**URN:**

**Report to:** **ELT – 4 November 2020**

**Policy and Resources Committee – 17 November 2020**

**Council – 26 November 2020**

**Subject:** **Medium Term Financial Strategy 2021/22**

**Report by:** **Finance Director**

**RECOMMENDATIONS:**
**1) It is recommended that Members consider and approve the following:**
**a) The updated Medium Term Financial Strategy (MTFS) and the key themes of the business strategy as outlined at section 8;**
**b) The revised reserves statement as included at Appendix A of the MTFS;**
**c) To set up a small working group of five members to develop and agree the Additional Restrictions Grant scheme and criteria and delegate authority to the Section 151 Officer and Head of Customer Services.**
**2) That Members recommend to Council:**
**a) The allocation of £1 million to the capital programme to support the digital strategy as outlined in section 8 of the MTFS;**

## 1. INTRODUCTION

1.1. The Medium-Term Financial Strategy has been refreshed and updated to reflect the latest external pressures and challenges facing the Council that will impact on the financial position of the Authority moving forward, most significantly the impact of Covid 19.

1.2. The strategy provides an updated position on the Council's financial projections for 2021/22, highlighting the budgetary pressures on the Council during this period. It reflects the delay of the major policy changes previously planned for implementation in 2021/22 namely the outcome of the fair funding review and review of business rates along with the impact of covid on the overall financial projections. Whilst the assumed roll forward of the 2020/21 finance settlement will provide additional resources above the level previously assumed, this has not yet been confirmed and makes the ability to accurately forecast funding shortfalls even more challenging.

1.3. Whilst there continues to be uncertainty around the funding allocations for 2021/22 onwards, it would be prudent to continue with a business strategy that focuses on a number of key themes as outlined within the MTFS at section 8 that seeks to identify future income streams and efficiency savings to fund the future forecast deficits.

1.4. The Financial Strategy is the first of a number of pieces of work which culminate in setting the annual budget and Council Tax for the forward financial year in February 2021.

## 2. COVID 19

2.1. The financial impact of Covid 19 for the current financial year was detailed in the period 5 budget monitoring report presented to the Policy and Resources Committee in October 2020. The ongoing impact for 2021/22 and future years is not yet fully known and adds challenge and uncertainty to the setting of the 2021/22 budget. Members will be aware that funding allocations have been made in the current financial year to mitigate the financial impact to the Council from increased costs and reduced income. In addition, funding has been allocated to Local Authorities to administer grants payable to businesses in line with national criteria and also local criteria for discretionary grant schemes.

2.2. Following the announcement of a second national lockdown from 5 November 2020 further funding announcements has been made available to support and help businesses that are forced to close. The following schemes have been confirmed, although further details are still to be announced (at the time of production of the report):

2.2.1. Local Restrictions Support Grants - Grants worth up to £3,000 per month can be distributed to business premises forced to close. Businesses required to close in England due to restrictions will be eligible for funding based on their rateable value of their properties along the following:

- For properties with a rateable value of £15k or under, grants to be £1,334 per four weeks;
- For properties with a rateable value of between £15k-£51k grants to be £2,000 per four weeks;
- For properties with a rateable value of £51k or over grants to be £3,000 per four weeks.

2.2.2. Additional Restrictions Grant (ARG) – Grant funding has been allocated to Local authorities for 2020/21 and 2021/22 to provide support to businesses. This will be a discretionary scheme and this report is seeking approval to set up a working group of five members to develop and agree the ARG scheme and criteria.

2.3. Further guidance on both of the latest schemes are expected to be published and these will be used to administer the mandatory scheme and inform the development of the local scheme.

## 3. FINANCIAL AND BUSINESS STRATEGY

3.1. The MTFS outlines in detail a number of key themes that continue to remain a priority to reduce the forecast funding gap these are:

3.1.1. Strategic Asset Management

3.1.2. Economic and Housing Growth

3.1.3. Property Investment and Commercialisation

3.1.4. Technological Investment

3.1.5. Partnerships

3.1.6.GYBC Operating model.

3.2. The above themes are presented in more detail within section 8 of the MTFS and savings and additional income proposals will be brought forward for consideration as part of the 2021/22 budget that are aligned to these key priorities. The updated forecast gap is still in the region of £1m for the general fund ahead of the detailed working on the budget for 2021/22. The forecast does assume a transfer from reserves in the year of £500,000 leaving a gap of £500,000 for which work is currently on

3.3. This report is also seeking approval of £1million to added to the capital programme to be funded from borrowing to accelerate the technological and digital investment work that is in line with the digital strategy as approved previously. This investment will build on some of the changes to the ways of working that have been adopted in response to covid and ensuring that the necessary investment in technology supports the needs of the customers and business alike.

**4. CONCLUSIONS**

4.1. The continued uncertainty around the future of local government funding and the Covid 19 pandemic makes the forecasting of future funding gaps challenging. Covid 19 has had a significant impact on the Council's finances in the current year and the impact for short to medium term and the speed of the recovery is not yet known. The level of reserves that the Council hold can be used in the short term to mitigate the financial impact, although future budget planning will need to consider the available reserves moving forward and seek to replace reserves as applicable.

4.2. The Council remain committed to the ambitious plans for regeneration of the borough including the Future High Street and Towns Fund for which applications and submissions have been made to government. These and the already approved capital programme of works including the re-provision of the Health and Leisure centre are essential to support the wider economic recovery.

**5. FINANCIAL IMPLICATIONS AND RISKS**

5.1. The commentary with in the MTFS has highlighted the financial challenges that continue to face the Council. Regular review of reserves, both general fund, earmarked and Housing revenue Reserves are essentially to inform the in-year decisions and also part of the budget setting report.

5.2. The financial support that has been allocated to Local Government to date has mitigated some of the immediate impacts of Covid 19 to Council's financial position although there will need to be a call on reserves for both the general fund and housing revenue account in the current financial year and most likely in 2021/22 to offset the financial impact.

**6. BACKGROUND PAPERS**

6.1. 2020/21 Budget monitoring reports

6.2. 2019/20 Outturn report and accounts

6.3. Funding announcements and financial modelling

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:** | Via ELT |
| **Section 151 Officer Consultation:** | Included within the detail of the report |
| **Existing Council Policies:** | N/A |
| **Financial Implications (including VAT and tax):** | Included within the detail of the report |
| **Legal Implications (including human rights):** | N/A |
| **Risk Implications:** | Included within the detail of the report |
| **Equality Issues/EQIA assessment:** | N/A |
| **Crime & Disorder:** | N/A |
| **Every Child Matters:** | N/A |

# Medium Term Financial Strategy 2021/22

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|---|---|
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| Date | October 2020 |
| Document Status | Draft |

**Contents**

## 1. INTRODUCTION

1.1. The Medium-Term Financial Strategy (MTFS) sets out the Council's budget strategy and framework to deliver the budget for the following year. The MTFS term is refreshed annually in response to changing pressures and opportunities and supports the preparation of the 2021/22 budget.

1.2. The MTFS supports the delivery of the Council's priorities by setting out the framework within which resources are available to the Council over the medium term and the financial challenges facing the Council in terms of future funding gaps.

1.3. The MTFS of an authority is a strategic document that supports the delivery of the Corporate Plan The Plan 2020-2025 . Great Yarmouth Borough Council's sets out the Council's commitment to drive and facilitate in the following four strategic areas:

- A strong and growing economy
- Improved housing and strong communities
- High-quality and sustainable environment
- An efficient and effective council.

1.4. The plan expands on the above key priorities, highlighting the Councils ambition, and approach to delivery.

1.5. The MTFS provides a high-level assessment of available resources and outlines the medium-term financial projections. It provides a high level summary of the financial projections taking into account a number of local and national factors which inform the assumptions upon which the projections are based, including known spending pressures and commitments, forecast of future funding reductions and the economic outlook.

1.6. The MTFS outlines the demands on the capital programme of both ambition and resources, the impact on the revenue account (for both housing and non-housing) and on the level of reserves held by the Council.

1.7. Finally, the strategy addresses both the sustainability of the Councils financial position and examines the more significant risks inherent in the proposals.

1.8. The Covid-19 (C19) pandemic has had a significant impact on the Council's finances. The immediate impact in the current financial year is evident from the direct impact to expenditure in response to the pandemic and also shortfall in income compared to the levels budgeted, there will also be a longer term impact as the Council, its residents and local economy seek to recover from the pandemic. The financial impact is explored in more detail within the strategy.

## 2. BACKGROUND AND CONTEXT

2.1. This section provides an overview of the wider financial issues and current assumptions made in the strategy and financial projections.

2.2. In April 2020 suspension of major policy changes was confirmed, these included the Fair Funding Review (FFR), the move to 75% business rates retention and the business rates reset. A three-year comprehensive spending review (CSR) was announced earlier in the year and was previously due to take place in July 2020, this was put back to the Autumn with results expected to be announced by the end of November. The multi-year CSR was due to set the public spending envelope for the period from 2021/22 to 2023/24 for revenue and to 2024/25 for capital if there is to be a multi year spending review.

2.3. The Autumn Budget was cancelled in September due to the continued uncertainty about the UK's economic outlook and not being the right time for outlining longer-term plans. The most recent announcement in mid October confirmed there would be a one year Spending Review setting the department's resource and capital budgets for 2021/22 only.

2.4. Until the detail of the spending review is known there is little certainty on what the future public spending envelope will look like. There are significant fiscal pressures facing the economy, whilst some will be assumed to be short-term ie the immediate response to Covid, others will be longer term for example the wider spending pressures in health and care, the ongoing recession. Any spending review will be balancing additional taxes, spending cuts and borrowing. It would be a prudent approach for any medium term financial strategy to set priorities that will support and deliver savings and additional income for the Borough Council.

2.5. For Local Government the funding outlook remains uncertain, for example will the new Homes Bonus scheme continue, will there be a further one-off allocation or a replacement incentive, changes to business rates retention and 100% pilots. The continued uncertainty further curtails the ability to provide accurate financial projections and forecasts over the medium term, for the purpose of the MTFS and the planning for the 2021/22 budget setting it has been assumed that there will be a further[1] roll forward of the 2020/21 finance settlement into 2021/22. Until announcements are made on the likely funding for Local Government estimates have been based on previous funding allocations, although for the period from 2021/22 onwards it would be prudent to plan for funding reductions and to ensure that the MTFS provides a sound framework for the business strategy moving forward that seeks to grow the income base and seeks efficiencies that will mitigate future funding gaps.

2.6. Despite the national uncertainty, the refresh of the MTFS is required to inform the detailed budget setting process for the 2021/22 budget ahead of approval of the budget in February 2021.

[1] 2020/21 was a roll forward of the 2019/20 finance settlement due to previous delays.

## 3. RESOURCES

3.1. This section provides an overview of financial resources available to the Council. Financial resources can be split between internal and external. The internal resources are those that are available from local decision making, for example decisions around the level of council tax, sales, fees and charges to be levied, capital receipts from asset disposals and use of available reserves. The external resources include government grants which could be general or service specific and to a certain extent business rates as whilst the Borough Council is the collecting authority for the rates, it does not set them and has very little discretion over reliefs that can be granted, however local decisions that support future growth in business rates will see a direct benefit returned to the council through the business rates retention scheme.

3.2. **REVENUE SUPPORT GRANT (RSG)** – RSG is a central government grant provided to Local Authorities to be used to finance revenue expenditure. Previous budget years have seen the level of RSG reduce as part of the multi-year finance settlement covering 2016/17 to 2019/20. The finance settlement for 2020/21 included a roll-over of the 2019/20 RSG resulting in a grant of £2.062million. The Council continue to be one of the largest receivers of RSG compared to similar tiers of authorities, this is primarily due the previous method of funding allocation for local government reflecting the local characteristics including deprivation and spending. At this time it is assumed that there will be a roll-over of the 2020/21 finance settlement for 2021/22.

3.3. **BUSINESS RATES RETENTION** – The current system of business rates retentions means that 50% of the rates collected locally is retained locally for the provision of services. Under the current scheme business rates collected are shared between central and local government. The current splits are 50% local (40% Borough and 10% County) and 50% central government.

3.4. The system includes a mechanism of tariffs and top ups to reflect local spending needs, and resources allocated from business rates, essentially districts pay a tariff and counties (i.e. NCC) receive a top-up. The business rates baseline is increased annually by RPI (in line with the actual business rates payable) and the tariffs and top-ups are also increased by RPI annually. The baseline allocation forms part of annual budget finance settlement announcements.

3.5. Local Authorities can keep up to 50% of the growth in business rate income above the baseline, the remaining 50% is paid (levy) to central government, unless the Local Authority is in a business rates pool and then the amount that would have been paid to central government is retained within the business rates pool.

3.6. The system includes a ‘safety net’ element which provides protection to those authorities when the year-on-year income falls by more than 7.5%, i.e. they fund the drop to the 7.5% and are protected beyond the 7.5% reduction.

3.7. Business rates’ pooling provides a mechanism for the growth from business rates, to be retained locally and used as agreed by the authorities within the pool. The Council has been part of the Norfolk Business Rates pool since 2018/19. The continuation of the pool for 2021/22 is currently being considered.

3.8. Mandatory business rate reliefs and those introduced by the government which reduce the amount of business rates collected locally are normally reimbursed via a section 31 grant. As part of the covid support provided to businesses there have been extensions to retail relief for the 2020/21 financial year. The Council is then compensated for the income that would have been collected via a section 31 grant. Extensions to the reliefs beyond 2020/21 due to Covid has not been confirmed, however when considering future revenues retained from the rates retention system there are a number of factors that need to be taken into account that will impact on the amount retained locally, including the following:

3.9. Bad Debt Provision – It would be prudent to assume that a greater level of bad debt provision is required due to non-payment of business rates, whilst the reliefs are provided in the current year, if these do not continue the ability of some business to pay their business rates could be impacted.

3.10. Empty Property Relief – Again following covid there may be an increase in the number of businesses that close and whilst rates are still payable on empty properties there becomes an increased chance of businesses moving into administration and business rates no longer being collectable.

3.11. Appeals – All businesses have the ability to appeal their rateable value (RV) for their business premises. Appeals are made to the Valuation Office Agency (VOA) who set the RV for the properties. The outcome of appeals if found in the favour of the appellant can have the impact of reducing the rates collectable moving forward and can also be subject to back dating. The annual budgeting process does make allowance for appeals and a provision is allowed for. Depending on the size of the property decisions in year can have an impact on the actual rates collected in the year. In previous years the Council has been carrying the increased risk in relation to the outstanding appeal on the power station within the borough. The outcome of the power station appeal was confirmed in 2019/20 which resulted in a reduction to the RV, the impact in 2019/20 pushed the Council into a safety net position, the impact in the year was also mitigated by the use of the appeals provision.

3.12. Business rate information on reliefs and income received or expected is collected via the National Non Domestic Rate (NNDR) returns submitted in January (projection) and May (actual). The above factors will be used to inform the 2021/22 budget forecast for retained business rates. The business rates baseline funding and tariff is included in the annual finance settlement announcement and these increase by inflation each year.

3.13. **NEW HOMES BONUS (NHB)** – New homes bonus has been part of the funding for local government since 2011/12. The scheme was originally introduced to incentivise and reward councils and communicates for building new homes in their areas. The future of the scheme is not yet known, the 2020/21 finance settlement allowed for a further year of the scheme pending the wider review as part of the fair funding review, as this review has been delayed by a further year

3.14. The grant is calculated by multiplying the national average council tax by the net additional homes growth (net of movements in long-term empty properties and demolitions), in addition there is an additional supplement of £350 per affordable dwelling.

3.15. The system splits the grant between local authority tiers; 80% to the lower tier (GYBC) and 20% to the upper tier (NCC) with annual allocations of NHB Grant being announced as part of the finance settlement based on annual returns [2].

3.16. Since the introduction of the scheme, the grant has reduced from being payable for six years to four years and from 2018/19 a 0.4 % threshold below which no bonus would be payable was introduced. 2020/21 was the first year since the introduction of the 0.4% threshold that the Council received a new NHB grant.

[2] Council Tax Base Returns submitted to government annual covering twelve months October to September. The calculation of the bonus does not take into account planning permissions or any other elements of the planning processes.

3.17. **COUNCIL TAX** – The current band D equivalent for the boroughs Council tax is £166.48. Alongside the annual Local Government Finance Settlement the Government sets the annual increase in council tax above which would trigger a referendum. Council tax capping in recent years has meant that annual increases in council tax for borough and district authorities have been limited to the higher of 3% or £5 for a band D. Announcements on referendum limits for council tax increases are announced annually as part of the annual Local Government finance settlement.

3.18. The Council tax base is an assessment of the number of dwellings expresses in Band D equivalents after allowing for non-collection, discounts and new property growth. The tax base for 2020/21 is 29,048 (28,560 2019/20). The forward projections had previously allowed for the tax base growth of 500 band d properties per annum. The tax base is due to be presented for approval in November, the impact of the covid pandemic will have an impact on the tax base for 2021/22 due to an increase in the demand for local council tax support which reduces the tax base as it is treated as a discount, in addition the impact of non collection in the current year will have an ongoing impact to 2021/22 and this too be reflected in the position.

3.19. As part of the financial support offered to Local Government there is the option for 2020/21 collection fund deficits to be phased over three years. Local tax income (council tax and business rates) is collected by the billing authority and paid into the local collection funds. Where there is a shortfall in tax receipts in any financial year compared to the level expected, this can lead to a deficit on the collection fund which should usually be recovered the following financial year. As part of the financial support to local government the government has proposed a scheme whereby repayments to the collection fund to meet the 2020/21 deficits could be phased over a three-year period to mitigate the immediate pressures on the revenue budgets in the short term. The impact of collection fund deficits will fall to the main precepting bodies, Parish and Town Councils are already protected from the impact of collection fund deficits as any deficit relating to the parish share is the responsibility of the billing authority.

3.20. The level of council tax discounts has a direct impact on the net collectable council tax and therefore income that is received in the general fund. The **Local Council Tax Support Scheme (LCTS)** is essentially a discount that supports those households and individuals that are on low income.

3.21. **SALES, FEES AND CHARGES** – Income from sales, fees and charges from the provision of services continue to be an essential source of funding for local authorities. These include income from a number of demand led services for example, car parking, planning and building control and waste services. The impact of Covid 19 on the demand for these services has had a significant impact in the 2020/21 financial year and whilst it can be assumed for budget setting purposes that these services will recover, the timescales for these is not certain. The forward financial projections allow for annual increases to fees and charges in line with the current fees and charges policy[3]. The general principles of the policy are annual increases of RPI plus upto 2% to cover the cost of service delivery.

3.22. The update financial forecasts will be informed by estimates of all of the above financial resources and this is included in section 4.

[3] Fees and charges policy 2020/21 to 2024/25 Policy Document

## 4. FINANCIAL FORECAST UPDATE

4.1. The production of a detailed financial forecast for the position from 2021/22 onwards is very difficult at this time. The continued uncertainty around government funding, council tax collection, the impact of business rates retention coupled with the challenges around recovery does make the forecasting of future funding gaps somewhat challenging.

4.2. The forecast update has been informed by the base budget for 2020/21 allowing for inflation increases and known commitments, at this time it is difficult to forecast what the impact Covid will have on the budget assumptions for 2021/22, for example income from sales fees and charges, the current support scheme from the government is only confirmed for the current financial year.

4.3. Some of the impacts in the current financial year can be expected to continue and therefore the future budget will be updated to reflect these, the following provides some commentary around the more significant impacts compared to the current financial year that have been taken into account when arriving at the forecast funding gap and size of the budget challenge that needs to be mitigated.

4.4. **INTEREST RECEIVABLE AND PAYABLE** – The Bank of England made two cuts to the UK Official Interest rate over a period of weeks in March 2020 in response to the Covid 19 virus from 0.75% to 0.1% where the rate has remained since that time. This has in return reduced the amount of investment income received on the Council's investments. The forecast impact in the current financial year is expected to be £110,000 and it would be prudent to assume that this will continue for 2021/22.

4.5. The borrowing requirements for the Council continue to be undertaken in line with the treasury management strategy and due to slippage in the capital programme some of the planned borrowing will be re-profiled to 2021/22 and 2022/23, this is therefore expected to reduce the forecast interest payments in 2021/22 and overall is expected to mitigate the impact of reduced interest receivable. However planned capital programme that is assumed to be funded by borrowing will be incurred resulting in additional borrowing costs compared to the current financial year, which is currently estimated to be £120,000.

4.6. **MINIMUM REVENUE PROVISION** (MRP – allowance in the revenue account for the repayment of debt incurred for capital expenditure) – The MRP is set annually taking into account planned capital spend within the approved capital programme, due to the capital programme covering more than one financial year the future MRP budgets can be projected. An initial review of the capital programme taking into account slippage in the timing of the schemes will delay the commencement of the MRP and based on current assumptions, this assumes additional MRP of £163k compared to the current year.

4.7. **PAY AWARD AND PENSIONS** – The 2020/21 budget assumed an annual increase in the employee pay award of 2% per annum. The actual award for 2020/21 was 2.75%, the impact in future years of this is in the region of £100,000 per annum which has been factored into the forward projections. Forecasts for 2021/22 onwards assumed pay awards of 2%. The nature of the Local Government Pension Scheme cost for the Council means that there is an employer contributions payable on actual employee costs incurred in the year as well as a lumpsum element. The lumpsum element is set for three financial years and for 2021/22 represents growth of £135,000 compared to the 2020/21 based budget.

4.8. **COUNCIL TAX** – As flagged earlier as part of the resources section, the impact of covid has increased the demand for local council tax support and thereby reduce the amount of council tax collectable, furthermore the impact of reduced collection will reduce the borough councils element of council tax collectable for budget purposes. Rates of unemployment will continue to have a direct impact on the level of demand for the council tax support scheme, again reducing the net collectable amount of council tax income. The governments support of allowing collection fund deficits means that the impact can be smoothed over a number of years to mitigate the impact in 2021/22. As part of the budget process a prudent estimate for additional council tax income for the coming financial year would be made informed by increases in the tax base as well as increases to the band D equivalent council tax. Previously the future budget forecasts have allowed for annual growth of the tax base of 500 band D equivalents plus the maximum allowable increase of £5 (band D) council tax for the borough element of the council tax. This would generate in the region of £231,000 additional income per annum compared to the prior year. Due to the impact on recovery of council tax and increase in demand for council tax support, these have both reduced the level of tax base growth for the coming year and therefore a prudent estimate of £145,000 has been factored in to the financial forecasts for council tax income for 2021/22 on the assumption of maintaining the current tax base (29,048) and the £5 increase in the borough element of the council tax. Due to the unprecedent impact on the tax base position and the financial forecast it would be prudent to allow for a transfer from general reserves to offset the shortfall in the collection in the 2021/22 financial year which could be in the region of £90,000.

4.9. **EXTERNAL GRANT AND FUNDING –** The 2020/21 finance settlement was a roll over of the prior year, at this time following the announcements of the deferring of the fair funding review and business rates review the forecast for 2021/22 has assumed a further rollover of the 2020/21 finance settlement. This is expected to deliver some additional funding compared to what had previously been anticipated under continued funding reductions, and a small increase compared to the current year of approximately £30,000 In addition, assuming there is a further year of the new homes bonus legacy payments, whilst this will deliver funding for 2021/22 for a further year, based on the indication of the tax base forecasts for 2021/22 there will be no “new” NHB and only legacy payments for 2021/22 which is £195,000 less than 2020/21.

4.10. **BUSINESS RATES** – The base budget for the 2020/21 budget had assumed some continued levels of growth from business rates for the financial year. The impact of Covid on business rates income for future years is difficult to predict, whilst the extensions to reliefs and grants that have been available in the 2020/21 financial year have sought to mitigate some of the impact, it would be prudent to assume that there may be some direct impact in 2021/22. The updated forecasts assumes a reduction of £250,000 compared to the current financial year. The Council does continue to hold a collection fund earmarked reserve that can be used to smooth the impact between financial years of fluctuations in business rates, however this does not provide a sustainable solution in the medium to long term.

4.11. **NET COST OF SERVICES** – As part of the detailed budget work, the service budgets for income and expenditure will be pulled together taking into account inflationary increases for both expenditure and income. Fees and charges income will be increased in line with the fees and charges policy which allows for annual increases of RPI plus upto 2% with the aim to recover costs. For 2021/22 the RPI rate of 1.1% has been used which will see increases in fees and charges of upto 3.1%. The detailed income estimates will inform the detailed budget workings to be presented as part of the budget report in February 2021 which will also be informed by the latest assumptions for service demand and also taking into account covid.

4.12. At this stage the impact of inflationary increases for both spend and income have been assumed to mitigate each other unless there are known additional budgetary pressures for which proposals to reduce the impact to the bottom line will need to be considered. This could include further savings and additional income proposals being factored into the medium term forecast and use of reserves in the short term to smooth the impact. Such additional pressures at this time include additional waste disposal costs, additional external audit fees or which further work and review is due to be carried out.

4.13. **SUMMARY** – After allowing for the factors above the following table summarises the current forecast gap for 2021/22.

| **Updated Financial Forecast 2021/22** | **£000** |
|---|---|
| 2020/21 Budget Gap | 150 |
| + Interest Income Receivable and Interest Payable | 180 |
| + Minimum Revenue Provision | 165 |
| + Employee Costs (Pay award and Pensions) | 235 |
| - Council Tax | (145) |
| + Financial Settlement – Revised Forecasts | 115 |
| + Business Rates | 250 |
| **Forecast Financial Gap 2021/22** | **950** |

4.14. Detailed work on the 2021/22 budget has already commenced with the Management Team to critically review budgets and look at options to reduce the forecast gap for 2021/22. The key themes for the MTFS are included at section 8 and these will be the priorities to be taken forward for reducing the future budget gap.

## 5. HOUSING REVENUE ACCOUNT

5.1. Since the introduction of self-financing in 2012, the HRA business plan has continued to be challenged by a number of changes. Right to buy discounts have increased, rent-setting policy has changed and other future new proposals affecting the HRA have been announced and are in the process of being consulted on. Recently the impact of covid on the HRA has seen an increase to the level of arrears as the financial impact of covid continues to make debts more difficult to collect.

5.2. The recent strategy for the HRA has been to keep the HRA reserves levels sufficient in order to mitigate any loss of revenue. The Council continues to be prepared for further reductions in resources available to manage, maintain, improve and add to its housing stock and further managing the implications from the stock condition survey.

5.3. Community Housing continues to review of all of its revenue spending to look at where savings can be made. The Capital programme, which is funded partly by contributions from revenue, is monitored regularly during the year and is reviewed in detail to update the position of the 2020/21 budget.

5.4. Since the full stock condition was carried out in 2017/18 the HRA has continued to see increased capital programme on the stock and as a result the stock condition has improved, and repairs and maintenance demand has greatly reduced.

5.5. Additional borrowing currently maintains the affordable housing programme to comply with the right to buy agreement. The requirement is to use retained receipts within three years of a dwelling sale, to support up to 30% of the scheme cost of replacement homes. A consultation from Central Government with Local Authorities was completed to consider introducing flexible options in the future to help spend Retained receipts. This consultation closed in October 2018 and no further guidance has been provided following submission.

5.6. The majority of fees and charges relating the Housing Revenue Account have been increased in line with the corporate formula adopted by the Council, RPI + 2%, to close the gap in terms of recovery of costs.

5.7. **RENT SETTING POLICY -** The Welfare Reform and Work Act 2016 introduced a 1% reduction per year for four years to social housing rents starting in April 2016 with 2019/20 being the final year subject to 1% rent reductions. From 2020/21 onwards rent setting is based on increases of CPI + 1%. For 2020/21 this equated to 2.7%, on both social and affordable rent in line with the new Rents for Social Housing policy for 2020/21.

5.8. **RIGHT TO BUY DISCOUNTS AND RETAINED RECEIPTS -** Right to buy discounts have increased since the introduction of Self Financing, the maximum discount increases each year based on the consumer price index (CPI). The business model has been amended to incorporate this change.

5.9. The HRA is still part of a retention agreement, where the HRA can retain receipts, to support up to 30% of the cost of replacement homes if incurred in a three-year period. If retained receipts are not used, the Council is liable for repayment of the receipt plus interest, so it is important to monitor and project RTB sales and RTB receipts in order to plan for their appropriate use and mitigate any repayment liabilities.

5.10. Great Yarmouth Borough Council have set out a plan and ambition to use retained receipts to develop affordable council housing and to further increase the supply of affordable housing using a combination of four options:

- Grant contribution to Housing Association development
- Development of new build homes
- Purchasing empty homes on the open market
- Purchase of suitable properties on the open market.

5.11. **HRA DEBT CAP SUMMARY** - In 2018 it was announced that in order to help solve the 'housing crisis', the Government would scrap the borrowing cap limitations on how much councils can borrow against their HRA Assets. The budget stated that the HRA debt cap would be removed with immediate effect and the new determination came into force on 30 October 2018. The Great Yarmouth Borough Council's HRA has previously been subject to a borrowing cap limitation of £89 million. Following the removal of the borrowing cap, the Council is now able to borrow above its original borrowing limit but must remain within its own affordability.

5.12. The Council continues to actively review the best way to utilise the additional borrowing capacity within the HRA, to deliver further affordable homes within the Borough. The council plans to utilise revenue savings to finance additional borrowing within the HRA, along with the use of accrued 1-4-1 receipts, which may have otherwise been repaid to government along with the relevant interest.

5.13. Overall, the aim is to increase the levels of new housing within the existing housing stock, and to increase net rental income received. The HRA continues to model the implications to the housing business plan, as well as identifying potential sites for the delivery of additional housing. Increased borrowing for the HRA will need to be able to demonstrate affordability and informed decisions taken to understand the longer term impact to the HRA funding.

5.14. There are two key strands to the Councils HRA investment plans:

- Maintaining and improving the housing stock;
- New Affordable council housing, including new housing to replace sales under RTB in line with Government guidance.

5.15. The plans are prepared over the medium term and are reviewed and updated annually. Future investment decisions will be based on local decision making and local knowledge of the condition of the stock and the components.

## 6. RESERVES

6.1. This section provides an overview of reserves held by the Council along with the strategy approach to the use of and replacement of reserves.

6.2. The Policy Framework for Reserves is reviewed annually alongside the setting of the annual budget. The Council holds a number of useable reserves both for revenue and capital purposes which fall within one of the following categories.

- General Reserve
- Earmarked Reserves (General Fund and Housing Revenue Account)
- Capital Receipts Reserve
- Housing Revenue Account Reserve.

6.3. The General Reserve is held for two main purposes - to provide a working balance to help cushion the impact of uneven cash flows to avoid temporary borrowing and as a contingency to help cushion the impact of unexpected events or emergencies. It is this latter reason that will see a use of the general reserve in 2020/21 due to the impact of Covid 19 and the financial impact in the current year that is not currently due to be covered by government support unless there are further funding allocations.

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

- sensitivity to pay and price inflation;
- sensitivity to fluctuations in interest rates;
- the level of savings that have been factored into the budget and the risk they will not be delivered as anticipated, both level and timing;
- potential legal claims where earmarked funds have not been allocated;
- emergencies and other unknowns;
- impact of demand led pressures which impact on both income and expenditure;
- future funding fluctuations;
- level of earmarked reserves held;
- a level of general reserve that is within 5% to 10% of net expenditure.

6.5. A financial assessment is made of all the factors to arrive at a recommended level for the general reserve, which for the 2020/21 financial year was assessed to be £2.8 million.

6.6. The general reserve balance at 1 April 2020 was £3.49 million, based on the latest financial monitoring position taking into account the immediate impact of Covid, the balance at 31 March 2021 is expected to be £2.8million, ie still within a reasonable tolerance of the recommended balance, although the ongoing impact of Covid may require further transfers from the general reserve in 2021/22 to mitigate the impact. The medium term financial strategy would seek to replace use of the general reserve over the next two to three years.

6.7. **EARMARKED RESERVES** provide a means of building up funds to meet known or predicted liabilities and are used to set aside sums for major schemes, such as capital developments or asset purchases, or to fund restructurings as part of invest to save proposals. Whilst earmarked in nature until the amounts are budgeted to be taken from the reserves, commitments have not yet been made from these reserves. Earmarked reserves can also be held for service projects and business units, which have been established from surpluses to cover potential losses in future years, or to finance capital expenditure. Earmarked reserves also provide a mechanism to carry forward underspends at the year-end for use in the following financial year where no budget exists.

6.8. For each earmarked reserve a number of principles should be established:

- the reasons for, or the purpose of the reserve
- how and when the reserve can be used – short to long term
- procedures for the reserve’s management and control.

6.9. The establishment and use of earmarked reserves is reviewed at the time of budget setting, throughout the year as part of the budget monitoring processes and also as part of the year-end reporting. Review of earmarked reserves throughout the year takes into account the continuing relevance and adequacy of the reserve and also the level of the general reserve.

6.10. An updated reserves statement is included at Appendix A. This reflects the latest position for the use of all reserves in the current and future financial years where known. There is still some uncertainty around the exact timing of the use of a number of the reserves, for which some are held as a contingency to mitigate a potential liability although the timing and likelihood of this is dependent upon future events.

6.11. The following provides a commentary on some of the more significant reserves that the Council currently holds and maintains:

6.12. **INVEST TO SAVE** – This earmarked reserve provides resources to fund one-off/upfront costs for projects that will deliver on-going savings. Examples include, officer restructures, where one-off redundancy or pension strain costs might be payable where a business case delivers an on-going revenue saving within two to five years, or for an investment in IT hardware, software or equipment or one-off costs which will deliver savings through more efficient ways of working (for example the programme of digital transformation projects). The balance at the beginning of the year was £1.55m and the forecast balance at 31 March 2021 is £1.27million.

6.13. **COLLECTION FUND NATIONAL NON DOMESTIC RATES RESERVE** – This reserve is used to offset the fluctuation in the level of retained business receipts received in the year to mitigate the impact to the revenue account. The reasons for the fluctuations include timing of the outcome of appeals and actual collection of rates. The balance at 1 April 2020 was £1.88 million, the actual use of the reserve in the year will depend upon the business rates position at the year end.

6.14. **ASSET MANAGEMENT RESERVE** – This reserve was established to earmark funds that will support the provision of current and future assets, of the reserve £1.257m has been committed to smooth the impact to the revenue account of the new leisure facility, the current forecast unallocated balance is £183k.

6.15. All reserves, general and earmarked, will be reviewed over the coming months as part of setting the detailed budgets for 2021/22, with a view that where commitments have not been identified and funds or reserve balances are no longer required, these will be re-allocated to the general reserve to mitigate the impact of Covid to the Councils financial position.

6.16. **CAPITAL RECEIPTS RESERVE** - The Council also holds a reserve which includes the balance of receipts generated from asset disposals. Capital receipts are generated when an asset is disposed of and can only be used to fund expenditure of a capital nature, i.e. not for on-going revenue expenditure. The balance of capital receipts is used to fund the current approved capital programme. The balance at 31 March 2020 was £2.032million.

6.17. Using reserves to finance one-off spend for example in relation to projects, and where the funds can be used to lever in other external funding enables flexibility and also does not tie up in-year budget allocations. However when utilising reserves to fund annual budget deficits, it should be remembered that use of reserves provides only a short-term measure to reduce the funding gap and whilst it can be used to mitigate the impact in the short-term for example in response to changes to funding regimes and in response to unplanned impacts eg Covid, this does not provide a sustainable solution in the medium to long term.

## 7. CAPITAL

7.1. This section provides an overview of the current capital programme and resources available to it for the financing of current and new capital schemes.

7.2. The capital programme is updated regularly throughout the year as part of the budget monitoring report process. A copy of the current capital programme is included at Appendix B.

7.3. **GENERAL FUND CAPITAL PROGRAMME** - The following tables provide a summary of the current capital programme for 2020/21, together with current forecasts for 2021/22 ahead of consideration of new capital proposals for 2021/22 along with a breakdown of the relevant scheme financing.

| 2020/21 | Forecast Expenditure | Borrowing | Grants & Contributions | Revenue/ Earmarked Reserves | Capital Receipts |
|---|---|---|---|---|---|
| **Service Area:** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| **Resources** | 533 | 533 | 0 | 0 | 0 |
| **Neighbourhood Management** | 98 | 73 | 0 | 0 | 25 |
| **Customer Services** | 592 | 592 | 0 | 0 | 0 |
| **Inward Investment** | 9,388 | 7,450 | 1,938 | 0 | 0 |
| **Housing** | 2,020 | 568 | 1,255 | 60 | 137 |
| **ICT** | 500 | 500 | 0 | 0 | 0 |
| **Property & Asset Management** | 4,011 | 3,691 | 220 | 100 | 0 |
| **Total** | **17,142** | **13,407** | 3,413 | 160 | 162 |
| | | | | | |
| **2021/22** | **Forecast Expenditure** | **Borrowing** | **Grants & Contributions** | **Revenue/ Earmarked Reserves** | **Capital Receipts** |
| **Service Area:** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| **Neighbourhood Management** | 102 | 102 | 0 | 0 | 0 |
| **Inward Investment** | 16,420 | 13,670 | 2,750 | 0 | 0 |
| **Housing** | 3,202 | 1,823 | 0 | 880 | 499 |
| **ICT** | 558 | 558 | 0 | 0 | 0 |
| **Property & Asset Management** | 7,377 | 6,377 | 1,000 | 0 | 0 |
| **Total** | **27,659** | **22,530** | **3,750** | **880** | **499** |

7.4. The current capital programme is funded from the following sources of finance:

- Capital Receipts – generated from asset disposals (both new and existing within the capital receipts reserve);
- Grants and contributions received from external sources including third parties and government;
- Revenue – by means of making a revenue contribution to capital;
- Prudential Borrowing – by means of loans made to the council by PWLB and other sources;
- Internal Borrowing – by using of the council's cash balances as opposed to borrowing externally.

7.5. Prudential borrowing to fund capital expenditure can only be undertaken when an authority can demonstrate the need to borrow. The need to undertake prudential borrowing is demonstrated through its Capital Financing Requirement, which is driven by the balance sheet of the authority and takes into account reserves (including general and earmarked). Financing costs of the borrowing are charged to the revenue account and therefore any decision to undertake external borrowing would need to take account of the debt costs including interest and the Minimum Revenue Provision (MRP) and overall demonstrate affordability.

7.6. As an example, if a £5m capital project is approved the revenue impact from an MRP charge to the revenue account will be made in line with the current MRP Policy – probably over the useful life of the asset – which would amount to £200,000 per annum (assuming a 25 year life).

7.7. If a decision is to be taken to use revenue reserves or capital receipts to finance the expenditure, no MRP charge would be necessary, as the expenditure would be financed immediately by a revenue contribution to capital.

7.8. **HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME** - The following provides a summary of the 2020/21 and 2021/22 capital programmes for the HRA along with the financing of these programmes.

**Summary of the Housing Revenue Capital Programme**

| | Budget Expenditure | Borrowing | Revenue | Capital Receipts |
|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** |
| **2020/21** | 18,105 | 8,730 | 7,087 | 2,288 |
| **2021/22** | 13,080 | 4,100 | 6,848 | 2,132 |

7.9. As part of the 2021/22 budget process capital bids will be considered for approval. Bids will be prioritised in line with the priorities of the business strategy and those that report the delivery of future efficiencies, savings and growth. In addition, as flagged earlier the digital strategy remains a priority and therefore these proposals will be considered internally via the IT Investment group ahead of releasing the funds from the IT capital programme.

7.10. Significant capital schemes may be brought forward for approval outside of the annual budget setting process for example Future High Street Fund and Town Deal funding. These are two significant programmes of work that are seeking externally funding to deliver wider regeneration schemes within the borough. As these schemes progress

## 8. FINANCIAL AND BUSINESS STRATEGY

8.1. This section outlines the short to medium term priorities to reduce the forecast deficit. The preceding sections set out the updated financial forecast and some of the context within which the forthcoming budget setting will be set.

8.2. Despite the lack of certainty around future funding levels, the Council's strategy must continue to look for opportunities to maximise income through growth in homes and businesses and the associated return that these will deliver through council tax and business rates, along as the wider benefits of growth. It must continue to take advantage of new funding streams, including one-off funding where there is a direct benefit to the Borough that will support this growth for example through the future high street fund and towns fund, and also proactive opportunities to seek funding locally through the pooled business rates fund and Local Enterprise Partnerships which align wider objectives to the delivery of local growth and also other funding partners for example Homes England, Sport England and Heritage funding streams.

8.3. At the same time, it should also continue to ensure that it is operating in the most efficient way to identify and deliver saving opportunities.

8.4. The following outlines in more detail the **key themes of the financial and business strategy**. Each of the themes should not be seen in isolation and where applicable should support other themes in the overall delivery:

8.5. **STRATEGIC ASSET MANAGEMENT** – The Council holds a significant asset base, some are directly used for the provision of services and others that support the wider priorities within the plan. Some assets for example commercial properties deliver a return to the Council from rentals and lease payments. In the same way that these properties are reviewed in terms of the financial return to the Council, other assets that are utilised in the delivery of services should be reviewed to ensure that they too support the delivery of services and the wider priorities within the plan. Regular review all Council's asset holdings to ensure that income streams are being maximised and costs minimised should be a continued focus of the work to identify development opportunities, new investment or recognise assets which are under performing for potential disposal, with a view to adding value to strategic assets. **The key aim is to identify the most efficient way to utilise the Council's assets and maximise the return that the Council receives from them.** Delivery of this theme is informed by the Asset Management Strategy and will also cover opportunities to grow the asset base and demonstrate linkages with external funding opportunities and grants. To support this theme it is important that the Council has the correct policies and tools in place that are aligned and support effective and timely decision making in respect of assets. The Acquisition and Disposal Policy will be reviewed further to ensure that it is aligned to the Use of Retained Right to Buy Receipts Policy which was updated in 2019[4] and also supports transparent decision making processes. The policy will therefore be updated and presented to a future meeting of the Policy and Resources Committee.

8.6. **ECONOMIC AND HOUSING GROWTH** – As flagged earlier in the document income from homes and businesses within the borough provides an essential source of income to fund the provision of local services. **A key aim must be to maximise income from housing and business rates through enabling growth and retaining existing baselines.** With an expected greater reliance on income from business rates locally in the future it is important to enhance and protect funding from business rates. There needs to be opportunities to encourage new growth in the Borough, including the enterprise zones and other areas. This will also support new housing

[4] Introduction of price limit of £350,000 for the acquisition of homes to meet specific needs for adaptation and amending the payback for all acquisitions to 40 years.

growth which will deliver one of the main sources of funding for services from the collection of Council Tax. The Council already has mechanisms in place to support the priority to maximise housing growth both within its own stock through the Housing Revenue Account and also the wider delivery of homes through its company, Equinox.

8.7. Optimising the Council tax base continues to be the means by which Council Tax income can be maximised. This could be through growth in property numbers, increased collection and reductions in discounts and through proactive work to ensure that all eligible council tax properties are identified. It is recognised that there are factors outside of the Councils control in terms of managing collection for the 2020/21 financial year due to the covid pandemic, however the longer term delivery of new homes and bringing homes back into use continue to be a priority and recently has seen additional funding allocated to the capital programme to support this aim.

8.8. **PROPERTY INVESTMENT AND COMMERCIALISATION** – This theme is closely linked to the strategic Asset management priority, but also seeks to identify other external opportunities for investment in properties to achieve either an income stream or improved returns on investment. These would not necessarily be for investment purposes alone but seeks to regenerate areas which may require up front regeneration funding interventions, with a wider opportunity and growth potential.

8.9. Opportunities could be indirect through treasury management property investments or direct delivery by the Council or through an appropriate vehicle. These could support, for example, regeneration within the Borough to deliver growth and linkages to the economic growth theme as detailed above. Any direct investment would be subject to a business case, taking into account all risks and the full revenue implications (including borrowing costs). Currently these opportunities are identified as part of the current asset management plan or proposals taken forward by the appropriate decision making process.

8.10. **TECHNOLOGICAL INVESTMENT** – In response to Covid and the shift almost overnight to some services being delivered remotely the Council has responded well and adapted to utilise technology in a more efficient way. Whilst the speed of some of the changes has meant that detailed implementation plans could not be followed, for example the shift to virtual meetings both internal and external by the use of Microsoft teams and zoom, has seen users internally, both members and officers adapt to a different way of working. There is further opportunity for the enhancement and development of IT to ensure efficient and effective service delivery. The Digital Strategy was approved in October 2019 and identified three strategic aims of **Digital Services, Digital Communities and Digital Workforce**. The three aims are supported by the following objectives:

A. *To make our service provision more efficient via automation, reducing duplication of effort and reducing manual intervention.*
B. *To increase the quality of our service, by increasing speed, reliability and consistency.*
C. *Increase data sharing across services*
D. *Create a single view of residents, land and property*
E. *To promote Great Yarmouth as a great place to live, work, do business and visit.*
F. *To improve the accessibility and availability of our services.*
G. *To provide up to date always available information online for our customers*
H. *To have a workforce that has the right information, equipment, systems, training and confidence to do their job in a digital workplace.*

8.11. The strategy included an action plan which has been refreshed and included at Appendix C. There are further opportunities for technological investment including system development to improve access to services, flexible working and digital by design. The current capital programme includes approved funding for ICT investment of £779k, proposals for investment although there will be a requirement for further funding, these will be subject to business cases which will also identify future efficiencies. This MTFS is seeking the earmarking of a further £1million for capital investment in IT subject to business case to expediate the digital strategy (see section 8.14 also).

8.12. **PARTNERSHIPS** - Creating efficiencies through collaborative working with others. Identifying opportunities must continue at a local level with partners and other organisations, ensuring that realistic and deliverable benefits are achieved. In addition, a strengthened approaches to working with communities and partners in the voluntary sector to;

- Drive better outcomes for local residents;
- Reduce avoidable demand on council services;
- Secure investment to drive new partnerships with partners and communities to deliver corporate ambitions;
- Make better use of council assets and resources to offer greater social value to local communities and to develop a partnership approach with public sector partners to working with communities across the borough.

8.13. **GYBC OPERATING MODEL** – It is essential that the Council is effective and efficient. This is one of the four strategic priorities of the Plan. The key to this is the operating model by which the services are delivered to the residents and businesses of the borough. The Council must continue to ensure that the model for delivery of services is the most efficient and effective, providing good value for money and that this is challenged where necessary. Including the review of the joint ventures that are in operation.

8.14. There are various strands to considering what the right operating model is for the Council and these will continue to drive efficiency and saving:

8.14.1. **Organisational Development Strategy** – This work is ongoing and provides an opportunity to continue to review service delivery and the strategic capacity of the organisation. This focuses on the people resource and ensures that the Council has the right people with the right skills, that decisions are taken in the right place, at the same time empowering staff and Members to challenge and drive forward transformation initiatives, being clear on the benefits they will bring and being accountable for their delivery.

8.14.2. **Digital Strategy** – Whilst technological investment is a key theme in itself the digital strategy provides the framework that will support the wider investment. With an ambition to become more efficient via automation, reducing duplication of effort and manual intervention the action plan supports this work to provide an on-line service for residents, businesses and visitors that is supported by a seamless transfer of data in the back office and ensuring that staff have the ability to work in the most effective way with the appropriate tools, support joined-up working, and mobile solutions. Ensuring that investment in services are aligned to the digital strategy that has been adopted. Furthermore building on the work and progress that has been made since March 2020 when all Local Authorities were forced to re-think the provision of services to their residents in a covid secure and predominantly digital way. As the Council has adapted to new ways of working this has highlighted some of the issues with the current IT systems and the limited ability to shift to a remote way of working for staff and to provide on-line services. The digital strategy had previously highlighted the need for some of the back office system upgrades and reviews for example the housing system for which the implementation is underway, other systems include the planning, environmental services and licensing system for which initial business cases have been produced and presented to the ITIG (Information Technology

Investment Group) for consideration. Still need to have a wider review of the digital strategy to ensure that priorities are still applicable and whether we need to re-priortise to identify those investments that will deliver the benefits including cashable savings.

8.14.3. In order to accelerate some of the ICT investment required within the digital strategy, members are being asked to consider approving an additional £1million to the capital programme to be used to fund IT investment business cases that are brought forward to the ITIG for consideration and support ahead of release of the funds from the capital programme. The business cases will cover the need for the investment along with the benefits to the business and also efficiencies. As a guide this level of investment would have an impact of in the region of £40,000 per annum to the revenue account although it is anticipated that this would be more than offset by the cashable savings that the investment would achieve. Furthermore, the benefits of the current way of working for example the greater use of Microsoft Teams and remote working will deliver savings that can be factored into the base budget to reduce the forecast funding gap.

8.14.4. **Procurement and Contract Management** – The council has in place a number of contracts/arrangements for the provision of services. These make up a considerable element of both the day to day and capital spend for the Council and therefore there needs to be robust arrangements in place for managing these contracts, whether this is through a joint venture or formal contract management, ensuring key governance principles are adopted including the establishment of clear specifications for service delivery under contract arrangement, pro-active budget and contract management of the service and ensuring value for money is being challenged and achieved.

8.14.5. **Enforcement Strategy** – The enforcement board continue to provide a co-ordinated approach to issues such tackling homes and properties which blight areas and may contribute to anti-social behaviour.

8.15. As projects that are aligned to the above themes are progressed, the associated savings/additional income will be quantified and factored into the budget and will be brought forward to members for approval as part of the setting of the 2021/22 budget.

**8.16. SAVINGS AND ADDITIONAL INCOME -** As part of the budget work for 2021/22 officers have been asked to put forward savings and additional income proposals for consideration as part of the budgets work. These will be presented for approval as part of the budget reports in January and February 2021. It is too early to put monetary amounts against the individual savings proposals as this work is still to be concluded, however a total indicative target of £500,000 would be reasonable at this time, although these may require some lead in time ahead of the full savings targets being factored into the base budget. These proposals will be worked upon in the coming months ahead of consideration by Members as part of the budget reports.

**8.17. USE OF RESERVES AND INVEST TO SAVE -** As flagged in the earlier section use of reserves to balance a budget provides only a short-term solution as the funds can only be used once. Reserves can however be used to smooth the impact of funding reductions and fluctuations in funding over the short to medium term and to allow for planning and implementing projects and work streams that will deliver a longer-term financial benefit through reduced costs or additional income.

8.18. Similarly, reserves can be used to fund one-off costs for projects that will deliver a longer-term benefit, for example the invest to save reserve. The use of the reserves in this way will be considered as part of the full business case for individual project proposals, taking into account the payback period of the project along with indirect financial implications.

8.19. Due to the ongoing impact of Covid it would be reasonable to expect the financial impact to continue into 2021/22, due to this it may be required that the 2021/22 budget is reliant on a transfer from reserves to mitigate the impact of reduced income both from services and also the impact of council tax collection.

8.20. **PARISH COUNCIL SUPPORT** – As part of approving the 2020/21 budget in February 2020, Council agreed for a review to be undertaken on the level of concurrent function grants awarded to Parish Councils ahead of the 2021/22 budget setting. The Borough Council is currently providing concurrent function grants totalling £142,000 to parish councils to in the form of grants annually. The concurrent function grants have remained the same since 2016/17. Concurrent functions are discretionary services that can be carried out by the Borough Council but can also be undertaken by parish councils where these exist. They cover services that are provided in some parts of the borough by the borough council and in other areas by the parish councils and can result in parish tax payers being charged twice – double taxation. The payment of grants to the parishes seeks to make a contribution to the costs to mitigate this.

8.21. Due to Covid this review work has not been able to be completed and will therefore commence over the coming months as part of the work on the 2021/22 budget.

8.22. **KEY ACTIONS** – From the review of the MTFS and business priorities there are a number of work streams that are in place and these will start to deliver savings in 2021/22 and 2022/23 onwards. Furthermore the detail of the 2021/22 budgets will be subject to challenge to identify efficiencies and savings to mitigate future funding gaps. The continued uncertainty on the future funding for local government and covid recovery impact presents a significant challenge, whilst it is expected that the budget challenge work still to be completed will reduce the forecast gap for 2021/22, there will be a need to make a transfer from reserves in 2021/22. The longer term financial position does need to be critically reviewed to ensure that the budget remains achievable in the medium term.

8.23. **SUMMARY** - The updated position above is prior to the detailed work on the budget for 2021/22 being completed, which is currently in progress to be presented to Members in February. Work is continuing with services to identify further options to reduce the forecast gap in the short to medium term.

## 9. RISK AND SENSITIVITY

9.1. This section outlines the more significant financial risks facing the Council along with scenarios of the impact of changes to some of the assumptions.

9.2. The continuing downward pressure on external resources continues to constrain the level of service delivery that the Council is able to provide. The annual budget and financial planning process aims to ensure that the Council is prepared and able to respond to these pressures at an early stage. That said, there continues to be significant pressures on the Councils budget, both general fund and housing revenue account, and therefore decisions must be made which take account of the overall financial position of the authority.

9.3. There is a legal requirement to set a balanced budget annually, for which the process ensures the budget is prepared in an informed manner and may propose changes to service levels, which may require upfront investment. Alongside approval of the budget, the level of reserves and robustness of the estimates are factors that are considered in full ahead of approving the budget and the council tax for the coming year. Whilst reserves can be used to mitigate one-off funding gaps, the use of the reserves should not be seen as a longer-term sustainable option to delivering robust budget and financial management.

9.4. The updated financial forecasts are dependent upon a number of key assumptions at a point in time, which are not directly within the control of the Council. The most significant of these are detailed below along with the sensitivities to the financial projections.

9.5. **EMPLOYEE COSTS** – As mentioned above the forecasts assume an annual pay award of 2%, the Council is part of a national pay agreement and as a guide for GYBC, 1% equates to approximately £90,000 annually. The base budgets allow for a turnover element from staffing costs, which equate to approximately 1.5% per annum.

9.6. **BUSINESS RATES GROWTH** – Within the Local Government Finance Settlement, the Business Rates Baseline funding is assumed to increase annually in line with inflation. Actual increases (or reductions) will result in additional or a reduced level of income retained locally. As a guide a 1% movement each year would result in approximately £50,000 additional income per annum being retained.

9.7. **COUNCIL TAX BASE GROWTH AND NEW HOMES BONUS** – The current budget and projections allow for no new NHB allocation for 2021/22. Increases in the tax base generate increases in the locally collected element of the council tax, this is also dependent upon the level of collection. The continued impact of Covid 19 on council tax collection will be reflected in the position for 2021/22 and onwards.

9.8. **REVENUE SUPPORT GRANT** – The current assumptions assume a roll over of the 2020/21 funding and until the outcome of the one year comprehensive spending review is announced, this continues to be a significant risk in terms of Local Government funding.

9.9. **FUTURE FUNDING AND BUSINESS RATES** – Local Authority funding from central government continues to be under pressure with the continued shift from central government grant (from revenue support grant) to locally generated resources including retained business rates to fund the provision of local services. There are a number of inherent risks, which are borne locally including, the status of properties changing, for example business premises becoming empty and the impact of appeals and the resulting outcomes which can result in backdating of refunds. The granting of business rate reliefs in response to the covid pandemic has assisted businesses with rates liabilities for 2020/21, these have only been granted for the 2020/21 financial year and therefore there is a greater risk of business rates income collection should the reliefs no longer be available. The Council holds an earmarked reserve which can be used to mitigate any adverse impact to the Council in the short to medium term.

9.10. **SAVINGS AND ADDITIONAL INCOME OPPORTUNITIES** – The Council is continuing to deliver against a programme of savings and additional income from current and previous budget decisions. Delivery of the savings at the levels budgeted along with the identification of new opportunities is vital to delivery of the overall budget and achieving a sustainable future financial position. The delivery of these savings is closely monitored by ELT and Members as part of the ongoing budget monitoring process.

9.11. **SERVICE DEMAND AND INCOME** - A significant amount of the revenue budget is dependent upon income from demand led services, for example car parking, planning and building control. The time taken for these to recover post Covid 19 will inform the detailed budget work for 2021/22 and will very much be influenced by the current status of the pandemic. The importance of maintaining general and earmarked reserves remains essential to mitigate short term impacts of reduced income.

9.12. **INTEREST AND MRP -** The revenue budget takes account of the planned borrowing and financing of the current and future capital programmes. Slippage of capital schemes will impact on the level of borrowing required along with the associated financing costs. In addition, as new schemes and projects are approved this will have an impact on the associated financing costs and will need to be considered as part of the options appraisal and business case.

9.13. **FAIR FUNDING REVIEW AND SPENDING REVIEW** – The announcement of the one year spending review will inform the funding allocations for 2021/22. When the timescales for the fair funding review are announced these will inform the future financial forecasting for Local Government.

9.14. **HRA** – As flagged previously the removal of the debt cap for the HRA provides greater flexibility and opportunity for the HRA in terms of provisions of replacement and additional housing for the HRA as well as maintaining existing stock. Additional borrowing must still be able to demonstrate affordability and modelling and scenario planning will be undertaken to inform future decisions. Furthermore the impact of covid 19 to the HRA most significantly in terms of rental income and increased arrears will need to be reflected in the updated HRA business plan.

9.15. The extent to which the above factors will have an impact on the ongoing financial projections and funding gap will vary. Some will have an ongoing impact, for example a slowing of the tax base growth will impact in 2021/22 and future years are reduces the council tax income that will be generated annually. In the same way an increase in the employee inflation in one year will increase the base budget requirement moving forward cumulatively. The above risks will be considered as part of the annual budget setting process.

## General Fund Reserves Statement - Appendix A

| Reserve | Opening Balance 01/04/20 | Forecast Movement 2020/21 | Forecast Closing Balance 31/03/21 | Budgeted Movement 2021/22 | Forecast Closing Balance 31/03/22 | Budgeted Movement 2022/23 | Forecast Closing Balance 31/03/23 | Budgeted Movement 2023/24 | Forecast Closing Balance 31/03/24 |
|---|---|---|---|---|---|---|---|---|---|
| **Planning Delivery Grant** | 62 | 0 | 62 | 0 | 62 | 0 | 62 | 0 | 62 |
| **Insurance Fund** | 312 | 0 | 312 | 0 | 312 | 0 | 312 | 0 | 312 |
| **DFG top-up capital loans and grant fund** | 350 | 50 | 400 | 0 | 400 | 0 | 400 | 0 | 400 |
| **Restricted use grant** | 935 | -142 | 792 | -128 | 664 | -40 | 624 | -20 | 604 |
| **Invest to Save** | 1,553 | -104 | 1,449 | -176 | 1,274 | 0 | 1,274 | 0 | 1,274 |
| **Specific budget** | 192 | -25 | 167 | -27 | 141 | 15 | 156 | -20 | 136 |
| **LEGI** | 124 | -50 | 74 | 0 | 74 | 0 | 74 | 0 | 74 |
| **Repairs and Maintenance** | 302 | 0 | 302 | 0 | 302 | 0 | 302 | 0 | 302 |
| **Second Homes Council Tax** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Waste Management** | 25 | 0 | 25 | 0 | 25 | 0 | 25 | 0 | 25 |
| **Collection Fund (Business Rates)** | 1,884 | 0 | 1,884 | 0 | 1,884 | 0 | 1,884 | 0 | 1,884 |
| **Community Housing Fund** | 543 | -30 | 513 | -30 | 483 | -30 | 453 | -30 | 423 |
| **Enforcement** | 42 | 0 | 42 | 0 | 42 | 0 | 42 | 0 | 42 |

## General Fund Reserves Statement - Appendix A

| Reserve | Opening Balance 01/04/20 | Forecast Movement 2020/21 | Forecast Closing Balance 31/03/21 | Budgeted Movement 2021/22 | Forecast Closing Balance 31/03/22 | Budgeted Movement 2022/23 | Forecast Closing Balance 31/03/23 | Budgeted Movement 2023/24 | Forecast Closing Balance 31/03/24 |
|---|---|---|---|---|---|---|---|---|---|
| **Special Project Reserve** | 554 | -132 | 422 | -244 | 178 | -50 | 128 | -26 | 102 |
| **Benefits/Revenues Reserve** | 145 | 0 | 145 | 0 | 145 | 0 | 145 | 0 | 145 |
| **Homelessness** | 281 | 104 | 384 | -46 | 338 | -46 | 292 | -46 | 246 |
| **Treasury Management reserve** | 200 | 0 | 200 | 0 | 200 | 0 | 200 | 0 | 200 |
| **Asset Management reserve** | 1,798 | -449 | 1,349 | -802 | 547 | -205 | 342 | -205 | 137 |
| **Coast Protection** | 115 | 0 | 115 | -75 | 40 | 0 | 40 | 0 | 40 |
| **Empty Business Property Incentive Fund** | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 100 |
| **Other Reserves** | 1,331 | -78 | 1,252 | 0 | 1,252 | 0 | 1,252 | 0 | 1,252 |
| **Total GF Earmarked Reserves** | **10,848** | **-857** | **9,991** | **-1,528** | **8,463** | **-355** | **8,107** | **-347** | **7,760** |
| **General Fund Reserve** | **3,490** | **-652** | **2,838** | **-500** | **2,338** | **0** | **2,338** | **0** | **2,338** |
| **Total GF Reserves** | **14,338** | **-1,508** | **12,829** | **-2,028** | **10,801** | **-355** | **10,446** | **-347** | **10,099** |

## General Fund Capital Programme - Detail - 2020/21

| Services & Projects | Budget Expenditure £000 | | | 2020/21 Expenditure £000 | | 2021/22 Onwards |
|---|---|---|---|---|---|---|
| | Rolled Forward 19/20 Budget | Approved 20/21 Budget | Updated 20/21 Budget | Actuals 20/21 year to date | Forecast 20/21 | (Roll forward from 20/21) |
| Equinox Enterprises Limited Share Capital | 533 | - | 533 | - | 533 | - |
| **Total: Executive** | **533** | **-** | **533** | **-** | **533** | **-** |
| Childrens Playground Refurbishment | 87 | - | 87 | - | - | 87 |
| Cobholm Skate Park | 99 | - | 99 | 0 | 98 | 1 |
| Wellesley CCTV | 15 | - | 15 | - | - | 15 |
| **Total: Neighbourhood Management** | **200** | **-** | **200** | **0** | **98** | **102** |
| Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt Yarmouth Cemetery Wall | 19 | - | 19 | 19 | 19 | - |
| St Nicholas Minster West Boundary Wall | 95 | - | 95 | - | 95 | - |
| St Nicholas car park North Boundary Wall | 25 | - | 25 | - | 25 | - |
| Rebuilding sections of Great Yarmouth Cemetry Wall - East Road | 9 | - | 9 | 0 | 9 | - |
| Crematorium Tearooms | 444 | - | 444 | 5 | 444 | - |
| **Total: Customer Services** | **592** | **-** | **592** | **24** | **592** | **-** |
| Health and Fitness Centre | 24,509 | - | 24,509 | 1,087 | 8,090 | 16,419 |
| The Waterways | 33 | - | 33 | 29 | 33 | - |
| Phoenix Pool & Gym car park extension | 130 | - | 130 | - | 130 | - |
| Winter Programme | - | - | 905 | - | 905 | - |
| Great Yarmouth Preservation Trust Loan | 230 | - | 230 | 230 | 230 | - |
| **Total: Inward Investment** | **24,902** | **-** | **25,807** | **1,346** | **9,388** | **16,419** |
| Disabled Facilities Grants | 61 | 1,188 | 1,225 | 119 | 1,225 | - |
| Better Care Fund Projects | 6 | - | 53 | 41 | 53 | - |
| Empty Homes | 511 | - | 511 | - | 250 | 261 |
| DFG Top-up Grants | 250 | - | 250 | - | 20 | 230 |
| DFG Top-up Loans | 150 | - | 150 | - | 20 | 130 |
| Norfolk & Waveney Equity Loan Scheme | 32 | - | 36 | - | 32 | 4 |
| Equity Home Improvement Loans | 531 | - | 545 | - | 50 | 495 |
| HMOs /Guesthouse Purchase & Repair Scheme | 1,912 | - | 1,912 | 3 | 350 | 1,562 |
| Community Housing Fund Loans | 540 | - | 540 | - | 20 | 520 |
| **Total: Housing** | **3,992** | **1,188** | **5,221** | **164** | **2,020** | **3,202** |
| ICT Investment to deliver GYBC ICT Strategy | 384 | 395 | 779 | 170 | 500 | 279 |
| **Total: IT, Communications & Marketing** | **384** | **395** | **779** | **170** | **500** | **279** |
| Public Toilet Refurbishment Programme | 45 | - | 45 | 0 | 45 | 0 |
| Footway Lighting | 82 | 300 | 382 | 117 | 382 | 0 |
| Gorleston High Street car park resurfacing | 6 | - | 6 | - | 6 | - |

## General Fund Capital Programme - Detail - 2020/21

| Services & Projects | Budget Expenditure £000 Rolled Forward 19/20 Budget | Approved 20/21 Budget | Updated 20/21 Budget | 2020/21 Expenditure £000 Actuals 20/21 year to date | Forecast 20/21 | 2021/22 Onwards (Roll forward from 20/21) |
|---|---|---|---|---|---|---|
| Esplande Resurfacing | 331 | - | 296 | - | - | 296 |
| GY Flood Defence Scheme Epoch 2 | 50 | - | 50 | - | 50 | - |
| Beach Huts | 51 | - | 86 | 21 | 86 | 0 |
| Council Chamber relocation | 122 | - | 122 | 4 | 122 | 0 |
| Gorleston Paddling Pool /Splash Pad | 10 | - | 10 | - | 10 | - |
| Beacon Park Projects | 500 | - | 500 | 3 | 10 | 490 |
| Market Place Redevelopment | 4,477 | - | 4,477 | 11 | 1,000 | 3,477 |
| North Quay Redevelopment | 2,361 | - | 2,361 | - | 800 | 1,561 |
| Winter Gardens | 7 | 900 | 907 | 38 | 500 | 407 |
| Hopton Section 106 funded playground works | - | - | - | - | - | - |
| Energy Park - South Denes | 1,845 | - | 1,845 | 4 | 1,000 | 845 |
| **Total: Property & Asset Management** | **9,888** | **1,200** | **11,088** | **198** | **4,011** | **7,077** |
| **Overall Total** | **40,491** | **2,783** | **44,221** | **1,903** | **17,142** | **27,080** |

**Digital Strategy – Update October 2020** **Appendix C**

| Specific Actions | Lead | Start Date | End Date | Additional Resource Requirements | Update |
|---|---|---|---|---|---|
| **Strategic Objective - A To make our service provision more efficient via automation, reducing duplication of effort and reducing manual intervention.** | | | | | |
| A1<br>Conduct a systems review, integration and automation project. Reviewing all 80 systems used by council to deliver services as end to end processes to identify and implement automations of manual tasks and integrations between systems to facilitate single views of residents, land and property. | Digital Improvement Manager | Sept 19 | Oct 22 | External consultancy, Norfolk County Council IMT | Initial review of HR, Housing and EH/Lic/Pln have been looked at and decisions made that new modern systems will be required to drive the business forward. Other systems will be reviewed when additional resource in position |
| A2<br>Setup of integration and automations sever to facilitate automation. | Digital Improvement Manager | Oct 19 | Jan 20 | Training of IMT developers to work with integration server | Integration server has been built with access granted by NCC. Additional software requirements being considered |
| A3<br>Implementation of new HR System to facilitate self-service and electronic payslips to reduce manual intervention. | IMT Manager | Feb 20 | May 21 | Procurement Officer | Systems have been demo'd and Sarah Tate is considering best options to move this project forward |
| A4<br>Implementation of Single Sign On for most commonly used applications across the organisation. | IMT Manager | Feb 20 | Jul 21 | | Single sign on has been prioritised for all new systems in procurement. Other systems are being investigated with Integra having work in progress |
| A5<br>Finance Systems review (Integra) integrations and automations | Digital Improvement Manager | Dec 19 | Apr 20 | External Consultant | Meetings with Finance arranged and postponed due to workload and Covid-19. Not yet been re-addressed. |
| A6<br>Customer Services Systems review (Civica OR, Civica DM, CRM) integrations and automations | Digital Improvement Manager | May 20 | Sep 20 | External Consultant | Civica System Review booked. |

**Digital Strategy – Update October 2020** **Appendix C**

| Specific Actions | Lead | Start Date | End Date | Additional Resource Requirements | Update |
|---|---|---|---|---|---|
| A7<br>Environmental Services Review Customer Services Systems review (Civica APP, BBits, LaLPac, EROS) integrations and automations | Digital Improvement Manager | Oct 20 | Jan 21 | External Consultant | Systems have been demo'd and business plan approved by ITIG. James Wilson writing OJEU procurement documents |
| A8<br>Housing systems review integrations and automations | Digital Improvement Manager | Feb 21 | May 21 | External Consultant | Housing procurement complete. Awaiting results of dispute meeting in writing before progressing |
| A9<br>Planning systems review integrations and automations | Digital Improvement Manager | Jun 21 | Sep 21 | Y | Reviewed as part of the new system procurement |
| A10<br>Property systems review integrations and automations | Digital Improvement Manager | Oct 21 | Jan 22 | N | Meeting held with system provider to explore functionality of system for use within other teams, bought forward by a desire to digitally transform |
| A11<br>Replacement of OHMS system | IMT Manager | Jun 19 | Mar 20 | N | Reviewed as part of the new system procurement |
| **Strategic Objective B To increase the quality of our service, by increasing speed, reliability and consistency.** | | | | | |
| B1<br>Replace and upgrade GYBC Local area network infrastructure. | IMT Operations Manager | Oct 19 | Nov 20 | Norfolk County Council IMT | Work in progress. Test units in place and working. Dates for offices postponed due to COVID. Awaiting new dates |
| B2<br>Replace and upgrade GYBC Wi-Fi | IMT Operations Manager | Oct 19 | Dec 19 | Norfolk County Council IMT | Work in progress. Test units in place and working. Dates for offices postponed due to COVID. Awaiting new dates |
| B3<br>Relocation of communications equipment to improve business continuity and disaster recovery. | IMT Operations Manager | Jul 19 | May 20 | NCC, Updata & GYBC | Work has been completed |
| B4<br>Upgrade of Crematorium connection to Fibre Optic | IMT Manager | Jul 19 | Sep 19 | NCC, Updata & GYBC | Work has been completed |

**Digital Strategy – Update October 2020** **Appendix C**

| Specific Actions | Lead | Start Date | End Date | Additional Resource Requirements | Update |
|---|---|---|---|---|---|
| B5<br>Renegotiate NCC Shared Service Agreement SLAs | Director of Resources / IMT Manager | Jul 19 | Dec 19 | Norfolk County Council IMT | GYBC requirements added to agreement. Further discussions required to complete |
| **Strategic Objective C – Increase data sharing across services** | | | | | |
| C1<br>Implementation of integration of systems across services as identified in A1 | Digital Improvement Manager | Sep 19 | Oct 22 | | Integration server has been built with access granted by NCC. Additional software requirements being considered |
| **Strategic Objective D - Create a single view of residents, land and property** | | | | | |
| D1 (C2)<br>Collaborate with NCC and SNDC on the single citizen view project | Digital Improvement Manager | Sep 19 | Ongoing | N | Central government funding for project has been turned down. COVID has led to project been put on hold |
| **Strategic Objective E - To promote Great Yarmouth as a great place to live, work, do business and visit.** | | | | | |
| E1<br>Provision of public Wi-Fi in the Great Yarmouth Market Place | IMT Operations Manager | Oct 19 | Jan 20 | BID Grant | Procurement has been completed. Work to be completed before December 20. Just waiting for final permissions |
| E2<br>Collaborate with NCC to discover and utilise LoRaWAN | Digital Improvement Manager | Ongoing | Ongoing | NCC | Initial discussions have taken place with a view as to how this can be used for GYBC. Discussions to continue |
| E3<br>Collaborate with NCC to assist with delivery of the LLFN (Local Full Fibre Network) across Great Yarmouth. | IMT Manager | Ongoing | Ongoing | NCC, Updata | LFFN site surveys are currently taking place by BT. Dates for implementation awaited |

**Digital Strategy – Update October 2020** **Appendix C**

| Specific Actions | Lead | Start Date | End Date | Additional Resource Requirements | Update |
|---|---|---|---|---|---|
| **Strategic Objective F - To improve the accessibility and availability of our services.** | | | | | |
| F1<br>Conduct Customer Experience focussed review and rebrand of GYBC website and implement recommended improvements. | Digital Improvement Manager | Sep 19 | Feb 20 | N | Work has been completed on the website |
| F2<br>Implement end to end self-service online portals – as identified in the systems review project (A1) | Digital Improvement Manager | Sep 19 | Oct 22 | N | Implementation of new Bulky item end ot end service complete.<br>Several end to end grant form digital processes complete including paying out of 20+m grants). |
| F3<br>Create a single sign on portal for customers via working in collaboration with NCC and SNDC on the Norfolk Single Citizen Identity project integrating MyAccount with Single Citizen Identity. | Digital Improvement Manager | Sept 2019 | Ongoing | Local Digital Fund Bid Grant | Project placed on hold by NCC and SNDC/BDC due to COVID-19. |
| F4<br>Deliver three community upskilling and access training workshops. Including promotion of the workshops. | IMT Manager / Neighbourhoods | Apr 2021 | Oct 22 | Neighbourhoods Team Communications and Marketing Team | Project not anticipated to take place until 21 however highlighted red to raise as risk Covid 19 |
| F5<br>Integrate Civica Open Portal with GYBC MyAccount as a single sign on. | Digital Improvement Manager | Apr 20 | June 20 | Civica | New Portal for OR installed and working |
| **Strategic Objective G - To provide up to date always available information online for our customers** | | | | | |
| G1<br>Develop and implement a continuous improvement program for the website. | Digital Improvement Manager | Ongoing | Ongoing | N | Review complete and annual schedule of audit, and address in place. |

**Digital Strategy – Update October 2020** **Appendix C**

| Specific Actions | Lead | Start Date | End Date | Additional Resource Requirements | Update |
|---|---|---|---|---|---|
| **Strategic Objective H - To have a workforce that has the right information, equipment, systems, training and confidence to do their job in a digital workplace.** | | | | | |
| H1<br>Implement service-based information dashboards utilising Microsoft Power BI (Business Information). | Digital Improvement Manager | Dec 19 | Oct 21 | N | Initial conversations held with Finance but put on hold due to year end accounting |
| H2<br>Conduct a rolling device refresh to keep technology up to date. Planned roll out to Environmental Services, Inward Investment, Finance and Planning in Y1, Y3 Customer Services, Housing, Organisational Development and Property. | IMT Operations Manager | Ongoing | Ongoing | N | Device refresh for Year 1 of the plan has been initiated with devices being rolled out. Phase 2 procurement initiated 09/10/2020 |
| H3<br>Instil a continuous improvement cycle for GYBC Intranet 'The Loop' | Digital Improvement Manager | Ongoing | Ongoing | N | |
| H4<br>Replace current Avaya telephony solution (due to end of life) with a modern telephony system. | IMT Manager | Apr 20 | Dec 21 | Y | Project agreed by ITIG and now being implemented. To be completed by 30/11/20 |
| H5<br>Implement digital skills as part of job descriptions, person specifications and PDR objectives | HR | Ongoing | Ongoing | N | Discussions have been held with HR to ensure that "digital" skill are included within new and existing JD's |
| H6<br>Provision of ICT training courses to upskill workforce. | HR | Ongoing | Ongoing | N | Word and excel provisioned. HR requesting skills audit. To be discussed with HR |
| H7<br>Facilitate digital training via online learning hub – such as cyber security training. | HR/IMT | Ongoing | Ongoing | N | Cyber security and other digital training continues to be delivered. |
| H8<br>Provision of BYOD capabilities via Mobile Device Management Microsoft Intune. | IMT Manager | March 20 | Feb 21 | N | Project agreed by ITIG and now being implemented. To be completed by 28/02/21 |