non HRA)	5180	7027	761	(6266)	6266
IT, Communications and Marketing	779	739	309	(430)	430
Property Asset and Management	11,078	11,777	900	(10,877)	10,779
Total	43,245	46,488	7,786	38,702	38,593

- 5.3. £38.6m of the 2021 capital programme is to be rolled forwarded into 2021/22 as reflected in Appendix E. Of this some of the more significant projects such as the Health and Leisure (Marina) Centre were originally intended to span a number of financial years (£19.6m rolled forward) however a significant number of the projects within the 2020/21 capital programme were delayed as a result of the COVID-19 pandemic and these are reflected in the updated capital programme.
- 5.4. **FUTURE HIGH STREETS FUND** - Members received an update report earlier in the year detailing the provisional allocation of £13,774,730 of Future High Street funding and requesting an update to the capital programme to reflect the provisional offer. The Council has received the confirmation of the £13.774m Future High Street Funding. To date £1.750m of this has been allocated to the market place redevelopment project that is currently underway and is reflected in the 2021/22 capital programme at Appendix E. Work is ongoing to allocate the funding in line with the funding agreement to other projects including the relocation of the library, development of the Conge, and other town centre redevelopments.
- 5.5. **TOWN DEAL** - Funding of £20.1m has been awarded and allocation of budgets for projects in line with the funding agreement are currently in development along with the full detailed business case. There is a further report included on the agenda on the Town Deal.
- 5.6. The following provides a summary of the requested updates to the Capital programme:
- 5.7. **BEACH HUTS** - The success of the Beach Hut project in Gorleston has seen the demand for both purchase, annual hire and weekly/monthly lets increase. Member agreed a project to deliver a maximum of 70 beach huts at the Gorleston Lower Prom location back in 2018 and through a number of phases there are now a total of 30 on site with a further 18 due for delivery. This fourth phase would see a total of 48 beach huts on site with 32 under private ownership and 16 available to rent, mostly secured on an annual basis. The demand for beach

huts has continued to rise over recent months and complete of this initial project is seen as a positive addition to the area.

- 5.8. The contract for provision of the beach huts has now expired and we are seeing costs for supply of the buildings continue to increase. It is anticipated within the planning approval area that a total of 58 beach huts could be provided, the reduced number is as a result of slightly wider gaps being left between each beach hut to aid servicing and repairs and maintenance. A request is now being made to deliver the remaining 28 as part of the final phase rather than the original 18 for this project. The increase in supply costs and the additional 10 beach huts to be delivered in this final phase would require an increase in budget provision of £130,000. It is therefore recommended that an additional capital budget of £130,000 be added to the 2021/22 capital programme to be funded by capital receipts.
- 5.9. **WELLESLEY** - At the February 2021 budget Council, Members agreed to allocate £303,000 of capital funding in relation to a number of projects to enhance the Wellesley recreational ground, subject to a future business case being developed. As this request included a number of project areas Members are asked to note that the following capital sums, totalling less than £100,000 are being released under delegated authority as they relate to general improvement works on the site. These are:
- Stadium light improvement works, £25,000
 - Athletic track improvement works, £16,000
 - Project Management resource, £8,000 (required to develop the funding bid with Norfolk FA and to coordinate all works on site)
- 5.10. Members will however receive a business case in relation to the expenditure for the 3G football pitch as part of the funding request currently being developed for the football foundation, to release the match funding in relation to the 3G football pitch if the Borough Council is successful with its funding application.
- 5.11. **CREMATORIUM ROOF** – The 2021/22 budget included a budget bid of £100,000 for capital works required to the Crematorium Roof. This was subject to the details of the work to be drawn up and these have now come in under the original budget request and therefore the capital programme has been updated to include the £70,000 in the capital programme for 2021/22.
- 5.12. **MARINA** – The works on the new facility are progressing, as part of the update to the last Member Working Group the beach access was discussed and it was requested that works totalling up to £50,000 be considered to improve the access to the facility. Whilst these could be funded from contingency it was felt at this stage of the project it would be preferable to request funding from the special projects reserve as this would enhance the access to the facility from the beach side and create a formal and informal entertainment space. It is therefore being recommended that this be approved within the updated programme for 2021/22.

6. FINANCIAL IMPLICATIONS

- 6.1. The financial implications are contained within the detail of the report and accompanying appendices.

7. RISKS

- 7.1. There are a number of risks that continue to face Local Government in terms of funding for the provision of local services in the short to medium term, including the future of business rates retention and fair funding review for which further announcements are still to be made. These will be considered in full as part of the medium term financial strategy and the financial planning process for 2022/23 onwards.
- 7.2. Covid 19 remains as a financial risk facing the authority in the current year in terms of the impact on the current service delivery and also for the longer term financial recovery for example of fees and charges to the levels pre covid and also the longer term impact of collection of council tax and business rate income.
- 7.3. In terms of the risks for the outturn report, the statutory accounts will be subject to external audit review and there is always a risk of adjustments to the accounts that are flagged as part of the audit work. The report is recommending that the surplus for the year be allocated to earmarked reserves as outlined within the report.

8. BACKGROUND PAPERS

- 8.1. Period 12 budget monitoring report

Area for consideration Comment	Comment
Monitoring Officer Consultation	
Section 151 Officer Consultation	
Existing Council Policies See background papers	
Financial Implications Within existing budgets	
Legal Implications (including human rights)	
Risk Implications	
Equality Issues/EQIA assessment	
Details contained in strategy	
Crime & Disorder	
Every Child Matters	

Appendix A - General Fund Summary Out turn 2020/2021

	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Net Cost of Services				
Executive	4,702,122	4,690,964	(132,651)	(4,823,615)
Housing	784,607	757,549	1,176,070	418,521
Inward Investment	2,566,498	2,636,575	2,090,795	(545,780)
Planning and Growth	473,767	447,826	362,964	(84,862)
Customer Services	(815,896)	(785,452)	529	785,981
Property and Asset Management	144,575	200,481	689,596	489,115
Communications, Marketing and Events	745,126	734,983	604,295	(130,688)
Environmental Services	4,337,382	4,343,368	4,073,394	(269,974)
	12,938,181	13,026,294	8,864,992	(4,161,302)
Non Service Expenditure/Income				
Recharge to HRA	(1,727,451)	(1,727,451)	(1,729,720)	(2,269)
Loan Interest Payable	1,278,393	1,278,393	617,518	(660,875)
Interest Receivable	(296,541)	(296,541)	(300,289)	(3,748)
Capital Charges Reversal	(1,979,258)	(1,979,258)	(1,828,940)	150,318
Revenue Contribution to Capital	0	0	262,907	262,907
Transfers to/(from) Earmarked Reserves	(823,984)	(1,229,134)	2,556,695	3,785,829
Transfers to Business Rates Reserve for Impact between years			10,284,716	10,284,716
Pension Back Funding	2,014,894	2,014,894	2,001,268	(13,626)
Parish Precepts & Concurrent Grants	504,131	504,131	504,140	9
Provision for Loan Repayment (MRP)	1,514,000	1,514,000	1,412,562	(101,438)
Accounting Adjustments - soft loans, acc absences	0	0	(118,018)	(118,018)
Vacancy Management & Apprenticeship Levy	(244,422)	32,551	34,946	2,395
	239,762	111,585	13,697,784	13,586,199
Income				
Council Tax - Parishes	(479,131)	(479,131)	(479,131)	0
Council tax - Borough	(4,835,911)	(4,835,911)	(4,810,482)	25,429
Business Rates	(5,238,750)	(5,238,750)	(15,298,128)	(10,059,378)
Revenue Support Grant	(2,062,184)	(2,062,184)	(2,062,184)	0
New Homes Bonus	(372,510)	(372,510)	(372,510)	0
Other Grants	0	0	(37,592)	(37,592)
	(12,988,486)	(12,988,486)	(23,060,027)	(10,071,541)
(Surplus)/Deficit	189,457	149,393	(497,250)	(646,643)

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21**Note 1 Support Services Recharges:**

Support Services Recharge variances are driven by the variances in direct costs and income identified under those services recharged across the Council at year end and therefore there will be variances reported during the year.

Note 2 Significant variances requiring commentary:

Significant variances of +/- £20,000 year-to-date or +/- £10,000 full year forecast variances only require commentary. This is based on the total variance for the service line level for the services as Heads of Service are able to vary budgets within their areas as required.

Note 3 IAS19 Accounting Adjustment:

IAS19 requires services to recognise pension costs for employees as provided by the Council's Actuary. These IAS19 addition pension charges do not impact on the year end position as they are reversed under Appendix A as part of the Pension Back Funding line at year end

Executive

Executive Team	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	647,907	640,754	624,696	(16,058)
Non-pay	19,817	19,817	11,820	(7,997)
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	667,724	660,571	636,516	(24,055)
Support Services Recharges	(667,750)	(667,750)	(636,520)	31,230
Capital Charges	0	0	0	0
Total:	(26)	(7,179)	(4)	7,175

Vacancy Saving achieved

See note 1 at the top of this appendix which covers explanation for change in recharges.

Legal	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	352,641	352,641	421,384	68,743
Gross Direct Income	(35,000)	(35,000)	(116,478)	(81,478)
Net Direct Expenditure/(Income) Total:	317,641	317,641	304,906	(12,735)
Support Services Recharges	(317,640)	(317,640)	(304,910)	12,730
Capital Charges	0	0	0	0
Total:	1	1	(4)	(5)

Additional charges over contract agreement £65k, this is offset by profit share income £62k. Secondment of Head of Legal Services £41k.

Court Recovery higher than budgeted plus the profit share allocation from 2020/21.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Town Centre Initiative	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	0	0	0	0
Gross Direct Income	0	0	(13,646)	(13,646)
Net Direct Expenditure/(Income) Total:	0	0	(13,646)	(13,646)
Support Services Recharges	0	0	0	0
Capital Charges	0	0	0	0
Total:	0	0	(13,646)	(13,646)

No major variances

Equinox	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	39,862	39,862	8,765	(31,097)
Gross Direct Income	(39,862)	(39,862)	(79,994)	(40,132)
Net Direct Expenditure/(Income) Total:	0	0	(71,229)	(71,229)
Support Services Recharges	0	0	0	0
Capital Charges	0	0	0	0
Total:	0	0	(71,229)	(71,229)

Expenditure is offset by income received in year.

Management Fee £64k received in year from EE Ltd. Remaining income offsets costs in year.

Corporate Costs	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	132,512	132,512	135,033	2,521
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	132,512	132,512	135,033	2,521
Support Services Recharges	(132,510)	(132,510)	(135,020)	(2,510)
Capital Charges	0	0	0	0
Total:	2	2	13	11

See note 1 at the top of this appendix which covers explanation for change in recharges.

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

COVID-19 costs	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	175,240	175,240
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Non-pay	0	6,193	5,506,106	5,499,913
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Gross Direct Income	0	0	(9,845,615)	(9,845,615)
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Net Direct Expenditure/(Income) Total:	0	6,193	(4,164,269)	(4,170,462)
Support Services Recharges	0	0	461,070	461,070
Capital Charges	0	0	0	0
Total:	0	6,193	(3,703,199)	(3,709,392)

Additional costs allocated to Covid, including officer overtime and direct employees. This does not include any re-deployed staff. All employee positions funded in year from Covid funding.

Payments of the covid business grants schemes made to date and assumes repayment of unused grants to government. Also includes direct covid expenditure incurred to date and forecast for the full year, eg equipment, PPE, housing rough sleepers, postage etc.

Covid related funding received in the year, including retail, hospitality and leisure and discretionary grant funding which has been paid to eligible businesses. Also assumed level of sales, fees and charges income expected in line with the national support scheme.

Net position used to offset impact within services.

Finance	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	617,062	600,022	561,678	(38,344)
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Non-pay	323,954	323,954	269,558	(54,396)
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Gross Direct Income	(10,000)	(10,000)	(5,517)	4,483
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Net Direct Expenditure/(Income) Total:	931,016	913,976	825,720	(88,256)
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Support Services Recharges	(946,560)	(946,560)	(841,290)	105,270
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Capital Charges	15,561	15,561	15,562	1
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Total:	17	(17,023)	(8)	17,015
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Underspend as a result of staff vacancies

A number of variances including an underspend on Internal Audit due to the plan not being completed in the year, which is offset by additional computer contract costs and insurance costs.

Insurance fund income higher than budgeted

See note 1 at the top of this appendix which covers explanation for change in recharges.

North Quay/Conge Project	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	0	0
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Non-pay	0	0	17,244	17,244
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Gross Direct Income	0	0	0	0
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Net Direct Expenditure/(Income) Total:	0	0	17,244	17,244
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Support Services Recharges	0	0	0	0
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Capital Charges	0	0	0	0
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Total:	0	0	17,244	17,244
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No major variances

ICT	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	441,737	431,036	302,949	(128,087)
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Non-pay	825,845	825,845	724,457	(101,388)
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Gross Direct Income	0	0	(545)	(545)
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Net Direct Expenditure/(Income) Total:	1,267,582	1,256,881	1,026,861	(230,020)
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Support Services Recharges	(1,393,910)	(1,393,910)	(1,084,670)	309,240
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Capital Charges	126,329	126,329	57,806	(68,523)
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Total:	1	(10,700)	(3)	10,697
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Vacant posts within the department throughout the year.

Reduction in telephony costs as this is now through Teams software. Reallocation on software maintenance costs to other service areas. Shared service cost with NCC less than budget as some staff have moved back to GYBC.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Member Services	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	179,903	176,143	172,541	(3,602)
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Non-pay	337,151	337,151	315,120	(22,031)
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Gross Direct Income	0	0	(812)	(812)
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Net Direct Expenditure/(Income) Total:	517,054	513,294	486,849	(26,445)
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Support Services Recharges	(478,060)	(478,060)	(486,850)	(8,790)
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Capital Charges	0	0	0	0
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Total:	38,994	35,234	(1)	(35,235)
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Savings on Member allowances and areas in relation to restriction of movement due to COVID-19 including travel related costs

See note 1 at the top of this appendix which covers explanation for change in recharges.

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Corporate Strategy	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	85,001	82,868	54,280	(28,588)
Non-pay	943	943	3,060	2,117
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	85,944	83,811	57,340	(26,471)
Support Services Recharges	(85,950)	(85,950)	(57,340)	28,610
Capital Charges	0	0	0	0
Total:	(6)	(2,139)	(0)	2,139

Underspend due to Corporate Policy & Performance Officer vacancy.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Elections	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	176,130	146,057	84,189	(61,868)
Non-pay	122,525	122,525	61,365	(61,160)
Gross Direct Income	(114,700)	(114,700)	(18,879)	95,821
Net Direct Expenditure/(Income) Total:	183,955	153,882	126,675	(27,207)
Support Services Recharges	40,700	40,700	30,830	(9,870)
Capital Charges	0	0	0	0
Total:	224,655	194,582	157,505	(37,077)

With elections postponed until May 2021 only individual electoral registration (IER) has occurred this year. The savings under pay and non pay largely reflect costs not incurred in relation to the originally planned elections which are then offset by not needing to recharge for the election.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Human Resources	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	406,564	424,574	384,787	(39,787)
Non-pay	50,239	85,739	41,374	(44,365)
Gross Direct Income	0	0	(179)	(179)
Net Direct Expenditure/(Income) Total:	456,803	510,313	425,981	(84,332)
Support Services Recharges	(456,810)	(456,810)	(425,990)	30,820
Capital Charges	0	0	0	0
Total:	(7)	53,503	(9)	(53,512)

Staff vacancies for part of the year resulting in underspend
Underspends on Corporate training and Specialist Services relating to Payroll
Software system upgrade which did not go-ahead as originally expected in the year. The underspends have been requested to be carried forward to reflect the slippage of these works.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Total Executive:	263,631	252,474	(3,613,341)	(3,865,815)
Total Executive excluding capital charges and recharges:	4,560,231	4,549,074	(206,019)	(4,755,093)
Total Executive excluding recharges:	4,702,121	4,690,964	(132,651)	(4,823,615)

Housing

Housing Needs	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	610,187	594,423	718,459	124,036
Non-pay	484,665	485,165	853,253	368,088
Gross Direct Income	(612,372)	(612,372)	(818,212)	(205,840)
Net Direct Expenditure/(Income) Total:	482,480	467,216	753,499	286,283
Support Services Recharges	370,350	370,350	273,380	(96,970)
Capital Charges	11,769	11,769	18,137	6,368
Total:	864,599	849,335	1,045,016	195,681

Increased temporary staffing levels in year to mitigate increased demand as a result of COVID-19. Additional pay costs are being supported from the Homelessness reserve.

Increased temporary accommodation in year resulted in a £103k overspend. Remaining overspend includes a bad debt provision of £260k.

Grant received in year is used to offset additional staffing costs. Grant income of £150k to be moved to reserves to support the service in future years.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Housing Strategy	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	174,821	172,146	169,123	(3,023)
Non-pay	43,685	43,685	38,100	(5,585)
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	218,506	215,831	207,223	(8,608)
Support Services Recharges	84,700	84,700	67,670	(17,030)
Capital Charges	22,603	22,603	23,859	1,256
Total:	325,809	323,134	298,752	(24,382)

See note 1 at the top of this appendix which covers explanation for change in recharges.

No major variances

Traveller's Site/Gapton Hall	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	8,539	8,539
Non-pay	62,306	62,306	98,561	36,255
Gross Direct Income	(100,331)	(100,331)	(52,960)	47,371
Net Direct Expenditure/(Income) Total:	(38,025)	(38,025)	54,140	92,165
Support Services Recharges	18,030	18,030	35,500	17,470
Capital Charges	0	0	0	0
Total:	(19,995)	(19,995)	89,640	109,635

Gapton Hall site was previously managed by Norfolk County Council. From 1 February 2021 management of the site was brought back to GYBC and there is an increased service cost as a result of the service handover.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Better Care Fund (NEW)	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	94,756	92,278	89,548	(2,730)
Non-pay	26,079	26,079	3,172	(22,907)
Gross Direct Income	(149,069)	(149,069)	(145,216)	3,853
Net Direct Expenditure/(Income) Total:	(28,234)	(30,712)	(52,495)	(21,783)
Support Services Recharges	65,760	65,760	22,980	(42,780)
Capital Charges	0	0	0	0
Total:	37,526	35,048	(29,515)	(64,563)

Reduced activity as a result of Covid-19 pandemic. Budget underspends to be carried forward to support the future service need and utilise 2020/21 partner contributions.

See note 1 at the top of this appendix which covers explanation for change in recharges.

No major variances

Safe at Home	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	275,017	268,377	258,582	(9,795)
Non-pay	66,308	66,308	28,219	(38,089)
Gross Direct Income	(225,818)	(225,818)	(115,552)	110,266
Net Direct Expenditure/(Income) Total:	115,507	108,867	171,249	62,382
Support Services Recharges	108,950	108,950	26,960	(81,990)
Capital Charges	0	0	0	0
Total:	224,457	217,817	198,209	(19,608)

Due to COVID 19, a reduced number of adaptations were completed, resulting in reduced income received and costs incurred.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Total Housing:	1,432,396	1,405,339	1,602,560	197,221
Total Housing excluding capital charges and recharges:	750,234	723,177	1,134,074	410,897
Total Housing excluding recharges:	784,606	757,549	1,176,070	418,521

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21**Inward Investment**

Projects and Programmes	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	290,199	233,465	219,801	(13,664)
Non-pay	4,702	4,702	138,360	133,658
Gross Direct Income	(42,807)	(3)	(193,402)	(193,399)
Net Direct Expenditure/(Income) Total:	252,094	238,164	164,760	(73,404)
Support Services Recharges	221,100	221,100	251,650	30,550
Capital Charges	0	0	0	0
Total:	473,194	459,264	416,410	(42,854)

Staff vacancies given rise to savings in employee costs in year.

Project expenditure for LCWIP and Learning Hub off set by grant income below.

Grant income received to offset expenditure for LCWIP and Learning Hub projects.
Project recharge made in year also for employee costs on capital projects.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Future High Street Fund	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	0	61,687	68,067	6,380
Gross Direct Income	0	0	(5,000)	(5,000)
Net Direct Expenditure/(Income) Total:	0	61,687	63,067	1,380
Support Services Recharges	0	0	0	0
Capital Charges	0	0	0	0
Total:	0	61,687	63,067	1,380

No major variances

Offshore Wind Project	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	48,708	50,873	2,165
Non-pay	0	0	21,045	21,045
Gross Direct Income	0	(42,804)	(89,356)	(46,552)
Net Direct Expenditure/(Income) Total:	0	5,904	(17,438)	(23,342)
Support Services Recharges	0	0	0	0
Capital Charges	0	0	0	0
Total:	0	5,904	(17,438)	(23,342)

Marketing and branding expenditure relating to Offshore wind project in 2021.

Grant Funding received to cover employee, marketing and branding expenditure in 2021. Grant carried forward to cover employee costs in 2122.

Inclusion Project (ESF)	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	61,624	60,286	30,022	(30,264)
Non-pay	75,694	75,694	27,378	(48,316)
Gross Direct Income	(93,469)	(93,469)	(53,243)	40,226
Net Direct Expenditure/(Income) Total:	43,849	42,511	4,156	(38,355)
Support Services Recharges	0	0	0	0
Capital Charges	0	0	0	0
Total:	43,849	42,511	4,156	(38,355)

Staff vacancies giving rise to underspend.
Underspend on expected costs for project.

ESF Project grant claim 7 & 8 received for expenditure spent up to December 2019, which offsets expected income accrual made in 2019/20. Further ESF grant funding received for expenditure up to 31st March 2021. Reduction in funding in line with reduction in spend on direct costs to the project.

Towns Fund	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	0	12,250	65,747	53,497
Gross Direct Income	0	0	(40,000)	(40,000)
Net Direct Expenditure/(Income) Total:	0	12,250	25,747	13,497
Support Services Recharges	0	0	0	0
Capital Charges	0	0	0	0
Total:	0	12,250	25,747	13,497

Expenditure for Town Deal application funded by Grant income.
Grant funding received in year.

No major variances

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Parks and Outdoor spaces	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	193,205	193,205	195,453	2,248
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	193,205	193,205	195,453	2,248
Support Services Recharges	33,050	33,050	32,740	(310)
Capital Charges	3,522	3,522	3,522	(0)
Total:	229,777	229,777	231,715	1,938

No major variances

See note 1 at the top of this appendix which covers explanation for change in recharges.

Outdoor Sports	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	440,960	442,971	426,476	(16,495)
Gross Direct Income	(98,974)	(98,974)	(69,833)	29,141
Net Direct Expenditure/(Income) Total:	341,986	343,997	356,643	12,646
Support Services Recharges	26,110	26,110	27,700	1,590
Capital Charges	50,385	50,385	62,458	12,073
Total:	418,481	420,492	446,801	26,309

Managing outdoor sports facilities is now part of the GYBS contract, budget to be re-allocated.

Income was reduced due to COVID 19 closures and restrictions throughout the year.

See note 1 at the top of this appendix which covers explanation for change in recharges.

CCTV	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	146,800	146,800	143,040	(3,760)
Gross Direct Income	(4,000)	(4,000)	(24,000)	(20,000)
Net Direct Expenditure/(Income) Total:	142,800	142,800	119,040	(23,760)
Support Services Recharges	19,420	19,420	24,270	4,850
Capital Charges	0	0	0	0
Total:	162,220	162,220	143,310	(18,910)

NCC contribution to CCTV service for Great Yarmouth Borough Council 2019/2020, funded from Great Yarmouth Car Parking On-Street Pay & Display.

See note 1 at the top of this appendix which covers explanation for change in recharges.

No major variances

Culture and Leisure	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	18,891	18,529	17,842	(687)
Non-pay	136,274	136,274	119,478	(16,796)
Gross Direct Income	(20,000)	(20,000)	15,571	35,571
Net Direct Expenditure/(Income) Total:	135,165	134,803	152,891	18,088
Support Services Recharges	36,490	36,490	33,520	(2,970)
Capital Charges	0	0	0	0
Total:	171,655	171,293	186,411	15,118

Reduction in costs in year for St Georges Theatre

Cash grant from Active Norfolk is replaced by matched in kind funding. Active Norfolk will invest in a full time Physical Locality Development Officer for the Borough. Correction to expected income accrual for 19/20.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Voluntary Sector Grants	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	54,500	54,500	67,292	12,792
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	54,500	54,500	67,292	12,792
Support Services Recharges	19,590	19,590	7,430	(12,160)
Capital Charges	0	0	0	0
Total:	74,090	74,090	74,722	632

See note 1 at the top of this appendix which covers explanation for change in recharges.

No major variances

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Indoor Leisure - Phoenix Pool & Marina Centre	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	0	0
Non-pay	266,499	266,499	211,771	(54,728)

Cost previously budgeted for as revenue now part of the wider capital project to be funded via a revenue contribution to capital.

Gross Direct Income	0	(40,064)	(121,613)	(81,549)
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Due to COVID 19 closure restrictions no profit income is expected in 2021. Covid grant income received in year and paid out in year with no impact to the Council.

Net Direct Expenditure/(Income) Total:	266,499	226,435	90,158	(136,277)
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Support Services Recharges	51,340	51,340	45,310	(6,030)
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See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges	379,843	379,843	208,884	(170,959)
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Total:	697,682	657,618	344,351	(313,267)
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Neighbourhood Management	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	289,118	281,948	247,607	(34,341)
Non-pay	663,753	663,753	370,190	(293,563)

Staff vacancy savings achieved in year

Gross Direct Income	(656,796)	(656,796)	(408,772)	248,024
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All projects have now come to an end, all that remains is the Early Help Hub and associated costs - Community Champions commenced just before year end

Net Direct Expenditure/(Income) Total:	296,075	288,905	209,026	(79,879)
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Support Services Recharges	(7,260)	(7,260)	(5,450)	1,810
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Capital Charges	0	0	0	0
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Total:	288,815	281,645	203,576	(78,069)
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Waterways	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	36,686	34,011	33,648	(363)
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Non-pay	56,648	56,648	43,164	(13,484)
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The budgeted spend has largely not occurred in this financial year due to impact of COVID on the ability to plan & delivery events at the site. Any underspend on budget will be rolled forward into 2122 to be hopefully used in the following financial year for events etc.

Gross Direct Income	(31,725)	(31,725)	(49,144)	(17,419)
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Funding for this project is lower in line with the reduced spend highlighted above. The funding will be claimed in 2122 in line with the spend.

Net Direct Expenditure/(Income) Total:	61,609	58,934	27,668	(31,266)
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Support Services Recharges	39,230	39,230	18,240	(20,990)
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See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges	8,000	8,000	0	(8,000)
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Total:	108,839	106,164	45,908	(60,256)
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Conservation	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	122,138	119,969	142,106	22,137
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HAZ Officer costs to the financial year end offset by grant income received in year.

Non-pay	111,134	171,134	283,798	112,664
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Heritage Action Zone, Winter Garden expenditure both offset by grant income received in year. Planned works for the Town wall were not expected in 2021, however emergency works to the Town wall have occurred in year.

Gross Direct Income	(30,000)	(30,000)	(90,355)	(60,355)
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Grant income for Town wall funding in 2021 reduced due to advanced payment of funding being used in prior year and. Grant funding received for Winter Garden application works offsets expenditure in year. HAZ grant funding offsets in expenditure in 2021 financial year.

Net Direct Expenditure/(Income) Total:	203,272	261,103	335,549	74,446
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Support Services Recharges	24,400	24,400	37,010	12,610
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See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges	25,408	25,408	25,408	0
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Total:	253,080	310,911	397,967	87,056
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Economic Development	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	103,957	100,390	99,957	(433)
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Non-pay	2,501	2,001	4,375	2,374
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Gross Direct Income	0	0	(6,088)	(6,088)
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Net Direct Expenditure/(Income) Total:	106,458	102,391	98,244	(4,147)
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Support Services Recharges	200,010	200,010	103,440	(96,570)
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See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges	0	0	0	0
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Total:	306,468	302,401	201,684	(100,717)
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Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Enterprise GY	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £	
Gross Direct Expenditure:					
Pay	0	0	(25)	(25)	
Non-pay	1,828	1,828	12,565	10,737	
Gross Direct Income	0	0	3,208	3,208	
Net Direct Expenditure/(Income) Total:	1,828	1,828	15,748	13,920	
Support Services Recharges	8,060	8,060	9,290	1,230	
Capital Charges	0	0	0	0	
Total:	9,888	9,888	25,038	15,150	No major variances

Enterprise Zone	Original Budget 2019/20 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £	
Gross Direct Expenditure:					
Pay	0	0	0	0	
Non-pay	1,085,143	1,085,143	1,154,950	69,807	Actual position of business rates and impact of rates relief and allocations of income.
Gross Direct Income	(1,085,143)	(1,085,143)	(1,272,428)	(187,285)	
Net Direct Expenditure/(Income) Total:	0	0	(117,478)	(117,478)	
Support Services Recharges	0	0	0	0	
Capital Charges	0	0	0	0	
Total:	0	0	(117,478)	(117,478)	No major variances

Total Inward Investment:	3,238,038	3,308,115	2,675,945	(632,170)
Total Inward Investment excluding capital charges and recharges:	2,099,340	2,169,417	1,790,524	(378,893)
Total Inward Investment excluding recharges:	2,566,498	2,636,575	2,090,795	(545,780)

Planning and Growth

Building Control	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £	
Gross Direct Expenditure:					
Pay	247,905	242,530	215,322	(27,208)	Underspend reflects vacancies held during the year.
Non-pay	37,939	37,939	28,588	(9,351)	
Gross Direct Income	(295,500)	(295,500)	(224,669)	70,831	Lower than budgeted demand for services due to the COVID 19 pandemic.
Net Direct Expenditure/(Income) Total:	(9,656)	(15,031)	19,241	34,272	
Support Services Recharges	93,610	93,610	166,610	73,000	See note 1 at the top of this appendix which covers explanation for change in recharges.
Capital Charges	0	0	0	0	
Total:	83,954	78,579	185,851	107,272	

Development Control	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £	
Gross Direct Expenditure:					
Pay	654,439	641,008	588,607	(52,401)	Vacancies held during the year (£124k) are off-set by agency costs of £62k for the same period. These vacancies have all now been filled and agency costs have finished. It has been requested to carry forward (£51.2k) for administration support due to both slippage caused by Covid and additional work required to implement the new Planning/IT system during 2021-22.
Non-pay	56,884	56,884	40,088	(16,796)	Various small underspends
Gross Direct Income	(534,150)	(534,150)	(518,957)	15,193	Lower than budgeted demand for services due to the COVID 19 pandemic.
Net Direct Expenditure/(Income) Total:	177,173	163,742	109,739	(54,003)	
Support Services Recharges	159,970	159,970	111,710	(48,260)	See note 1 at the top of this appendix which covers explanation for change in recharges.
Capital Charges	0	0	0	0	
Total:	337,143	323,712	221,449	(102,263)	

Land Charges	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £	
Gross Direct Expenditure:					
Pay	49,324	47,540	44,923	(2,617)	
Non-pay	50,061	50,061	41,686	(8,375)	
Gross Direct Income	(126,000)	(126,000)	(115,411)	10,589	Lower than budgeted demand for services due to the COVID 19 pandemic
Net Direct Expenditure/(Income) Total:	(26,615)	(28,399)	(28,802)	(403)	
Support Services Recharges	50,940	50,940	48,880	(2,060)	See note 1 at the top of this appendix which covers explanation for change in recharges.
Capital Charges	0	0	0	0	
Total:	24,325	22,541	20,078	(2,463)	

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Strategic Planning	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	270,995	265,644	251,222	(14,422)
Non-pay	83,165	83,165	34,689	(48,476)
Gross Direct Income	(21,295)	(21,295)	(24,706)	(3,411)
Net Direct Expenditure/(Income) Total:	332,865	327,514	261,205	(66,309)
Support Services Recharges	133,880	133,880	81,700	(52,180)
Capital Charges	0	0	1,582	1,582
Total:	466,745	461,394	344,487	(116,907)

This underspend is due to an unfilled vacancy.

Due to Covid and the Planning Inspectorate the work for the Local Plan examination programme has slipped and resulted in an underspend of (£56k). This has been requested to be carried forward to the next financial year.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Total Planning and Growth:	912,167	886,226	771,864	(114,362)
Total Planning and Growth excluding capital charges and recharges:	473,767	447,826	361,382	(86,444)
Total Planning and Growth excluding recharges:	473,767	447,826	362,964	(84,862)

Customer Services

Benefits	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	569,645	552,328	598,649	46,321
Non-pay	23,087,037	23,087,037	21,542,213	(1,544,824)
Gross Direct Income	(23,810,053)	(23,810,053)	(22,312,894)	1,497,159
Net Direct Expenditure/(Income) Total:	(153,371)	(170,688)	(172,032)	(1,344)
Support Services Recharges	322,346	322,346	189,240	(133,106)
Capital Charges	0	0	0	0
Total:	168,975	151,658	17,208	(134,450)

reported overspend due to a restructure along with the revenues department and this has resulted in a combined underspend across the two departments

Benefits payments lower than budgeted therefore income also lower, as income is from Government subsidy to cover the housing benefit claims paid out.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Crematorium and Cemeteries	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	213,757	207,720	216,736	9,016
Non-pay	611,614	611,614	632,285	20,671
Gross Direct Income	(1,602,487)	(1,602,487)	(1,659,344)	(56,857)
Net Direct Expenditure/(Income) Total:	(777,116)	(783,153)	(810,324)	(27,171)
Support Services Recharges	188,550	188,550	172,830	(15,720)
Capital Charges	71,394	71,394	70,543	(851)
Total:	(517,172)	(523,209)	(566,951)	(43,742)

Funeral expenses linked to income and burden sharing costs higher than budgeted

Overall income in excess of budget despite loss of pall bearing and rental income

See note 1 at the top of this appendix which covers explanation for change in recharges.

Customer Services	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	651,716	633,724	620,328	(13,396)
Non-pay	12,790	12,790	4,793	(7,997)
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	664,506	646,514	625,121	(21,393)
Support Services Recharges	(700,810)	(700,810)	(625,120)	75,690
Capital Charges	0	0	0	0
Total:	(36,304)	(54,296)	1	54,297

Staff vacancies for part of the year giving rise to underspend.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Support Services	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	187,687	181,421	155,732	(25,689)
Non-pay	21,268	21,268	35,179	13,911
Gross Direct Income	0	0	(545)	(545)
Net Direct Expenditure/(Income) Total:	208,955	202,689	190,366	(12,323)
Support Services Recharges	(210,940)	(210,940)	(193,350)	17,590
Capital Charges	1,977	1,977	2,905	1,008
Total:	(8)	(6,274)	1	6,275

Staff vacancies for part of the year giving rise to underspend.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Car Parks	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	454,689	442,620	380,595	(62,025)
Non-pay	1,054,011	1,054,011	814,059	(239,953)
Gross Direct Income	(2,748,917)	(2,748,917)	(1,608,677)	1,140,240
Net Direct Expenditure/(Income) Total:	(1,240,217)	(1,252,286)	(414,023)	838,263
Support Services Recharges	375,360	375,360	290,450	(84,910)
Capital Charges	47,873	47,873	46,827	(1,046)
Total:	(816,984)	(829,053)	(76,746)	752,307

Staff vacancies giving rise to underspend.

Car Park income has suffered significantly due to COVID 19 resulting in income being lower than expected. Furthermore, impact on the profit shares to managed car parks and on-street are also reduced resulting in a cost saving which is offset by less income. Some of this is mitigated by the COVID Sales, Fees and Charges funding support which has been received in the year which covers 75% of lost income net of cost reductions compared to the budget.

Overall impact - some of this will be mitigated by the sales, fees and charges income which is being claimed through the governments support scheme. See note 1 at the top of this appendix which covers explanation for change in recharges.

Revenues	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	713,157	695,282	648,354	(46,928)
Non-pay	274,144	382,144	294,036	(88,108)
Gross Direct Income	(627,198)	(627,198)	(481,324)	145,874
Net Direct Expenditure/(Income) Total:	360,103	450,228	461,065	10,837
Support Services Recharges	486,400	486,400	277,190	(209,210)
Capital Charges	0	0	0	0
Total:	846,503	936,628	738,255	(198,373)

Reported underspend due to a restructure with the benefits service resulting in a combined underspend across the two services
Computer contract costs are shared with benefits (CCBE) elements of which are COVID specific £52k which have been funded from the new burdens funding. Due to courts only returning in November 2020 Legal and Recovery costs are significantly lower than budgeted

Due to COVID 19, enforcement, debt collection and court proceedings were not undertaken. Courts returned in November 2020 and catch up has begun.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Total Customer Services:	(354,990)	(324,546)	111,769	436,315
Total Customer Services excluding capital charges and recharges:	(937,140)	(906,696)	(119,826)	786,870
Total Customer Services excluding recharges:	(815,896)	(785,452)	529	785,981

Property and Asset Management

Public Toilets	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	227,069	212,069	197,620	(14,449)
Gross Direct Income	(4,000)	(4,000)	(450)	3,550
Net Direct Expenditure/(Income) Total:	223,069	208,069	197,170	(10,899)
Support Services Recharges	40,530	40,530	46,650	6,120
Capital Charges	158,788	158,788	153,447	(5,341)
Total:	422,387	407,387	397,267	(10,120)

Underspend of (£18k) is due to lower than expected charges for water and sewerage against budget.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Repairs and Maintenance	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	22,261	22,261	38,869	16,608
Gross Direct Income	(209,000)	(209,000)	(146,185)	62,816
Net Direct Expenditure/(Income) Total:	(186,739)	(186,739)	(107,316)	79,423
Support Services Recharges	55,630	55,630	52,180	(3,450)
Capital Charges	267,594	267,594	256,933	(10,661)
Total:	136,485	136,485	201,797	65,312

This overspend includes a bad debt provision of £14.4k

Due to the COVID 19 pandemic the profit share income for 20/21 is less than the budgeted level.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Footway Lighting	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	0	0
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Non-pay	189,599	209,283	261,385	52,102
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Gross Direct Income	0	0	0	0
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Net Direct Expenditure/(Income) Total:	189,599	209,283	261,385	52,102
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Support Services Recharges	54,120	54,120	56,060	1,940
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Capital Charges	68,187	68,187	66,762	(1,425)
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Total:	311,906	331,590	384,207	52,617
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This overspend relates to (a) electricity £37.2k where expected savings have been reduced due to the delayed replacement programme of old energy inefficient light bulbs as a result of COVID and (b) R&M £13.5k where costs include the replacement of decorative lighting.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Coastal Protection	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	55,166	54,274	55,850	1,576
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Non-pay	101,237	141,962	136,883	(5,079)
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Gross Direct Income	(550)	(550)	175	725
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Net Direct Expenditure/(Income) Total:	155,853	195,686	192,908	(2,778)
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Support Services Recharges	42,870	42,870	42,940	70
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Capital Charges	362,692	362,692	362,693	1
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Total:	561,415	601,248	598,541	(2,707)
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No major variances.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Community Centres	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	0	0
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Non-pay	13,374	11,626	8,180	(3,446)
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Gross Direct Income	(2,632)	(2,632)	(1,465)	1,167
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Net Direct Expenditure/(Income) Total:	10,742	8,994	6,715	(2,279)
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Support Services Recharges	14,650	14,650	12,180	(2,470)
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Capital Charges	27,142	27,142	25,213	(1,929)
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Total:	52,534	50,786	44,108	(6,678)
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No major variances.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Council Offices - Town Hall	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	0	0
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Non-pay	160,376	158,376	130,356	(28,020)
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Gross Direct Income	0	0	0	0
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Net Direct Expenditure/(Income) Total:	160,376	158,376	130,356	(28,020)
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Support Services Recharges	(203,290)	(203,290)	(241,940)	(38,650)
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Capital Charges	42,910	42,910	111,575	68,665
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Total:	(4)	(2,004)	(10)	1,994
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This underspend is due to lower than expected charges for both R&M (£13.9k) and utilities (£11k) but £13.5k of the R&M will be carried forward to fund modifications to Novus House in 21-22.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Council Offices - Greyfriars	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	0	0
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Non-pay	120,529	120,029	80,001	(40,028)
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Gross Direct Income	0	0	0	0
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Net Direct Expenditure/(Income) Total:	120,529	120,029	80,001	(40,028)
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Support Services Recharges	(128,230)	(128,230)	(87,710)	40,520
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Capital Charges	7,710	7,710	7,710	0
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Total:	9	(491)	1	492
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This underspend is due to lower than expected charges for both R&M (£16.3k) and utilities (£20.5k) but £13.5k of the R&M will be carried forward to fund modifications to Novus House in 21-22.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Council Offices - Maritime House	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	52,026	64,876	37,643	(27,233)
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	52,026	64,876	37,643	(27,233)
Support Services Recharges	(56,590)	(56,590)	42,400	98,990
Capital Charges	4,560	4,560	4,560	0
Total:	(4)	12,846	84,603	71,757

This underspend is principally due to lower than expected charges for utilities of (£17.1k) against budget.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Council Offices - Catalyst Centre	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	46,109	45,609	34,966	(10,643)
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	46,109	45,609	34,966	(10,643)
Support Services Recharges	(50,800)	(50,800)	(38,760)	12,040
Capital Charges	4,684	4,684	3,797	(887)
Total:	(7)	(507)	3	510

The underspend is due to utility expenditure being (£16.9k) lower than budget.

See note 1 at the top of this appendix which covers explanation for change in recharges.

No major variances

Beach Huts	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	36,000	36,000	198	(35,802)
Non-pay	2,000	2,000	17,642	15,642
Gross Direct Income	(60,500)	(60,500)	(77,885)	(17,385)
Net Direct Expenditure/(Income) Total:	(22,500)	(22,500)	(60,045)	(37,545)
Support Services Recharges	16,080	16,080	19,040	2,960
Capital Charges	0	0	0	0
Total:	(6,420)	(6,420)	(41,005)	(34,585)

Lower than expected costs for the Handyman has resulted in a budget saving for the year.

Sales of seven beach huts in March (total £56k) has contributed significantly to the overall income, the individual amounts for the ten year leases were all below the £10k capital deminimus.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Easter Fayre	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	2,000	2,000	0	(2,000)
Non-pay	20,000	20,000	0	(20,000)
Gross Direct Income	(15,265)	(15,265)	0	15,265
Net Direct Expenditure/(Income) Total:	6,735	6,735	0	(6,735)
Support Services Recharges	7,120	7,120	2,060	(5,060)
Capital Charges	0	0	0	0
Total:	13,855	13,855	2,060	(11,795)

The Easter Fayre was not held this year due to the COVID-19 pandemic so no costs were incurred or income generated from the event.

Markets	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	69,926	68,142	68,045	(97)
Non-pay	296,267	295,267	289,829	(5,438)
Gross Direct Income	(259,759)	(259,759)	(208,010)	51,749
Net Direct Expenditure/(Income) Total:	106,434	103,650	149,864	46,214
Support Services Recharges	75,220	75,220	51,220	(24,000)
Capital Charges	4,820	4,820	4,820	0
Total:	186,474	183,690	205,904	22,214

Lower than budgeted demand for rentals due to the COVID-19 pandemic £64.4k less the recovery of costs from insurance claims (£11k)

See note 1 at the top of this appendix which covers explanation for change in recharges.

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Go Trade	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:				
Pay	17,550	17,550	21,559	4,009
Non-pay	17,464	17,464	18,378	914
Gross Direct Income	(24,160)	(24,160)	(74,645)	(50,485)
Net Direct Expenditure/(Income) Total:	10,854	10,854	(34,708)	(45,562)
Support Services Recharges	0	0	0	0
Capital Charges	0	0	0	0
Total:	10,854	10,854	(34,708)	(45,562)

Income for the reimbursement of costs was paid in full for four claims rather than the expected percentage specified in the agreement. This will be carried forward to support the final year extension of the project.

No major variances

Bretts	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	28,884	28,884	41,080	12,196
Gross Direct Income	(43,732)	(43,732)	(50,960)	(7,228)
Net Direct Expenditure/(Income) Total:	(14,848)	(14,848)	(9,880)	4,968
Support Services Recharges	11,690	11,690	11,150	(540)
Capital Charges	0	0	0	0
Total:	(3,158)	(3,158)	1,270	4,428

Costs for utilities and R&M exceeded the allocated base budgets but part of these overspends are recovered from the lease holder.

See note 1 at the top of this appendix which covers explanation for change in recharges.

No major variances

Courts	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	7,544	7,544	5,975	(1,569)
Gross Direct Income	(21,569)	(21,569)	(18,497)	3,072
Net Direct Expenditure/(Income) Total:	(14,025)	(14,025)	(12,521)	1,504
Support Services Recharges	12,580	12,580	11,260	(1,320)
Capital Charges	0	0	0	0
Total:	(1,445)	(1,445)	(1,261)	184

No major variances.

See note 1 at the top of this appendix which covers explanation for change in recharges.

South Denes Energy Park	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	7,397	9,512	6,878	(2,634)
Gross Direct Income	(8,004)	(8,004)	(8,004)	0
Net Direct Expenditure/(Income) Total:	(607)	1,508	(1,126)	(2,634)
Support Services Recharges	82,900	82,900	23,880	(59,020)
Capital Charges	0	0	0	0
Total:	82,293	84,408	22,754	(61,654)

No major variances.

See note 1 at the top of this appendix which covers explanation for change in recharges.

No major variances

Factory Units	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	43,573	43,373	175,756	132,383
Gross Direct Income	(136,866)	(136,866)	(138,415)	(1,549)
Net Direct Expenditure/(Income) Total:	(93,293)	(93,493)	37,342	130,835
Support Services Recharges	24,880	24,880	35,450	10,570
Capital Charges	0	0	0	0
Total:	(68,413)	(68,613)	72,792	141,405

This overspend is due to a bad debt provision of £129.9k

See note 1 at the top of this appendix which covers explanation for change in recharges.

No major variances

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Corporate Estates	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:
Pay 19 19 241 222

Non-pay 415,279 391,630 638,218 246,588

The overspend is mainly due to an increase in the bad debt provision of £150.3k, further variances include higher than expected charges for rates £10k, R&M £15k (including £9k which was reimbursed by an insurance claim), water & sewerage £30.7k and electricity £37k. Part of the electricity and water costs will however be recharged to third parties, and these are reflected in the income below.

Gross Direct Income (2,478,510) (2,478,510) (2,314,680) 163,830

This overall position is due to the combination of (a) changes in existing leases due to new and periodic increases and terminations £135.3k, (b) insurance reimbursements (£20.2k), (c) loss of advertising & events income and beach concessions due to the COVID-19 pandemic £95.3k and (d) the recharge of electricity & water (£37k) as noted above.

Net Direct Expenditure/(Income) Total: (2,063,212) (2,086,861) (1,676,220) 410,641

Support Services Recharges 590,850 590,850 549,410 (41,440)

See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges 14,030 14,030 14,920 890

Total: (1,458,332) (1,481,981) (1,111,890) 370,091

Minerva House	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:
Pay 0 0 0 0

Non-pay 75,146 75,146 6,967 (68,179)

A change in tenancy since budgets were calculated has resulted in these costs being charged direct to the new occupant of the premises. This has resulted in large under spends for rates (£35.5k), utilities (£15.7k), R&M, cleaning and security (£15.1k).

Gross Direct Income (36,600) (36,600) (42,615) (6,015)

Net Direct Expenditure/(Income) Total: 38,546 38,546 (35,648) (74,194)

Support Services Recharges 16,870 16,870 8,720 (8,150)

See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges 0 0 0 0

Total: 55,416 55,416 (26,928) (82,344)

Onians	Original Budget 2020/21 £	Current Budget 2020/21 £	P10 YTD actual 2020/21 £	P10 YTD actual Variance £
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Gross Direct Expenditure:
Pay 0 0 0 0

Non-pay 3,346 3,346 2,214 (1,132)

Gross Direct Income (13,310) (13,310) (10,971) 2,339

Net Direct Expenditure/(Income) Total: (9,964) (9,964) (8,757) 1,207

No major variances.

Support Services Recharges 9,420 9,420 10,330 910

See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges 0 0 0 0

Total: (544) (544) 1,573 2,117

No major variances

Property Services	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:
Pay 983,062 963,666 775,550 (188,116)

Non-pay 41,907 41,907 53,081 11,174

Four vacancies have been held throughout the year and although this has created an under spend in pay costs this together with COVID-19 has resulted in less work being undertaken for planned HRA and capital projects resulting in reduced rechargeable income. The overspend for non-pay is due to consultancy costs less numerous small underspends such as equipment and special works.

Gross Direct Income (287,449) (287,449) (39,276) 248,173

Net Direct Expenditure/(Income) Total: 737,520 718,124 789,355 71,231

Support Services Recharges (737,527) (737,527) (789,370) (51,843)

See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges 0 0 0 0

Total: (7) (19,403) (15) 19,388

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Beacon Park	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:
Pay 0 0 0 0

Non-pay 229,613 229,613 204,399 (25,214)

This is due to a combination of (a) overspends: costs relating to landscape gardening for 2019/20 which were not accrued or budgeted £63.9k, consultancy £24.9k and a bad debt provision of £23k less (b) underspends: utilities (£35.1k), scheme promotion & legal costs (£41.4k), rates (£18.9k) and R&M (£43.2k) i.e. costs which are mostly now charged direct to the tenants of the units .

Gross Direct Income (1,060,514) (1,060,514) (1,096,391) (35,877)

The over recovery of income is due to: (a) recovery of costs for vacant premises from the Pot B (LEP) (£16.8k), recovery of costs (£12.6k) from external organisations and step cost increases in rental leases (£12k).

Net Direct Expenditure/(Income) Total: (830,901) (830,901) (891,991) (61,090)

Support Services Recharges 72,000 72,000 62,440 (9,560)

See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges 139,220 139,220 167,469 28,249

Total: (619,681) (619,681) (662,082) (42,401)

Property Building Services	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:
Pay 0 0 0 0

Non-pay 419,936 467,136 427,051 (40,085)

Underspend is due to lower than expected charges for repairs & maintenance against budget.

Gross Direct Income 0 0 0 0

Net Direct Expenditure/(Income) Total: 419,936 467,136 427,051 (40,085)

Support Services Recharges 0 0 0 0

Capital Charges 0 0 0 0

Total: 419,936 467,136 427,051 (40,085)

Housing Asset Team	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:
Pay 0 0 0 0

Non-pay 0 0 3,153 3,153

Gross Direct Income 0 0 0 0

Net Direct Expenditure/(Income) Total: 0 0 3,153 3,153

No major variances.

Support Services Recharges 0 0 0 0

Capital Charges 0 0 0 0

Total: 0 0 3,153 3,153

Total Property and Asset Management:	95,549	151,454	569,186	417,732
Total Property and Asset Management excluding capital charges and recharges:	(957,761)	(901,856)	(490,302)	411,554
Total Property and Asset Management excluding recharges:	144,576	200,481	689,596	489,115

Communications, Marketing and Events

Communications	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:
Pay 251,828 183,615 204,780 21,165

Delay in implementing a revised structure, offset by underspends elsewhere within the service.

Non-pay 10,632 10,632 10,410 (222)

Gross Direct Income (10,000) (10,000) (4,464) 5,536

Net Direct Expenditure/(Income) Total: 252,460 184,247 210,726 26,479

Support Services Recharges (232,460) (232,460) (210,740) 21,720

See note 1 at the top of this appendix which covers explanation for change in recharges.

Capital Charges 0 0 0 0

Total: 20,000 (48,213) (14) 48,199

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Print and Design	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	105,892	152,797	82,235	(70,562)
Non-pay	55,492	55,492	37,568	(17,924)
Gross Direct Income	(17,500)	(17,500)	(5,655)	11,845
Net Direct Expenditure/(Income) Total:	143,884	190,789	114,147	(76,642)
Support Services Recharges	(143,880)	(143,880)	(114,140)	29,740
Capital Charges	0	0	0	0
Total:	4	46,909	7	(46,902)

Delay in implementing a revised structure and vacant posts.
Printing, photocopier and stationery costs lower than budgeted due to the majority of staff working from home throughout the year and reduced need for printing.

Advertising of printing services externally has been put on hold due to COVID-19.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Tourism	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	90,686	75,860	71,719	(4,141)
Non-pay	236,319	238,819	64,652	(174,167)
Gross Direct Income	(170,060)	(170,060)	(82)	169,979
Net Direct Expenditure/(Income) Total:	156,945	144,619	136,289	(8,330)
Support Services Recharges	334,690	334,690	180,250	(154,440)
Capital Charges	0	0	0	0
Total:	491,635	479,309	316,539	(162,770)

Delay in implementing the revised structure and vacant posts.
Events had to be cancelled due to COVID-19, including the Wheels Festival. The Tourist Information Centre was closed for the year so no costs from tickets purchased to be resold. These have been offset by reduced income received in the year.

Events had to be cancelled due to COVID-19, including the Wheels Festival. The Tourist Information Centre was closed for the year so no income from ticket sales. Offset by a reduction in the budgeted spend in the year.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Civic and Portering	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	155,086	175,506	126,005	(49,501)
Non-pay	34,332	34,332	6,436	(27,896)
Gross Direct Income	(7,000)	(7,000)	(1,220)	5,780
Net Direct Expenditure/(Income) Total:	182,418	202,838	131,222	(71,616)
Support Services Recharges	(182,420)	(182,420)	(131,220)	51,200
Capital Charges	0	0	0	0
Total:	(2)	20,418	2	(20,416)

Delay in implementing revised structure and vacant posts.
No events held this year due to COVID-19 restrictions.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Mayor	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	9,453	9,453	7,029	(2,424)
Gross Direct Income	0	0	0	0
Net Direct Expenditure/(Income) Total:	9,453	9,453	7,029	(2,424)
Support Services Recharges	15,110	15,110	14,790	(320)
Capital Charges	0	0	0	0
Total:	24,563	24,563	21,819	(2,744)

No major variances.
See note 1 at the top of this appendix which covers explanation for change in recharges.

Events	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	0	0	0	0
Non-pay	6,064	9,137	5,146	(3,991)
Gross Direct Income	(6,100)	(6,100)	(265)	5,835
Net Direct Expenditure/(Income) Total:	(36)	3,037	4,881	1,844
Support Services Recharges	85,310	85,310	78,490	(6,820)
Capital Charges	0	0	0	0
Total:	85,274	88,347	83,371	(4,976)

No major variances.
See note 1 at the top of this appendix which covers explanation for change in recharges.

Total Communications, Marketing and Events:	621,474	611,333	421,725	(189,608)
Total Communications, Marketing and Events excluding capital charges and recharges:	638,967	628,826	493,091	(135,735)
Total Communications, Marketing and Events excluding recharges:	745,124	734,983	504,265	(230,648)

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21**Environmental Services**

Environmental Health	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	1,167,035	1,072,873	966,331	(106,542)
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Non-pay	808,002	813,002	753,166	(59,836)
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Gross Direct Income	(121,175)	(121,175)	(195,959)	(74,784)
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Net Direct Expenditure/(Income) Total:	1,853,862	1,764,700	1,523,538	(241,162)
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Support Services Recharges	337,460	337,460	224,620	(112,840)
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Capital Charges	9,340	9,340	9,340	0
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Total:	2,200,662	2,111,500	1,757,499	(354,001)
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Underspend due to staff vacancies. £45k has been transferred to earmarked reserves to cover fixed term contracts in future years, following a delay in the positions being filled.

Reduction of beach patrols due to COVID-19 restrictions at the start of the season (£15k). Reduction in dog warden fees of (£13k) but is offset by a reduction in income. IT software licensing costs reduced by (£8k). Funeral costs did not increase as estimated due to Covid giving (£20k) variance.

Inspections and premises searches stopped due to COVID-19 restrictions and only limited service resumed during non-lockdown periods, resulting in a reduction in income of £21k. (£86k) grant funding received for Port Health after leaving EU will be utilised in 21/22

See note 1 at the top of this appendix which covers explanation for change in recharges.

Selective Licensing	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	73,453	71,669	88,418	16,749
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Non-pay	1,746	1,746	1,913	167
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Gross Direct Income	(50,000)	(50,000)	(36,007)	13,993
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Net Direct Expenditure/(Income) Total:	25,199	23,415	54,324	30,909
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Support Services Recharges	52,460	52,460	29,490	(22,970)
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Capital Charges	0	0	0	0
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Total:	77,659	75,875	83,814	7,939
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Scheme is self funded by prior year's fee income.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Grounds Maintenance	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	0	0
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Non-pay	571,645	571,645	511,036	(60,609)
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Gross Direct Income	(44,950)	(44,950)	(60,986)	(16,036)
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Net Direct Expenditure/(Income) Total:	526,695	526,695	450,050	(76,645)
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Support Services Recharges	24,240	24,240	22,220	(2,020)
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Capital Charges	84,906	84,906	82,079	(2,827)
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Total:	635,841	635,841	554,349	(81,492)
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(£71k) rebate for fuloughed GYBS staff during initial 2020 lockdown. £16k additional verge cutting recharged to NCC. Additional verge cutting recharged.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Street Cleansing	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
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Gross Direct Expenditure:

Pay	0	0	0	0
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Non-pay	651,499	651,499	651,764	265
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Gross Direct Income	0	0	0	0
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Net Direct Expenditure/(Income) Total:	651,499	651,499	651,764	265
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Support Services Recharges	19,580	19,580	17,190	(2,390)
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Capital Charges	0	0	0	0
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Total:	671,079	671,079	668,954	(2,125)
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No major variances.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Appendix B - General Fund Services - Budget monitoring and commentary Out turn 2020/21

Waste Management	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	97,030	96,138	69,127	(27,011)
Non-pay	2,719,473	2,791,463	2,863,740	72,277
Gross Direct Income	(1,479,388)	(1,479,388)	(1,510,901)	(31,513)
Net Direct Expenditure/(Income) Total:	1,337,115	1,408,213	1,421,966	13,753
Support Services Recharges	169,300	169,300	120,310	(48,990)
Capital Charges	18,011	18,011	20,050	2,039
Total:	1,524,426	1,595,524	1,562,326	(33,198)

GYBS Operations Director commenced August 2020, offset by an extension to the contract management fee payable to GYBS.

The total variance reflects the GYBS management contract which was extended to October 2020 to allow for vacancy cover and a handover period, along with one-off costs from a restructure. There is also an underspend due to litter and recycling campaigns being delayed due to Covid, so will run in 2021/22 instead with the budget carried forward. £22k additional gate fees for higher volume of waste disposal, which is offset by income.

£70k loss from garden and bulky waste collection suspended for 6 weeks during first 2020 lockdown. Recycling higher than previous years due to the volume being generated due to more people staying at home giving (£86k) additional income, partially off-set by increased gate fees. (£20k) from new wheeled bins issued.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Licensing	Original Budget 2020/21 £	Current Budget 2020/21 £	Out turn 2020/21 £	Variance £
Gross Direct Expenditure:				
Pay	68,794	94,625	95,725	1,100
Non-pay	39,077	39,077	23,881	(15,196)
Gross Direct Income	(277,113)	(277,113)	(259,325)	17,788
Net Direct Expenditure/(Income) Total:	(169,242)	(143,411)	(139,718)	3,693
Support Services Recharges	62,040	62,040	108,340	46,300
Capital Charges	0	0	0	0
Total:	(107,202)	(81,371)	(31,378)	49,993

Reduction in IT software maintenance costs of (£10k) as the budget was estimated too high.

Reduction in license fee income due to COVID-19, predominately premises licenses of £12k.

See note 1 at the top of this appendix which covers explanation for change in recharges.

Total Environmental Services:	5,002,465	5,008,448	4,595,564	(412,884)
Total Environmental Services excluding capital charges and recharges:	4,225,128	4,231,111	3,961,925	(269,186)
Total Environmental Services excluding recharges:	4,337,385	4,343,368	4,073,394	(269,974)

Total for Services:	11,210,730	11,298,843	7,135,272	(4,163,571)
Total for Services excluding capital charges and recharges:	10,852,766	10,940,879	6,924,848	(4,016,031)
Total for Services excluding recharges:	12,938,181	13,026,294	8,864,992	(4,161,302)

GENERAL FUND RESERVES STATEMENT - 2020/21 OUTTURN		Closing Balance 31/03/20	Actual Movement (inc forecast) 2020/21	Closing Balance 31/03/21	Budgeted Movement 2021/22	Budgeted Closing Balance 31/03/22	Budgeted Movement 2022/23	Budgeted Closing Balance 31/03/23
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	0	62,360	0	62,360	0	62,360
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.	311,719	12,571	324,290	0	324,290	0	324,290
DFG top-up capital loans & grant fund	The Council will utilise this funding for capital expenditure incurred in the Wellesley Rd, Sandown Rd, Euston Rd & Paget Rd areas.	350,270	49,730	400,000	0	400,000	0	400,000
Restricted use grant	This reserve holds unspent grants received for specific purposes for which the spend has not yet been incurred.	934,621	(128,828)	805,793	(3,946)	801,847	(41,115)	760,732
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.	1,553,339	0	1,553,339	0	1,553,339	0	1,553,339
Specific budget	This reserve is utilised as expenditure is incurred.	192,363	(53,036)	139,327	1,563	140,890	(22,012)	118,878
LEGI	As costs are incurred, these are offset by the reserve.	123,671	(49,730)	73,941	0	73,941	0	73,941
Repairs and Maintenance	This reserve is utilised as expenditure is incurred.	302,350	0	302,350	0	302,350	0	302,350
Waste Management	This reserve is utilised as expenditure is incurred in relation to the service.	25,170	0	25,170	(11,375)	13,795	(11,375)	2,420
Collection Fund (Business Rates)	Earmarked to mitigate the fluctuations in business rate income between years.	1,883,945	92,865	1,976,810	(100,000)	1,876,810	0	1,876,810
Community Housing Fund	This represents grants previously received to assist with the delivery of Community Housing.	543,187	(27,500)	515,687	(30,000)	485,687	(30,000)	455,687
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.	41,570	0	41,570	0	41,570	0	41,570
Special Projects	Earmarked for projects and for use as matched funding as appropriate to access external funding. Includes capital and revenue projects.	553,982	134,893	688,874	(118,316)	570,558	(79,035)	491,523
Treasury Management	This reserve is held to mitigate year on year fluctuations of investment income received.	200,000	0	200,000	0	200,000	0	200,000

GENERAL FUND RESERVES STATEMENT - 2020/21 OUTTURN		Closing Balance 31/03/20	Actual Movement (inc forecast) 2020/21	Closing Balance 31/03/21	Budgeted Movement 2021/22	Budgeted Closing Balance 31/03/22	Budgeted Movement 2022/23	Budgeted Closing Balance 31/03/23
Summary and Purpose of Reserve		£	£	£	£	£	£	£
Asset Management	This reserve is held to mitigate the impact of fluctuations between financial years from income received from Council assets and properties, in addition it includes re-allocation from other reserves to be used for investments in Council assets including current and future asset enhancements.	1,798,257	0	1,798,257	(257,300)	1,540,957	(204,753)	1,336,204
Benefits and Revenues	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.	144,621	418,815	563,436	(418,815)	144,621	0	144,621
Homelessness	To be utilised for service expenditure for the reduction in homelessness.	280,821	150,138	430,958	(164,963)	265,995	(13,905)	252,090
Coast Protection	Established as part of the 2019/20 budget process for match funding and mitigate one-off costs in relation to coast protection.	115,000	(40,725)	74,275	0	74,275	0	74,275
Empty Business Property Incentive Fund	Earmarking of funds to be used for incentivising bringing properties back into use.	100,000	0	100,000	0	100,000	0	100,000
Covid	This reserve is utilised as expenditure is incurred and represents the covid funding received in the final quarter of 2020/21 for which spend has not been incurred but is committed.	0	1,030,222	1,030,222	(1,030,222)	0	0	0
Collection fund income compensation	To be utilised to fund deficit in collection fund. Significant movement in 2020/21 reflects the collection fund adjustment account in respect of Covid to be utilised in 2021/22.	0	10,297,273	10,297,273	(10,054,473)	242,800	0	242,800
Other Reserves	These Reserves are budget carry forwards to be used in future years	1,330,746	954,723	2,285,470	(47,621)	2,237,849	(10,000)	2,227,849
Total GF Earmarked Reserves		10,847,990	12,841,411	23,689,401	(12,235,468)	11,453,933	(412,195)	11,041,738
General Fund Reserve	Current recommended balance of £3 million (as at Feb 2021)	3,490,287	0	3,490,287	(326,916)	3,163,371	0	3,163,371
Total General Fund Reserves		14,338,276	12,841,411	27,179,688	(12,562,384)	14,617,304	(412,195)	14,205,109

Appendix D - General Fund Capital Programme - Detail - 2020/21

Services & Projects	Budget Expenditure £000				2020/21 Expenditure £000	2020/21 Actual Financing - £000				2021/22 Onwards
	Rolled Forward 19/20 Budget	Approved 20/21 Budget	Original 20/21 Budget	Updated 20/21 Budget	Outturn	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	(Roll forward from 20/21)
COVID Equipment				34	34	-	34	-	-	-
CCTV Upgrade - Town Centre	533	-	533	180	180	40	140	-	-	-
Total: Executive	533	-	533	214	214	40	174	-	-	-
Childrens Playground Refurbishment	87	-	87	87	0	0	-	-	-	86
Cobholm Skate Park	99	-	99	99	96	71	25	-	-	-
Wellesley CCTV	15	-	15	15	-	-	-	-	-	15
Total: Neighbourhood Management	200	-	200	200	96	71	25	-	-	101
St Nicholas Minster West Boundary Wall	95	-	95	95	-	-	-	-	-	95
St Nicholas car park North Boundary Wall	25	-	25	25	-	-	-	-	-	25
Rebuilding sections of Great Yarmouth Cemetry Wall - East Road	9	-	9	28	20	20	-	-	-	-
Crematorium Roof Works	-	-	-	22	-	-	-	-	-	22
Crematorium Tearooms	444	-	444	444	11	11	-	-	-	433
Total: Customer Services	574	-	574	614	31	31	-	-	-	575
Health and Leisure (Marina) Centre	24,509	-	24,509	24,509	4,860	1,621	2,174	260	805	19,649
The Waterways	33	-	33	33	29	-	29	-	-	4
Phoenix Pool & Gym car park extension	130	-	130	130	-	-	-	-	-	130
Winter Programme	-	-	-	835	200	-	200	-	-	635

Appendix D - General Fund Capital Programme - Detail - 2020/21

Services & Projects	Budget Expenditure £000				2020/21 Expenditure £000	2020/21 Actual Financing - £000				2021/22 Onwards
	Rolled Forward 19/20 Budget	Approved 20/21 Budget	Original 20/21 Budget	Updated 20/21 Budget	Outturn	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	(Roll forward from 20/21)
Heritage Action Zone				70	45	-	43	3	-	25
Great Yarmouth Preservation Trust Loans	230	-	230	340	340	340	-	-	-	-
Total: Inward Investment	24,902	-	24,902	25,917	5,475	1,961	2,445	263	805	20,442
Disabled Facilities Grants	61	1,188	1,249	1,385	534	-	534	-	-	851
Better Care Fund Projects	6	-	6	53	47	-	47	-	-	5
Empty Homes	511	-	511	511	0	0	-	-	-	510
DFG Top-up Grants	250	-	250	250	-	-	-	-	-	250
DFG Top-up Loans	150	-	150	150	-	-	-	-	-	150
Norfolk & Waveney Equity Loan Scheme	32	-	32	36	-	-	-	-	-	36
Equity Home Improvement Loans	531	-	531	545	-	-	-	-	-	545
HMOs /Guesthouse Purchase & Repair Scheme	1,912	-	1,912	1,912	173	173	-	-	-	1,739
Acquisition of property for transitional housing	-	-	-	1,646	6	6	-	-	-	1,640
Community Housing Fund Loans	540	-	540	540	-	-	-	-	-	540
Total: Housing	3,992	1,188	5,180	7,027	761	180	581	-	-	6,266
ICT Investment to deliver GYBC ICT Strategy	384	395	779	739	309	309	-	-	-	430
Total: IT, Communications & Marketing	384	395	779	739	309	309	-	-	-	430

Appendix D - General Fund Capital Programme - Detail - 2020/21

Services & Projects	Budget Expenditure £000				2020/21 Expenditure £000	2020/21 Actual Financing - £000				2021/22 Onwards
	Rolled Forward 19/20 Budget	Approved 20/21 Budget	Original 20/21 Budget	Updated 20/21 Budget	Outturn	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	(Roll forward from 20/21)
Public Toilet Refurbishment Programme	45	-	45	45	-	-	-	-	-	45
Footway Lighting	82	300	382	382	172	172	-	-	-	211
Gorleston High Street car park resurfacing	6	-	6	6	-	-	-	-	-	-
Esplande Resurfacing	331	-	331	246	-	-	-	-	-	246
GY Flood Defence Scheme Epoch 2	50	-	50	50	50	50	-	-	-	-
Beach Huts	51	-	51	146	68	-	-	-	68	79
Council Chamber relocation	122	-	122	157	4	4	-	-	-	153
Claydon Pavilion				404	21	-	21	-	-	383
Beacon Park Projects	500	-	500	500	(93)	(93)	-	-	-	500
Market Place Redevelopment	4,477	-	4,477	4,727	625	625	-	-	-	4,102
North Quay Redevelopment	2,361	-	2,361	2,361	10	10	-	-	-	2,351
Winter Gardens	7	900	907	907	43	43	-	-	-	864
Hopton Section 106 funded playground works	-	-	-	-	-	-	-	-	-	-
Energy Park - South Denes	1,845	-	1,845	1,845	-	-	-	-	-	1,845
Total: Property & Asset Management	9,878	1,200	11,078	11,777	900	812	21	-	68	10,779
Overall Total	40,462	2,783	43,245	46,488	7,786	3,404	3,246	263	873	38,593

Appendix E - General Fund Capital Programme - Detail - 2021/22

Services & Projects	Budget Expenditure £000				21/22 Financing - £000				2022/23 Onwards
	Rolled Forward 20/21 Budget	Approved 21/22 Budget	Original 21/22 Budget	Updated 21/22 Budget	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	
CCTV Upgrade - Town Centre	-	76	76	76	76	-	-	-	0
Human Resources Job Evaluation system	-	21	21	21	21	-	-	-	0
Total: Executive	-	97	97	97	97	-	-	-	0
Childrens Playground Refurbishment	86	-	86	86	86	-	-	-	0
Wellesley CCTV	15	-	15	15	15	-	-	-	-
Wellesley Track	-	-	-	-	-	-	-	-	-
Total: Communities	101	-	101	101	101	-	-	-	0
St Nicholas Minster West Boundary Wall	95	-	95	95	95	-	-	-	0
St Nicholas car park north Boundary Wall	25	-	25	25	25	-	-	-	-
Crematorium Office Roof Works	22	-	22	22	22	-	-	-	0
Crematorium Main Roof Works	-	-	-	70	70	-	-	-	-
Crematorium Tearooms	433	-	433	433	433	-	-	-	0
Total: Customer Services	575	-	575	645	645	-	-	-	0
Health and Leisure (Marina) Centre	19,649	-	19,649	19,649	16,027	2,426	-	1,195	4,649
The Waterways	4	-	4	4	-	4	-	-	0
Phoenix Pool & Gym car park extension	130	-	130	130	130	-	-	-	-
Winter Programme	635	-	635	635	-	635	-	-	0
Heritage Action Zone	25	-	25	25	-	25	-	-	0
Total: Inward Investment	20,442	-	20,442	20,442	16,157	3,090	-	1,195	4,648
Disabled Facilities Grants	851	1,200	2,051	2,199	-	2,177	-	22	599
Better Care Fund Projects	5	-	5	5	-	5	-	-	-
Empty Homes	510	-	510	510	482	-	-	28	260
DFG Top-up Grants	250	-	250	250	-	-	250	-	230
DFG Top-up Loans	150	-	150	150	-	-	150	-	130
Norfolk & Waveney Equity Loan Scheme	36	-	36	36	-	-	-	36	0
Equity Home Improvement Loans	545	-	545	545	-	-	-	545	495
HMOs /Guesthouse Purchase & Repair Scheme	1,739	-	1,739	1,739	1,739	-	-	-	739
Acquisition of property for transitional housing	1,640	-	1,640	1,640	782	793	-	65	640
Community Housing Fund Loans	540	-	540	540	-	-	540	-	440
Total: Housing	6,266	1,200	7,466	7,614	3,003	2,974	940	697	3,533
ICT Investment to deliver GYBC ICT Strategy	430	1,000	1,430	1,430	1,400	-	30	-	680
Total: IT, Communications & Marketing	430	1,000	1,430	1,430	1,400	-	30	-	680

Appendix E - General Fund Capital Programme - Detail - 2021/22

Services & Projects	Budget Expenditure £000				21/22 Financing - £000				2022/23 Onwards
	Rolled Forward 20/21 Budget	Approved 21/22 Budget	Original 21/22 Budget	Updated 21/22 Budget	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	
Public Toilet Refurbishment Programme	45	-	45	45	45	-	-	-	0
Footway Lighting	211	300	511	511	511	-	-	-	131
External Redecoration & Repair of the Wellesley Grandstand	-	74	74	74	74	-	-	-	-
Esplanade Resurfacing	246	-	246	246	246	-	-	-	96
Phoenix Pool car park soakaway	-	40	40	40	40	-	-	-	-
Beach Huts	79	-	79	79	10	-	-	69	0
Council Chamber relocation	153	-	153	153	153	-	-	-	0
Claydon Pavilion	383	-	383	383	-	363	20	-	0
Replacement Lighting in the Assembly Rooms	-	45	45	45	45	-	-	-	-
Beacon Park Projects	500	-	500	500	380	120	-	-	400
Market Place Redevelopment	4,102	-	4,102	4,102	1,252	2,850	-	-	302
North Quay Redevelopment	2,351	-	2,351	2,351	2,351	-	-	-	1,851
Winter Gardens	864	-	864	864	649	-	215	-	614
Energy Park - South Denes	1,845	-	1,845	1,845	1,845	-	-	-	1,745
Total: Property & Asset Management	10,779	459	11,238	11,238	7,601	3,333	235	69	5,139
Noise Meter Replacement	-	11	11	11	11	-	-	-	0
Mobile CCTV	-	15	15	15	15	-	-	-	-
Total: Environmental Health	-	26	26	26	26	-	-	-	0
Overall Total	38,593	2,782	41,375	41,593	29,030	9,397	1,205	1,961	14,000

URN: 21-127

Subject: Town Deal Heads of Terms, Prioritisation exercise and Monitoring
& Evaluation update

Report to: Council – 22 July 2021

Report by: Sheila Oxtoby, Chief Executive

SUBJECT MATTER

At the Town Deal Board on the 16 March 2021, the Heads of Terms, (HoT), for a Town Deal of up to £20.1 million to deliver ten Immediate Investment Priorities set out in the Town Investment Plan was agreed. The HoT offered for a Town Deal of up to £20,100,000 against an original ask of £24,780,390.

This report confirms the Board prioritised interventions that were made in line with the value of the funding award and provides an update regarding the subsequent monitoring & evaluation, (M&E), that has taken place.

This report will also document the M&E schedule associated with the Town Deal HoT.

RECOMMENDATION

That Council :

- 1) Acknowledge MHCLG receipt of the said agreed interventions.
- 2) Note that the subsequent Monitoring and Evaluation (M&E) submission for addressing key conditions by 24 May have been addressed, including financial information.
- 3) Acknowledge that preparatory work on the delivery of Stage 2 Business case is underway.
- 4) Note the M&E reporting schedule for the Town Deal as per agreed Heads of Terms.

1. Introduction

- 1.1. In September 2019, the Government announced the initial 101 places invited to develop Town Deal proposals as part of the £3.6 billion Towns Fund. A stakeholder-led Town Investment Plan was submitted to the Ministry of Housing, Communities & Local Government (MHCLG) on 11 December 2020, outlining a total 'ask' of £24,780,390 to co-fund ten interventions as Immediate Investment Priorities.

- 1.2. On 3 March 2021, MHCLG informed the Chair of the Town Board and the Council that MHCLG was offering Great Yarmouth Heads of Terms (HoT) for a Town Deal of up to £20.1 million. The HoT were not contractually binding, and the offer was subject to various conditions being met including the provision of regular reporting or monitoring and evaluation.
- 1.3. There were a number of key milestones listed in the HoT:
- In order to proceed, the Board sign the Head of Terms by 24 March 2021;
 - By 24 May 2021, at the latest, the Board must submit a draft Monitoring and Evaluation plan addressing key conditions and providing updated intervention capital/revenue splits;
 - By 24 March 2022, at the latest, Phase 2 (detailed business cases) must be complete and a formal Summary Document submitted to Government

2. KEY MILESTONES PROGRESS

- 2.1. The Great Yarmouth Town Board unanimously recommended agreeing to the Heads of Terms at its meeting on 16 March 2021
- 2.2. In order to reduce the Towns Fund ask from £24.8m to £20.1m, individual interventions were examined and prioritised to either a) reduce the scale/costs/scope of individual interventions or b) reduce the value of Towns Fund sought for specific interventions and identify alternative funding sources. The final agreed list of nine interventions are detailed in Table 1 below:

Table 1. List agreed interventions

Intervention	Project Value	Town Deal ask:
1. New operations and maintenance (O&M) campus and incubator on the Great Yarmouth Enterprise Zone and Energy Park	£20,016,019	£3,950,000
2. Land assembly for the strategic regeneration of North Quay as a vibrant new mixed-use waterfront quarter	£7,600,000	£2,600,000
3. New Great Yarmouth University Learning Centre (GYULC) providing an enhanced route to economic activity and growth	£10,465,543	£7,463,947
4. Restoration and commercial repurposing of the iconic Winter Gardens as a year-round seafront attraction	£16,052,151	£4,075,000
5. Restoration and sustainable repurposing of vacant historic buildings	£1,401,900	£626,000
6. Restoration and adaptation of the historic Ice House as a	£1,440,000	£450,000

Intervention	Project Value	Town Deal ask:
National Centre for Arts and Circus		
7. Public wayfinding and sustainable connectivity	£1,100,000	£594,953
8. Physical enhancements to the rail station gateway as a key point of entry for residents, visitors and commuters	£202,180	£150,000
9. Smart Deployment of Enhanced Digital and Connectivity Infrastructure	£205,130	£190,100

- 2.3. The intervention details and other key conditions in the draft M&E plan was sent and acknowledged as received by the Town Deal Fund on 20 May 2021.
- 2.4. As such, Great Yarmouth has confirmed, in writing, details of interventions being taken forward and a plan for addressing key conditions relating to those and the overall Town Investment Plan, alongside capital/revenue splits and financial profiles as requested by MHCLG.
- 2.5. Phase 2 of the process includes detailed project development and business case assurance at local level to demonstrate the feasibility, viability and value for money. A Town Deal Summary Document must be submitted to Government within 12 months of accepting the offer (i.e. 24 March 2022 at the latest). The Summary document will be the final M&E stage.
- 2.6. Preparatory work on the development of the Town Deal Summary document has begun, and any business cases for projects will be taken through Great Yarmouth Borough Council, in line with local assurance and decision making processes.

3. MONITORING & EVALUATION SCHEDULE:

- 3.1. It will be our responsibility as the Local Authority to formally report quarterly on inputs and activities, outputs and expenditure.

What we are required to provide updates on:	When
<ul style="list-style-type: none"> Inputs and activities Outputs Project Expenditure: Expenditure on project activities by local authorities or, in the case where a partner is implementing the project, their expenditure on project activities to date. This will also include forecasted spend. Project Progress: A brief narrative to explain the below progress you are reporting on. Project Changes: Any material changes to project designs or plans should be disclosed and described, including any timing delays. Risks: Updates should be made to the project risk schedule using a RAG rating, as well as an explanation of the risks and required mitigation steps. 	Semi-annually through the monitoring form

What we are required to provide updates on:	When
The RAG rating will be used to flag any issues that require action or amendments. This will also allow changes in risk to be tracked over time.	
<ul style="list-style-type: none"> Feedback on local engagements and how your overall investment strategy is progressing. Questions to aid the qualitative feedback will be provided in the monitoring forms. 	Annually through the monitoring form

- 3.2. GYBC will be required to submit our monitoring forms through DELTA.6. (MHCLG reporting portal). These returns will need to be scrutinised and signed off by the Section 151 Officer. The M&E reporting schedule is outlined below:

M&E required	Deadline	Payment
<ul style="list-style-type: none"> Project Summary Document (Annex C) Initial draft M&E plan per project including theme specific deliverables 	by 29 July 2021	For September payment
	by 28 October 2021	For December payment
	by 28 January 2022	For March 2022 payment
<ul style="list-style-type: none"> Business case Final M&E plan per project 	24 March 2022	Payment as per quarters above

- 3.3. Please note for all towns: the payments timings are indicative and are assuming MHCLG is satisfied with the Summary Documents and project M&E plans.
- 3.4. Projects Summary Document (Annex C) and an initial draft M&E Plan were submitted to MHCLG on 20 May (deadline was 24 May). A review and approval of the draft M&E plan by MHCLG is due to take place within 1 month of submission.
- 3.5. GYBC will need to submit the Business Case and the final M&E Plan by 24 March 2022.

4. FINANCIAL AND LEGAL IMPLICATIONS

- 4.1. In order to reduce the Towns Fund ask from £24.8m to £20.1m, individual interventions were examined and prioritised as noted above.
- 4.2. With the success of the Future High Streets Fund application and the Town Deal, it is likely that the Council's officer structure will need to be supplemented, once budget has been confirmed, to ensure that GYBC has the requisite capacity and skills to deliver all of the projects.
- 4.3. It is noted that the M&E plan is required before any payment can be made.

5. RISK IMPLICATIONS

- 5.1. This prioritisation process may affect the scale/costs/scope and, therefore, impact of individual interventions and the overall Town Deal programme or require alternative funding to be identified and secured.

- 5.2. Not adhering to the Town Deal HoT and reporting schedule could be reputationally damaging to GYBC and put at risk of the funding being withdrawn.

6. CONCLUSION

- 6.1. Great Yarmouth have met the Heads of Terms for a Town Deal of up to £20.1 million to deliver the nine of the original ten Immediate Investment Priorities set out in the Town Investment Plan:
- Interventions were prioritised in line with the value of the funding award as agreed by MHCLG
 - GYBC submitted a M&E plan, as requested by MHCLG, addressing key conditions and providing updated intervention capital/revenue splits by the deadline of 24 May 2021.
 - Preparatory work on the development of the Town Deal Summary document has begun.
 - GYBC have documented the monitoring and evaluation schedule associated with the Town Deal HoT

7. BACKGROUND PAPERS

Towns Fund & Future High Streets Fund Monitoring and Evaluation Local Authority FAQs

Towns Fund M&E plan V1

Towns Fund Indicator Guidance

Area for consideration	Comment
Monitoring Officer Consultation:	As part of the ELT process
Section 151 Officer Consultation:	As part of the ELT process
Existing Council Policies:	Great Yarmouth Town Investment Plan (2020)
Financial Implications (including VAT and tax):	As outlined in the Report
Legal Implications (including human rights):	None
Risk Implications:	As outlined in report
Equality Issues/EQIA assessment:	None
Crime & Disorder:	None
Every Child Matters:	None
Details contained in strategy:	None

Subject: Independent Remuneration Panel – Review of Members’ Scheme of Allowances

Report to: Council – 22 July 2021

Report by: Corporate Services Manager

SUBJECT MATTER

The purpose of this report is to inform members of the need to convene the Independent Remuneration Panel to undertake a full review of the Great Yarmouth Borough Council Members’ Scheme of Allowances, including all Special Responsibility allowances in accordance with the requirements of the Local Authorities (Members’ Allowances) Regulations 2003.

Great Yarmouth Borough Council Members’ Scheme of Allowances had become due for review in 2020, however due to the COVID 19 pandemic the review on the allowances was put on hold. Some preliminary work was undertaken in March 2021 which allowed the panel to understand the changes that had occurred in the way Members were undertaking their roles during the pandemic.

An Independent Remuneration Panel is appointed to undertake a review and report its findings and recommendations to Full Council. The Council is required to have due regard to the report of the Independent Remuneration Panel in determining any amendments to the current Scheme.

It is intended to use the same panel as used in 2016, and more recently in the undertaking of the preliminary work on the scheme of allowances. Details of such membership will be provided to the Group Leaders.

RECOMMENDATIONS

That Council :

- (1) Approve the commencement of a full review of the Members’ scheme of allowances.
- (2) Note the statutory Terms of Reference for the Independent Remuneration Panel
- (3) Agree that the Independent Remuneration Panel report its review for consideration by Council at its meeting in November 2021.
- (4) Agree to the Independent Remuneration Panel Members receiving payment of £100 per meeting.
- (5) Delegate to the Chief Executive Officer, Monitoring Officer and Corporate Services Manager following discussion with Group Leaders the appointment of the individual Members to the Independent Remuneration Panel.

1. Introduction

- 1.1. The Local Authorities (Members Allowances) (England) Regulations 2003 require each Council to establish and maintain an Independent Remuneration Panel (IRP) and to undertake a review of its members' allowances scheme at least every four years.
- 1.2. The Council implemented its current Scheme in May 2016 following a review undertaken by its IRP. The regulations require each council to have regard to the recommendations of its IRP prior to amending, revoking or replacing its members' allowances scheme.
- 1.3. The 2003 Regulations require the remuneration panel to comprise at least three members, who cannot be elected councillors of any local authority, anyone who would be disqualified from being an elected member of a local authority or co-opted members of the Council's own committees.
- 1.4. It is proposed that in line with neighbouring authorities £100 per meeting is paid to the IRP Panel Members.
- 1.5. The panel will require administration, information and technical support during their review, and it is suggested that this is undertaken by the Corporate Services Manager and an Executive Support Officer with oversight from the Monitoring Officer in relation to technical questions that may arise from the review
- 1.6. In the instance an appointed panel member can no longer undertake the review, Council is asked to delegate to the Chief Executive Officer, Monitoring Officer and Corporate Services Manager following discussion with Group Leaders the appointment of the individual Members to the Independent Remuneration Panel.

2. Background

- 2.1. Some preliminary work has been undertaken by the panel, where the basic Members allowance scheme was discussed. The panel also met with a small group of Members (Cllrs Cathy Cordiner-Acenbach, Emma Flaxman-Taylor, Geoff Freeman, Adrian Myers, Steve Scott-Greenard, and Tony Wright) to look at current responsibilities.
- 2.2. Members were asked to complete a short survey which allowed the panel to look at current workload, ward duties, meeting attendance and any additional duties.
- 2.3. The Panel recognised the impact the pandemic has had on the role of Councillors and demands it had made upon them. It felt it was not possible to predict what effects this major influence would have on allowances such as the Basic and Special Responsibility Allowances. The Panel therefore suggested that a full review of allowances be postponed until January 2022 to allow new ways of working to embed. However, in light of the return to face to face meetings from the 7th May 2021, Officers and Group Leaders felt it would be appropriate that a full review could now be undertaken as the Council moves back into business as usual, rather than postponing until 2022, it is suggested that the current panel now be asked to reconvene and undertake a full review of the Scheme of Allowances.

3. Terms of Reference for the Independent Remuneration Panel

The Regulations provide that the IRP can make recommendations to the Council on the following matters:

- i) The amount of Basic Allowance which should be payable equally to each elected Member.
- ii) The roles and responsibilities for which a special responsibility allowance should be payable and the amount of each such allowance.
- iii) Travelling and subsistence.
- iv) Whether an allowance in respect of expenses of arranging for the care of children and dependents should be included and, if appropriate, the amount of allowance and means by which it is determined.
- v) Co-optees allowance.
- vi) Annual adjustments of allowances.

4. Financial Implications

- 4.1 The financial implications of the review of the Members' Scheme of Allowances will not be known until the panel's work has been completed. Council will be asked to consider any additional costs or savings as part of the report submitted by the Independent Remuneration Panel.
- 4.2 The cost of undertaking the review of the Members' scheme of allowances will be met from the Council's existing budget.

5. Risk Implications

- 5.1 When considering the findings and recommendations of the Independent Remuneration Panel, Members should evaluate them in the spirit intended and in the context of prevailing circumstances. While Members are required to have due regard to the report of the Independent Remuneration Panel, it is a matter for Council to consider whether it adopts the associated recommendations in full or part.

6. Conclusion

- 6.1 An Independent Remuneration Panel must be convened to undertake a review and report its findings and recommendations to Full Council. The Council is required to have due regard to the report of the Independent Remuneration Panel in determining any amendments to the current Scheme

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:	Consulted
Section 151 Officer Consultation:	Consulted
Existing Council Policies:	N/A
Financial Implications (including VAT and tax):	Within Report
Legal Implications (including human rights):	Within Report
Risk Implications:	Within Report

URN: 21-064

Subject: Governance of Great Yarmouth Preservation Trust and Norfolk Conservation Limited : The Local Authorities (Companies) Order 1995

Report to: Council

Report by: Monitoring Officer

SUBJECT MATTER

The purpose of this report is to explain the historical and current governance arrangements of Great Yarmouth Preservation Trust (GYPT) and its trading company Norfolk Conservation Limited (NC Ltd). The recommendations seek to regularise the position with regard to Council appointments to GYPT, in order that GYPT will be in a position to modernise its Articles.

RECOMMENDATIONS

That Council

- 1) appoint the existing appointed directors of GYPT (Cllrs Williamson, Fairhead, Freeman, Hacon and Wells) as “members” of GYPT (note that they will remain directors);
- 2) approve the new form of Articles of Association then to be adopted by GYPT, set out at Appendix 3;
- 3) appoint Iain Robertson, the Council’s Major Projects & Development Director, and Sheila Oxtoby, the Chief Executive, as additional members of GYPT until such time as the new Articles of Association are formally adopted; and
- 4) appoint Kate Blakemore, the Council’s Strategic Director, as an additional member of GYPT, to remain a member after the new Articles of Association are formally adopted, at which time she will also become a director of GYPT.

1. Introduction & Background

1.1 Under the Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995 there are two types of local authority company both known as “regulated” companies. They are categorised according to the extent of local authority ownership and/or control of the board of directors (see Appendix 1 for further detail). Those regulated companies under the greatest control are known as “controlled companies” while a lesser degree of control gives rise to an “influenced” company. The legislation requires that regulated companies and the local authorities to which they are connected comply with

certain governance and accounting measures. GYPT is a local authority “controlled” company within the meaning of the legislation, because of the number of appointments the Council is entitled to make to GYPT. GYPT’s trading company, Norfolk Conservation Limited, is also a “controlled company” for reasons explained in section 3 of this report.

1.2 There is a disparity between the method of appointment set down in GYPT’s current Articles and the arrangements currently practised, in that the Articles of GYPT since its incorporation in 1980 have required that directors (both GYBC and external) should only be appointed from a pool of Trust “members”. However, this system of a pool of members seems to have lapsed (or was never observed) and directors began to be appointed directly by GYBC and the other participant organisations. More information about the original system of appointments can be found in Appendix 2 to this report.

1.3 The current Articles of GYPT are no longer practical and need to be modernised to allow for more effective governance. Additionally, GYPT wishes to have the power to appoint another community representative to its board. Before such changes can be made, the position must be regularised, by aligning the appointments with the requirements of the Articles, in order that the necessary resolution to revise the Articles may be correctly made. This must be done by first appointing the requisite number of company “members” in accordance with the existing Articles. The process for this is set out in more detail in Appendix 2 – ‘Next Steps’.

2. Key Information

2.1 GYPT is a company registered at Companies House under reference 01492613, incorporated in 1980. It is also a charitable company registered with the Charity Commission. The company is limited by guarantee without share capital. There are no shares in the company and therefore no shareholders, but there were original subscribers to the company known as ‘members’. Members are loosely similar to shareholders in the sense that they may be involved in certain company decisions, but in the case of GYPT they do not have ownership of the company in the same way as shareholders, there being no shares issued. They may (dependent on a company’s Articles of Association) retain an element of control over the company, separate to and in some cases overriding the controls exercised by the company directors. The method of appointment of directors to GYPT is perhaps unusual, in that the Articles prescribe that Directors may only be appointed from the pool of company members.

2.2 Under Article 5 of GYPT’s current Articles of Association (adopted on 28th August 2010) GYBC is entitled to nominate up to 12 Members of the company (NB – company members rather than directors). The Archaeological Society may nominate up to 6 members and there may be 1 Member who is a community representative. There is scope for other Members to be admitted, but non-Council Members may not exceed the number of Council Members. This gives the Council over 50% of control in terms of any **Member** voting rights.

2.3 Under Article 34, there are required to be 9 Directors, 5 from amongst the Council's company members, 3 from the Archaeological Society's company members and 1 who is a community representative company member. This gives the Council over 50% control in terms of **Director** voting rights.

The current Directors of GYPT are:

Director	Appointed by
Cllr Bernard Williamson	GYBC
Dr Paul Davies	Archaeological Society
Cllr Marlene Fairhead	GYBC
Andrew Fakes	Archaeological Society
Cllr Geoffrey Freeman	GYBC
Cllr Sue Hacon	GYBC
Paul Patterson	Community Representative
Michael Taylor	Archaeological Society
Cllr Paul Wells	GYBC

The original members from the 1980 incorporation documents are no longer with the Trust but no replacement members appear ever to have been nominated. The Articles provide for these members to be replaced as they stepped down, but this does not ever appear to have happened.

2.4 Via both the original members and the directors, it would appear that at its inception, GYBC was intended to have some control over the Trust. However, the Council as a body, has not strategically steered or operationally controlled the business of the Trust. As a decision-making body, the Trust is independent, and this is consistent with GYPT's charitable status. The Council itself is not, and is not proposed to become, a member of the Trust. Moreover, as set out below, the Trust, as a charity, must not have its business controlled by the Council.

2.5 Charity Commission publications make it clear that, as a registered charity, the Trust must, as a matter of law, be "independent of the state" (state meaning national and local government). This independence requirement does not prevent the Council from having a right to appoint a majority of members or directors (as per the current status and as proposed going forward) but, under Charity Commission guidance and charity law, it does mean that:

- i) The charity must exist to carry out its charitable purposes alone. It cannot exist for the purpose of implementing the policies of a local authority and cannot carry out directions of a local authority.
- ii) Anyone who exercises power in relation to the governance of the charity must act solely in the interests of the charity. Therefore, Trustees appointed by a local authority must act solely in the interests of the charity and not as delegates of the local authority that appoints them and must respect and maintain the confidentiality of Trustee Board meetings and the charity's information.

- iii) Any local authority given powers within the governing document of a charity (such as a power to appoint Trustees) must exercise those powers solely in the best interests of the charity not for its own benefit.
- iv) Trustees must ensure that conflicts of interest that arise from being a councillor or employee of a local authority that has dealings with the charity must declare those interests and they must be managed appropriately (including withdrawing from discussions and decisions regarding those dealings).
- v) Funding arrangements between a local authority and a charity must not contravene this principle of independence from the state and so must not require the charity simply to implement the local authority's policies, nor fetter the discretion of the Trustees to make decisions in the best interests of the charity (including to decide who the charity's beneficiaries will be).

For more on the independent status of charitable companies, members may wish to refer to Charity Commission Guidance RR7 'Independence of Charities from the State'. A link is provided at the end of this report.

2.6 There is currently a Partner Agreement between the Council and GYPT. The Agreement is currently under review and the updated version will go to Policy & Resources Committee for approval. The Partner Agreement governs the basis on which personnel support is provided to GYPT by the Council and outlines how the Trust's activities align with certain of the Council's corporate priorities. It also sets out some reporting requirements. It should be noted that although the Project Manager of the GYPT is a Council officer whose services are provided to GYPT under the Partner Agreement, he does not carry out that role under corporate direction from the Council; and although five GYBC members are currently appointed as Directors of GYPT there is no corporate direction or strategic steer from the Council applied through them. However, because of the close partnership, the funding and support from time to time provided by the Council to GYPT, and the status of GYPT and NC Ltd as a statutory "controlled companies" it is important that the two companies are, as far as possible, open and transparent with the Council about their activities and are accountable in so far as this will assure the Council of their sound governance and financial practices and demonstrate how their activities broadly support the Council's priorities.

3. Norfolk Conservation Limited

NC Ltd is a private company registered at Companies House under number 09516279 and wholly owned by GYPT. It is not a charitable company.

It is important to note that a company is also controlled if it is under the control of another controlled company. NC Ltd is therefore a controlled company, under the 1995 Order, until such time as GYPT ceases to be a controlled company.

To date NC Ltd has had two directors, Bernard Williamson and Darren Barker who have undertaken these roles in their personal capacity and not under appointment by GYBC.

NC Ltd's website states: "Norfolk Conservation Ltd. is owned by Great Yarmouth Preservation Trust and all profits are used to support the work of the Great Yarmouth Preservation Trust (Charity Number: 280628)". This is also referenced in an 'Initial Business Plan' which was submitted to Companies House at the time of the company's incorporation. However this document is not binding on the company, and it would be preferable that this were the case.

4. Risk Implications

The Council, GYPT and NC Ltd need to be compliant with the requirements of the Local Authorities (Companies) Order 1995, as set out in Appendix 1 to this report. The Council retains a technical connection with these two companies, over which it does not exercise any strategic or operational control in practice, despite their statutory status as "controlled" companies. In the case of NC Ltd, to date there has been no report to the Council at all. To limit risk (and notwithstanding the independent decision-making status of GYPT) it is advised that clear lines of reporting from both companies to the Council are maintained to acknowledge the statutory connection, and to provide assurance to the Council with regard to any risk.

5. Conclusion

A review of governance has identified an issue with appointments to GYPT which needs to be rectified. The unusual concept around the appointment of members from which directors were then selected does not seem ever to have been observed. This means that GYPT has long been non-compliant with its own rules. It was not openly understood or acknowledged that GYPT had become (with a change in legislation) a local authority regulated company. The creation of NC Ltd does not appear to have been led by the Council and that company had accordingly not been acknowledged as a local authority controlled company. These issues can now be addressed, and the recommendations of this report seek to regularise the position with regard to appointments, allowing GYPT to move forward with the modernisation of its Articles. The steps necessary to make the changes to the appointments and articles are set out in Appendix 2 to this report.

Appendix 1 – Legal implications

Appendix 2 – Next steps

Appendix 3 – New Articles of Association for the Trust

Background Papers:

Current Memorandum and Articles of Association of Great Yarmouth Preservation Trust, August 2010 accessible at Companies House: <https://find-and-update.company-information.service.gov.uk/company/01492613/filing-history?page=3>

Charity Commission Guidance RR7 – Independence of Charities from the State
<https://www.gov.uk/government/publications/independence-of-charities-from-the-state-rr7>

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:	-
Financial Implications (including VAT and tax):	-
Legal Implications (including human rights):	Addressed in the report
Risk Implications:	Addressed in the report
Equality Issues/EQIA assessment:	-
Crime & Disorder:	-
Every Child Matters:	-

Appendix 1 – Legal Implications

1. Implications of GYBC Majority Voting Rights in GYPT

Some of the issues regarding the governance of GYPT may have arisen because the incorporation of the Trust predated the legislation which now governs it. In the 1980s the government decided to bring local authority related corporations under stricter statutory control. It created Part V of the Local Government and Housing Act 1989 and through the Act the Local Authorities (Companies) Order 1995. These (among other things) regulate companies controlled by, or under the influence of, local authorities.

For the purposes of the 1995 order, a **‘regulated company’** is a company **controlled by, or under the influence of**, a local authority and where, during any financial year, the authority exerts a ‘dominant influence’ over the company (in a company law sense). Alternatively (or in addition), if it were a company the authority would be required to prepare group accounts in respect of the company in question.

A **controlled company** (per section 68 of the 1989 act) is either a subsidiary of the authority (per section 1159 of the Companies Act 2006), or where the authority controls the majority of the votes at the company’s general meeting, or where the authority has power to appoint or remove a majority of the company directors. And, a company is also controlled if it is under the control of another controlled company.

An **influenced company** (under section 69 of the 1989 act) is where a business relationship exists between authority and company. This is where the authority provides more than 50% of funds or value to the company and either at least: 20% of voting rights are held by those associated with the authority, 20% of the company’s directors are so associated, or 20% of total voting rights at directors’ meetings are held by people so associated. Associated persons are specified in section 69(6).

Part II of the 1995 order sets out the requirements for regulated companies. These include mentioning the regulated status on notepaper and other relevant documents, restrictions on director remuneration, and provision of information to the authority’s members and auditor.

2. Governance and Legal Requirements

It is advised that as local authority “controlled” companies, GYPT and NC Ltd should report regularly to the Council. The position on reporting has improved with the completion of the Partner Agreement which introduced a requirement for GYPT to report an annual business plan. The revised Partner Agreement strengthens reporting requirements.

With regard to formal legal requirements, Part II of the 1995 order sets out six specific requirements for both “controlled” and “influenced” companies. These are:

- i. **Mentioning the regulated status on notepaper and other relevant documents.**

This means GYPT and NC Ltd naming GYBC (in full) on relevant documents and stating that they are companies controlled by GYBC within the meaning of Part V or the 1995 Order); “*relevant documents*” means business letters, notices and other documents of the company.

- ii. **Restricting director's remuneration**, in that GYPT and NC Ltd shall not:
 - (a) in respect of the carrying out of any relevant duty, pay to a regulated director remuneration in excess of the maximum amount;
 - (b) in respect of expenditure on travelling or subsistence in connection with the carrying out of a relevant duty, pay to a regulated director an allowance, or reimburse expenses, in excess of the maximum amount;
 - (c) or publish any material which the relevant authority would be prohibited from publishing by section 2 of the Local Government Act 1986

iii. **Providing information to the authority's auditors.**

GYPT and NC Ltd shall provide, and authorise or instruct its auditors to provide:-

- (a) to the person who is for the time being the auditor in relation to the accounts of the relevant authority, such information and explanation about the affairs of the company as that person may require for the purposes of the audit of the local authority's accounts; and
- (b) to any person authorised by the Audit Commission, such information as that person or the Commission may require for the discharge of any function under Part III of the Local Government Finance Act 1982.

iv. **Providing information to members of a local authority.**

GYPT and NC Ltd shall provide to a member of GYBC such information about the affairs of the company as the member reasonably requires for the proper discharge of his duties (although nothing in that article of the 1995 order requires a company to provide information in breach of any enactment, or of an obligation owed to any person).

v. **Providing financial information to a local authority.**

GYPT and NC Ltd shall, on the request of GYBC, provide to that authority, within such reasonable time as may be specified by the authority, such information about the affairs of the company as that authority may require for the purposes of any order for the time being in force under section 39 (revenue accounts and capital finance) of the 1989 Act, in such form as the relevant authority may reasonably require.

vi. **Comply with the requirements when appointing an auditor**

GYPT and NC Ltd should, before they first appointed any person as auditor of the company, have obtained the Audit Commission's consent to the appointment of that person.

Appendix 2 – Next Steps

1. Starting Point

The currently prescribed system of separate members and directors is impractical, and additionally, the Trust wish to adjust the make-up of their Board of Directors to include at least one additional director with relevant expertise as a second community representative. However in order to the update and adjust the governance system it is first necessary to make the appointments consistent with the requirements of the current articles. Only then can a resolution be correctly made to adjust the company's articles going forward. In order to understand the next steps, it is important to understand how GYPT was originally intended to operate (in terms of appointments and membership) and how it has operated in practice.

2. How Appointments should have been made

The tables below set out how the current GYPT Articles require a) members and b) directors to be appointed and replaced

a) Appointment of trust members

The Council either applies as a member in its own right, or nominates individual members. The total of council members (which may include GYBC itself as a "member") cannot exceed 11 (article 5)	1-11
Great Yarmouth and District Archaeological Society, nominates up to 6 members but the number cannot equal or exceed council membership (article 6.1)	6
The Directors (not members) shall admit at least 1 person from the community, who has an interest in the environment of GYBC (article 6.2)	1
The Directors (not members) can also admit other persons, but any the total number of non-council members cannot equal or exceed council members (article 6.3)	-

b) Appointment of trust directors

The power to appoint Directors is reserved to the Directors in accordance with clause 43.

The Management of the business and control of the Trust shall be vested in the Directors, who, in addition to the powers and authorities conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Trust and are not hereby or by the Act expressly directed or required to be exercised or done by the Trust in General Meeting At meetings of the Directors, each Director shall have one vote only, except that in the case of equality of votes, the Chairman shall, in addition have a second or casting vote.

Under Article 34, there can be a maximum of nine Directors, as follows:

i)	members of the Trust who are representatives of the Council:	5
ii)	GYDAS members:	3
iii)	community members	1
Total		9

The Council's directors were supposed to be appointed (by the original directors) from the pool of Council appointed members of the Trust. Clearly this did not happen, and the participating organisations, including the Council, have operated as if they have a right directly to appoint Directors.

Replacement of Members and Directors – According to the Current Articles

c) Members

Members leave by resignation, death or otherwise ceasing to be members. If a member is a representative of either GYBC or GYDAS and ceases to be a member of either, then GYBC or GYDAS may nominate another person. That person can include GYBC as a body itself. (clause 9).

d) Directors

Subject to Article 34, Directors could at any time appoint any other person to be a Director to fill a casual vacancy, or in addition to the existing Directors, but never more than the 9 allowed. (Article 45). A Vacancy could arise from the death or resignation of an existing Director.

3 How GYPT members and directors have actually been appointed and replaced

Members

In the absence of any replacement nominations recorded by GYPT under clause 9, the current membership of GYPT would have remained as per the original Articles filed in 1980. Technically they would be the following members (but they are not known to those presently operating the Trust and have not been traced):

Name	Background
(signature illegible)	Retired (of 29 Crown Road, GY)
Mr Richard Ogden	Local govt officer
Mr Godfred Girling	Farm Director
(signature Illegible)	Retired
Mr Glenwood Harris	Architect

KR Milligan	Retired
Percy Trett	Engineer

It is not clear how, or indeed whether any company “members” have been nominated since 1980. No records have been located

Directors

Directors are covered by a process of "rotation" (see below). Resignation or death of Directors are covered by the standard provisions of the Companies Act 2006.

Rotation

On Incorporation in 1980, the Directors were:

Name	Background
Mr Godfred Girling	Farm Director
Mr Richard Ogden	Local govt officer
Percy Trett	Engineer
Mr Patrick Page	Local govt officer (and also Company Secretary)
Mr Glenwood Harris	Architect
Mr Henry Davies	Local govt officer

These original Directors should have retired at the first AGM held by the company members, and replaced. At the second and subsequent AGM, it was the intention that one third of the directors would retire and be replaced. As explained above, this did not occur.

4. Next steps – options and implications – adoption of new model articles

Presently, according to Companies House records, there are 9 directors, of whom 5 were ‘appointed’ by GYBC, giving GYBC control. But no Trust members have been appointed which means that the appointments of existing directors are technically incorrect.

GYPT have been advised that they should first rectify the “membership” of the company, to ensure compliance with the current articles of association. This will ensure that going forward, resolutions are correctly made and the articles can be revised and updated. To do this, the following process is advised.

1. The Council gives agreement for GYPT to proceed with adopting the new articles (subject to necessary regulatory consents).
2. The Trust applies to the Charity Commission for permission to amend the Articles
3. Ensure the membership of GYPT comprises 6 members appointed by the Archaeological Society, 1 Community Representative and at least 8 GYBC members (the Members do not need to be appointed as directors but if some of them already are that is fine. The 8 representatives are to be the 5 existing directors plus Kate Blakemore, Iain Robertson and

Sheila Oxtoby, with Kate to be appointed as the Council's 6th director following the adoption of the new articles.

4. Once Charity Commission consent is obtained, the members of the Trust (either by written resolution, or in a properly convened General Meeting) need to pass a special resolution adopting the new articles (75% majority required).
5. Once the special resolution is passed it must be filed at Companies House along with a Change of Objects form and a copy of the new articles, to be lodged by the Trust's solicitor.
6. Once accepted at Companies House the new articles need to be filed at the Charity Commission (to be done by the Trust's specialist adviser, Julian Lomas).
7. The new articles will automatically remove the non-Trustee members (Sheila and Iain) from membership and then the existing the Trustees can appoint Kate as the Council's 6th director and would be free to appoint a second community representative.

Future Articles

Once GYPT have made the balance of appointed company members as it should be, under the Articles (as described above), the directors and company members will be one and the same. With 9 members and 9 directors, it will then be a process of agreeing to amend the Articles going forward to modernise and improve the governance of the Trust.

The ratio of member/directors proposed by GYPT is:

6 GYBC appointed member/directors

3 GYLHAS appointed member/directors

2 community/other member/directors appointed by the existing directors

GYPT have proposed a modern form of Articles of Association which would need approval from the Board of Directors. These include the above that going forward there should be 11 directors, 6 appointed by GYBC, 3 appointed by GYLHAS and 2 other persons appointed by the Directors. This formula maintains local authority "controlled" status. It provides that company members and directors are the same, i.e. by accepting a director appointment, that individual also agrees to be a member.

Going forward, if the Trust seeks greater independence from the Council, changes might be considered to the ratio of Council appointed member-directors, but it is proposed that any such changes in the formula should be subject to the Council's consent.

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE

Charity Number 280628
Company Number 01492613
Incorporated 22 April 1980

**ARTICLES OF ASSOCIATION OF
GREAT YARMOUTH PRESERVATION TRUST**

The Companies Act 2006

Company Limited by Guarantee

**ARTICLE OF ASSOCIATION OF
GREAT YARMOUTH PRESERVATION TRUST**

1. Name

The name of the **Charity** is Great Yarmouth Preservation Trust.

2. Registered Office

The registered office of the Charity is to be situated in England.

3. Objects

The **Objects** for which the Charity is established is as follows:

To preserve for the benefit of the inhabitants of the Borough of Great Yarmouth in the County of Norfolk and of the nation at large, whatever of the historical, architectural and constructional heritage may exist in and around the Borough of Great Yarmouth in the form of:

- a) buildings (including any building as defined in Section 290(1) of the Town and Country Planning Act (1971) of particular beauty or historical, , architectural and constructional interest; or
- b) land of particular beauty or historical interest; or
- c) fixed machinery of historical interest; or
- d) ships, boats or any other water borne vessels, property or equipment of historical interest.

4. Powers

The Charity has the following powers, which may be exercised only in promoting the Objects:

- 4.1. to promote or carry out research.
- 4.2. to provide advice.
- 4.3. to publish or distribute information.
- 4.4. to co-operate with other bodies.
- 4.5. to support, administer or set up other charities.
- 4.6. to raise funds (but not by means of **taxable trading**).

- 4.7. to borrow money and give security for loans (but only in accordance with the restrictions imposed by the **Charities Act**).
- 4.8. to acquire or hire property of any kind.
- 4.9. to let or dispose of property of any kind (but only in accordance with the restrictions imposed by the Charities Act).
- 4.10. to make grants or loans of money and to give guarantees.
- 4.11. to set aside funds for special purposes or as reserves against future expenditure.
- 4.12. to deposit or invest in funds in any manner (but to invest only after obtaining such advice from a **financial expert** as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification).
- 4.13. to delegate the management of investments to a financial expert, but only on terms that:
 - 4.13.1. the investment policy is set down **in writing** for the financial expert by the Trustees;
 - 4.13.2. every transaction is reported promptly to the Trustees;
 - 4.13.3. the performance of the investments is reviewed regularly with the Trustees;
 - 4.13.4. the Trustees are entitled to cancel the delegation arrangement at any time;
 - 4.13.5. the investment policy and the delegation arrangement are reviewed at least once a **year**;
 - 4.13.6. all payments due to the financial expert are on a scale or at a level which is agreed in advance and are notified promptly to the Trustees on receipt; and
 - 4.13.7. the financial expert must not do anything outside the powers of the Trustees.
- 4.14. to arrange for investments or other property of the Charity to be held in the name of a **nominee company** acting under the control of the Trustees or of a financial expert acting under their instructions, and to pay any reasonable fee required.
- 4.15. to deposit documents and physical assets with any company registered or having a place of business in England and Wales as **custodian**, and to pay any reasonable fee required.
- 4.16. to insure the property of the Charity against any foreseeable risk and take out other insurance policies to protect the Charity when required.

- 4.17. to pay for **indemnity insurance** for the Trustees.
- 4.18. subject to Article 5, to employ paid or unpaid agents, staff or advisers.
- 4.19. to enter into contracts to provide services to or on behalf of other bodies.
- 4.20. to establish or acquire subsidiary companies to assist or act as agents for the Charity.
- 4.21. To acquire or merge with any other charity the objects of which are the same as or similar to the Objects whether by way of the acquisition of assets or otherwise.
- 4.22. to pay the costs of forming the Charity.
- 4.23. to do anything else within the law which promotes or helps to promote the Objects.

5. Benefits to Members and Trustees

- 5.1. The property and funds of the Charity must be used only for promoting the Objects and do not belong to the **Members** but:
 - 5.1.1. Members who are not Trustees may be employed by or enter into contracts with the Charity and receive reasonable payment for goods or services supplied;
 - 5.1.2. Members may be paid interest at a reasonable rate on money lent to the Charity;
 - 5.1.3. Members may be paid a reasonable rent or hiring fee for property or equipment let or hired to the Charity; and
- 5.2. A Trustee must not receive any payment of money or other **material benefit** (whether directly or indirectly) from the Charity except:
 - 5.2.1. as mentioned in Articles 4.17 (indemnity insurance), 5.1.2 (interest), 5.1.3 (rent) or 5.4 (contractual payments);
 - 5.2.2. reimbursement of reasonable out-of-pocket expenses (including hotel and travel costs) actually incurred in the administration of the Charity;
 - 5.2.3. an indemnity in respect of any liabilities properly incurred in running the Charity (including the costs of a successful defence to criminal proceedings);
 - 5.2.4. payment to any company in which a Trustee has no more than a 1 per cent shareholding; and
 - 5.2.5. in exceptional cases, other payments or benefits (but only with the written approval of the Commission in advance).

- 5.3. A **connected person** must not receive any payment of money or other material benefit (whether directly or indirectly) from the Charity except:
- 5.3.1. as mentioned in Articles 5.1.2 (interest), 5.1.3 (rent), 5.1.4 (charitable benefits) or 5.4 (contractual payments);
 - 5.3.2. payment to any company in which a connected person has no more than a 1 per cent shareholding; and
 - 5.3.3. in exceptional cases, other payments or benefits (but only with the written approval of the Commission in advance).
- 5.4. A Trustee may not be an employee of the Charity, but a Trustee or a **connected person** may enter into a contract with the Charity to supply goods or services in return for a payment or other material benefit if:
- 5.4.1. the goods or services are actually required by the Charity;
 - 5.4.2. the nature and level of the benefit is no more than reasonable in relation to the value of the goods or services and is set at a meeting of the Trustees in accordance with the procedure in this Article 5.4 and Article 6; and
 - 5.4.3. no more than half of the Trustees are interested in such a contract in any **financial year**; and
 - 5.4.4. the Charity enters into a written contract with the relevant Trustee or connected person setting out the amount or maximum amount of remuneration to be paid under the contract.
- 5.5. This Article 5 may not be amended without the written consent of the Commission in advance.

6. Conflicts of Interest and Conflicts of Loyalty

- 6.1. Whenever a Trustee has a personal interest in a matter to be discussed at a meeting of the Trustees or a committee, the unconflicted Trustees may authorise such a conflict of interest where the following conditions apply:
- 6.1.1. the conflicted Trustee declares an interest before the meeting or at the meeting before discussion begins on the matter; and
 - 6.1.2. the conflicted Trustee is absent from the meeting for that item unless expressly invited to remain in order to provide information; and
 - 6.1.3. the conflicted Trustee is not to be counted in the quorum for that part of the meeting; and
 - 6.1.4. the conflicted Trustee is absent during the vote and has no vote on the matter; and

- 6.1.5. the unconflicted Trustees consider it is in the interest of the Charity to authorise the conflict of interest in the circumstances applying.
- 6.2. If a conflict of interest arises for a Trustee because of a duty of loyalty owed to another organisation or person and the conflict is not authorised by virtue of any other provision in the Articles, the unconflicted Trustees may authorise such a conflict of interest where the following conditions apply:
 - 6.2.1. the conflicted Trustee declares an interest before the meeting or at the meeting before discussion begins on the matter; and
 - 6.2.2. the conflicted Trustee is absent from the meeting for that item unless expressly invited to remain in order to provide information; and
 - 6.2.3. the conflicted Trustee is not counted in quorum for that part of the meeting; and
 - 6.2.4. the conflicted Trustee is absent during the vote and has no vote on the matter; and
 - 6.2.5. the unconflicted Trustees consider it is in the interests of the Charity to authorise the conflict of interest in the circumstances applying.

7. Limited Liability

The liability of Members is limited.

8. Guarantee

Every Member promises, if the Charity is dissolved while he or she remains a Member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the Charity while he or she was a Member.

9. Dissolution

- 9.1. If the Charity is dissolved, the assets (if any) remaining after provision has been made for all its liabilities must be applied in one or more of the following ways:
 - 9.1.1. by transfer to 1 or more other bodies established for exclusively charitable purposes with, the same as or similar to the Objects;
 - 9.1.2. directly for the Objects or for charitable purposes which are within or similar to the Objects; or
 - 9.1.3. in such other manner consistent with charitable status as the Commission shall approve in writing in advance.
- 9.2. A final report and statement of account must be sent to the Commission.

10. Membership

- 10.1. The Charity must maintain a register of Members.

- 10.2. The Trustees from time to time shall be the only **Members** of the Charity.
- 10.3. A Trustee shall become a Member on becoming a Trustee. In agreeing to become a Trustee, each new Trustee is also agreeing to become a Member.
- 10.4. Membership is terminated if the Member concerned ceases to be a Trustee
- 10.5. Membership of the Charity is not transferable.
- 10.6. The maximum number of Members at any time shall be 11.

11. General Meetings

- 11.1. General meetings are the meetings of the Members, consisting of the AGM and the special general meetings (if any).
- 11.2. A general meeting may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants.
- 11.3. Members are entitled to attend general meetings personally or by proxy. Proxy forms must be delivered to the **Secretary** at least 24 hours before the meeting.
- 11.4. There is a quorum at a general meeting if the number of Members personally present in person or by proxy is at least 5 of the Members.
- 11.5. A general meeting may be held either in person or by suitable electronic means agreed by the Members in which all participants may communicate with all the other participants.
- 11.6. The **Chair** or (if the Chair is unable or unwilling to do so) some other Member elected by those present presides at a general meeting.
- 11.7. Except where otherwise provided by the **Articles** or the **Companies Act**, every issue is decided by a majority of the votes cast.
- 11.8. Every Member present in person or by proxy has 1 vote on each issue. IN the case of an equality of votes the Chair of the meeting shall have a second or casting vote.
- 11.9. Where a written resolution is approved by the appropriate majority required for the resolution in question of those entitled to vote at a general meeting, or where approval of the resolutions is given electronically by the appropriate majority of those entitled to vote at a general meeting, then that resolution shall be as valid as a resolution actually passed at a general meeting. For this purpose, a written resolution may be:
 - 11.9.1. set out in more than 1 document (in which case it will be treated as passed on the date of the last signature); or

- 11.9.2. sent out and/or returned in hard copy or electronic format (and if sent back electronically, then the resolution will be treated as passed at the time and on the date of the last response to be received).
- 11.10. The Charity must hold an **AGM** in every year.
- 11.11. At an AGM the Members:
 - 11.11.1. receive the accounts of the Charity for the previous **financial year**;
 - 11.11.2. receive the Trustees' report on the Charity's activities since the previous AGM;
 - 11.11.3. appoint auditors for the Charity;
 - 11.11.4. may confer on any individual (with his or her consent) the honorary title of Patron, President or Vice-President of the Charity; and
 - 11.11.5. may discuss and determine any issues of policy or deal with any other business put before them by the Trustees.
- 11.12. Any general meeting which is not an AGM is a special general meeting.
- 11.13. A special general meeting may be called at any time by the Trustees and must be called on a written request from at least 5% of the Members.
- 11.14. The Members may adopt rules relating to the circulation of agendas or notices of resolutions, the conduct of meetings and the circulation of resolutions consistent with the Companies Act as they think fit.

12. Notice of General Meetings

- 12.1. Any general meeting must be called on at least 14 and not more than 28 clear days' written notice indicating the business to be discussed, and if a special resolution is to be proposed, at least 28 clear days' written notice setting out the terms of the proposed special resolution.
- 12.2. A general meeting may be called on shorter notice if it is so agreed by all Members entitled to attend and vote.
- 12.3. If the general meeting is to be an AGM, the notice must say so.
- 12.4. The notice must be given to all Members.

13. The Trustees

- 13.1. The Trustees as **charity trustees** have control of the Charity and its property and funds.
- 13.2. The number of Trustees when complete shall consist of 11 individuals, all of whom must be Members, and who shall as far as practicable consist of the following:

- 13.2.1. six Trustees appointed by Great Yarmouth Borough Council;
 - 13.2.2. three Trustees appointed by the Great Yarmouth Local History and Archaeological Society; and
 - 13.2.3. two other persons who may be appointed by the Trustees from time to time in accordance with any policies and procedures adopted by the Trustees (under Article 14) and having regard to any relevant guidance issued by the Commission.
- 13.3. A technical defect in the appointment of a Trustee of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.
- 13.4. Every Trustee after appointment or reappointment must sign a declaration of willingness to act as a charity trustee of the Charity before he or she may vote at any meeting of the Trustees.
- 13.5. A Trustee's office shall be vacated automatically if he or she:
- 13.5.1. is disqualified under the Charities Act from acting as a charity trustee;
 - 13.5.2. is the subject of a decision by HMRC that they are not a fit and proper person as that term is defined by the Finance Act 2010;
 - 13.5.3. dies;
 - 13.5.4. is incapable, whether mentally or physically, of managing his or her own affairs;
 - 13.5.5. ceases to be a Member;
 - 13.5.6. resigns by written notice to the Trustees (but only if at least two Trustees will remain in office); or
 - 13.5.7. is removed by resolution of the Members present and voting at a general meeting on the ground that in their reasonable opinion the Trustee continuing in office would be harmful to the Charity. The Members may only pass such a resolution after notifying the Trustee in writing not less than 14 clear days before such a general meeting and considering the matter in the light of:
 - i. any views expressed by the Trustee concerned at the general meeting; or
 - ii. any written representations which the Trustee concerned puts forward to the Trustees before the general meeting.
- 13.6. The Trustees may at any time co-opt any individual to act as an advisor to the Trustees. A co-opted adviser shall be invited to attend meetings of the Trustees as an observer to advise the Trustees but shall have no voting rights on the issues to be determined by the Trustees.

14. Trustees' proceedings

- 14.1. A quorum at a meeting of the Trustees is three Trustees.
- 14.2. A meeting of the Trustees may be held either in person or by suitable electronic means agreed by the Trustees in which all participants may communicate with all the other participants.
- 14.3. The Chair or (if the Chair is unable or unwilling to do so) some other Trustee chosen by the Trustees present presides at each meeting.
- 14.4. Every issue may be determined by a simple majority of the votes cast at a meeting, but a written resolution signed by all the Trustees is as valid as a resolution passed at a meeting. For this purpose the resolution may be contained in more than 1 document and will be treated as passed on the date of the last signature.
- 14.5. Except for the Chair of the meeting, who has a second or casting vote, every Trustee has 1 vote on each issue.
- 14.6. A procedural defect of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.
- 14.7. The Trustees may adopt rules relating to the circulation of agendas or notices of resolutions, the conduct of meetings, and the circulation of resolutions for confirmation as they think fit which shall apply until revoked or amended by resolution of the Trustees.

15. Trustees' powers

The Trustees have the following powers in the administration of the Charity:

- 15.1. to appoint (and remove) any Member (who may be a Trustee) to act as Secretary in accordance with the Companies Act;
- 15.2. to appoint a Chair, Treasurer and other honorary officers from among their number;
- 15.3. to delegate any of their functions to committees consisting of 2 or more individuals appointed by them. At least 1 member of every committee must be a Trustee and all proceedings of committees must be reported promptly to the Trustees;
- 15.4. to make standing orders consistent with the Articles and the Companies Act to govern proceedings at general meetings and to prescribe a form of proxy;
- 15.5. to make rules consistent with the Articles and the Companies Act to govern their proceedings and proceedings of committees;
- 15.6. to make regulations consistent with the Articles and the Companies Act to govern the administration of the Charity and the use of its seal (if any);

- 15.7. to establish procedures to assist the resolution of disputes or differences within the Charity; and
- 15.8. to exercise any powers of the Charity which are not reserved to a general meeting.

16. Records and Accounts

- 16.1. The Trustees must comply with the requirements of the Companies Act and of the Charities Act as to keeping financial records, the audit of accounts and the preparation and transmission to the Registrar of Companies and the **Commission** of:
 - 16.1.1. annual returns;
 - 16.1.2. annual reports; and
 - 16.1.3. annual statements of account.
- 16.2. The Trustees must keep proper records of:
 - 16.2.1. all proceedings at general meetings;
 - 16.2.2. all proceedings at meetings of the Trustees;
 - 16.2.3. all reports of committees; and
 - 16.2.4. all professional advice obtained.
- 16.3. Accounting records relating to the Charity must be made available for inspection by any Trustee at any time during normal office hours
- 16.4. A copy of the Charity's latest available statement of account must be supplied on request to any Trustee or Member. A copy must also be supplied, within 2 months, to any other person who makes a written request and pays the Charity's reasonable costs.

17. Notices

- 17.1. Notices under the Articles may be sent by hand, by post or by suitable electronic means or (where applicable to Members generally) may be published in any suitable journal or newspaper circulating in the Borough of Great Yarmouth or any journal distributed by the Charity.
- 17.2. The only address at which a Member is entitled to receive notices sent by post is an address in the UK shown in the register of Members.
- 17.3. Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

- 17.3.1. 24 hours after being sent by electronic means or delivered by hand to the relevant address;
 - 17.3.2. 2 clear days after being sent by first class post to that address;
 - 17.3.3. 3 clear days after being sent by second class or overseas post to that address;
 - 17.3.4. on the date of publication of a newspaper containing the notice;
 - 17.3.5. on being handed to the Member personally; or, if earlier,
 - 17.3.6. as soon as the Member acknowledges actual receipt.
- 17.4. A technical defect in the giving of notice of which the Trustees are unaware at the time does not invalidate decisions taken at a meeting.

18. Means of Communication

- 18.1. Subject to the Articles, anything sent or supplied by or to the Charity under the Articles may be sent or supplied in any way in which the Companies Act provides for documents or information which are authorised or required by any provision of the Companies Act to be sent or supplied by or to the Charity.
- 18.2. Subject to the Articles, any notice or document to be sent or supplied to a Trustee in connection with the taking of decisions by Trustees may also be sent or supplied by the means by which that Trustee has asked to be sent or supplied with such notices or documents for the time being.

19. Disputes

If a dispute arises between the Members about the validity or propriety of anything done by the Members under the Articles, and the dispute cannot be resolved by agreement, the parties to the dispute must first try in good faith to settle the dispute by mediation before resorting to litigation.

20. Interpretation

- 20.1. In the Articles, unless the context indicates another meaning:

‘**AGM**’ means an annual general meeting of the Charity;

‘the **Articles**’ means the Charity’s articles of association;

‘**Chair**’ means the Chair of the Trustees or the Members (as appropriate);

‘the **Charity**’ means the company governed by the Articles;

‘the **Charities Act**’ means (as applicable) the Charities Act 1993, the Charities Act 2006 and the Charities Act 2011;

‘**charity trustee**’ has the meaning prescribed by section 97(1) of the Charities Act;

‘**clear day**’ means 24 hours from midnight following the relevant event;

‘the **Commission**’ means the Charity Commissioners for England and Wales;

‘the **Companies Act**’ means the Companies Act 2006;

‘**connected person**’ means any spouse, partner, parent, child, brother, sister, grandparent or grandchild of a Trustee, any **firm** of which a Trustee is a member or employee, and any company of which a Trustee is a director, employee or shareholder having a beneficial interest in more than 1 per cent of the share capital;

‘**custodian**’ means a person or body who undertakes safe custody of assets or of documents or records relating to them;

‘**financial expert**’ means an individual, company or firm who is authorised to give investment advice under the Financial Services and Markets Act 2000;

‘**financial year**’ means the Charity’s financial year;

‘**firm**’ includes a limited liability partnership;

‘**indemnity insurance**’ means insurance against personal liability incurred by any Trustee for an act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Trustee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty;

‘**informal membership**’ refers to a supporter who may be called a ‘member’ but is not a company Member of the Charity;

‘**material benefit**’ means a benefit which may not be financial but has a monetary value;

‘**Member**’ and ‘**membership**’ refer to company membership of the Charity;

‘**month**’ means calendar month;

‘**nominee company**’ means a corporate body registered or having an established place of business in England and Wales;

‘**the Objects**’ means the Objects of the Charity as defined in Article 3;

‘**Secretary**’ means the company secretary of the Charity or such other person designated by the Trustees as the secretary;

‘**taxable trading**’ means carrying on a trade or business for the principal purpose of raising funds and not for the purpose of actually carrying out the Objects, the profits of which are subject to corporation tax;

‘**Trustee**’ means a director of the Charity and ‘**Trustees**’ means the directors.

'written' or **'in writing'** refers to a legible document on paper including a fax message or email; and

'year' means calendar year.

- 20.2. Expressions defined in the Companies Act have the same meaning.
- 20.3. References to an Act of Parliament are to that Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

URN: 21-057

Subject: Winter Gardens – National Lottery Heritage Fund Acceptance

Report to: Full Council – 22nd July 2021

Report by: Michelle Burdett, Head of Inward Investment, GYBC

SUBJECT MATTER

On 19th May 2020 the Policy and Resources Committee agreed to further work being undertaken to complete a stage 1 application to the National Lottery Heritage Fund (NLHF) Heritage Horizons Programme for the Great Yarmouth Winter Gardens. In February 2021, Council submitted a next stage application seeking the £9.9M match funding from the NLHF to fully restore and bring back into use the Winter Gardens.

As a result of this bid, the Council has been offered the full £9,977M of National Lottery Heritage Funding (NLHF) as requested under the Heritage Horizons programme, subject to the completion of the development application.

In considering the detail of this report, Members are asked to receive an update of the project and accept the Grant Notification Letter received from the National Lottery Heritage Fund and progress the development application, based on the proposal that the Winter Gardens is restored, celebrated and animated, providing a co-designed complementary mixed use offer, including community outreach and activities, visitor services and interpretation and food / beverage provision.

RECOMMENDATIONS

- 1) That Council approve the acceptance of the development grant of £420,800 and the Terms of the Grant and include a project budget of £810,800 to deliver the development stage of the projects.
- 2) That the capital programme is updated to reflect the delivery of the Wintergardens project totalling £16million along with the financing of the project as detailed in the report.

1. BACKGROUND AND CONTEXT

- 1.1 The Winter Gardens is a Grade II* listed building, a very rare surviving example of a seaside glass house. The building is of national significance and this importance is reflected in the Grade II* listing. The building appears on Historic England's Buildings at Risk Register. It suffers from a range of decay mechanisms affecting the metal frame and the timber fenestration holding the glazing in place. It is vacant and considered to be a dangerous structure.

- 1.2 Previous efforts from officers and professionals alike led the Council to an application to the Heritage Lottery Fund (HLF) in both 2016 and 2017, however, these applications were unsuccessful, with the HLF feedback recommending that further work be undertaken to robustly develop the financial business model, as well as explore more detailed options around the final end use.
- 1.3 During the Spring of 2019, the NLHF launched their new strategy and alongside that they also launched their new programme for projects that are seeking greater than £5M to match fund their capital projects. The council brought together an Expression of Interest (EOI) and submitted to the Heritage Horizons programme in October 2019. Following positive feedback that the Great Yarmouth Winter Gardens had been selected as only one of 18 projects out of an initial 146, the Council were invited to present to the NLHF board which again, lead to a positive outcome.
- 1.4 The final EOI application was submitted in February 2021 and was publically announced as a successful project on the 13th July 2021. The Winter Gardens is one of only five selected (out of the original 146 applicants) to be awarded an allocation of the £50million funding Heritage Horizon Awards. The council's application included a request for grant funding for both the development and delivery phases totalling £9,977,100.
- 1.5 This report presents a brief overview of progress, details the budget and requisite funding package, provides an overview of the next steps, and seeks Members' approval for the acceptance of the grant offer as required in line with the project governance arrangements.

2 HERITAGE HORIZONS - APPLICATION STAGES

- 2.1 The Heritage Horizons fund has a number of stages to its programming. These are summarised below. The Council has been successful at both EOI (Oct 2019) and with its most recent application (July 2021). The next step is to complete the development application before the project can proceed to delivering the capital works.
- 2.2 Members should be assured that the NLHF funds have been allocated in their entirety, however, the budget has been disaggregated into the two stages and match funding allocated accordingly. The Council will still need to pass the development application gateway before NLHF will provide approval to proceed to the capital stage.
- 2.3 The NLHF will work collaboratively with the team to ensure that the most robust development phase documents are submitted, and have already provided a step by step account of what work needs completing before the July 2023 deadline as part of the guidance received with the grant offer letter.
- 2.4 A summary of these stages are below:

	Round	Submission Date	Expected / Achieved Outcome due
	Expression of Interest	October 2019	PASSED
1	Next Stage Application	26 th February 2021	PASSED
2	Development Phase	Latest submission July 2023	Three months from submission
3	Delivery Phase	February 2023	N/A
	Winter Gardens Opens		2026

3 WINTER GARDENS – FINANCIAL SUMMARY

- 3.1 The development application was developed by the project team, which includes Council officers, the multi-disciplinary team, with oversight from the Member Working Group to ensure all figures have been robustly developed, with the income and expenditure modelling tested against industry benchmarks. All capital and revenue costs have been reviewed by experts in their field (QS and heritage / conservation experts).
- 3.2 The total project costs within the application for the development phase is £810,800 and including the delivery phase the overall project costs will be £16 million. The requisite match funding package has been disaggregated for each stage and for the development phase is summarised below:

	£000
Total project costs (£)	811
Total Partnership Funding (£) - Business rate Pool	375
Volunteer time	15
NLHF Grant (£)	421
Total income including the grant request (£)	811
NLHF Grant (%)	52

- 3.3 An application to the Norfolk Business Rates pool was previously approved and this provides £375,000 of match funding for the development phase, along with £15,000 of volunteer time. At this stage of the project Council is being asked to accept the development grant of £420,800 and include a project budget of £810,800 to be funded as detailed in the above table to complete the development stage of the project.
- 3.4 Members will be aware that the Town Deal application included an allocation of funding for the project of £4.075 million, which along with the lottery grant allocation of £9.98million totals £14.1million of external funding. Furthermore, as part of approval of the 2020/21 budget Council approved a £1million capital budget for the Winter Gardens to be allocated and used for match funding for the project, along with the assumed external and private sector funding this provides an overall funding package of £16million as summarised below:

	£000
Business Rates Pool Funding	440
Grant - Heritage Fund	9,977
Towns Fund	4,075
GYBC	1,000
Other External Funding	258
Private Sector	250
	16,000

- 3.5 During the development phase the detail of the next delivery stage overall project budget will be developed further, at this time the report is recommending that the £16 million be earmarked within the capital programme as the available funding envelope for the project.
- 3.6 As has been stated, the estimated capital costs of development have been tested by industry benchmarks. Conservation analysis and QS reports were updated during the application process and the estimated capital costs inclusive of a costed risk register (thus adding

robustness to the contingency) as well as healthy contingencies on the new build elements of the project (19%), repairs (16%) and fit out (10%).

3.7 The development stage requires a comprehensive suite of documents such as:

- Provide a Delivery Phase application
- Appoint staff and design team
- Produce partnership agreements and the Operating Plan
- Capital design scheme proposals & costs to RIBA 3
- Secure necessary planning consents
- Produce Activity Plan; Business Plan; Management & Maintenance Plan; Interpretation Plan (with concept plans to RIBA 3) Conservation Plan; Evaluation Plan and Full Risk Register
- Develop digital proposals
- Carry out fundraising
- Evaluate the development phase and provide the Heritage Fund with a report at Development Phase Completion

3.8 The procurement and appointment of a specialist team to complete the work would cost in the order of £810,800 (see table in 3.2). The intention is that the multi-disciplinary team is appointed to complete this phase of work.

3.9 The full match funding package has been assembled and as such presents low financial risks to the Council.

4 RISK IMPLICATIONS

4.1 The main risks in terms of the funding package have been mitigated due to the assembly of the match funding package. There are risks attributed to the delivery (capital) stage of the project. This will be mitigated via the Risk Register and with the detailed planning and financial analysis over the development phase of the project. The contingency levels will be continuously assessed and refined to minimise risk as the project design and contracting strategy develops.

4.2 For all significant construction projects there remains the risk of increasing material costs, these will be reviewed as part of the development stage ahead of progressing to delivery and will be mitigated by a review of the project contingency.

5 SUMMARY AND NEXT STEPS

5.1 The Council was offered the full £9,977M of National Lottery Heritage Funding (NLHF) as requested under the Heritage Horizons programme. This paper provides assurance around the budget package and as a result seeks Members approval to the terms of the offer letter as provided by the NLHF. Members are therefore asked to authorise Officers to accept the Terms of Grant and authorise Officers to proceed to the next stage of the project.

Area for consideration	Comment
Monitoring Officer Consultation:	As part of the ELT process

Section 151 Officer Consultation:	Throughout the development of the project, with feedback and guidance included as part of the paper
Existing Council Policies:	Corporate Plan and Annual Action Plan, Great Yarmouth's <i>Pathway to Recovery</i> normalisation and recovery plan Great Yarmouth Economic Growth Strategy Culture, Heritage and Tourism Strategy
Financial Implications:	As outlined in the Report
Legal Implications (including human rights):	Detailed as per the report and in line with the agreement / signing of the offer letter
Risk Implications:	As identified in report
Equality Issues/EQIA:	Accessibility has been considered throughout the development of the project with an independent assessment at this stage. As part of the next stage there will be an accessibility panel brought together to provide advice, guidance and due diligence to the project in this regard.
Crime & Disorder:	None
Every Child Matters:	Not applicable