



GREAT YARMOUTH
BOROUGH COUNCIL

Council

Date: Tuesday, 20 February 2018
Time: 19:00
Venue: Council Chamber
Address: Town Hall, Hall Plain, Great Yarmouth, NR30 2QF

AGENDA

Open to Public and Press

1 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2 ITEMS OF URGENT BUSINESS

To consider any items of urgent business.

3 DECLARATIONS OF INTEREST

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

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

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

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

matter.

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

4 MAYOR'S ANNOUNCEMENTS

To consider any announcements from Her Worship the Mayor.

5 MINUTES

6 - 12

To confirm the minutes of the meeting held on the 14 December 2017.

6 PUBLIC QUESTION TIME

Council will consider the following question from Mr L Sutton (Great Yarmouth Trades Union Council):-

"Please can the Leader of GYBC explain and justify the Council's continuing and significant expenditure on the local tourist industry in the face of projected £2.94 million funding gap (2020/21); that Great Yarmouth Trades Union Council believe does not represent a good use of public money, given the industry is typified by low wages, seasonal and casual employment that leaves many workers reliant on state benefits, amounting to a further state subsidy for the industry, that perpetuates the cycle of deprivation, and despair in the town?"

**7 SERVICE COMMITTEE DECISION LIST FOR THE PERIOD 7
DECEMBER 2017 TO 6 FEBRUARY 2018**

13 - 14

Report attached.

8 HOUSING REVENUE ACCOUNT BUDGET SETTING 2018-19

15 - 39

Report attached.

9 TREASURY MANAGEMENT STRATEGY 2018-19

40 - 58

Report attached.

59 - 118

Report attached.

119 -
132

Report attached.

133 -
142

Report attached.

143 -
143

Details attached.

Council will be asked to consider the replacement of Councillor Grant by Councillor Annison on the Norfolk Strategic Planning Framework.

To consider the following Motions on Notice :-

(a) Motion from Councillors Bensly, Plant, M Coleman, K Grey, A Grey and Grant.

"This Council resolves to write to the Right Honourable Brandon Lewis MP and Her Majesty's Principal Secretary of State for Transport Chris Grayling, expressing our appreciation for the multi-million pounds of funding for the Third River Crossing and additional transport infrastructure currently being planned and implemented, and the confidence this demonstrates in the Borough. This crucial investment in Great Yarmouth is fundamental to secure Great Yarmouth's future economy for the next 40 years or so, ensuring Great Yarmouth is at the forefront of the offshore energy offer."

(b) Motion from Councillors Grant, Plant, Bensly, K Grey, A Grey

and Hacon

" This Council resolves to write to Sajid Javid Secretary of State for Housing Communities and Local Government and to Philip Hammond the Chancellor of the Exchequer to welcome the Government's commitment to build 300,000 homes a year and for the increased £2billion announced in the budget for affordable housing.

However we believe that Councils have a huge part to play and in particular those with HRA have an opportunity to go much further and faster than is currently envisaged. We therefore ask the Government to :-

Remove the debt cap for HRAs

Remove the HRA debt from the public sector debt to the private sector as it has with the housing associations.

Allow Local Authorities to keep all proceeds from right to buy sales, allow greater flexibility with the way its spent and allow discounts to be set locally.

Give greater financial freedoms and devolve powers to all Councils to invest in housing of all types of tenure that it requires and needs as opposed to a one size fits all policy."

**16 MOTION ON NOTICE TO RESCIND A PREVIOUS DECISION BY
COUNCIL RELATING TO THE CONSTITUTION WORKING
PARTY**

**144 -
144**

In accordance with Articles 31.11 and 31.14.1 of the Constitution Councillors Wainwright, Fairhead, Smith, Plant, B Coleman, Lawn, Hacon, Hammond, Flaxman-Taylor, Bensly, Thirtle, Williamson, Walker, Walch, Annison and Grant have given notice of a Motion to rescind a decision made by Full Council on the 14 December 2017 in relation to the recommendations of the Constitution Working Party.

A copy of the relevant Council minute extract relating to this item is attached.

Council is advised that the reasons for the call to rescind are, firstly, that some Members were unclear that the vote was being taken en bloc in relation to all four recommendations and there was no opportunity for debate on individual recommendations, and secondly, that the new Monitoring Officer has advised that there is a procedural anomaly in relation to the outcome of the en bloc

decision, in that a further resolution would have been required to give practical effect to the decision in relation to the Scope of Motions.

| | | |
|----|--|--------------|
| 17 | <u>COUNCIL DECISION OF 14 DECEMBER 2017 ON CONSTITUTION WORKING PARTY RECOMMENDATIONS</u> | 145 - 150 |
|----|--|--------------|

Report attached.

| | |
|----|-----------------------------------|
| 18 | <u>EXCLUSION OF PUBLIC</u> |
|----|-----------------------------------|

In the event of the Committee wishing to exclude the public from the meeting, the following resolution will be moved:-

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

| | |
|----|------------------------------------|
| 19 | <u>CONFIDENTIAL MINUTES</u> |
|----|------------------------------------|

Details

Council

Minutes

Thursday, 14 December 2017 at 19:00

Present :

Her Worship the Mayor Councillor Robinson-Payne (in the Chair); Councillors Andrews, Annison, Bensly, Bird, Borg, B Coleman, M Coleman, Cutting, Davis, Fairhead, Grant, Hacon, Hammond, Hanton, Jeal, Lawn, Mavroudis, Plant, Pratt, Reynolds, Smith, Thirtle, Wainwright, Walch, Walker, Weymouth and Williamson.

Also in attendance :-

Mrs S Oxtoby (Chief Executive Officer), Mr D Johnson (Monitoring Officer) Mrs C Watling (Monitoring Officer Designate), Ms K Sly (Finance Director), Mrs K Watts (Strategic Director), and Mr R Hodds (Corporate Governance Officer).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Carpenter, Connell, Flaxman-Taylor, A Grey, K Grey, Jones, Rodwell, Stenhouse, Waters-Bunn and Wright.

2 ITEMS OF URGENT BUSINESS

Her Worship the Mayor agreed that the following item would be considered at this Council meeting.

Appointment of Mayor for 2018/19.

Council was asked to agree that Councillor Mary Coleman be appointed as

Mayor of the Borough of Great Yarmouth for the Municipal Year 2018/19.

Proposer :

Councillor B Coleman

Seconder :

Councillor Lawn

That Councillor Mary Coleman be appointed as Mayor of the Borough of Great Yarmouth for the Municipal Year 2018/19.

CARRIED

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 MAYOR'S ANNOUNCEMENTS

Her Worship the Mayor recorded the Borough Council's thanks and appreciation to Mr David Johnson for his work on behalf of the Council in his role as Monitoring Officer over the past year.

5 MINUTES

Council considered the minutes of the Council meetings held on the 2 and 9 November 2017.

In relation to the item regarding the Motion on Notice considered at the meeting on the 2 November, Councillor Wainwright referred to the recent decision of Norfolk County Council to increase their Scheme of Members Allowances for the Municipal Year 2018/19. Reference was made to the comment made by the Leader of the County Council that he would be donating his increased allowance to charity.

With regard to the item in respect of the Appointment to Committee's 2017/18 considered at the meeting on the 2 November, Councillor Wainwright reiterated the point he made at that meeting that he felt that the seven UKIP Members who had recently decided to join the Conservative Group on the Council should be prepared to stand at a By Election.

Proposer : Councillor B Coleman

Seconder : Councillor Plant

That the minutes of the Council meetings held on the 2 and 9 November 2017 be approved.

CARRIED

6 PUBLIC QUESTION TIME

Her Worship the Mayor advised Members that no public questions had been received for consideration.

7 SERVICE COMMITTEE DECISION LIST FOR THE PERIOD 26 OCTOBER TO 28 NOVEMBER 2017

Council considered the Service Committee Decision List for the period 26 October to 28 November 2017.

Proposer : Councillor B Coleman

Seconder : Councillor Plant

That the Decision List for the period 26 October to 28 November 2017 be received.

CARRIED

8 2017/18 TREASURY MANAGEMENT MID YEAR REPORT

On reference from the Policy and Resources Committee 28 November 2017, Council was asked to approve the 2017/18 Treasury Management Mid Year Report.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

That the 2017/18 Treasury Management Mid Year report be approved.

CARRIED

9 MINIMUM REVENUE PROVISION POLICY - REVIEW

Council was asked to agree the revised MRP Policy thus amending the calculation of the MRP for the post 2008 expenditure to the annuity asset life method, as detailed in the Capital Projects and Senior Accountant's report, to be applied to 2017/18 onwards.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

That the revised MRP Policy thus amending the calculation of the MRP for the post 2008 expenditure to the annuity asset life method, as detailed in the Capital Projects and Senior Accountant's report, to be applied to 2017/18 onwards be agreed.

CARRIED

10 MEDIUM TERM FINANCIAL STRATEGY 2018/19 TO 2020/21

On reference from the Policy and Resource's Committee of the 28 November 2017 Council was asked to agree the following :-

- (1) Note the updated Medium term Financial Strategy
- (2) Note the current Financial Forecast for 2018/19 to 2020/21.
- (3) Note the revised reserved statements as detailed in the Finance Director's report to the Financial Strategy.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

That the recommendations as detailed in (1) to (3) above in respect of the Medium Term Financial Strategy 2018/19 to 2020/21 be agreed.

CARRIED

11 FEES AND CHARGES 2018/19

On reference from the Policy and Resources Committee on the 28 November 2017 Council was asked to agree, as amended, the schedule of Fees and Charges for 2018/19 as detailed in the Finance Director's report.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

That the schedule of fees and charges for 2018/19 as detailed in the Finance Director's report, as amended, be agreed.

CARRIED

12 COUNCIL TAX - TAX BASE / COUNCIL TAX DISCOUNTS

On reference from the Policy and Resources Committee of the 28 November 2017, Council is asked to agree :-

(1) To approve the estimated Tax Bases for the Borough and for each Parish as detailed in Appendix A of the Revenue Manager's report.

(2) To approve the Council Tax Discounts as detailed in the Revenue Manager's report which will apply for 2018/19.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

That the recommendations as detailed in (1) and (2) above with regard to the Council Tax - Tax Base / Council Tax Discounts be agreed.

CARRIED

13 COUNCIL TAX REDUCTION SCHEME 2018

On reference from the Policy and Resources Committee of the 28 November 2017, Council is asked to agree to continue with the existing scheme for 2018 based on option 1 - a maximum award of 91.5% of the Council Tax liability for working age.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

That approval be given to continue with the existing scheme for 2018 based on option 1 - a maximum award of 91.5% of the Council Tax liability for working age.

CARRIED

14 APPOINTMENT OF MONITORING OFFICER

Council considered the Corporate Governance Manager's report asking Council to consider the appointment of a Monitoring Officer.

Proposer : Councillor Plant

Seconder : Councillor Thirtle

That approval be given to the appointment of Caroline Whatling as the Borough Council's Monitoring Officer with immediate effect, to be reviewed

after six months.

CARRIED

15 CONSTITUTION WORKING PARTY

Council was asked to consider the following recommendations from the Constitution Working Party of the 2 November 2017 as follows :-

(1) That Council be recommended to agree the proposed Terms of Reference of the Constitution Working Party for inclusion in the Council's Constitution

(2) That Council be recommended not to agree to the proposed amendment as detailed in the Monitoring Officer's report in respect of the current provisions within the Constitution relating to the Scope of Motions.

(3a) That Council be recommended to agree the proposed Terms of Reference for the Member Development Group.

(3b) That Group Leaders be given delegated authority to appoint Members on the Member Learning and Development Group (5 Members).

Proposer : Councillor Williamson

Seconder : Councillor Wainwright

That the recommendations of the Constitution Working Party as detailed (1) to (3) above be approved en bloc.

LOST

Following Council's decision on this matter the Monitoring Officer clarified the proposals that had been considered by the Constitution Working Party in relation to the proposal to amend the wording of the Constitution in relation to the Scope of Motions.

For clarification, the Monitoring Officer explained to Council the consequences of their decision in respect of the recommendations from the Constitution Working Party was that recommendations (1) and (3) had been rejected and that (2) had also been rejected and therefore as a consequence Council had agreed to accept the proposed amendments as detailed in the Monitoring Officer's report to the wording of the Constitution relating to the Scope of Motions.

16 APPOINTMENTS TO OUTSIDE BODIES 2017/18

Council will be asked to consider the appointment of a replacement for Councillor Thirtle on the Broads Authority.

Proposer : Councillor Plant

Seconder : Councillor B Coleman

That Councillor Bensly replace Councillor Thirtle as the Borough Council's representative on the Broads Authority.

CARRIED.

17 GORLESTON BEACH HUTS

On reference from the Policy and Resources Committee of the 28 November 2017, Council was asked to approve a Capital Budget of £140,000 subject to successful planning permission for the delivery of Phase 1 of the Beach Hut proposal.

Proposer : Councillor B Coleman

Seconder : Councillor Plant

That approval be given to the allocation of a Capital Budget of £140,000, subject to successful planning permission, for the delivery of Phase 1 of the Beach Hut proposal.

CARRIED

18 EXCLUSION OF PUBLIC

RESOLVED :

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 1 and 3 of Part I of Schedule 12(A) of the said Act."

19 GORLESTON BEACH HUTS

(Confidential Minute on this Item)

20 CONFIDENTIAL SERVICE COMMITTEE DECISION LIST FOR THE PERIOD 26 OCTOBER TO 28 NOVEMBER 2017

(Confidential Minute on this Item)

21 CONFIDENTIAL MINUTES

(Confidential Minute on this Item)

The meeting ended at: 19:40

Decision List for 7 December 2017 to 6 February 2018

| | Decision Item | Committee | Committee Date | Details of Decision | Officer Lead |
|----|---|--------------------------|----------------|--|---------------|
| 1 | HRA Budget Monitoring Report Period 6 | Housing & Neighbourhoods | 07/12/2017 | That the Committee receive and note the 2017/18 Housing Revenue Budget monitoring position, Period 1 to 6 (April to September 2017) and the full forecast budgets for 2017/18 | Danielle Lee |
| 2 | CLT Progress Report | Housing & Neighbourhoods | 07/12/2017 | That the Committee (i) note the work carried out to date in setting up Community Land Trusts (ii) agree the process identified for the awarding of community led housing grants; and (iii) agree the assessment criteria for grant application funding to be implemented by officers | Tracey Slater |
| 3 | HRA Condition Survey and Budgetary Impact | Housing & Neighbourhoods | 07/12/2017 | That the Committee:- (i) progress with the fundamental review of the Joint Venture to identify transformational changes and savings (ii) receive a future report regarding Responsive Repairs to identify potential options in relation to revisions to the service; and (iii) note the contents of the report and approve the addition of the revised capital programmes for inclusion with the 2018/19 HRA Budget | Jane Beck |
| 4 | Private Sector Stock Condition Survey | Housing & Neighbourhoods | 07/12/2017 | That the Committee note the findings of the Private Sector Housing Stock Modelling and Health Impact Assessment Undertaken in June 2017. | Ian Talbot |
| 5 | Review of GYCH Garden Maintenance Scheme | Housing & Neighbourhoods | 07/12/2017 | That the Committee (i) approve the revised scheme, as amended at the meeting regarding the proposed one off charges for larger tenant gardens; and (ii) refer the amended fees and charges for 2018/19, as amended, onward to Council for approval | Justin Gibbs |
| 6 | Progress Report on Internal Audit Activity, 1 September to 28 November 2017 | Audit & Risk | 11/12/2017 | That the Committee receive and note the outcome of those audits finalised during the period and progress to date. | Emma Hodds |
| 7 | Report on the Status of Audit Recommendations due for implementation between 1 August and 31 October 2017 | Audit & Risk | 11/12/2017 | That the Committee receive and note the current position in relation to the implementation of agreed audit recommendations. | Emma Hodds |
| 8 | Annual Audit Letter | Audit & Risk | 11/12/2017 | That the Annual Audit Letter be noted and approved. | |
| 9 | Corporate Risk Register | Audit & Risk | 11/12/2017 | That the Committee agrees that the Corporate Risk Register correctly reflects the risks affecting the Authority | Kay Bate |
| 10 | Risk Management Framework | Audit & Risk | 11/12/2017 | That the revised Risk Management Framework as detailed in the Corporate Risk Officer's report be approved. | Kay Bate |
| 10 | Follow up on External Audit | Audit & Risk | 11/12/2017 | That the Committee received and notes the current position in relation to progress to address the key issues in the Corporate Risk Officer's report. | Kay Bate |
| 11 | Code of Corporate Governance | Audit & Risk | 11/12/2017 | That the Code of Corporate Governance be approved | Kay Bate |
| 12 | Annual Governance Statement Action Plan Update | Audit & Risk | 11/12/2017 | That the Committee received and note the action taken to address the issues identified in the Annual Governance Statement 2016/17 | Kay Bate |
| 13 | Enforcement Group - Progress Update | Policy & Resources | 09/01/2018 | (i) That the progress of the Operational Property Task Group be noted (ii) That approval be given to option 3 as detailed within the Strategic Director's report to approve the appointment of 1 FTE to undertake joint enforcement activities across Building Control, Planning, Conservation and Environmental Health (18 Month contract) 1 Part time (20 hours a week) to undertake positive engagement with property owners (18 month contract) (iii) That approval be given to allocate funding of £80,000 from the Council's special reserve budget to fund the proposals as detailed in the recommendation 2. | Kate Watts |
| 14 | Planning Monitoring Update | Policy & Resources | 09/01/2018 | That the Policy and Resources Committee note the publication of the Council's 2017 Annual Monitoring Report, 5 Year Housing Land Supply Statement and Brownfield Register, and in particular the continuing shortfall in housing delivery and the loss of the required 5 year housing land supply | John Clements |
| 15 | Revision of Local Development Scheme | Policy & Resources | 09/01/2018 | That the Policy and Resources Committee agree to adopt the replacement Local Development Scheme on behalf of the Council as detailed in the Principal Strategic Planner's Report | John Clements |
| 16 | Middlegate Estate Regeneration | Housing & Neighbourhoods | 18/01/2018 | That the Committee approve the appointment of ARK Housing Consultancy to undertake the masterplanning work in relation to the Middlegate Estate Feasibility Study | Holly Notcutt |
| 17 | Great Yarmouth Housing Strategy 2018-2022 | Housing & Neighbourhoods | 18/01/2018 | That the Committee considered and agreed the strategic aims of the Borough's new Housing Strategy for 2018-2022 | Vicky George |
| 18 | HRA Budget Update | Housing & Neighbourhoods | 18/01/2018 | That the Committee agree and recommend to Full Council: (i) To note the reduction in rents of 1%, as set out in the Welfare Reform and Work Act 2016. (ii) Review and recommend the revenue and capital budget estimates 2018-19 to 2022-23 (iii) Recommend the proposed Fees and Charges for 2018-19, and (iv) Review the revised forecast for 2017-18 | Karen Sly |
| 19 | Voluntary and Community Sector Update | Housing & Neighbourhoods | 18/01/2018 | That the Committee agree:- (i) That, subject to Council approval of the 2018/19 budgets, funding for First Move Furnish Aid be agreed for a further one year, with three monthly reviews to ensure continual progress was made and targets were being achieved. (ii) That, during 2018, the Community Grant Working Group, including members, be reconvened to determine the future grant allocation process for 2019/20 onwards. | Holly Notcutt |
| 20 | Disabled Facilities Grant Capital Spend | Housing & Neighbourhoods | 18/01/2018 | That the Committee agree Option 2 and approve a release of £80,000 from the Homes for Health Capital budget | Vicky George |
| 21 | Quarter 3 Key Project and Performance Report | Policy & Resources | 06/02/2018 | (i) That all measures be monitored during the next quarter. (ii) That all Key Projects be continued to be monitored over the next quarter with the aim of maintaining a green status and where possible attaining a green status for those Key projects which are currently amber. | Kate Watts |
| 22 | Norfolk Strategic Planning Framework - Adoption and Next Steps | Policy & Resources | 06/02/2018 | (i) That the Norfolk Strategic Planning Framework on behalf of GYBC be endorsed. (ii) That approval be given to the continuation, for an initial period of 2 years, the joint working arrangements that were established to prepare the Norfolk Planning Strategic Framework in order to continue to meet the evolving requirements of the planning 'duty to co-operate' and also to approve the revised Terms of Reference for the Joint Member Group. | John Clements |
| 23 | Treasury Management Strategy 2018/19 | Policy & Resources | 06/02/2018 | That Council be recommended to agree :- (i) The Treasury Management Strategy for 2018/19 (ii) The Annual Investment Strategy (iii) Operational Boundary and Authorised Limits | Karen Sly |

| | Decision Item | Committee | Committee Date | Details of Decision | Officer Lead |
|----|-----------------------|--------------------|----------------|--|---------------|
| 24 | 2018/19 Budget Report | Policy & Resources | 06/02/2018 | <p>That the Policy and Resources Committee recommend to Full Council the following :-</p> <p>(i) The 2018/19 general fund revenue budget as outlined at Appendix A of the Finance Director's report.</p> <p>(ii) The fees and charges as detailed at Appendix D in the Finance Director's report (in addition to those previously agreed in December 2017).</p> <p>(iii) The Council Tax for 2018/19 for the Borough Council tax be £156.48 (for an average Band D).</p> <p>(iiii) That the demand on the Collection Fund for 2018/19 be:-</p> <p>(a) £4,391,455 for the Borough Council purposes</p> <p>(b) £377,953 for Parish Precepts</p> <p>(v) The statement of and movement on the reserves as detailed at Appendix F of the Finance Director's report.</p> <p>(vi) The Policy framework for reserves as detailed at Appendix G of the Finance Director's report.</p> <p>(vii) The updated Capital Programme and financing for 2017/18 to 2020/21 as detailed at Appendix H of the Finance Director's report.</p> <p>(viii) The prudential indicators and minimum revenue provision policy as detailed at Appendix J of the Finance Director's report.</p> <p>(ix) That members note the current financial projections for the period 2019/20 to 2020/21.</p> | Karen Sly |
| 25 | St George's Trust | Policy & Resources | 06/02/2018 | That approval be given to spend an allocation of a sum of up to £10,000 for St George's Trust to review and prepare a Business Plan. | Sheila Oxtoby |

Subject: **Housing Revenue Account Budget setting 2018/19.**

Report to: Housing and Neighbourhoods Committee 18 January 2018
Full Council 20 February 2018

Report by: S 151 Officer
Director of Housing & Neighborhoods

SUBJECT MATTER

This report sets out the Housing Revenue Account (HRA) budget 2018/19 to 2022/23, HRA Capital Programme 2018/19 to 2022/23, HRA Rent and Service Charge proposal 2018 to 19 and the revised HRA revenue and capital forecasts for 2017 to 18.

RECOMMENDATIONS

It is recommended that Housing and Neighbourhoods Committee agree and recommend to Full Council:

1. To note the reduction in rents of 1%, as set out in the Welfare Reform and Work Act 2016.
2. Review and recommend revenue and capital budget estimates 2018-19 to 2022-2023.
3. Recommend the proposed Fees and Charges for 2018-19.
4. Review the revised forecast for 2017-18

1. Introduction

- 1.1 The Housing Revenue Account (HRA) is the ring-fenced rent account that funds the Council's activity as a landlord. The HRA records all the income and expenditure associated with the provision and management of Council owned homes in the borough. This account funds a significant range of services to approx. 5863 homes for Great Yarmouth Borough tenants and their families and to 358 homes for leaseholders. This includes housing management, repairs and improvements, welfare advice, supported housing services, neighborhood wardens and capital investment on housing.

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

as Government policies are enacted.

- 1.7 The HRA capital and revenue 2018-19 estimates and Great Yarmouth Borough Council 30 year Business Plan, have been prepared using the self-financing arrangements for the HRA. The national self-financing regime for the Housing Revenue Account (HRA) was introduced in April 2012. The budgets in this report have been prepared using these arrangements, which include a requirement to prepare and publish a rolling 30 year HRA Business Plan covering both capital and revenue expenditure projections.
- 1.8 The budget process for 18/19 onwards has taken due consideration of the HRA's most recent stock condition survey completed within the current financial year. Implications highlighted by the stock condition survey have been reflected within our capital programme over the next 5 years.

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

- 2.1 Each year local housing landlords must set rents and budgets for the forthcoming financial year and provide each individual tenant with statutory notice of any proposed rent change. This report sets out proposals regarding the budget, rents, service charges and other charges to tenants for the 2018-19 rental year.
- 2.2 The self-financing HRA remains governed by guidelines on rent setting for tenants. The council no longer has flexibility on the approach to rent setting due to the policy announced as part of the Welfare Reform and Work Act 2016. Rents will reduce annually by 1% over the four year period 2016/17 – 2019/20 with 18/19 being the third year of reductions. This means that the average rent for 2018/19 will be £74.89 per week over a 50 week period.
- 2.3 The impact of the rent decrease is to further reduce the amount of money available to manage, maintain and improve the housing stock. The modelled reduction in resources amounts to a reduction of approx. £9.6m over four years and approx. £142m over the course of the 30-year business plan.
- 2.4 The rent setting for 2018/19 will therefore be 1% reduction to all social housing rents within the HRA. Supported housing rents were exempted from this requirement in 2016; it was announced that 2017/18 onwards the rent reduction would apply for supported housing, with rent decreasing by 1% a

year up to and including 2019/20.

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

- 2.6 Estimated rent charges for 2018/19 on average:

| Property Type | Average weekly Rent 17/18 £ (50 wk.) | Average weekly Rent 18/19 £ (50 wk.) |
|-----------------------------------|---|---|
| Bedsit | 59.75 | 59.15 |
| 1 Bedroom | 68.68 | 68.00 |
| 2 Bedroom | 75.94 | 75.19 |
| 3 Bedroom | 82.14 | 81.32 |
| 4 Bedroom | 90.90 | 89.99 |
| 5 Bedroom | 98.68 | 97.69 |
| Average for all properties | 75.65 | 74.89 |

3. Proposed Service and Agreement Charges 2018/19

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

- 3.2 Proposed service charge increases or 18/19:

| HRA Service Charge | Proposal 2018/19 |
|---------------------------|-------------------------|
| Garages | RPI + 2% |
| Caretaking Services | RPI + 2% |
| Communal Heating | RPI + 2% |
| Communal Water | RPI + 2% |
| Digital TV Aerials | RPI + 2% |
| Sewerage Charges | RPI + 2% |
| Alarm Charge | RPI + 2% |
| Yare Care Alarm Charges | RPI + 1% |

- 3.3 The Council also provides a Garden Maintenance service for council tenants

in partnership with GYBS. The 17/18 charge for this service is a flat weekly charge £4.45 for all tenants. Proposed 18/19 charges are based on a two charge banding system linked to the size of the tenant gardens and maintenance time required. Maintenance charges are outlined in Appendix A.

4. Housing Revenue Account Budget 2018/19 – 2022/23 and Revised Forecast 2017/18

- 4.1 The approach to HRA budget setting focuses on three separate areas for 2018/19:
- expected income and proposals on rent and service charge levels;
 - expenditure plans that reflect local priorities and the impact of the self-financing business model on service delivery; and,
 - The reserves and provisions needed to ensure that the HRA is delivering strong financial performance over a longer period of time.
- 4.2 The HRA receives income from tenant rents and service charges levied on tenants and leaseholders. The self-financing HRA remains governed by guidelines on rent setting for tenants. Income from rents is a key driver of the total income available to the HRA, making up approximately 90% of the total income. The approach and policy for rent therefore affects the resources available to re-invest in expenditure plans across the HRA to deliver the outcomes outlined in the HRA business plan for all tenants.
- 4.3 Expectations for income, and therefore the rent budget, are driven by three key elements:
- Expected stock levels for 2018/19;
 - The 1% reduction on the 2017/18 actual rents charged; and,
 - The resourcing needs outlined in the HRA Business Plan.
- 4.4 For 2018/19, the average stock level across Great Yarmouth Borough Council is expected to be 5834 properties. This is based on known changes to the current stock profile of 5863 (as at 1 April 2017) including adjustments for projected Right to Buy sales, disposals and acquisitions.
- 4.5 The reduction in rents will mean that, on an ongoing basis, the HRA would be reliant on reserves to balance the budget, which is not sustainable. Further action is therefore required to reduce expenditure by identifying efficiencies

within existing budgets and where possible, minimizing the impact on services delivered to tenants and leaseholders.

- 4.6 The repairs & maintenance programme guarantees the planned cyclical upkeep to the specific areas of heating, lighting, lifts, smoke alarms, garden maintenance and minor neighborhood planned works. It also relates to day to day repairs for tenants and refurbishment of empty properties in between tenant occupancy. The Council also have an adaptations team, adjusting the tenants homes for their specific needs.
- 4.7 Tenant service charges are not affected by the rent setting policy. There is now an expectation that service charges to tenants will reflect costs incurred. In 2016/17, it was agreed that a corporate increase of RPI plus 2% will be added to service charges across the council where income recovery is below costs. This has been continued with a summary of changes to service charges shown in Appendix A.
- 4.8 Leasehold service charges are required to be transparent and reflect the actual cost of the services incurred. It is recommended to set leaseholder service charges in line with actual expenditure plans as per the approach in previous years. This means that service charges will be based on 2017/18 expenditure levels and final charges for 2017/18 being confirmed by approximately September 2018.
- 4.9 An in-depth review of the Housing Investment capital programme has been undertaken following the completion of the stock condition survey in 2017/18. This is with the intention of remodeling the investment side of the 30 year business plan to best deliver its outcomes within the reduced financial envelope in the medium to long term.
- 4.10 The HRA currently holds a large reserve balance; £8.058m due to prior years underspends of estimated budgets, specific planned budgets being carried forward to future years and programmes not being completed at the original time anticipated.
- 4.11 The HRA 30 year business plan demonstrates how reserves are reduced and managed over the next 5 years within the housing major works capital programme. Capital works have been increased over the next five years to reflect the current need identified by the 2017/18 stock condition survey.

Increased spend in our programmes to replace kitchen and bathroom, boiler & heat distribution systems and the replacement of windows and doors. Projections from the recent stock condition survey become less reliable after year 5, so it has been recommended that for year 6 onwards a further survey undertaken with has also been included in 2022/23.

4.12 Additional Capital requirement following the stock condition survey:

| Year | Original Capital Programme | Revised Capital Programme | Additional Requirement |
|-------|----------------------------|---------------------------|------------------------|
| | £000 | £000 | £000 |
| 18/19 | 8,307 | 9,820 | 1,513 |
| 19/20 | 8,809 | 10,429 | 1,620 |
| 20/21 | 6,715 | 10,411 | 3,695 |
| 21/22 | 8,726 | 9,645 | 919 |
| | | Total 2018-22 | 7,747 |

4.13 The HRA will continue to borrow specifically for new affordable housing programme, so the HRA reserves balances can be used on investment to our current stock. In the current financial year there is headroom availability of £10.8m, allowing a contribution of 70% of costs to invest and develop new housing opportunities within the council alongside 30% retained receipts contributions from Right to buy sales.

4.14 The Right to buy discount has increased since the introduction of Self Financing, the maximum discount increases each year based on the consumer price index (CPI). The business model has been amended to incorporate this change which is currently estimated at 2.5% CPI, forecasting a maximum discount of £80,500 for 18/19.

4.15 The Housing Revenue Account (HRA) is still part of a retention agreement where the HRA can retain receipts, to support up to 30% of the cost of replacement homes if incurred in a 3 year period. If retained receipts are not used, the Council is liable for repayment of the receipt plus interest.

4.16 So far in 17/18 the Council has been liable to pay back to the government a small proportion of receipts in Quarter 2 – approx. £41,000. For the remainder of the year the council appears on track to spend the remaining receipts in line with the agreement.

- 4.17 The HRA has planned forecasts for new affordable housing which covers the spending of the RTB retained receipts. This includes looking at options for new build sites as well as 6 properties on the Beacon Park development.
- 4.18 The HRA proposes to increase the availability of affordable housing with a combination of direct new build, grant contributions to Housing Association developments; purchasing appropriate empty homes on the open market; and purchasing of a limited number of suitable properties on the open market to ensure all receipts are spent in the future.
- 4.19 Right to buy estimations for 2017-18 have exceeded the original budget estimate of 30 sales, to date there have been 32 properties sold at the end of quarter 3. This has increased the availability of RTB receipts to use to finance the Capital programme in 2017/18 and RTB retained receipts (30% of the receipts only) to finance new affordable homes programme in the future.
- 4.20 The Long term impact of increased RTB sales of council dwellings result in the increased need of additional borrowing to fund the HRA's affordable housing programme. Due to this it is important to monitor and project RTB sales and RTB receipts in order to plan for their appropriate use.

4.21 Revised 2017-18 position

4.22 Quarter 2 monitoring reported a requirement to increase the HRA budget deficit by £23k to £1,419m. Quarter 3 monitoring has identified that this needs to be revised, resulting in a decreased to the original 2017/18 deficit by £1,020m, to an estimated £0.376m deficit at year end.

4.23 Details of the changes are summarised below:

| Budget Period 9 | Revised budget 2017-18 | Variance | Reason | Financed from |
|---|-------------------------------|-----------------|--|-----------------------------------|
| | £000 | £000 | | |
| Rental Income | (21,738) | 89 | Reduced HRA rental income due to reduced stock from increase RTB sales | N/A |
| Capital Expenditure financed from revenue | 3,234 | (854) | Capital programme has reduced in year due to reduced capital programme and increased RTB receipts available. | N/A |
| Interest Payable | 2,567 | (100) | Overestimated budget for interest payable in year. | N/A |
| Rents, Rates & Other Charges | 205 | 43 | Increase in insurance fees due to increased insurance premium tax and additional terrorist insurance | Revenue Income |
| Repairs & Maintenance | 9,512 | 53 | Increase in Smoke Detector works and Revenue repairs off set against revision of fire assessment budget due to overestimated budget. | Revenue Income/Earmarked Reserves |
| Supervision, Management, internal recharges & Pensions | 4,878 | (112) | Increase income from RTB admin due to increase RTB Sales. Saving from revised establishment posts. | N/A |
| Capital Grants & Contrib. receivable | (100) | (100) | Leasehold income | N/A |

| Budget Period 9 | Revised budget 2017-18 | Variance | Reason | Financed from |
|------------------------|------------------------|----------|---|---------------|
| HRA Earmarked Reserves | (39) | (39) | Middlegate Grant income to fund project | N/A |
| Total Variance | | (1,020) | | |

4.24 **Proposed growth/savings in HRA Revenue 2018-19 budget**
(Compared to original 2018/19 budget)

| Income/ Expenditure | 2018/19 Revised Budgets | 2018/19 Growth (Saving) | Details | Financed from |
|-------------------------------------|-------------------------------|-------------------------------|--|-------------------------------|
| | £000 | £000 | | |
| Rents income | (21,179) | 420 | Reduced Rental income due to overestimated and due to increased anticipated RTB Sales in 2017/18 /2018/19 | N/A |
| Non Dwelling income | (249) | (5) | Increase in service charge income of RPI +2% | N/A |
| Charges for services and Facilities | (1,339) | (2) | Inflationary increase | |
| Revenue contrib. to capital | 3,939 | 1,245 | The HRA Capital programme has increased by £1.2m from the original 2017/18 budget. This is due to works highlighted within the stock condition survey being included within the capital programme. | Revenue Income & HRA Reserves |
| Depreciation | 3389 | 18 | Increase due to addition new dwellings being added to the stock list. This is subject to change pending the 17/18 Housing revaluations. | Revenue Income |
| Interest | 2644 | (108) | Original Budget over estimated. | N/A |
| Repairs & Maintenance | 9,304 | (233) | Decrease in revenue major & minor adaptation works, but capital works have been increase due to extension | N/A |

| Income/ Expenditure | 2018/19 Revised Budgets | 2018/19 Growth (Saving) | Details | Financed from |
|---|--|--|---|--------------------------|
| | | | works. GYN Revenue programme have been reduced with the budget being moved to Capital works. GYN Asset management team budget has also been reduced. | |
| Supervision, Management, internal recharges & Pensions | 4,909 | (8) | 2% pay increase in line with the national living wage for 18/19. Offset against the withdrawal of Outreach (YWOS). | N/A |
| Rents, rates & Other Charges | 205 | 50 | Increase due to increased insurance premium tax and additional terrorist insurance. | Revenue Income |
| Earmarked Reserve | (160) | (160) | Middlegate Grant income | N/A |
| Capital Grants & Contrib. receivable | (100) | (100) | Leasehold income | N/A |
| Total Variance | | (1,117) | | |

4.25 The next table summarises the revised forecast for 2017/18 and the draft 2018/19 budget for the Housing Revenue Account. Further detail is shown in appendix B.

| | 2017-18 Original Budget | 2017-18 Revised Budget | Variance | 2018-19 Draft Budget (Rent -1%) |
|---|--|---------------------------------------|-----------------|--|
| | £000 | £000 | £000 | £000 |
| Dwellings Rents | (21,827) | (21,738) | 89 | (21,179) |
| Non Dwelling rents | (239) | (239) | 0 | (249) |
| Interest & Investment income | (5) | (5) | 0 | (5) |
| Contribution Towards Expenditure | (68) | (68) | 0 | 0 |
| Charges for services and facilities | (1,318) | (1,318) | 0 | (1,339) |
| Total Income | (23,457) | (23,368) | (89) | (22,772) |
| | | | | |
| Repairs & Maintenance | 9,459 | 9,512 | 53 | 9,304 |
| Supervision and Management Inc Pension | 4,990 | 4,878 | (112) | 4,909 |
| Rents, Rates & Taxes | 162 | 205 | 43 | 205 |
| Depreciation | 3,337 | 3,337 | 0 | 3,389 |
| Capital Expenditure funded by the HRA | 4,088 | 3,234 | (854) | 3,939 |
| HRA Interest Payable | 2,667 | 2,567 | (100) | 2,643 |
| Provision for bad and doubtful debts | 150 | 150 | 0 | 150 |
| Total Expenditure | 24,853 | 23,883 | (970) | 24,539 |
| | | | | |
| Transfers (from)/to Earmarked Reserve | 0 | (39) | (39) | (160) |
| Capital Grants & Contrib. receivable | 0 | (100) | (100) | (100) |
| | | | | |
| Net (surplus)/Deficit for the year | 1,396 | 376 | (1,020) | 1,507 |
| | | | | |
| HRA Reserves Balance B/Fwd. | 8,058 | 8,058 | 0 | 7,682 |
| Deficit/(Surplus) in year | 1,396 | 376 | (1,020) | 1,507 |
| HRA Reserves Balance C/Fwd. | 6,662 | 7,682 | 1020 | 6,175 |

5 Housing Major works Capital Programme (HMWCP) 2018/19 to 2022/23

- 5.1 This report sets out the new Housing capital investment requests for the 5 year period covering 2018/19 to 2022/23.
- 5.2 Local authorities' housing capital expenditure programme cover both Housing Revenue Account (HRA) related expenditure (which is largely stock related) and non HRA (support for private sector housing) expenditure. The focus is mainly in relation to the authority's own stock but the programme should reflect the specific needs and priorities of the area as set out in the housing strategy.
- 5.3 The size of an authority's housing capital expenditure programme is a matter for it to determine in the light of its assessment of the resources available to finance capital expenditure for the authority as a whole and the proportion of that which is to be spent on housing.
- 5.4 The local government capital finance system, introduced in Part 1 of the Local Government Act 2003 together with the various regulations made under that Part, applies to all local authority capital expenditure with no specific reference to housing. There is no ring fence arrangement applicable to capital but the Great Yarmouth Community Housing (GYCH) capital programme as it relates to the HRA is separately monitored.
- 5.5 The HMWCP is subject to ongoing review and continues to be refined to take into account the priorities and objectives which have been derived from our understanding of the stock; the needs of current and future tenants; the opportunities presented by funding streams and; options for procurement and delivery of our investment plans.
- 5.6 There are two key strands to our investment plans:
- Maintaining and improving our housing stock;
 - New Affordable Council housing, including new housing to replace sales under RTB in line with Government guidance.
- 5.7 Our plans are prepared over the medium term and are reviewed and updated annually. Future investment decisions will be based on local decision making and local knowledge of the condition of the stock and the components.

- 5.8 The Housing Major Works capital programme has been adapted over the next five years to meet the needs of the housing stock recently identified within the stock condition survey completed in 17/18, as well as maintaining the newly arising need in relation to the Decent Homes standards.
- 5.9 The programme includes the continuation of the kitchen and bathroom programme, an enhancement to the boiler and heating replacement schemes, investment into empty homes, delivery of external wall insulation along with roofing and insulation works.
- 5.10 These schemes offer both the opportunity to modernize properties, sustain them for the future and increase the thermal comfort of tenants. They also bring potential saving from future revenue repairs budgets.
- 5.11 New affordable housing budgets included within the programme are estimated in line with the 1-4-1 receipt restrictions following the right to buy sales of council dwellings in previous years. These estimates reflect the minimum expenditure required to avoid any repayments of receipts.

5.12 Revised 2017-18 position for HRA Major works Capital Programme.

| Budget Period 9 | Revised Budget 2017/18 | Variance to original budget | Reason | Financed from |
|---------------------------------|------------------------|-----------------------------|---|----------------|
| | £000 | £000 | | |
| Kitchens & Bathrooms | 2,514 | 580 | Kitchen & Bathroom programmes increased to meet the demand of the stock condition survey. | Revenue Income |
| Windows & Doors | 100 | (125) | Programme reduced within 17/18 in order to meet the demand need of other projects within the stock condition survey. | N/A |
| Planned Maintained | 741 | 221 | Adaptions have increase by £160k for extension works. Major repairs & maintenance have increase by £50k along with dwelling rewires £10k to meet current demand. | Revenue Income |
| Energy & Efficiency | 1,008 | 160 | Communal Heating upgrades budget increase to £160k from budget c/fwd from 16/17. | N/A |
| Specific projects | 140 | (325) | Reduction to GYN Management fee due to GYN completing works directly. Whole house works have been delayed and should accelerate in 18/19. | N/A |
| Estate Improvements | 80 | 0 | N/A | N/A |
| Empty Properties | 1,150 | 300 | Major voids Increase to meet demands. Increase void works due to GYN only being able to access properties once void. | Revenue Income |
| New Affordable Housing | 2,666 | 614 | Affordable housing budget increased from C/fwd Budget | N/A |
| Neighbourhood Plans | 2,100 | (1,480) | Neighbourhood plans reduced due to reduced projects and other urgent works following the stock condition survey. | N/A |
| Total | 10,499 | (55) | | |

5.13 Proposed growth/savings in HRA Capital Programme 2018-19

(compared to original 2018/19 budget)

| | 2018/19 Revised Budgets | 2018/19 Growth/ (Saving) | Details | Financed from |
|--------------------------------|--|---|--|--------------------------|
| | £000 | £000 | | £000 |
| Kitchen & Bathroom | 2,850 | 1,116 | Increase due to the stock condition survey representing 400 replacement kitchens and 250 replacement bathrooms. | Revenue income |
| Windows & Doors | 650 | 525 | Increase due to stock condition survey. Also included the additional lintel work. | Revenue income |
| Planned Maintenance | 705 | 185 | Major adaptation increase due to extension works on three properties. Increase in electrical rewires due to test and inspections identifying a larger amount of remedial works required. | Revenue income |
| Energy & Efficiency | 950 | 235 | Increase following stock condition results. A large percentage of boilers reaching life expectancy and require replacement. | Revenue income |
| Specific Projects | 565 | 252 | Increase in Whole House voids due to works highlighted in SCS. | Revenue income |
| Empty properties | 800 | 500 | Increase in long term void and major void properties requiring refurbishment. | Revenue income |
| New Affordable Housing | 1,360 | 0 | N/A | N/A |
| Neighborhood Plans | 1,940 | (1,300) | Reduced neighborhood project work in the future due to increase planned works | N/A |
| Total Expenditure | 9,820 | 1,513 | | |

5.14 The table below summarises the revised forecast for 2017/18 and the draft 2018/19 Capital programme for the Housing Revenue Account. Further detail is shown in Appendix C.

| HRA Capital programme | Original Budget 17/18 | Revised Forecast 17/18 | Revised Draft Budget 18/19 |
|--------------------------------|----------------------------------|---------------------------------------|---|
| Expenditure: | £000 | £000 | £000 |
| Kitchens & Bathrooms | 1,934 | 2,514 | 2,850 |
| Windows & Doors | 225 | 100 | 650 |
| Planned Maintenance | 520 | 741 | 705 |
| Energy Efficiency Improvements | 848 | 1,008 | 950 |
| Specific Planned Projects | 465 | 140 | 565 |
| Estate Improvements | 80 | 80 | 0 |
| Empty Properties | 850 | 1,150 | 800 |
| New Affordable Housing | 2,052 | 2,666 | 1,360 |
| Neighbourhood Plans | 3,580 | 2,100 | 1,940 |
| Total Expenditure | 10,554 | 10,499 | 9,820 |
| | | | |
| Financing: | | | |
| Borrowing | 2,052 | 2,666 | 1,360 |
| Capital Receipts | 1,078 | 1,262 | 1,132 |
| Revenue | 4,087 | 3,234 | 3,939 |
| Depreciation | 3,337 | 3,337 | 3,389 |
| Total Financing | 10,554 | 10,499 | 9,820 |

6. Other implications to the Housing Revenue Account.

- 6.1 Since the introduction of self-financing in 2012, the 30 year HRA business plan has continued to be challenged by a number of changes. Right to buy discounts have continued to increase, rent setting policy has altered and other future new proposals affecting the HRA have been announced such as the possibility of the government introducing the 'Disposal of higher value properties' in order to fund the Right to Buy of Housing Association properties.
- 6.2 In response to these changes, the Council has, in the short term, previously kept the HRA reserves levels high in order to mitigate this loss of revenue. The Council still needs to prepare for further reductions in resources available to manage, maintain, improve and add to its housing stock and managing the

implications from the stock condition survey.

- 6.3 Community Housing continues to review all of its revenue spending to look at where savings can be made. The Capital programme, which is funded in large part by contributions from revenue, is reviewed regularly during the year and has been reviewed in detail to inform the 2018/19 budget reflecting the outcomes of the stock condition survey undertaken during the year. The overall capital programmes have significantly increased due to additional works needed, careful consideration has been taken to deliver these works over the 5 year period and to manage the financial impact.
- 6.4 Additional borrowing currently maintains the affordable housing programme to comply with the right to buy retention agreement. The requirement is to use retained receipts within 3 years of a dwellings sale, to support up to 30% of the scheme cost of replacement homes.
- 6.5 Within the autumn budget announcement in November it was announced that the government will lift the Housing Revenue Account borrowing cap for councils in areas of high affordability pressure, to increase the affordability of building new homes. Authorities will be able to bid for an increase in their caps from 2019/20, up to £1 billion by the end of 2021/22. Further details are expected to be provided, although until further clarification is provided the current debt cap will be operated.
- 6.6 Further review of the detail of the HRA budget for both capital and revenue spend will be carried out during 2018/19 in preparation for the longer term investment requirements in the stock and to inform future budget setting decisions to identify efficiencies within the program of works.
- 6.7 **Disposal of 'higher value' properties –**
- 6.8 The Housing and Planning Act 2016 makes provision for grants to be made to private registered providers in respect of Right to Buy (RTB) discounts. The grants may be made by the Secretary of the State, the Homes and Communities Agency (HCA) and, in relation to dwellings in London, the Greater London Authority.
- 6.9 It is understood, however, that when enacted, the local authority must consider selling its interest (Freehold or leasehold) in high value housing but it is assumed that it could fund the payment by other means. It is likely that

stock retaining authorities will have the option to retain some receipts to facilitate provision of replacement homes. The details of this part of the proposal are not known and may form part of a revised scheme on the use of Right to Buy funds.

- 6.10 It has been confirmed by the Communities Secretary that local authorities will not be expected to make payment in relation to the higher value voids levy in 2017/18 or 2018/19. No further details have been published in regards to the policy and no specific allowances have been made within the HRA.

6.11 Supported Housing consultation

- 6.12 The government has published a 2nd consultation paper on funding model for supporting housing. Supported housing supports hundreds of thousands of the most vulnerable people across the country.

- 6.13 The consultation is in two parts. Part one seeks views on the design of the government's new housing costs funding model for sheltered and extra care accommodation including the introduction of a sheltered rent, application of rent controls for sheltered and extra care to gross rent (inclusive of eligible service charges) with limits on annual increases and an overall cap for sheltered rent. In addition views are sought on definitions of sheltered housing and extra care housing. These changes will come into effect from 2020. Part two seeks views on the design of the government's new housing costs model to fund emergency and short-term accommodation, the proposed model seeks to fund this provision through a ring-fenced grant, which removes funding from the welfare system although an individual's entitlement for help with housing costs will remain unchanged. These changes will come into effect from April 2020.

- 6.14 The consultation is currently open and runs for 12 weeks from 31st October 2017 to 23rd January 2018.

7. FINANCIAL IMPLICATIONS

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

- 7.2 The income and expenditure will continue to be monitored in detail during the current year, including additional reviews of the HRA 30 year business plan.
- 7.3 The HRA is dependent mainly on the rental income stream of the social housing rents, and the Council have a dedicated team monitoring tenant arrears on a regular basis.
- 7.4 The HRA reserve balance is forecast to be £6.175m at 31/03/19 due to an 18/19 deficit of £1.507m due to rent reductions and increased capital spend. These factors continue meaning that the HRA becomes reliant on reserves to fund its repair and maintenance programmes. This is not a sustainable source of funding in the long term with reserves forecast to be below £2m in 2022/23, which is the authority's minimum reserve level.
- 7.5 The Council is required by law to avoid budgeting for a deficit on the HRA (Local Government & Housing Act 1989, section 76). The Council therefore manages a reasonable balance of reserves and this provides a contingency against unforeseen events and known risks. The HRA currently has a high level of reserves at £8m; however in the short to medium term this will reduce over the next 5 years as there is increasing pressure on the HRA to deliver new homes along with maintaining the existing stock within the limits of the debt cap. Further detail is provided in Appendix D.

8. RISK IMPLICATIONS

- 8.1 It is recognised that there is a reduction of resources in 2018/19 and the budget has been updated to take account of this position. The process must also recognise known risks for the HRA and ensure that adequate balances are in place to manage these as they materialise.
- 8.2 Where service delivery plans have changed, the budget setting process must reflect the subsequent impact on resources and also recognise known risks for the HRA and ensure there are adequate balances in place.
- 8.3 The budget for 2018/19 is reliant on the use of reserves and whilst this provides a short term source of funding is not a longer term solution for setting the annual budget for the HRA and therefore close monitoring of the position and updating of the business plan for known changes is essential.

9. RECOMMENDATIONS

- 9.1 To note the reduction in rents of 1%, as set out in the Welfare Reform and Work Act 2016.
- 9.2 Review and recommend revenue and capital budget estimates 2018-19 to 2022-2023.
- 9.3 Recommend the proposed Fees and Charges for 2018-19.
- 9.4 Review the revised forecast for 2017-18
- 9.5

10. BACKGROUND PAPERS

In year budget monitoring reports
Stock Condition Survey
Service Charge fees

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

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

Appendix A – Fees and charge proposals 2018/19

| 2018/19 Rent increase and Service Charges (Exclusive of VAT where applicable) | 2017/18 Average Charge 50wks | 2018/19 Average Charge 50 wks | 2018/19 Average Increase/ decrease per wk | 2018/19 % Average Increase/ decrease per wk |
|--|---------------------------------------|--|---|---|
| Rent Decrease (-1%) | £75.65 | £74.89 | -£0.76 | -1.0% |
| Garages Basic – Tenants | £9.84 | £10.33 | £0.49 | 5.0% |
| Garage Premium – Tenants plus Town Centre Surcharge | £13.13 | £13.79 | £0.66 | 5.0% |
| Caretaking charge – Basic | £0.88 | £0.92 | £0.04 | 5.0% |
| Caretaking charge – Enhanced | £0.88 | £0.92 | £0.04 | 5.0% |
| Maintenance of Aged Persons gardens: | £4.45 | | | |
| Up to 30 minutes maintenance | | £4.17 | | |
| Over 30 minutes maintenance | | £6.67 | | |
| One Off Garden Works: | | | | |
| Small Gardens | | £20.83 | | |
| Medium Gardens | | £41.67 | | |
| Large Gardens | | £83.33 | | |
| Communal Heating | £9.49 | £9.96 | £0.47 | 5.0% |
| Communal Water | £3.90 | £4.10 | £0.20 | 5.0% |
| Digital Communal TV Aerials | £0.69 | £0.72 | £0.03 | 5.0% |
| Sewerage charge | £6.09 | £6.39 | £0.30 | 5.0% |

| Sheltered Housing Support Charges 2018/19 | 2017/18 Average charge 50 wk | 2018/19 Average Charge 50 wk |
|--|------------------------------------|------------------------------------|
| Protected tenancies plus Alarm Charge | 8.80 1.30 | 10.62 |
| Protected tenancies | 10.10 | 10.62 |
| Standard Tenancies plus Alarm Charge | 12.32 1.30 | 10.62 |
| Standard Tenancies | 13.62 | 10.62 |

Charges are for the new remodelled service which not longer include protected tenancies are charged at a single weekly rate.
Alarm cost is being funded by the HRA.

| YARE CARE CHARGES | Weekly Charge | | | |
|--|--------------------|----------------|-------------------------|-------------------------------------|
| | 2018/19 Exc VAT | | 2018/19 Inc VAT | |
| <i>52 week Calculation for Private users</i> | | | | |
| Private – Rental + Monitoring | £3.03 | | £3.64 | |
| Private – Monitoring | £1.30 | | £1.56 | |
| <i>50 week calculation for Community Housing Tenants</i> | | | | |
| Council – Rental + Monitoring | £3.12 | | £3.74 | |
| Council – Monitoring | £1.40 | | £1.68 | |
| Yarecare Installation Charge | 2017/18 | 2018/19 | 2018/19 | 2018/19 |
| | Average Charge | Average Charge | Average increase per wk | % Average Increase/ decrease per wk |
| Yarecare Installation Charge | £31.50 | £32.73 | £1.23 | 4% |
| Alarm Unit – purchase (plus VAT) – One –off | £140.27 | £145.88 | £5.61 | 4% |

Appendix B – Revenue Income and Expenditure 2017 - 2023

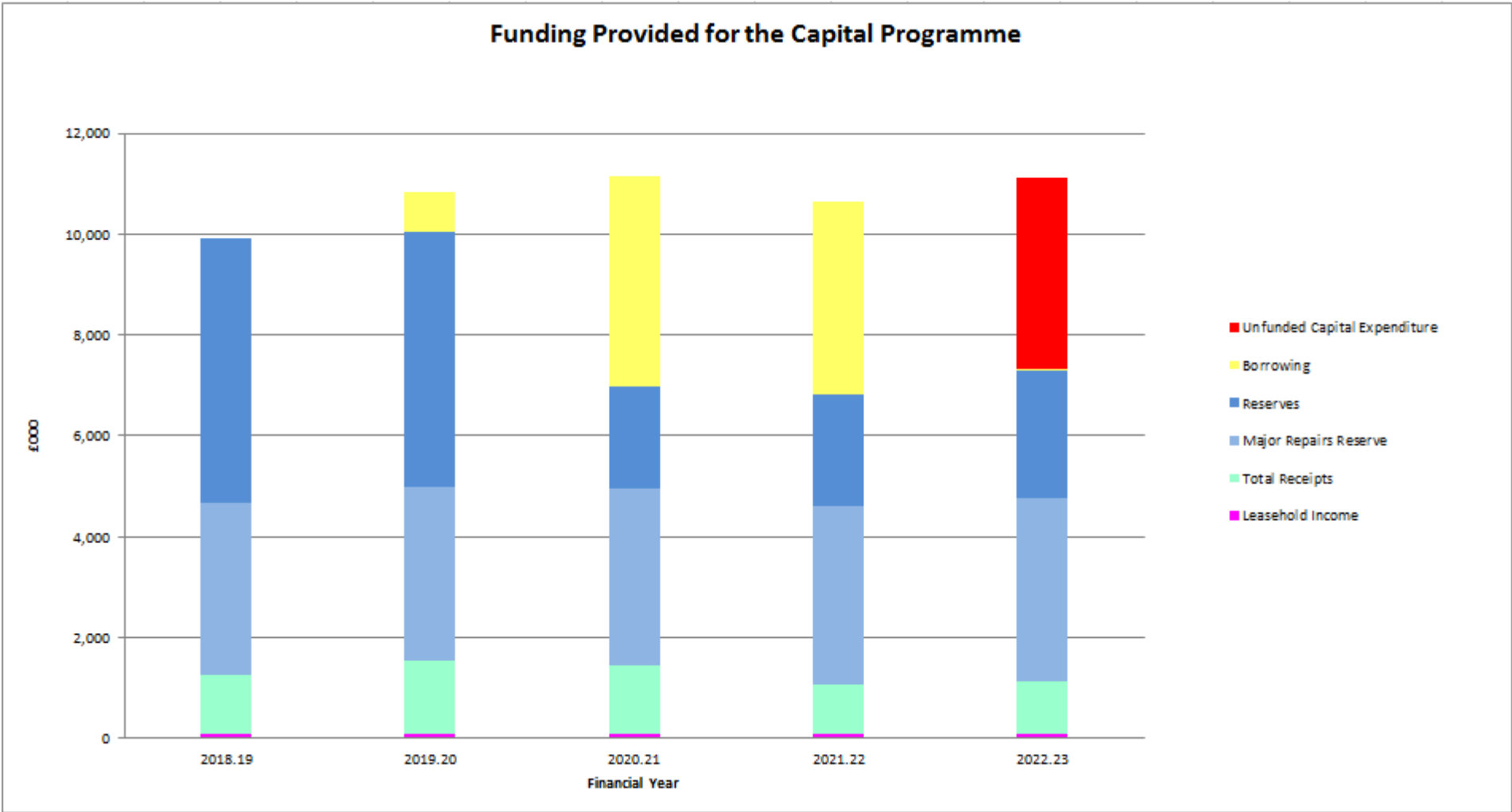
| Income/ Expenditure | | Original Budget 2017-18 | Revised 2017-18 | Budget 2018-19 | Budget 2019-20 | Budget 2020-21 | Budget 2021-22 | Budget 2022-23 |
|---|--|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Income | Charges for Services and Facilities | -1,317,713 | -1,317,713 | -1,338,783 | -1,375,017 | -1,412,337 | -1,450,777 | -1,490,371 |
| | Contributions towards Expenditure | -67,942 | -67,942 | 0 | 0 | 0 | 0 | 0 |
| | Dwelling Rents | -21,827,000 | -21,737,841 | -21,178,912 | -21,006,130 | -21,779,255 | -22,578,735 | -23,404,572 |
| | Interest and Investment Income | -5,140 | -5,140 | -5,294 | -5,453 | -5,617 | -5,785 | -5,959 |
| | Non Dwelling Rents | -238,907 | -238,907 | -249,289 | -256,762 | -264,459 | -272,387 | -280,553 |
| Income Total | | -23,456,702 | -23,367,543 | -22,772,278 | -22,643,361 | -23,461,667 | -24,307,684 | -25,181,454 |
| Expenditure | Capital Expenditure funded by Revenue | 4,087,923 | 3,233,642 | 3,939,200 | 3,479,639 | 3,559,849 | 4,001,162 | 3,934,160 |
| | Depreciation and Impairment of Fixed Assets: Dwellings | 3,201,595 | 3,201,595 | 3,251,899 | 3,284,418 | 3,317,262 | 3,350,435 | 3,383,939 |
| | Depreciation and Impairment of Fixed Assets: Non - Dwellings | 135,563 | 135,563 | 136,815 | 138,080 | 139,357 | 140,647 | 141,950 |
| | Interest Payable and Similar Charges | 2,666,534 | 2,566,534 | 2,643,530 | 2,719,610 | 2,799,759 | 2,882,819 | 2,968,908 |
| | Provision for bad and doubtful debts | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| | Rents, Rates, Taxes and Other Charges | 162,274 | 205,274 | 205,285 | 210,141 | 215,129 | 220,253 | 225,516 |
| | Repairs & Maintenance | 9,458,899 | 9,511,779 | 9,304,032 | 9,353,254 | 9,612,507 | 9,914,444 | 10,152,021 |
| | Supervision and Management | 4,890,375 | 4,778,599 | 4,807,205 | 4,860,595 | 4,891,457 | 4,979,339 | 5,062,378 |
| Expenditure Total | | 24,753,163 | 23,782,986 | 24,437,966 | 24,195,738 | 24,685,321 | 25,639,100 | 26,018,873 |
| Below The Line | Employer's Contributions Payable to or from Norfolk County. | 787,643 | 787,643 | 803,396 | 819,464 | 835,854 | 852,571 | 869,622 |
| | HRA Earmarked reserves | 0 | -39,000 | -160,000 | 0 | 0 | 0 | 0 |
| | Impairment of Fixed Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Net Charges made for Retirement Benefits in accordance with IAS 19 | -688,044 | -688,044 | -701,805 | -756,849 | -832,534 | -832,534 | -832,534 |
| | (Gain) / Loss on Sale of HRA non-current Assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Capital Grants & Contributions receivable (Leasehold income) | 0 | -100,000 | -100,000 | -100,000 | -100,000 | -100,000 | -100,000 |
| Below The Line Total | | 99,599 | -39,401 | -158,409 | -37,385 | -96,680 | -79,963 | -62,912 |
| Net (surplus)/Deficit for the year | | 1,396,060 | 376,042 | 1,507,279 | 1,514,992 | 1,126,973 | 1,251,452 | 774,507 |
| Housing Revenue Account Reserves Summary | | Year | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| | | B/Fwd | 8,058,000 | 7,681,958 | 6,174,679 | 4,659,688 | 3,532,714 | 2,281,262 |
| | | In Year | 376,042 | 1,507,279 | 1,514,992 | 1,126,973 | 1,251,452 | 774,507 |
| | | C/Fwd | 7,681,958 | 6,174,679 | 4,659,688 | 3,532,714 | 2,281,262 | 1,506,755 |

The HRA reserves drop below the minimum balance and therefore no longer provide a contingency against unforeseen events.

Appendix C – HRA Major Works Capital Programme 2018-2023.

| | Original budget 1718 | Revised budget 2017/18 | Budget 2018/19 | Budget 2019/20 | Budget 2020/21 | Budget 2021/22 | Budget 2022/23 |
|--|-------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Kitchen & Bathrooms Improvements | | | | | | | |
| Kitchens planned | 1,160,000 | 1,160,000 | 1,780,000 | 1,780,000 | 1,780,000 | 1,780,000 | 1,780,000 |
| Bathrooms planned | 284,000 | 284,000 | 780,000 | 780,000 | 780,000 | 780,000 | 800,000 |
| Kitchen Voids | 450,000 | 900,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Bathroom Voids | 40,000 | 170,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Windows & Doors Improvements | | | | | | | |
| Windows & Doors Improvements | 225,000 | 100,000 | 650,000 | 650,000 | 650,000 | 650,000 | 650,000 |
| Planned Maintenance | | | | | | | |
| Major R&M | 50,000 | 100,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Rewiring Dwellings | 320,000 | 330,000 | 310,000 | 310,000 | 310,000 | 310,000 | 310,000 |
| Major Adaptations | 150,000 | 311,000 | 320,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Neighbourhood Planned works | | | | | | | |
| Neighbourhood Plans | 2,000,000 | 1,000,000 | 370,000 | 370,000 | 370,000 | 370,000 | 370,000 |
| Reline Finlock Gutters | 50,000 | 50,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Roofing | 700,000 | 700,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 |
| Loft Insulation - | 100,000 | 100,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Concrete improvement works | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| External Wall Insulation - Northern Parishes | 400,000 | - | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Upgrade Stair Enclosures | 150,000 | 150,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Off Street Parking - MCE | 80,000 | - | - | - | - | - | - |
| Energy & Efficiency Improvements | | | | | | | |
| Heating and Boiler replacments | 848,000 | 1,008,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 |
| Specific Planned Projects | | | | | | | |
| Stock Condition Survey | - | - | - | - | - | 100,000 | 100,000 |
| GYN Management | 65,080 | 20,000 | 65,000 | 65,000 | 65,000 | 65,000 | 65,000 |
| Whole House | 400,000 | 120,000 | 500,000 | 500,000 | 600,000 | 600,000 | 600,000 |
| Estate Improvements | | | | | | | |
| First Time Installation Sewerage Schemes | 80,000 | 80,000 | - | - | - | - | - |
| Empty Properties | | | | | | | |
| Long Term Void Refurbish | 150,000 | 100,000 | 100,000 | 100,000 | - | - | - |
| Major Voids | 700,000 | 1,050,000 | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 |
| New Affordable Housing | | | | | | | |
| Affordable Housing | 2,052,000 | 2,666,000 | 1,360,000 | 2,138,772 | 2,120,839 | 1,255,479 | 1,375,899 |
| Page 38 of 150 | | | | | | | |
| Total | 10,554,080 | 10,499,000 | 9,820,000 | 10,428,772 | 10,410,839 | 9,645,479 | 9,785,899 |

Appendix D – Funding Provided for the Capital Programme 2018-2023



Subject: **Treasury Management Strategy 2018/19**

Report to: Policy and Resources Committee – 6 February 2018
Full Council – 20 February 2018

Report by: Finance Director

SUBJECT MATTER/RECOMMENDATIONS

To consider and recommend to Council the 2018/19 Treasury Management Strategy and Annual Investment Strategy.

1. INTRODUCTION/BACKGROUND

- 1.1 The Council is required to determine annually its Treasury Management Strategy (TMS). The TMS for 2018/19 financial year is attached and includes the following:
- Annual Investment Strategy (section 5)
 - Operational Boundary and Authorised Limits (Appendix C)
- 1.2 The Council continues to maintain an under-borrowed position which means the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. The strategy is prudent as investment returns are low and counterparty risk is relatively high. An under borrowing position is forecast to continue.
- 1.3 The Council is required to operate a balanced budget, whereby cash raised during the year will meet the cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.4 The second main function of the treasury management service is the funding of the Council's planned capital plans. These capital plans provide a guide to the borrowing need of the Council, informing the longer term cash flow planning, to ensure the Council can meet its capital spending obligations.
- 1.5 The management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet the Council risk or cost objectives.
- 1.6 The treasury strategy has been informed by the current capital programme and updates to the programme as included within the budget report which is being recommended elsewhere on the agenda.
- 1.7 The revenue implications of the strategy have been included in the General Fund and HRA budgets for 2018/19.

2. FINANCIAL AND RISK IMPLICATIONS

- 2.1 Detailed within the Strategy Document.

3. CONCLUSIONS

- 3.1 The Council is required to determine the TMS, as covered within the attached reports Treasury Management Strategy, Annual Investment Strategy and Operational Boundary and Authorised Limits

4. RECOMMENDATIONS

- 4.1 It is recommended that the Policy and Resources Committee agree to recommend to Council:
- a) The TMS for 2018/19
 - b) The Annual Investment Strategy (section 5)
 - c) Operational Boundary and Authorised Limits (appendix C)

5. BACKGROUND PAPERS

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

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

Treasury Management Strategy Statement 2018/19

1. Introduction

The purpose of this report

- 1.1 The council has significant investments and borrowing which bring with them financial risks including the loss of invested funds and the revenue effect of changing interest rates. It therefore requires an overall strategy as well as sets of practices and procedures to identify, monitor and control those risks. There is a body of statute and other regulations that lays down what a strategy should do. This report sets out a Treasury Management Strategy for 2018/19 that fulfils the legal requirement and provides a workable framework for day-to-day operations.

2. Background

Economic background

- 2.1 The Council's Treasury Management Strategy must take into account the expectations for the economy and specifically the finance sector. The Council receives advice on this from Arlingclose Ltd and Appendix A is a commentary by them on the economic background, the outlook for creditworthiness and interest rates.
- 2.2 The forecast for the Bank Rate is that it remains at 0.50%. For the purpose of the budget any new investments are estimated to be on or about the Bank Rate.
- 2.3 The treasury management environment remains difficult with yields and quality counterparties remaining reduced in the aftermath of the financial crisis of 2008 with no return to pre-crisis rates envisaged in the medium term. Governments and regulators have put in place measures prompted by the crisis that restrict any government bail-out of individual financial institutions exposing the Council to participate in a bail-in if it has invested in an affected institution.

Statutory background

- 2.4 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the Department for Communities and Local Government (DCLG)'s Guidance on Investments which require the Council to approve a treasury management strategy which incorporates the investment strategy before the start of each financial year.
- 2.5 The regulatory background is complicated by both CIPFA and DCLG revising their codes and guidance on treasury management and prudential indicators. Whilst CIPFA has published the new Codes in December 2017 it has yet to publish the accompanying treasury management Guidance Notes for local authorities. The DCLG's final investment guidance is also awaited and the timing relative to the Council's meetings dealing with 2018/19 strategy is not ideal. The background to possible changes to the regulations is further explained in Appendix B. The situation will be monitored and an updated strategy will be brought forward to Members if needed.

- 2.6 The Council has borrowed and invested material sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
- 2.7 In accordance with the CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Council's capital programme or in the level of its investment balance.

3. Current Position and Projection

- 3.1 Table 1: The Council's treasury portfolio at the end of December 2017 was:

| | Principal £m | Average Interest Rate % |
|--------------------------|-----------------|----------------------------|
| Call accounts | 3.000 | 0.25% |
| Money Market Funds | 8.780 | 0.65% |
| Total Investments | 11.780 | |
| Long –term PWLB loans | 71.388 | 3 - 4.4% |
| Long-term loans other | 10.504 | 3.35 - 11.0% |
| Short term borrowing | 21.000 | 0.40 - 0.55% |
| Total Borrowing | 102.892 | |
| Net Borrowing | 91.112 | |

- 3.2 On 31 December 2017, the Council held £102.892m of borrowing and £11.780m of investments. This is set out in further detail at above. Forecast changes in these sums are shown in the balance sheet analysis in table 2 below which shows the Council anticipates a borrowing requirement of around £36.5 million by 31/3/2021.

Table 2: Balance sheet summary and forecast

| | 31/03/2017 | 31/03/2018 | 31/03/2019 | 31/03/2020 |
|--|----------------|----------------|----------------|----------------|
| | Actual | Estimate | Estimate | Estimate |
| | £'000 | £'000 | £'000 | £'000 |
| General Fund CFR | 46,292 | 50,636 | 53,420 | 58,394 |
| HRA CFR | 78,867 | 79,984 | 81,344 | 83,483 |
| Total CFR | 125,160 | 130,620 | 134,764 | 141,877 |
| Less: Other Debt Liabilities * | (1,104) | (931) | (826) | (720) |
| Borrowing CFR | 124,056 | 129,689 | 133,938 | 141,157 |
| Less: External borrowing ** | 88,217 | 102,800 | 81,678 | 81,678 |
| Internal (over) borrowing | 35,839 | 26,889 | 52,260 | 59,479 |
| Less: Useable Reserves | (23,478) | (21,527) | (20,034) | (18,135) |
| Less: Working Capital | (16,320) | (240) | 388 | 1,553 |
| (New Borrowing requirement)/Investments | (3,959) | 5,121 | 32,614 | 42,897 |

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

** shows only loans to which the Council is committed and excludes optional refinancing

3.3 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

3.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 2 shows that the Council expects to comply with this recommendation during 2018/19, and Appendix C illustrates the Operational Boundary and Authorised Limits.

4. Borrowing Strategy

4.1 As at 31 December the Council held £102.9 million in loans (table 1), an increase of £15 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 2 shows that the Council expects to borrow a further £5m in 2018/19. The Council may borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £142million per Appendix C.

4.2 The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. With short-term interest rates lower than long-term borrowing rates, the Council has felt it was more cost effective in the short-term to use internal resources. Effectively the Council has borrowed from its own internal resources.

- 4.3 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 4.4 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2018/19 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 4.5 Alternatively, the Council may arrange forward starting loans during 2018/19, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 4.6 In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.
- 4.7 The approved sources of long-term and short-term borrowing are:
- Public Works Loan Board (PWLB) and any successor body
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - UK public and private sector pension funds (except Norfolk Pension Fund)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 4.8 In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- operating and finance leases
 - hire purchase
 - Private Finance Initiative
 - sale and leaseback
- 4.9 The Council has previously raised a significant proportion of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.
- 4.10 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee

to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

- 4.11 LOBOs: The Authority holds £3m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The next date for this option is 1st May 2018.
- 4.12 Short-term and variable rate loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.
- 4.13 As short term borrowing rates will be considerably cheaper than long term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

5. Investment Strategy

- 5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past year, the Council's investment balance has been up to £18 million and similar levels are expected to be maintained in the forthcoming year.
- 5.2 Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
- 5.3 **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and/or higher yielding asset classes during 2018/19. This is especially the case for the estimated £10m that is available for longer-term investment. All of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds. This diversification will represent a substantial change in strategy over the coming year.
- 5.4 The Council may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown:

Table 2: Approved investment counterparties and limits

| Credit rating | Banks unsecured | Banks secured | Government | Corporates | Registered Providers |
|---------------|-----------------|---------------|------------|------------|----------------------|
|---------------|-----------------|---------------|------------|------------|----------------------|

| Credit rating | Banks unsecured | Banks secured | Government | Corporates | Registered Providers |
|---------------|--------------------------------|------------------|------------------------|------------------|----------------------|
| UK Govt | N/A | N/A | £unlimited 50 years | N/A | N/A |
| AAA | £1.5m 3 years | £2m 20 years | n/a | £1m 20 years | £1.5m 20 years |
| AA+ | £1.5m 1 years | £2m 10 years | n/a | £1m 10 years | £1.5m 10 years |
| AA | £1.5m 1 years | £2m 5 years | n/a | £1m 5 years | £1.5m 10 years |
| AA- | £1.5m 1 years | £2m 4 years | n/a | £1m 4 years | £1.5m 10 years |
| A+ | £1.5m 1 years | £2m 3 years | n/a | £1m 3 years | £1.5m 5 years |
| A | £1.5m 1 years | £2m 2 years | n/a | £1m 2 years | £1.5m 5 years |
| A- | £1.5m 6 months | £2m 13 months | n/a | £1m 13 months | £1.5m 5 years |
| None | £1.0m 6 months | n/a | n/a | £1m 5 years | £1.5m 5 years |
| UK Govt | UK Local Authority £3m 2 years | | | | |
| Pooled funds | £3m per fund | | | | |

This table must be read in conjunction with the notes below.

- 5.5 **Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- 5.6 **Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 5.7 **Banks secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- 5.8 **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments

are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

- 5.9 **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment and will be subject to individual business cases and not for treasury management purpose but for service purpose.
- 5.10 **Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.
- 5.11 **Pooled funds:** Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- 5.12 Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 5.13 **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in. Balances will be kept as low as possible without affecting operations. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
- 5.14 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

- 5.15 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then no investments other than call investments will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 5.16 **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the Council’s credit rating criteria.
- 5.17 When financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments. If these restrictions mean that insufficient commercial organisations of high credit quality are available, then the Council will use the UK Government or other local authorities although this will cause a reduction in the level of investment income earned.
- 5.18 **Specified and Non- Specified investments:** The CLG Guidance defines specified investments as those:
- denominated in pound sterling,
 - due to be repaid within 12 months of arrangement,
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.
- 5.19 The Council defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.
- 5.20 Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-specified investment limits

| | Cash limit |
|--|-------------------|
| Total long-term investments | £12m |
| Total investments without credit ratings or rated below [A-] (except UK Government and local authorities) | £11m |
| Total investments (except pooled funds) with institutions domiciled in foreign countries rated below [AA+] | £1m |

5.21 Investment limits

- 5.22 The Council's revenue reserves available to cover investment losses are forecast to be £8 million on 31 March 2018. In order that to reduce risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £3 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

| | Cash limit |
|---|-------------------|
| Any single organisation, except the UK Central Government | £2m each |
| UK Central Government | unlimited |
| Any group of organisations under the same ownership | £2m per group |
| Any group of pooled funds under the same management | £4m per manager |
| Negotiable instruments held in a broker's nominee account | £4m per broker |
| Foreign countries | £1m per country |
| Registered providers | £2m in total |
| Unsecured investments with building societies | £1m in total |
| Loans to unrated corporates | £1m in total |
| Money Market Funds | £10m in total |

5.23 Cash Flow/Liquidity management:

- 5.24 The Council officers maintain a detailed cash flow forecast for each coming year revising it as more information is available. This informs the short term investments such as those to cover precept payments. The forecast is compiled on a prudent basis with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Long-term investment strategy is based on the Council's medium term financial strategy.

5.25 Non-Treasury Investments

- 5.26 Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the CLG Guidance, the Council may also purchase property for investment purposes and may also make loans and investments for service purposes. Such loans and investments will be subject to the Council's normal approval processes for revenue and capital expenditure and need not comply with this treasury management strategy. The prospective changes in CIPFA Codes and DCLG Guidance imply these investments will be included in future annual investment strategies although exactly what detail is required is not certain until the final versions are published. When the final versions are available a revised report including the extra detail may be required. To give some context the Council's non-treasury investments are mostly its commercial properties which at the last valuations totalled around £31.8m (As at 31/03/17).

6 Treasury Management Indicators

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

| | Target |
|---------------------------------|--------|
| Portfolio average credit rating | A |

- 6.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments it can borrow each quarter without giving prior notice.

| | Target £m |
|----------------------------|--------------|
| Liquid short term deposits | £11.000 |
| Bank Overdraft | £0.25 |

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

| | 2018/19 | 2019/20 | 2020/21 |
|--|---------|---------|---------|
| Upper limit on fixed interest rate exposure | 100% | 100% | 100% |
| Upper limit on variable interest rate exposure | 100% | 100% | 100% |

6.5 Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

6.6 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

| | Upper | Lower |
|--------------------------------|-------|-------|
| Under 12 months | 20% | 0% |
| 12 months and within 24 months | 40% | 0% |
| 24 months and within 5 years | 60% | 0% |
| 5 years and within 10 years | 80% | 0% |
| 10 years and above | 100% | 0% |

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

6.8 **Principal sums invested for periods longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

| | 2018/19 | 2019/20 | 2020/21 |
|---|---------|---------|---------|
| Limit on principal invested beyond year end | £12m | £12m | £12m |

7 Other Treasury Management issues

7.1 There are a number of additional items that the Council is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

7.2 Policy on the use of financial derivatives:

7.3 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

7.4 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds

and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 7.5 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 7.6 **Policy on apportioning interest to the HRA:** On 1 April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Annually a calculation is performed to allocate interest between the General Fund and HRA.
- 7.7 **Treasury Management advisers:** The Council's treasury management advisor is Arlingclose Limited. Arlingclose provide advice and information on the Council's investment, borrowing and capital financing activities. However, responsibility for final decision making remains with the Council and its treasury officers. The quality of service will be monitored by the S 151 Officer and treasury officers using the service and meet with a representative of the advisor at least twice a year.
- 7.8 **Staff training:** The needs of the Council's treasury management staff for training in investment management are assessed regularly as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.
- 7.9 **Investment of money borrowed in advance of need:** The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.
- 7.10 The total amount borrowed will not exceed the authorised borrowing limit of £142 million (Appendix C). It should be noted that the Council is not required to link particular loans with particular items of expenditure.

8. Financial Implications

The budget for investment income in 2018/19 is £64k, based on an average investment portfolio of £15 million at an average interest rate of 0.32%. The budget for debt interest paid for general fund and HRA in 2018/19 is £3.4 million (2017/18 £3.2m). If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

9 Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The S 151 Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

| Alternative | Impact on income and expenditure | Impact on risk management |
|---|--|---|
| Invest in a narrower range of counterparties and/or for shorter times | Interest income will be lower | Lower chance of losses from credit related defaults, but any such losses may be greater |
| Invest in a wider range of counterparties and/or for longer times | Interest income will be higher | Increased risk of losses from credit related defaults, but any such losses may be smaller |
| Borrow additional sums at long-term fixed interest rates | Debt interest costs will rise; this is unlikely to be offset by higher investment income | Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain |
| Borrow short-term or variable loans instead of long-term fixed rates | Debt interest costs will initially be lower | Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain |

Appendix A Economic background and interest rate forecast

Economic background

The major external influence on the Council's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

Credit outlook

High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council; returns from cash deposits however remain very low.

Interest rate forecast

The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.

Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

| | Dec-17 | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Average |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Official Bank Rate | | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.00 | 0.00 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.19 |
| Arlingclose Central Case | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Downside risk | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.15 |
| 3-month LIBID rate | | | | | | | | | | | | | | |
| Upside risk | 0.10 | 0.10 | 0.10 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.22 |
| Arlingclose Central Case | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Downside risk | -0.10 | -0.10 | -0.15 | -0.15 | -0.15 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.25 | -0.20 |
| 1-yr LIBID rate | | | | | | | | | | | | | | |
| Upside risk | 0.15 | 0.15 | 0.20 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.27 |
| Arlingclose Central Case | 0.70 | 0.70 | 0.70 | 0.70 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.80 | 0.77 |
| Downside risk | -0.15 | -0.20 | -0.30 | -0.30 | -0.30 | -0.30 | -0.30 | -0.30 | -0.30 | -0.30 | -0.30 | -0.15 | -0.15 | -0.26 |
| 5-yr gilt yield | | | | | | | | | | | | | | |
| Upside risk | 0.20 | 0.25 | 0.25 | 0.25 | 0.30 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.40 | 0.32 |
| Arlingclose Central Case | 0.75 | 0.75 | 0.80 | 0.80 | 0.80 | 0.85 | 0.90 | 0.90 | 0.95 | 0.95 | 1.00 | 1.05 | 1.10 | 0.89 |
| Downside risk | -0.20 | -0.20 | -0.25 | -0.25 | -0.25 | -0.35 | -0.40 | -0.40 | -0.40 | -0.40 | -0.40 | -0.40 | -0.40 | -0.33 |
| 10-yr gilt yield | | | | | | | | | | | | | | |
| Upside risk | 0.20 | 0.25 | 0.25 | 0.25 | 0.30 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.40 | 0.32 |
| Arlingclose Central Case | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.30 | 1.30 | 1.35 | 1.40 | 1.45 | 1.50 | 1.55 | 1.55 | 1.36 |
| Downside risk | -0.20 | -0.25 | -0.25 | -0.25 | -0.25 | -0.30 | -0.35 | -0.40 | -0.40 | -0.40 | -0.40 | -0.40 | -0.40 | -0.33 |
| 20-yr gilt yield | | | | | | | | | | | | | | |
| Upside risk | 0.20 | 0.25 | 0.25 | 0.25 | 0.30 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.40 | 0.32 |
| Arlingclose Central Case | 1.85 | 1.85 | 1.85 | 1.85 | 1.85 | 1.90 | 1.90 | 1.95 | 1.95 | 2.00 | 2.05 | 2.05 | 2.05 | 1.93 |
| Downside risk | -0.20 | -0.30 | -0.25 | -0.25 | -0.30 | -0.35 | -0.40 | -0.45 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 | -0.38 |
| 50-yr gilt yield | | | | | | | | | | | | | | |
| Upside risk | 0.20 | 0.25 | 0.25 | 0.25 | 0.30 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.40 | 0.32 |
| Arlingclose Central Case | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 | 1.75 | 1.80 | 1.85 | 1.90 | 1.95 | 1.95 | 1.95 | 1.95 | 1.82 |
| Downside risk | -0.30 | -0.30 | -0.25 | -0.25 | -0.30 | -0.35 | -0.40 | -0.45 | -0.50 | -0.50 | -0.50 | -0.50 | -0.50 | -0.39 |

Appendix B Changes to codes and guidance relating to treasury management

CIPFA Codes

CIPFA published new versions of its Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes (TM Code) and The Prudential Code for Capital Finance in Local Authorities (Prudential Code) in late December 2017. It is understood that the Guidance Notes for local authorities will be published later in 2018. CIPFA has stated the time was right for a general review of the Codes and at the same time has reacted to discussions about concerns that local authorities have greatly increased investments in properties and were using increased borrowing to fund this and this should be subject to the same framework as traditional treasury management.

The updated Prudential Code includes a new requirement for local authorities to produce a 'capital strategy' which is a summary document approved by full Council including capital expenditure and funding plans, the overall approach to investment and borrowing and the governance arrangements to be approved by the full Council allowing a more detailed treasury strategy to be delegated to another committee.

Significantly the new codes bring a wider set of investments into the annual strategy including commercial property investments. It asks local authorities to make clear its process of governance and analysis of potential investments. The revised Treasury Management Code also includes a new requirement for management practices for non-treasury investments, including loans made and guarantees given for service purposes, shareholdings in subsidiaries and direct property investments.

DCLG guidance

Department for Communities and Local Government (DCLG) issued revised guidance on local authority investments in March 2010. DCLG has consulted on new guidance and is expected to issue final guidance by late January 2018. The DCLG has also expressed concerns that local authorities were funding increased investments in properties with increased borrowing and have suggested changes to make this more transparent.

Appendix C – Operational Boundary and Authorised Limits

| Operational boundary £m | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Debt | £133.000 | £135.000 | £141.000 | £142.000 |
| Other long term liabilities | £2.000 | £2.000 | £2.000 | £2.000 |
| Total | £135.000 | £137.000 | £143.000 | £144.000 |

| Authorised limit £m | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|-----------------------------|---------------------|---------------------|---------------------|---------------------|
| Debt | £138.000 | £140.000 | £146.000 | £147.000 |
| Other long term liabilities | £2.000 | £2.000 | £2.000 | £2.000 |
| Total | £140.000 | £142.000 | £148.000 | £149.000 |

| HRA Debt Limit £m | 2017/18 Estimate | 2018/19 Estimate | 2019/20 Estimate | 2020/21 Estimate |
|-------------------|---------------------|---------------------|---------------------|---------------------|
| HRA debt cap | £89.998 | £89.998 | £89.998 | £89.998 |
| HRA CFR | £79.984 | £81.344 | £83.483 | £85.604 |
| HRA headroom | £10.014 | £8.654 | £6.515 | £4.394 |

Subject: 2018/19 BUDGET REPORT

Report to: Policy and Resources Committee - 6 February 2018
Full Council - 20 February 2018

Report by: Finance Director

SUBJECT MATTER AND RECOMMENDATIONS

This report presents for consideration and recommendation to Full Council the 2018/19 budget along with the latest financial projections for the following three years to 2020/21. The report includes details of the provisional finance settlement along with the key assumptions that have been made within the budget.

Overall the position shows a surplus of £13,816 for 2018/19 which is recommended to be transferred to the general reserve.

The financial forecast for the period 2019/20 to 2021/22 is currently showing an increasing deficit of £0.4million for 2019/20 increasing to £2.6million by 2020/21. This position does not allow for the use of reserves over the medium term period to fund ongoing spending pressures but does allow for the delivery of savings and additional income that will be delivered over the short to medium term.

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

The budget has been produced based on a number of assumptions as detailed within the main body of the report and also reflects the provisional finance settlement announced on 19 December 2017. The final settlement is due to be announced early February and any amendments to the figures included in the report will be updated at the meeting as applicable and reflected in the Council Tax setting report to Full Council in February 2018.

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

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

Recommendations:

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

- 1) The 2018/19 general fund revenue budget as outlined at Appendix A;**
- 2) The fees and charges as detailed at Appendix D (in addition to those previously agreed in December 2017);**
- 3) The Council Tax for 2018/19 for the Borough Council tax be £156.48 (for an average Band D);**
- 4) That the demand on the Collection Fund for 2018/19 be:**
 - a. £4,391,455 for the Borough Council purposes;**
 - b. £377,953 for Parish Precepts;**

- 5) The statement of and movement on the reserves as detailed at Appendix F;
- 6) The Policy framework for reserves as detailed at Appendix G;
- 7) The updated Capital Programme and financing for 2017/18 to 2020/21 as detailed at Appendix H;
- 8) The prudential indicators and minimum revenue provision policy as detailed at Appendix J;
- 9) That members note the current financial projections for the period 2019/20 to 2020/21.

1. Introduction and Background

- 1.1 This report presents for recommendation the detail of the 2018/19 revenue budget and the indicative projections for the following three financial years, 2019/20 to 2021/22.
- 1.2 An updated Capital Programme has also been included, which takes account of slippage of schemes between financial years. Details of new capital schemes are included within the report and appendices for approval. Recommendations from this report will be made to Full Council on 21 February 2018 as part of the annual Budget and Council Tax setting.
- 1.3 The financial projections for the period 2018/19 to 2020/21 were presented to Members in February 2017 alongside consideration of the budget for 2017/18. These provided indicative forecasts for the future taking into account the multi-year settlement figures covering the four year period 2016/17 to 2019/20. An update to the Medium Term Financial Strategy (MTFS) covering the period 2018/19 to 2020/21 was presented to Members for consideration in November 2017. Table 1 below provides a summary of the forecast surplus/budget gap presented at those times.

| Table 1 - Background - Funding Gaps | | | |
|--|----------------|----------------|----------------|
| | 2018/19 | 2019/20 | 2020/21 |
| | £000 | £000 | £000 |
| February 2017 | 693 | 1,508 | 3,083 |
| November 2017 | 122 | 632 | 2,023 |

* Nov 2017 Figures included in the MTFS assumed targets for savings and additional income would be delivered.

- 1.4 The forecast in November reflected in-year budget monitoring variances that had been flagged including service and non-service budget movements. In addition a reduction in the level of New Homes Bonus payable for 2018/19 was assumed due to forecast growth in new homes not being as previously anticipated. The projections as summarised above were based on a number of assumptions around future spending plans, income and delivery of new and ongoing savings and efficiencies.
- 1.5 The budget for 2018/19 and future financial projections as included in this report and accompanying appendices is the culmination of work carried out by finance and service areas along with Executive Leadership Team and the Policy Resources Committee. The position has been informed by the confirmation of year three of the multi-year settlement and provisional allocations of new homes bonus funding for 2018/19 as announced on 19 December 2017. The final settlement is expected early February and the final budget presented for approval on 20 February 2018 will be updated where applicable to reflect

any changes. Appendix A provides a general fund summary for the 2018/19 and future financial projections with more detail within Appendix B which also provides commentary on the more significant movements from the 2017/18 base budget.

2. Provisional Local Government Finance Settlement

2.1 The provisional finance settlement (year three of the multi-year settlement which the Council accepted) was announced by the Secretary of State for Local Government on 19 December 2017. The final settlement figures are due to be announced in early February and where applicable any changes resulting from the final settlement will be reflected in the budget report to Full Council on 20 February 2018.

2.2 Some of the key messages from the settlement statement and the subsequent analysis are as follows:

- a) Council Tax Referendum Limit – This has been increased from 1.99% to 2.99% for 2018/19 and 2019/20. For shire districts the limit for 2018/19 would be the greater of £5 or 3% and under the changes 88 shire districts (including Great Yarmouth) would not see any additional resource from this greater flexibility. The social care precept as announced under previous settlements of 3% for 2018/19 and 2019/20 is still in place. No limits have been introduced for town and parish councils for three years;
- b) New Homes Bonus the 0.4% threshold for growth is still used in the allocation of NHB for 2018/19, i.e. no increase in the threshold has been implemented no holdback of funding has been implemented for decisions on new homes approved by the Planning Inspectorate;
- c) Business Rate Pilots – A further 10 pilots for 2018/19 have been announced for piloting 100% rates retention in 2018/19, the Norfolk pilot application was not one of those approved. Further applications for pilots from 2019/20 will be invited during 2018/19;
- d) Core Spending Power – The figures announced indicate that the Core Spending Power will rise by an average of 1.5% in 2018/19, on the basis that Council's will raise council tax by the maximum amount permitted without a referendum.
- e) Fair Funding Review - The government has confirmed that the fair funding review will be completed in time for the 2020/21 financial year. A consultation has been launched which considers potential approaches that might be taken to measure the relative need of local authorities.

2.3 The settlement includes a measure referred to as 'Core Spending Power', this is essentially the Government's measure of core revenue funding components for local government consisting of the following (*applicable sources for GYBC):

- Revenue Support Grant*
- Retained Business Rates*
- Section 31 grants to compensate for historic caps on business rates multiplier increases and uprating of the multiplier by Consumer Price Index (CPI) instead of by Retail Price Index (RPI) from April 2018;
- New Homes Bonus*
- Improved Better Care Fund Income

- Rural Services Delivery Grant
- Transition Grant
- Assumed income from Council Tax – allowing for tax base growth*
- Assumed income from Council Tax – allowing for annual increases to the council tax to the referendum limits, i.e. higher of 3% or £5*.

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

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Settlement Funding Assessment (1) | 8,135 | 7,255 | 6,593 | 6,239 | 5,806 |
| Compensation for under-indexing the business rates multiplier | 51 | 51 | 46 | 77 | 116 |
| Council Tax of which; | 3,831 | 3,914 | 4,142 | 4,362 | 4,590 |
| Council Tax Requirement excluding parish precepts (including base and levels growth) | 3,831 | 3,914 | 4,085 | 4,290 | 4,505 |
| Potential additional Council Tax from £5 referendum principle for all Districts | - | - | 57 | 72 | 84 |
| New Homes Bonus | 1,157 | 1,377 | 1,063 | 628 | 543 |
| New Homes Bonus returned funding | 11 | 8 | 9 | - | - |
| Core Spending Power | 13,185 | 12,605 | 11,853 | 11,306 | 11,054 |
| Change over the Spending Review period (£ millions) | | | | | (2,131) |
| Change over the Spending Review period (% change) | | | | | -16.2% |

(1) 2019/ 20 Settlement Funding Assessment has been modified to include a provisional tariff or top-up adjustment.

(2) New Homes Bonus allocations for 2019/20 are for illustration purposes only. Actual payments will depend on housing delivery and are subject to change.

2.5 The Core Spending power assumes that the resources will continue to reduce over the next four years (period of the spending review) by 16.2% equating to approximately £2 million, this is based on the assumption that the Council will increase its band D council tax annually over the period of the settlement by £5 and that there will be continued growth in delivery of properties that impact on the Council tax requirement and new Homes Bonus income.

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

| Table 3 Settlement Funding Assessment | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 |
|--|----------------|----------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Settlement Funding Assessment: | | | | | |
| Revenue Support Grant | | 3,740 | 3,007 | 2,545 | 2,029 |
| Baseline Funding Level | | 3,515 | 3,587 | 3,694 | 3,776 |
| Total Settlement Funding Assessment | 8,135 | 7,255 | 6,593 | 6,239 | 5,806 |
| Movement - Year on Year | | | | | |
| Revenue Support Grant £ (Reduction) | | | (733) | (462) | (516) |
| Revenue Support Grant % Reduction | | | -19.6% | -15.4% | -20.3% |
| Baseline Funding Level £ Increase | | | 72 | 108 | 82 |
| Baseline Funding Level % Increase | | | 2.0% | 3.0% | 2.2% |
| Total Settlement Funding Assessment (Reduction) £ | | (880) | (661) | (354) | (434) |
| Total Settlement Funding Assessment (Reduction) % | | -10.8% | -9.1% | -5.4% | -7.0% |

3. New Homes Bonus

- 3.1 The New Homes Bonus was introduced in 2011/12 to incentivise and reward Councils and Communities that build new homes in their area. The bonus is paid as an un-ring fenced grant and was until 2016/17 paid for six years based on the net additional homes (net of new homes and changes in long term empty properties) plus an additional supplement of £350 per affordable dwelling. The payment is then split between local authority tiers: 80% to the lower tier (GYBC) and 20% to the upper tier (Norfolk County Council). In 2017/18 a reduction to the number of years the bonus will be paid for was introduced, reducing to five years in 2017/18 and then for four years from 2018/19 thereafter.
- 3.2 A threshold baseline for growth was introduced to the systems of allocation of NHB funding from 2017/18. This essentially means that a Local Authority will need to achieve total housing growth of higher than 0.4% to receive a payment of NHB. It had previously been announced that the threshold may increase in future years if there is significant housing growth, there has been no increase to the threshold for 2018/19 NHB payments.
- 3.3 There have been no further changes to the scheme for 2018/19, in previous consultations there had been considerations of closer linking of the scheme to the planning system, for example imposing penalties for those Local Authorities that do not have a local plan and withholding payments for residential development that have been allowed on appeal.
- 3.4 The total provisional allocation of NHB for 2018/19 for GYBC is £5,040 which represents the amount for delivery of 18 affordable homes (26 for 2017/18).
- 3.5 As flagged previously in the Medium Term Financial Strategy the financial projections had been revised to remove any new bonus for 2018/19, this was due to the information from the Council Tax Base returns (which is used to allocate NHB) showing that the level of new dwelling growth was less than previous years unlikely to achieve the 0.4% baseline. The council tax data return submitted in October 2017 recorded additions of 118 (322 in 2017/18) and an increase in empty properties of 31 (reduction of 33 in 2017/18) showing a net total units of 87 (355 in 2017/18) overall below the baseline threshold and therefore no allocation payable for 2018/19.

3.6 After allowing for the previous years allocations, the total amount payable for 2018/19 is £627,700.

3.7 Table 4 provides details of the Council's allocations of NHB for 2018/19 including previous year's payments.

| Table 4 – New Homes Bonus – Allocations to date | | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 2011/12 | 274 | 274 | 274 | 274 | 274 | 274 | | |
| 2012/13 | | 234 | 234 | 234 | 234 | 234 | | |
| 2013/14 | | | 321 | 321 | 321 | 321 | 321 | |
| 2014/15 | | | | 119 | 119 | 119 | 119 | |
| 2015/16 | | | | | 208 | 208 | 208 | 208 |
| 2016/17 | | | | | | 220 | 220 | 220 |
| 2017/18 | | | | | | | 194 | 194 |
| 2018/19 | | | | | | | | 5 |
| Total | 274 | 508 | 829 | 949 | 1,157 | 1,377 | 1,063 | 628 |

3.8 Future funding from the scheme may be subject to further changes as mentioned earlier, once announcements are made in respect of the future of NHB adjustments will be made in the Councils MTFS. Funding from NHB is still within the core spending power for an authority and still remains a risk to the Council's funding in the medium to short term. In the meantime housing delivery remains a priority in terms of new growth and bringing properties back into use through the enforcement work to reduce the number of long term empty properties.

4. Business Rates

4.1 The current scheme of Business Rates retention came into operation in April 2013. The percentage shares are 50% central government; 40% GYBC and 10% Norfolk County Council.

4.2 The Government has recalculated top-ups and tariffs for 2017/18 to reflect the 2017 valuation and these will in turn determine the top ups and tariffs for 2018/19. In 2018/19 an adjustment payment will be made or received representing the difference between the revised 2017/18 tariff or top-up and that set for the 2017/18 settlement. This has resulted in an increased level of tariff for 2017/18.

4.3 The Valuation Office Agency (VOA) normally review and update the RVs every five years. The current RVs have been in place since April 2010, although RVs can change in between revaluation dates as a result of appeals. The revaluation process will redistribute the rates burden and will be cost neutral nationally. As part of the revaluation a system of transitional relief mitigates the impact of large increases and decreases in the rates bills payable, for example those seeing significant increases in the rates bill will have annual increases capped, the converse would apply to those seeing significant reductions in the rates bill.

4.4 As part of the 2015 Spending Review the Government announced that the current system of rates retention would move to a 100% retention of business rates by the end of

the current parliament as a move towards self-sufficiency at a local level with funding for local government being generated from council tax and business rates. The budget announcement December announced the intention to move to 75% business rates retention in 2020/21 for all authorities. This will mean the rolling in of a number of grants from 2020/21, including the Revenue Support Grant, Rural Services Delivery Grant, GLA Transport Grant and the Public Health Grant. Further work on the implications of this to Local Authority Funding will be worked upon over the next two years which will include a number of technical consultation papers and exemplifications of the impacts. In addition the Fair Funding Review will be critical to ensuring that the funding allocation post 75% rates retention addresses the relative needs and resources of individual authorities.

5. Savings and Additional Income

5.1 The 2018/19 budget assumes the continuation of savings and additional income identified and approved as part of previous budget setting processes which are now included in the base budget. The current financial business strategy identifies the following themes that are priorities for the Council in delivering future efficiencies and savings to reduce the forecast budget gap.

- a) **Strategic Asset Management** - To review all of the Council's asset holdings to ensure that income streams are being maximised and costs minimised. Identify development opportunities, new investment or assets which are under performing for potential disposal; adding value to strategic assets; the key aim is to identify the most efficient way to utilise the Council's assets and maximise the return that the Council receives from them.
- b) **Economic Growth** – To enhance and protect the funding from business rates and identify opportunities to encourage new growth in the Borough, including the enterprise zones and other areas and to support new housing growth.
- c) **Housing Growth** – To maximise income from the New Homes Bonus and collection of Council Tax, increasing the Council Tax Base and ensuring a strategy to support housing development in line with planning policy, whilst minimising empty homes across the Borough.
- d) **Property Investment and Commercialisation** - Identify opportunities for investment in properties whether direct or indirect to achieve an income stream or improved returns on investment.
- e) **Technological Investment** - Enhancement and development of IT including the website to aid flexible working and access to services, ensuring linkages to the digital by design work that is ongoing.
- f) **Shared Services, Selling Services and Partnership** - Identifying opportunities for sharing service at a local level to allow a strengthened approach to working with communities and partners in the voluntary sector to drive better outcomes for local residents, reduce avoidable demand on council services and secure investment to drive new partnerships with partners and communities to deliver corporate ambitions.
- g) **GYBC Operating Model** - Making sure the Council operates as effectively and efficiently as possible through:
 - Digital by Design - Provision of on-line services for residents, businesses and visitors, allowing the ability to work remotely using a range of devices which automate processes and support joined-up working, and mobile solutions.
 - Procurement and Contract Management - To review current contracts in place and the arrangements for managing these contracts i.e. through a joint venture or

formal contract management.

- Enforcement Strategy - Co-ordinated approach to issues such as tackling homes and properties which blight areas and may contribute to anti-social behaviour, including a programme of work to bring empty homes back into use and to deliver new housing developments to grow the Council's tax base.
- Efficiencies – ensuring the council operates in an efficient and effective manner, reviewing provision of services in a proactive way.

- 5.2 As part of the budget process savings and additional income proposals were invited from Heads of Service, these were then discussed with members of the Policy and Resources Committee in November as part of the 2018/19 budget preparation process. A schedule of the savings proposals from this process are detailed in Appendix C. Where applicable the timing of delivery of the proposals have been updated to reflect part year savings where time is required to implement the savings.
- 5.3 In addition to those proposals as included at Appendix C a number of savings targets were allocated to themes within the Council's current business strategy priorities within the Medium Term Financial plan as presented to Members in November. The following provides a summary of the additional income factored into the 2018/19 budget along with where further work will be completed during 2018/19 in order to deliver these.
- a) Growth – a target of £50,000 was identified to be delivered through economic growth from business rates and homes. The budget for 2018/19 reflects the current forecast from business rates as informed by the NNDR return. This area will continue to be monitored.
 - b) Property Investment and Commercialisation – The treasury management strategy for 2018/19 which is to be agreed as part of the budget process allows options for diversifying the council's investment portfolio including pooled property funds. In addition the budget for 2018/19 allows a revised position from property income for 2018/19.
 - c) GYBC Operating model – A joint review of the GYBS contract is underway to identify cashable efficiencies from the current arrangements. This is due to be reported to a future meeting of the Environment Committee and the budget for 2018/19 has factored in savings of £200,000 to be delivered in 2018/19. The detailed work has not yet been finalised to identify the areas that the saving will be from, as this work is completed over the coming months the 2018/19 service budgets will be updated to reflect the position.
- 5.4 Full Council in December approved the Fees and Charges for 2018/19 the majority of which have been set in line with the current policy which essentially recommends annual increases of RPI of 3.9% plus 2%.
- 5.5 As part of the normal budget process existing and future budgets are challenged, some of this challenged has highlighted small service savings which have been factored into the budget position for 2018/19.
- 5.6 Minimum Revenue Provision - As highlighted during the year within the budget monitoring report a review of the Minimum Revenue Provision Policy has been undertaken. Alongside this the current capital programme has been reviewed and where applicable schemes have been slipped to future years to reflect more accurately when the spend will be incurred and whether the budgets are still required. The timing of the capital spend will impact on when the MRP charge commences. This review has reduced the MRP charge for 2018/19 compared to that originally forecast by £280,000.

6. Revenue Account Base Budget – 2018/19

- 6.1 The detail of the general fund revenue account budget now presented for approval is included within Appendices A and B to the report. Appendix A shows the overall position in the form of a General Fund Summary and further details on the individual service budgets is included at Appendix B which shows the movement of the 2018/19 base budget compared to the base budget for 2017/18 as set in February 2017 along with comments of the more significant variances.
- 6.2 The capital programme is presented in more detail at section 8 which includes both an update to the current capital programme along with new capital schemes and the financing of the programme. The revenue implications of the capital programme have been allowed for within the budget now presented for approval.
- 6.3 The revenue budget for 2018/19 makes a number of assumptions, the more significant ones are as follows:
- a) **Council Tax** – The budget assumes an increase in the Borough element of Council Tax in 2018/19 of £5, based on the tax base of 28,064 (an increase of 722 compared to 2017/18) as approved in December 2017. This means that the borough element for a band D Council Tax for 2018/19 would be £156.48 (an increase of £5, 3.6% compared to 2017/18). Further details on the profile and level of council tax for the individual bandings is included at section 6. Overall this will deliver in the region of £250,000 additional funding compared to 2017/18.
 - b) **Employee budgets** – The budget assumes a 2% pay award for 2018/19, although a local agreement on pay has yet to be agreed. As a guide a 0.5% sensitivity to the pay award equates to approximately £45k per annum. An allowance has been made to reflect vacancy/turnover savings of £150,000 which equates to turnover of approximately 1.5%. Where annual increments are due these have continued to be factored into the budget.

The forward projections include the apprenticeship levy which came into effect in April 2017. The levy is payable at a rate of 0.5% by all employer's where the pay bill is over £3 million. From 2018/19 onwards £36,000 has continued to be factored into the budget.
 - c) **Fees and Charges** – The fees and charges for 2018/19 were approved by Full Council in December 2017. In the main the fees and charges for 2018/19 were increased in line with the policy as previously agreed by the Council. The policy allows for annual increases to those fees and charges which are set locally of RPI plus 2% to 2020, for 2018/19 this equates to 5.9%. At the time of reporting to Policy and Resources and Full Council in December 2017 further work was still required in respect of a number of fees and charges. A schedule is now attached at Appendix D detailing the charges now being recommended for approval and include: The 20% planning fee increase has now been implemented, a more detailed review of locally set planning fees for example pre-application advice is being carried out now with a view to bring forward proposals in early 2018/19.
 - d) **Contract inflation** – Where applicable contract inflation has been factored into the budget and forecasts.

- e) **Interest and Minimum Revenue Provision (MRP)** – A total of £759,000 interest payable is included in the budget for 2018/19 which reflects the current long-term debt portfolio and new temporary borrowing in line with the capital financing requirement as per the current treasury management strategy. The MRP budget of £1.433 million reflects the current programme of capital budgets along with planned expenditure in the current year. The new schemes that have been put forward for 2018/19 for approval have been allowed for within the future MRP forecasts, some of the capital proposals will be subject to further detailed business cases ahead of works commencing. Where applicable assumptions have been regarding the future delivery of capital schemes and the timing of projects and the related revenue implications of MRP and interest.

- 6.4 The General Fund Summary presented at Appendix A shows a budget for 2018/19 which this is summarised in Table 5 with the equivalent figures from the 2017/18 base budget.

| Table 4 – Variance of 2017/18 to 2018/19 Base Budget | 2017/18 Base Budget | 2018/19 Base Budget | Variance |
|---|----------------------------|----------------------------|-----------------|
| | £000 | £000 | £000 |
| Net cost of services (incl. Parishes) | 13,114 | 12,350 | (764) |
| Non service expenditure/ income | (264) | (227) | 37 |
| Net budget requirement | 12,849 | 12,122 | (727) |
| Funded by: | | | |
| Local Taxpayers - Parishes | (354) | (354) | 0 |
| Local Taxpayers - District Council | (4,142) | (4,391) | (250) |
| Revenue Support Grant & Retained Business Rates | (7,101) | (6,762) | 339 |
| New Homes Bonus | (1,063) | (628) | 436 |
| Council Tax Freeze Grant one off (14/15) | 0 | 0 | 0 |
| Total Income | (12,661) | (12,136) | 525 |
| (Surplus)/ Deficit | 188 | (14) | (202) |

7. Council Tax

- 7.1 As detailed in section 2, the core spending figures as included in the provisional finance settlement reflects increases to council tax annually by the higher of 3% or £5 per annum. The budget for 2018/19 assumes a band D council tax increase of £5 per annum for 2018/19. This is line with the previous financial projections and the 2018/19 MTFS as presented in November 2017.
- 7.2 Table 7 below summarises how the budget for 2018/19 will be financed and the District's net call on the Collection Fund for 2018/19. The Council tax summary is included at Appendix C.
- 7.3 The Council Tax Base of 28,064 Band D equivalent properties for 2018/19 (27,342 for 2017/18) was approved by Full Council in December 2017. The summary below shows the equivalent charge for the council tax bandings for the 2018/19 charge compared to the current charges for the Borough Council element only. The profile of property bandings across the borough is weighted towards the lower property banding, approximately 68% of properties are within bands A and B.

| Table 5– Council Tax Summary 2018/19 | | £ |
|--|--|-----------------|
| Total District amount to be met from Government Grant & Local Taxation | | 11,767,650 |
| Less: | | |
| Revenue Support Grant | | (2,544,905) |
| Business Rates Retained | | (4,217,407) |
| New Homes Bonus | | (627,700) |
| District call on Collection Fund – excluding Parish Precepts | | (4,391,455) |
| Deficit (to be funded from reserves) | | (13,816) |

| Council Tax Per Annum | Banding | | | | | | | |
|-----------------------|---------|---------|---------|---------|----------|---------|----------|---------|
| | A | B | C | D | E | F | G | H |
| 2017/18 | £100.99 | £117.82 | £134.65 | £151.48 | £185.14 | £218.80 | £252.47 | £302.96 |
| 2018/19 | £104.32 | £121.71 | £139.09 | £156.48 | £ 191.25 | £226.03 | £ 260.80 | £312.96 |
| Increase | £ 3.33 | £ 3.89 | £ 4.44 | £5.00 | £ 6.11 | £ 7.22 | £ 8.33 | £ 10.00 |

8. Reserves

- 8.1 The current and future forecast on the General and Earmarked Reserves is attached at Appendix D. The statement provides the latest proposals for use of reserves in the current financial year along with the budgeted movements in 2018/19, and proposed movements where known in the following three financial years.
- 8.2 There are three main reasons for holding reserves:
- To provide a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the General Fund Reserve;
 - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of the General Reserve;
 - As a means of building up funds, referred to as earmarked reserves, to meet known or predicted requirements. Earmarked reserves are accounted for separately but remain legally part of the General Fund. The title of the earmarked reserve generally reflects the purpose for which the balance is being maintained.
- 8.3 The Council also maintains a Housing Revenue Account reserve which was detailed in the HRA budget report to Housing and Neighbourhoods on 18 January 2018.
- 8.4 As part of considering the budget for 2018/19 the balance in the general and earmarked reserves should be taken into account. The level of reserves and unallocated balances provide a cushion as referred to above and also to mitigate against unforeseen fluctuations in income and where for example savings do not come into fruition as planned in terms of the timing or amount.
- 8.5 The current recommended balance in the general reserve is £2.5million. The recommended balance is informed by the policy framework for reserves and is included

- at Appendix G to this report. The framework takes into account a number of factors and sensitivities to budgets included in the base budget for 2018/19.
- 8.6 The balance in the general reserve at 1 April 2017 was £3.7 million. Current year movements from the general reserve are expected to be an £821k reduction. This also allows for planned and approved virements as reported during the year.
- 8.7 The Council holds a number of more significant reserves including:
- a) **Invest to Save** – An invest to save reserve was established during 2016/17 and provides a source of funding to fund one-off costs on an invest to save basis that will deliver future efficiencies and savings to the Council. The forecast balance at March 2019 is £1.471 million.
 - b) **Collection Fund (Business Rates)** – As mentioned earlier in the report the level of funding that is received from retained business rates is subject to fluctuations between years and also influenced by factors outside of the direct control of the Council. This reserve serves to provide a fund to mitigate the significant variations between years and to reduce the impact of appeals from previous years and also as funding that can be directed to increase the Council's business rate base in preparation for the implementation of a greater share of retained business rates income from 2020.
 - c) **Projects** – There are a number of significant projects that the Council is involved with which will have future financial implications to the Council's overall financial position including those that are currently planned to deliver financial benefits and reduce costs. Establishing of an earmarked reserve for projects provides one-off funding that can be used as matched funding or funding revenue implications of capital projects.
- 8.8 The reserve statement at appendix F shows the current position after allowing for the recommended movements as detailed above. It should be recognised that funding the budget from the use of reserves is not a long term sustainable position.
- 8.9 The Council continues to hold a number of earmarked reserves for specific purposes for which the timing of their use has not yet been identified. The current virement rules allow for the use of reserves to be approved within the overall virement limits, and as allocations are made the overall reserves position and financial position will be updated as part of the in-year budget monitoring reports.
- 8.10 A comprehensive statement about the adequacy of the reserves and recommended balance will be included within the Chief Financial Officer's report, which forms part of the annual Council Tax and Budget report to Full Council in February.

9. Capital

- 9.1 A revised capital programme for the current year is included at Appendix H to the report. The capital programme has been updated to take into consideration those changes identified within the current financial year and where timing of projects has not been as planned the budgets have slipped between financial years.

Capital Scheme Slippage

- 9.2 With regard to the Capital Programme, the only other changes to the budgets have been made in relation to the profiling of expenditure between financial years for the following schemes. This is to reflect more accurately when expenditure is anticipated to be incurred, although it should be noted that neither the scheme budgets, nor the sources of financing for any of these schemes have been changed.

- 9.3 The detail of the slippage of the capital programme is included in the Appendix H. In total the updated capital budget will see a reprofiling of £17,314k capital spend from 2017/18 to 2018/19. £13,653k of the reprofiled capital expenditure is to be financed from unsupported borrowing.

2018/19 Capital Programme

- 9.4 Appendix H also includes a summary of the 2018/19 and 2019/20 capital programmes, excluding new bids and including the slippage on the 2017/18 capital programme.
- 9.5 The 2018/19 and 2019/20 capital programmes include capital projects approved in prior year budgets with a capital budget of £1,668k, £800k is financed from a grant contribution and the remainder is to be financed by borrowing.
- 9.6 The 2018/19 capital programme also includes the Beach Hut project which has been approved by the Policy & Resource Committee in 2018. This has a planned spend of £140k to be funded by unsupported borrowing.

New Capital Schemes

- 9.7 In addition to the existing capital programme amendments, approval is also being sought for a number of new capital projects as identified within the Capital Appendix I.
- 9.8 The total of the estimated project costs associated with these capital bids is £318k to be funded by unsupported borrowing. The bids include a further £155k for 2019/20, also financed from borrowing.
- 9.9 New capital receipts will be monitored as part of the on-going budget monitoring process, and where applicable recommendations will be made to amend the capital programme and it's financing.
- 9.10 Appendix I includes £505k of capital projects funded from borrowing for which future business cases are required but are seeking approval in principal.
- 9.11 New capital receipts will be monitored as part of the on-going budget monitoring process, and where applicable recommendations will be made to amend the capital programme and it's financing.

Capital Programme Funding

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

Summary Capital Spend & Financing:

| | 2017/18 forecast £'000 | 2018/19 £'000 | 2019/20 £'000 |
|----------------------------------|------------------------------|------------------|------------------|
| Current Capital Programme | 36,109 | 1,527 | 280 |
| Forecast variance on Projects | (3,153) | 0 | 0 |
| Forecast Slippage from 2017/18 | (17,314) | 17,314 | 0 |
| Revised Capital Programme | 15,642 | 18,841 | 280 |
| Recommended Bids | 0 | 318 | 155 |
| Bids requiring Business Cases | 0 | 505 | 0 |
| | 15,642 | 19,664 | 435 |
| Financing: | | | |
| Unsupported Borrowing | | | |
| Borrowing | 10,462 | 15,297 | 435 |
| Capital Receipts | 50 | 65 | 0 |
| Revenue | 97 | 400 | 0 |
| External Funding | 5,032 | 3,902 | 0 |
| | 15,642 | 19,664 | 435 |

10. Future Financial Forecasts

- 10.1 The future financial projections reflect the multi-year settlement which covers the period 2016/17 until 2019/20. The settlement confirms the allocation of Revenue Support Grant until 2019/20 after which funding for Local authorities will be through Council Tax and the Business Rates retention system. As mentioned earlier in the report the detail of the latter is yet to be published although further details are expected over the next 12 to 18 months as part of the fair funding review and further technical consultations to be issued during 2018.
- 10.2 As per of the annual budget setting process indicative future year budgets are produced alongside the forthcoming budget. These are presented within the general fund summary at appendix A.
- 10.3 The forecast financial projections included at Appendix A for the period 2019/20 to 2020/21 make assumptions around spending forecasts and currently include the RSG as per the multi-year settlement figures for these periods, funding from the New Homes Bonus from 2018/19 has been scaled back compared to the figures assumed in the core spending power and the funding from council tax assume increases in line with the CSP assumptions, i.e. annual increases of £5 plus local council tax base growth of 500 per annum¹. Business rates baseline funding has assumed to increase each year and the tariff's increased in line with RPI annually.

¹ Note: Tax base growth does not just reflect property growth but also collection rates, changes in council tax discounts and movements in the numbers eligible for the discounts.

- 10.4 After allowing for these assumptions the overall position shows a current forecast budget gap of £0.384m in 2019/20, increasing to £2.6 million in 2020/21. The last year of the projections is largely due to the removal of RSG from 2020/21 although it would be expected that the needs element of this funding is reflected in the outcomes of the fair funding review and therefore received through the rates retention system from 2020/21 onwards. The detail and operation of this is not yet known therefore no assumptions of additional funding have been factored into the future forecasts at this time.
- 10.5 The report (section 4) details a number of workstreams and projects that are being delivered over the short to medium term that will help to deliver future savings and additional income to reduce the forecast funding gap. These work streams will be continuing and monitoring of the savings and income will be factored into the regular budget monitoring reports during 2018/19. Further savings and income opportunities will need to be considered as part of the 2019/20 budget setting process for which work will commence early in the new financial year to allow for planning and implementation as necessary.
- 11. Financial Implications and Risks**
- 11.1 The overall budget for the general fund as presented within this report shows a balanced position with a small surplus which is being recommended to be transferred to the general reserve. The actual general fund reserve balance is forecast to be just under £2.9 million at the end of 2018/19 which is above the revised recommended balance of £2.5 million for the year. The budget as presented allows for the use of reserves to fund upfront costs which will enable the delivery of ongoing savings. Use of reserves is not a long term solution for setting a sustainable budget.
- 11.2 The Council faces and will continue to face significant financial challenges with increased risks around funding streams. The planned shift from centrally funded to a more localised approach from 2020/21 when the Revenue Support Grant ends and the implementation of a greater retention of business rates for local authority funding is introduced.
- 11.3 The following outlines the more significant risks face by the Council in the short to medium term and in particular those that could have an impact on delivery of the 2018/19 budget.
- 11.4 **Future Funding** – As mentioned previously Local Government as a sector continue to face funding reductions and this has been confirmed by the provisional Local Government Finance Settlement. Whilst the settlement has confirmed the allocations for year three of the multi-year settlement the future reductions of revenue support grant and central government assumptions around housing growth and the direct impact to local funding from new homes bonus and council tax still remain ambitious. The overall reduction in RSG between financial years covered by the settlement period is just over £1.7m. The financial planning process has taken account of this change, however the future funding gaps still remain a risk with the significant reduction in 2020/21 when there will be no RSG and funding will be from a greater share of business rates and council tax. The future forecasts have assumed the removal of RSG in full from 2020/21 which will mean a reduction of over £2 million in funding from 2019/20 to 2020/21.
- 11.5 **New Homes Bonus** – The provisional settlement has confirmed the allocation of NHB for 2018/19 for which a payment for the affordable homes is due but no further addition linked to growth as the baseline was not met. The baseline of 0.4% significantly reduces the ability of the Council to benefit from the scheme to access funding for the delivery of new homes in the borough. Whilst there have been no further changes to the scheme, there still remains a significant risk in terms of future funding for the Borough.

- 11.6 **Business Rates** - Funding fluctuations from business rate income continues to be a prevalent feature of the funding of local authorities. The impact of appeals only exacerbates this risk and this applies to current appeals and new appeals. Whilst the risk is shared between Borough/Districts, County and Central Government in the proportionate shares of rates retention i.e., 40:10:50, the impact can be over a number of years where there is a deficit to be covered from the collection of business rate income.
- 11.7 Other factors that will lead to reductions in income include for example, business closures, successful rateable value appeals (which reduce the RV and consequently the rates payable), including the impact of back dated appeals, reduced income as schools transfer to academy status, the national impact of the risk around hospital and NHS trust properties is still prevalent. The NNDR provision within the system only reflects the potential impact of appeals currently in the appeals system.
- 11.8 A further risk in relation to the income retained from the business rates is the ongoing review of the rates retention system that is due to come into operation in 2020/21. A further 10 pilots for 100% rates retention for 2018/19 were announced as part of the settlement and expressions of interest from further pilots is due to be invited for 2019/20. Furthermore the Government have announced the intention of 75% rates retention from 2020/21 although further consultations are due in 2018 on this. This will also need to be considered alongside the fair funding review which will determine Local Authority funding requirements from the implementation of the new system of funding from 2020/21. Assurances will be needed that the new system has mechanisms in place to balance needs alongside growth ability, to ensure that those areas where there is limited growth in business rates are not financially disadvantaged in terms of the need to spend.
- 11.9 **Savings and Additional Income** – The Council has continued to deliver savings and efficiencies from a number of projects in line with themes within the business strategy. Savings and additional income have been included in the budgets in previous years and are now part of the overall base budget position. New savings and income from services totalling £274k have been factored into the 2018/19 budget increasing to £340k from 2020/21, this is in addition to the savings from the 2017/18 budget process which in the main is continuing to be delivered. It is critical that the delivery of these savings is closely monitored by Officers and Members, for example through the various monitoring reports. The budget includes savings of £200,000 from contract review although the detail is yet to be finalised, whilst it is not ideal to include savings to be achieved as opposed to being allocated to services, officers remain confident that this is achievable.
- 11.10 **Interest Payable and MRP** - The budget reflects the revenue costs of the planned borrowing and financing of the current and future capital programmes. Slippage of capital schemes will impact on the level of borrowing required along with the associated financing costs. The current and future capital programmes have been reviewed to accurately reflect the timing of the projects, this is to ensure that an accurate provision for MRP can be made which reflects the timing of the capital spend. In addition as new schemes and projects are approved outside of the budget this too will have an impact on the associated financing costs and will need to be considered as part of the options appraisal and business cases presented for approval.
- 11.11 **Budgeted Income** – The budget presented for approval includes a number of significant service income areas which are reliant on external demand. These include car parking, planning and building control, crematorium and property rentals from council assets. Whilst budgets have been based on previous actuals and knowledge of the service delivery, income levels need to be monitored closely. Therefore delivery of service income still remains a financial risk that cannot be fully influenced by the Council. It is for reasons such as this that a factor in determining the recommended general reserve

balance includes an amount for the sensitivity in delivery of the more significant demand led income budgets

- 11.12 **Reserves** - The Council currently holds a number of earmarked reserves for which some are allocated for specific purposes, although the profile of spend is not yet agreed and commitments not currently made. As mentioned earlier in the report reserves provide a short term solution to mitigate the forecast deficits and can also be used to mitigate the impact if for example savings and income are not achieved as budgeted, but reserves do not provide a long term solution for a sustainable budget. As part of the budget process it is recommended that re-allocations are made from the general reserve for earmarking for projects and also to mitigate future funding fluctuations in relation to the business rates retention.
- 11.13 **Universal Credit and Housing Benefit Subsidy** – The budget reflects the reducing funding from the Department for Work and Pensions for housing benefit administration. The Council is responsible for paying out in the region of £40million of housing benefit and rent rebates which the budget assumes is recoverable through the subsidy system. The subsidy returns are audited annually at which point any under or over recovery will be determined and adjusted for. Any under recovery that is not eligible for subsidy would result in a financial implication to the Council. As a significant expenditure and income line in the budget this area is closely monitored.
- 11.14 **Partnerships and Outsourced Service Provision** – The Council has some significant partnership/joint ventures that are essential for the delivery of services internally and externally, namely GYBS, GYN and provision of ICT services by Norfolk County Council. It is essential that these arrangements are closely monitored to support the delivery of services and also to ensure that the impact of local decisions on these arrangements are considered as part of the decision making process.

12. Conclusions

- 12.1 The budget is set for approval each year; it is being presented for consideration by the Policy and Resources Committee for recommendation to Full Council as part of the budget and council tax setting process. The reports presents the detailed budget considerations for 2018/19 along with high level financial forecast for the following three financial years. The budget has been informed by the multi-year settlement for the period 2016/17 to 2019/20, the provisional finance settlement for 2018/19 and a number of assumptions around future savings and income which are detailed in the report and appendices.
- 12.2 The report provides an overview of the risks that are facing the Council in the short to medium term, the most significant being the future funding for local government and the move towards a greater share of rates retention from 2020.

13. Background Papers

- 13.1 The budget report has been informed in the main by the following:
- a) 2016/17 Outturn Report
 - b) In year budget monitoring reports
 - c) Medium Term Financial Strategy
 - d) National Non Domestic Rates returns
 - e) Provisional Local Government Finance Settlement 2018/19.

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

| Area for consideration | Comment |
|--|---|
| Monitoring Officer Consultation: | |
| Section 151 Officer Consultation: | Report Author |
| Existing Council Policies: | |
| Financial Implications: | Contained within the detail of the report |
| Legal Implications (including human rights): | |
| Risk Implications: | |
| Equality Issues/EQIA assessment: | |
| Crime & Disorder: | |
| Every Child Matters: | |

Appendices:

A – General Fund Summary

B – Detailed Service Appendices

C – Savings

D – Fees and Charges (additions)

E – Council tax Summary

F – Reserves Statement

G – Policy Framework for Reserves

H – Capital Programme

I – New Capital Bids

J – Prudential Indicators and Annual Minimum Revenue Provision Statement

General Fund Summary

| | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | 2019/20 Forecast | 2020/21 Forecast |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|
| LOCAL GOVERNMENT FINANCE SETTLEMENT PERIOD | | | | | |
| | £ | £ | £ | £ | £ |
| Services: | | | | | |
| Executive | 878,566 | 1,311,086 | 1,301,812 | 1,267,624 | 1,305,996 |
| Housing | 932,430 | 979,031 | 914,319 | 878,997 | 895,358 |
| Community Development & Regeneration | 3,213,788 | 3,066,845 | 2,625,648 | 2,484,947 | 2,453,604 |
| Organisational Development | 966,073 | 1,106,164 | 957,387 | 1,012,858 | 923,101 |
| Planning and Growth | 764,262 | 815,144 | 545,949 | 610,868 | 571,898 |
| Customer Services | (1,264,513) | (1,055,471) | (904,739) | (1,039,542) | (891,629) |
| Property and Asset Management | 975,609 | 1,015,093 | 542,703 | 378,096 | 283,934 |
| IT, Communications and Marketing | 1,490,615 | 1,506,172 | 1,569,206 | 1,484,199 | 1,571,968 |
| Environmental Services | 3,906,340 | 3,898,726 | 3,761,255 | 3,658,299 | 3,724,319 |
| Finance | 939,432 | 861,502 | 843,177 | 864,142 | 880,524 |
| Savings to be allocated to service | 0 | 0 | (200,000) | (200,000) | (200,000) |
| Net Cost of Service | 12,802,601 | 13,504,292 | 11,956,718 | 11,400,489 | 11,519,073 |
| Non Service Exp/(Income): | | | | | |
| Recharges to HRA | (1,529,710) | (1,550,937) | (1,589,562) | (1,589,562) | (1,589,562) |
| Parish Precepts | 354,487 | 354,810 | 377,953 | 377,953 | 377,953 |
| Parish CTSS Grant | 46,070 | 45,897 | 33,710 | 26,968 | 26,968 |
| Capital Charges | (1,861,586) | (1,861,586) | (1,830,134) | (1,830,134) | (1,830,134) |
| Revenue Contribution to Capital Outturn | 0 | 0 | 600,000 | 0 | 0 |
| Interest Receivable | (72,000) | (22,000) | (64,315) | (64,128) | (63,950) |
| Interest Payable | 610,795 | 559,795 | 809,113 | 1,042,539 | 1,117,539 |
| Minimum Revenue Provision | 1,802,342 | 1,802,342 | 1,432,906 | 1,465,535 | 1,493,082 |
| IAS19 Pension Adjustment | 1,306,407 | 1,351,069 | 1,403,000 | 1,600,000 | 1,760,000 |
| Second Homes Council Tax Grant | (62,397) | (62,397) | (31,199) | 0 | 0 |
| Vacancy Management | (144,000) | 36,000 | (150,048) | (150,014) | (150,013) |
| Apprenticeship Levy | 0 | 0 | 35,400 | 34,300 | 36,400 |
| Sub total - Non Service Exp/Inc | 450,409 | 652,993 | 1,026,824 | 913,456 | 1,178,283 |
| Net Operating Expenditure | 13,253,010 | 14,157,285 | 12,983,542 | 12,313,945 | 12,697,356 |
| Contributions to/(from) Reserves: | | | | | |
| Insurance Fund | 0 | (5,940) | 0 | 0 | 0 |
| Town Centre | (25,000) | (271,656) | (13,429) | 0 | 0 |
| Neighbourhood Management | 0 | (35,000) | 0 | 0 | 0 |
| Enforcement | 0 | (2,410) | 0 | 0 | 0 |
| Restricted Use Grant | 0 | (232,870) | (24,000) | (24,000) | (23,726) |
| Specific Budget | 0 | (673) | 0 | 0 | 0 |
| LEGI | (57,000) | 0 | 0 | 0 | 0 |
| Second Homes Council Tax | 0 | 0 | 0 | 0 | 0 |
| Waste Management | (25,170) | 0 | 0 | 0 | 0 |
| Invest To Save | (172,308) | (182,072) | (175,341) | (22,930) | 0 |
| Collection Fund Reserve | 0 | (431,559) | 0 | 0 | 0 |
| Special Project Reserve | (105,250) | 457,500 | (696,742) | (44,533) | 0 |
| Other Reserves | (19,130) | (236,852) | 0 | 0 | 0 |
| Sub Total Reserves | (403,858) | (941,532) | (909,512) | (91,463) | (23,726) |
| Amount to be met from Government Grant and Local Taxpayers | 12,849,152 | 13,215,753 | 12,074,030 | 12,222,482 | 12,673,630 |
| Collection Fund - Parishes | (354,487) | (354,810) | (377,953) | (377,953) | (377,953) |
| Collection Fund - Borough | (4,141,766) | (4,141,443) | (4,391,455) | (4,612,515) | (4,838,575) |
| Retained Business Rates (net) | (4,094,570) | (4,094,570) | (4,145,833) | (4,249,479) | (4,355,716) |
| Revenue Support Grant | (3,006,673) | (3,006,673) | (2,544,905) | (2,029,123) | 0 |
| New Homes Bonus | (1,063,416) | (1,063,416) | (627,700) | (569,640) | (499,240) |
| Income from Grant and Taxpayers | (12,660,912) | (12,660,912) | (12,087,846) | (11,838,710) | (10,071,484) |
| (Surplus)/Deficit (before general reserve transfer) | 188,240 | 554,841 | (13,816) | 383,773 | 2,602,146 |
| Surplus/Deficit after use of reserves | 188,240 | 554,841 | (13,816) | 383,773 | 2,602,146 |

| | | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|-------------------|----------------------------------|--------------------|-------------------------------|---------------------|-------------------|--|--|
| Executive: | | | | | | | |
| CTCP | Civic and Portering | | | | | | |
| | Employee | 145,087 | 103,651 | 101,777 | 154,960 | 51,310 | The Events Project Manager costs have been transferred in from Tourism (CTTO) in the 18/19 budget. |
| | Premises | 0 | 0 | 0 | 0 | 0 | |
| | Transport | 13,492 | 10,000 | 10,000 | 12,512 | 2,512 | |
| | Supplies & Services | 36,401 | 24,809 | 24,809 | 37,670 | 12,861 | Civic Events spend increased by £10.8k but sponsorship income created (£8.5k variance below) which partially covers the increased spend. |
| | Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| | Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| | Support Services | 0 | 0 | 0 | 0 | 0 | |
| | Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| | Support Services - Recharges Out | (342,780) | (317,850) | (317,850) | (292,680) | 25,170 | Reflects decrease in cost of service, as per above, as Civic & Portering service is fully recharged. |
| | Support Services - Recharges In | 154,760 | 179,390 | 179,390 | 103,080 | (76,310) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| | Income | (6,961) | 0 | 0 | (8,500) | (8,500) | |
| | | <u>(2)</u> | <u>(0)</u> | <u>(1,874)</u> | <u>7,042</u> | <u>7,043</u> | |
| CTVE | Events | | | | | | |
| | Employee | 1,526 | 0 | 3,000 | 0 | 0 | |
| | Premises | 2,701 | 0 | 0 | 0 | 0 | |
| | Transport | 0 | 0 | 0 | 0 | 0 | |
| | Supplies & Services | 32,962 | 3,024 | 3,024 | 7,798 | 4,774 | |
| | Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| | Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| | Support Services | 0 | 0 | 0 | 0 | 0 | |
| | Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| | Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| | Support Services - Recharges In | 170,210 | 54,700 | 54,700 | 101,540 | 46,840 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| | Income | (34,123) | (10,000) | (10,000) | (12,000) | (2,000) | |
| | | <u>173,276</u> | <u>47,724</u> | <u>50,724</u> | <u>97,338</u> | <u>49,614</u> | |
| ETCI | Town Centre Initiative | | | | | | |
| | Supplies & Services | 0 | 0 | 271,656 | 0 | 0 | |
| | | <u>0</u> | <u>0</u> | <u>271,656</u> | <u>0</u> | <u>0</u> | |
| EXCC | Corporate costs | | | | | | |
| | Transport | 0 | 0 | 0 | 5,400 | 5,400 | |
| | Supplies & Services | 0 | 0 | 148,939 | 108,726 | 108,726 | New Cost centre created in 17-18 to accurately reflect corporate costs previously coded to the Executive Team. These costs include External Audit previously included under Finance (RRFI), TCI Core funding & rental car costs from the Executive (EXTE) and corporate subscriptions and membership costs previously allocated under Members (ROM). |
| | | <u>0</u> | <u>0</u> | <u>148,939</u> | <u>114,126</u> | <u>114,126</u> | |
| EXEG | Transformation Team | | | | | | |
| | Employee | 110,502 | 0 | 0 | 0 | 0 | |
| | Supplies & Services | 147,086 | 0 | 6,174 | 0 | 0 | |
| | Income | (1,435) | 0 | 0 | 0 | 0 | |
| | | <u>256,153</u> | <u>0</u> | <u>6,174</u> | <u>0</u> | <u>0</u> | |
| EXPP | Projects and Programmes | | | | | | |
| | Employee | 0 | 0 | 42,453 | 175,857 | 175,857 | This is a new cost centre and includes four posts. Funding of these posts have come from (a) transfer of budget from the Modernisation Team (RPMT) which is now closed, (b) internal recharges for work undertaken on projects and (c) a transfer from reserves for 2.5 days for one of the posts. |
| | Premises | 0 | 0 | 0 | 0 | 0 | |
| | Transport | 0 | 0 | 0 | 1,500 | 1,500 | |
| | Supplies & Services | 0 | 0 | 0 | 3,100 | 3,100 | |
| | Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| | Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| | Support Services | 0 | 0 | 0 | 0 | 0 | |
| | Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| | Support Services - Recharges Out | 0 | 0 | (21,227) | 0 | 0 | |
| | Support Services - Recharges In | 0 | 0 | 0 | 36,760 | 36,760 | New service 18/19 so no recharge in 17/18. |
| | Income | 0 | 0 | 0 | 0 | 0 | |
| | | <u>0</u> | <u>0</u> | <u>21,226</u> | <u>217,217</u> | <u>217,217</u> | |

| | | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|------|---|--------------------|-------------------------------|---------------------|-------------------|--|--|
| EXTE | Executive Team | | | | | | |
| | Employee | 400,624 | 487,409 | 567,283 | 637,603 | 150,194 | This increase is due to a combination of (a) the transfer in of a post from Members (ROMS), (b) reallocation of budgets to reflect the management restructure and (c) pension costs which were not included in the 17-18 base budgets. |
| | Premises | 0 | 0 | 0 | 0 | 0 | |
| | Transport | 3,395 | 5,000 | 5,000 | 5,000 | 0 | |
| | Supplies & Services | 143,451 | 49,786 | 12,042 | 12,186 | (37,600) | Transfer of budget to the new cost centre Corporate Wide costs (EXCC) i.e. TCI Core funding & rental car costs. |
| | Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| | Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| | Support Services | 0 | 0 | 0 | 0 | 0 | |
| | Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| | Support Services - Recharges Out | (997,550) | (1,048,990) | (1,048,990) | (1,053,020) | (4,030) | |
| | Support Services - Recharges In | 490,020 | 506,790 | 506,790 | 448,230 | (58,560) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| | Income | (39,944) | 0 | (50,000) | (50,000) | (50,000) | Part funding of a Director's post 'off-set' by employee costs above. |
| | | (5) | (5) | (7,875) | (1) | 4 | |
| ROLE | Legal | | | | | | |
| | Employee | 213 | 154 | 154 | 0 | (154) | |
| | Premises | 0 | 0 | 0 | 0 | 0 | |
| | Transport | 0 | 0 | 0 | 0 | 0 | |
| | Supplies & Services | 0 | 0 | 0 | 0 | 0 | |
| | Third Party Payments | 218,480 | 229,733 | 229,733 | 240,000 | 10,267 | Changes to NP Law contract expected to increase costs. |
| | Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| | Support Services | 0 | 0 | 0 | 0 | 0 | |
| | Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| | Support Services - Recharges Out | (151,040) | (206,280) | (206,280) | (211,410) | (5,130) | |
| | Support Services - Recharges In | 960 | 1,390 | 1,390 | 1,400 | 10 | |
| | Income | (68,610) | (25,000) | (54,958) | (30,000) | (5,000) | |
| | | 2 | (3) | (29,961) | (10) | (7) | |
| | Total Executive: | 429,105 | 47,716 | 459,009 | 435,712 | 387,997 | |
| | Total Executive excluding recharges: | 1,104,525 | 878,566 | 1,311,086 | 1,301,812 | 423,247 | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|---|--------------------|-------------------------------|---------------------|-------------------|--|---|
| Housing: | | | | | | |
| GHNN Housing Needs | | | | | | |
| Employee | 508,407 | 477,473 | 495,924 | 487,150 | 9,677 | |
| Premises | 102,629 | 146,791 | 140,360 | 146,963 | 171 | |
| Transport | 2,290 | 3,152 | 3,152 | 3,152 | 0 | |
| Supplies & Services | 80,300 | 150,990 | 161,940 | 151,078 | 88 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 18,121 | 19,178 | 19,178 | 18,515 | (663) | |
| Support Services - Recharges Out | 0 | 0 | 0 | (4,730) | (4,730) | |
| Support Services - Recharges In | 323,610 | 292,840 | 292,840 | 316,160 | 23,320 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (878,594) | (225,128) | (224,223) | (227,669) | (2,541) | |
| | <u>156,763</u> | <u>865,296</u> | <u>889,171</u> | <u>890,619</u> | <u>25,322</u> | |
| GHHS Housing Strategy | | | | | | |
| Employee | 80,517 | 74,652 | 73,557 | 74,606 | (46) | |
| Premises | 785 | 2,666 | 666 | 668 | (1,998) | |
| Transport | 477 | 525 | 525 | 525 | 0 | |
| Supplies & Services | 15,070 | 48,067 | 95,789 | 48,080 | 13 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 25,723 | 25,723 | 25,723 | 24,437 | (1,286) | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 44,300 | 54,550 | 54,550 | 73,400 | 18,850 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (6,020) | 0 | 0 | 0 | 0 | |
| | <u>160,851</u> | <u>206,183</u> | <u>250,810</u> | <u>221,716</u> | <u>15,533</u> | |
| GWPS Private Sector Housing | | | | | | |
| Employee | 76,329 | 80,226 | 78,766 | 81,573 | 1,347 | |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 383 | 650 | 650 | 650 | 0 | |
| Supplies & Services | 40,519 | 87,064 | 45,369 | 55,369 | (31,695) | A budget of £30k for the 5 year stock condition survey was included in 2017/18. As the survey was completed as planned in 2017/18 this is not required in 2018/19. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 5,563 | 5,740 | 5,740 | 5,740 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 901,005 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 152,236 | 94,516 | 94,516 | 94,320 | (196) | |
| Income | (922,340) | (37,400) | (12,600) | (37,400) | 0 | |
| | <u>253,694</u> | <u>230,796</u> | <u>212,441</u> | <u>200,252</u> | <u>(30,544)</u> | |
| GWSH Safe at Home | | | | | | |
| Employee | 228,039 | 215,986 | 217,546 | 312,687 | 96,701 | New projects "I'm Going Home and Healthy Homes Assistance" in 2018/19. Increased cost are fully expected to be offset by funding as reflected in the variance noted under income below. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 6,483 | 7,000 | 7,000 | 9,500 | 2,500 | |
| Supplies & Services | 11,357 | 21,969 | 22,469 | 35,423 | 13,454 | New projects "I'm Going Home and Healthy Homes Assistance" in 2018/19. Increased cost are fully expected to be offset by funding as reflected in the variance noted under Income below. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 61,876 | 127,126 | 127,126 | 118,250 | (8,876) | |
| Income | (156,116) | (172,894) | (178,500) | (276,727) | (103,833) | New projects funding "I'm Going Home and Healthy Homes Assistance" in 2018/19. |
| | <u>151,639</u> | <u>199,187</u> | <u>195,641</u> | <u>199,133</u> | <u>(54)</u> | |
| Total Housing: | 722,948 | 1,501,462 | 1,548,063 | 1,511,719 | 10,257 | |
| Total Housing excluding recharges: | 140,926 | 932,430 | 979,031 | 914,319 | (18,111) | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|--|--------------------|-------------------------------|---------------------|-------------------|--|---|
| Community Development and Regeneration: | | | | | | |
| CGGP Parks and outdoor spaces | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 423,404 | 427,711 | 429,309 | 427,729 | 18 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 7,532 | 8,076 | 8,076 | 8,318 | 242 | |
| Third Party Payments | 91,435 | 90,285 | 90,285 | 90,285 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 2,416 | 2,224 | 2,224 | 3,367 | 1,143 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 930 | 5,370 | 5,370 | 27,720 | 22,350 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (908) | 0 | 0 | 0 | 0 | |
| | <u>524,808</u> | <u>533,666</u> | <u>535,264</u> | <u>557,419</u> | <u>23,753</u> | |
| CGOS Outdoor sports | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 238,700 | 238,011 | 238,011 | 238,389 | 379 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 13,243 | 7,625 | 7,626 | 7,831 | 206 | |
| Third Party Payments | 35,210 | 43,587 | 43,587 | 42,953 | (634) | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 11,502 | 33,157 | 33,157 | 33,434 | 277 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 7,740 | 13,760 | 13,760 | 38,490 | 24,730 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (84,869) | (107,363) | (107,363) | (112,726) | (5,363) | |
| | <u>221,526</u> | <u>228,777</u> | <u>228,778</u> | <u>248,371</u> | <u>19,594</u> | |
| CTTO Tourism | | | | | | |
| Employee | 334,797 | 302,798 | 315,602 | 176,886 | (125,912) | The Events Project Manager costs have been transferred to the Civic & Portering (CTCP) under the Executive service in the 18/19 budget (£42k). The marketing team posts have been transferred to Communications (CTCO) as part of the IT, Communications and Marketing service (£105.1k). This reduction in the budget is offset by an increase in the costs for the Tourism Manager post created in 17/18 (£73.6k) although £16k of this cost is funded by reserves because of protected pay. Further £54.9k transferred as part of Head of Service restructure. |
| Premises | 3,583 | 19,193 | 11,693 | 6,004 | (13,189) | £3k of costs in relation to the use of the van have been moved to Porters (CTCP) as they use it majority of the time. Historically the special works budget has been underspent therefore the 18/19 budget has been reduced by £7.5k to reflect this. |
| Transport | 1,741 | 600 | 600 | 100 | (500) | |
| Supplies & Services | 364,676 | 405,001 | 382,002 | 368,709 | (36,292) | A review of budgets for outlet ticket, PIPs licence & brochure costs identified that these budgets were overstated in 17/18 therefore the budget for these now reflect projected costs delivering an overall saving of £30k. |
| Third Party Payments | 707 | 1,550 | 1,550 | 1,550 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 1,134 | 1,400 | 1,400 | 1,400 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (60,000) | (60,000) | (60,000) | 0 | 60,000 | Management Restructure in 17/18 therefore no recharge from this code to other service areas required in 18/19. |
| Support Services - Recharges In | 257,890 | 306,750 | 306,750 | 241,190 | (65,560) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (282,709) | (275,962) | (272,463) | (282,962) | (7,000) | |
| | <u>621,819</u> | <u>701,330</u> | <u>687,134</u> | <u>512,877</u> | <u>(188,453)</u> | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|---|--------------------|-------------------------------|---------------------|-------------------|--|---|
| GNCC CCTV | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 4,000 | 4,000 | 4,000 | 4,000 | 0 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 132,780 | 133,153 | 133,153 | 143,153 | 10,000 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 1,500 | 1,500 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 21,590 | 20,820 | 20,820 | 22,410 | 1,590 | |
| Income | (4,000) | (4,000) | (4,000) | (4,000) | 0 | |
| | <u>154,370</u> | <u>153,973</u> | <u>153,973</u> | <u>167,063</u> | <u>13,090</u> | |
| GNCL Culture and Leisure | | | | | | |
| Employee | 55,845 | 53,152 | 61,716 | 21,984 | (31,168) | Prior year saving partially offset by 12 month temporary role, with 50% funded by the Arts Council. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 970 | 2,000 | 2,000 | 500 | (1,500) | |
| Supplies & Services | 132,129 | 63,880 | 103,850 | 69,344 | 5,464 | |
| Third Party Payments | 84,844 | 84,844 | 48,400 | 61,900 | (22,944) | The change between years reflects the implementation of the council arts budget 2017-2021 as agreed during 2017/18. |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 192 | 192 | 0 | (192) | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 33,500 | 39,050 | 39,050 | 42,290 | 3,240 | |
| Income | (99,341) | (11,825) | (31,825) | 0 | 11,825 | One off secondment to Sport England ended in 2017/18. |
| | <u>207,948</u> | <u>231,293</u> | <u>223,383</u> | <u>196,018</u> | <u>(35,275)</u> | |
| NGNV Voluntary sector grants | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 52,000 | 182,856 | 93,500 | 93,500 | (89,356) | The business rate discretionary relief no longer chargeable to the service and reflected in the overall rates return. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 20,820 | 20,410 | 20,410 | 22,760 | 2,350 | |
| Income | 24,000 | (36,000) | (36,000) | (53,000) | (17,000) | Additional £17k funding secured from Norfolk County Council for VCS (Voluntary Core Services) in 18/19. |
| | <u>96,820</u> | <u>167,266</u> | <u>77,910</u> | <u>63,260</u> | <u>(104,006)</u> | |
| GNMP Indoor Leisure - Phoenix Pool & Marina Centre | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 25,352 | 21,926 | 21,926 | 22,409 | 483 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 21,408 | 76,940 | 76,940 | 7,043 | (69,897) | The 17/18 budget allowed for contribution to Living Wage but this is not required in 18/19 as this is being met out of prior year surplus. In addition in 17/18 their was a one off budget for the RIBA feasibility study for the Marina centre which is not required in 18/19. |
| Third Party Payments | 468,638 | 357,658 | 357,658 | 143,358 | (214,300) | Reflects the prior agreed reduction in Phoenix Pool and Marina Centre Management Fee. |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 305,936 | 417,339 | 417,339 | 392,415 | (24,924) | Change in depreciation charge due to 2017/18 capital expenditure and revaluations of Phoenix Pool & Marina Centre assets. |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 24,750 | 21,770 | 21,770 | 26,460 | 4,690 | |
| Income | (36,745) | 0 | (36,168) | 0 | 0 | |
| | <u>809,339</u> | <u>895,632</u> | <u>859,465</u> | <u>591,685</u> | <u>(303,948)</u> | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|--|--------------------|-------------------------------|---------------------|-------------------|--|--|
| GNNM Neighbourhood management | | | | | | |
| Employee | 391,354 | 380,906 | 390,325 | 393,103 | 12,197 | Employee budget transferred as part of the management restructure. |
| Premises | 19,517 | 28,114 | 28,114 | 28,356 | 242 | |
| Transport | 697 | 1,800 | 1,800 | 1,800 | 0 | |
| Supplies & Services | 9,789 | 28,834 | 30,278 | 32,873 | 4,039 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 957,429 | 782,804 | 782,804 | 842,898 | 60,094 | 3 year Great Places project expenditure budgeted in 18/19 this is partially offset by a reduction in the expenditure on the 5 year NTW (Neighbourhoods that Work) project. |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (578,480) | (439,650) | (439,650) | (430,450) | 9,200 | |
| Support Services - Recharges In | 436,390 | 337,100 | 337,100 | 308,090 | (29,010) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (800,311) | (782,804) | (792,804) | (868,583) | (85,779) | 3 year Great Places project income budgeted in 18/19 this is partially offset by a reduction in the income on the 5 year NTW (Neighbourhoods that Work) project. |
| | 436,385 | 337,104 | 337,967 | 308,086 | (29,018) | |
| RGEZ Enterprise Zone | | | | | | |
| Supplies & Services | 207,656 | 0 | 0 | 0 | 0 | |
| Income | (793,001) | 0 | 0 | 0 | 0 | |
| | (585,345) | 0 | 0 | 0 | 0 | |
| RPCO Conservation | | | | | | |
| Employee | 113,928 | 108,227 | 106,451 | 111,125 | 2,898 | |
| Premises | 144,586 | 60,227 | 30,227 | 30,234 | (29,993) | £30k reduced expenditure on town wall corresponds to reduction below on income. |
| Transport | 100 | 200 | 200 | 200 | 0 | |
| Supplies & Services | 70,877 | 65,344 | 65,344 | 66,410 | 1,066 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 26,129 | 26,129 | 26,129 | 26,129 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 104,040 | 110,670 | 110,670 | 63,580 | (47,090) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (78,626) | (30,000) | 0 | 0 | 30,000 | £30k reduced income, from the Lottery, on town wall corresponds to reduced expenditure noted above. |
| | 381,034 | 340,797 | 339,021 | 297,677 | (43,120) | |
| RPPW Waterways | | | | | | |
| Employee | 0 | 0 | 35,967 | 155,979 | 155,979 | Waterways project commenced during 2017/18 so no budget set in 2017/18. 2018/19 & future year budgets agree to the overall project budget agreed with the HLF. |
| Premises | 0 | 0 | 0 | 12,062 | 12,062 | As above. |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 0 | 0 | 800 | 112,800 | 112,800 | As above. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 0 | 0 | 0 | 0 | 0 | |
| Income | 0 | 0 | (36,767) | (235,109) | (235,109) | As above. |
| | 0 | 0 | 0 | 45,732 | 45,732 | |
| Total Community Development and Regeneration: | 2,868,702 | 3,589,838 | 3,442,895 | 2,988,188 | (601,650) | |
| Total Community Development and Regeneration excluding recharges: | 2,599,532 | 3,213,788 | 3,066,845 | 2,625,648 | (588,140) | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|------------------------------------|--------------------|-------------------------------|---------------------|-------------------|--|---|
| Organisational Development: | | | | | | |
| ROCS Corporate strategy | | | | | | |
| Employee | 152,041 | 79,686 | 78,226 | 81,022 | 1,336 | |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 559 | 400 | 400 | 400 | 0 | |
| Supplies & Services | 6,644 | 1,350 | 152 | 850 | (500) | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (341,680) | (206,750) | (206,750) | (210,270) | (3,520) | |
| Support Services - Recharges In | 182,130 | 125,310 | 125,310 | 128,010 | 2,700 | |
| Income | 0 | 0 | 0 | 0 | 0 | |
| | (305) | (4) | (2,662) | 12 | 16 | |
| ROEL Elections | | | | | | |
| Employee | 206,450 | 167,862 | 227,012 | 149,260 | (18,602) | The 2018-19 base budget reflects the last 'third' borough election with the new four year cycle commencing from 2019-20. The budgets have also been profiled to include the following elections: PCC in 2020-21, Norfolk County Council in 2021-22 & Parliamentary in 2022-23. The casual staff costs have been reduced in 2018-19 to reflect this cycle. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 1,511 | 1,000 | 1,000 | 1,000 | 0 | |
| Supplies & Services | 155,954 | 146,067 | 241,367 | 104,401 | (41,666) | As noted above the change in the borough election cycle impacts on the budget expenditure expected each year. Supplies & services expenditure reflects the reduction in costs for postage as there is no expected election in 18/19. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 29,500 | 323,500 | 323,500 | 220,690 | (102,810) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (206,662) | (106,700) | (246,119) | (19,700) | 87,000 | As noted above the change in the borough election cycle impacts on the budget income expected each year. |
| | 186,753 | 531,729 | 546,760 | 455,651 | (76,078) | |
| ROLI Licensing | | | | | | |
| Employee | 75,679 | 67,079 | 66,656 | 69,009 | 1,930 | |
| Premises | 1,220 | 1,750 | 1,750 | 1,761 | 11 | |
| Transport | 273 | 600 | 600 | 600 | 0 | |
| Supplies & Services | 31,580 | 24,377 | 24,377 | 25,135 | 758 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 47,180 | 46,590 | 46,590 | 69,710 | 23,120 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (313,535) | (276,013) | (280,823) | (276,013) | 0 | |
| | (157,604) | (135,617) | (140,850) | (109,798) | 25,819 | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|--|--------------------|-------------------------------|---------------------|-------------------|--|---|
| ROMS Member services | | | | | | |
| Employee | 161,938 | 154,725 | 150,703 | 120,511 | (34,214) | The base budget movements reflect a transfer of one post to the Executive Team (EXTE) and a reduction in establishment due to identified in year savings. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 5,843 | 7,000 | 7,000 | 7,000 | 0 | |
| Supplies & Services | 343,531 | 305,537 | 308,091 | 291,822 | (13,715) | Transfer of budget to the Corporate cost centre (EXCC) i.e. membership costs for the East of England Local Government Association & the Local Government Association. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (593,920) | (535,350) | (535,350) | (485,330) | 50,020 | Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out. |
| Support Services - Recharges In | 208,190 | 167,990 | 167,990 | 156,720 | (11,270) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (725) | 0 | 0 | 0 | 0 | |
| | <u>124,857</u> | <u>99,902</u> | <u>98,434</u> | <u>90,723</u> | <u>(9,179)</u> | |
| RRHR Human Resources | | | | | | |
| Employee | 336,064 | 343,776 | 442,695 | 353,122 | 9,346 | |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 4,785 | 1,000 | 1,000 | 1,000 | 0 | |
| Supplies & Services | 28,189 | 46,577 | 82,077 | 46,207 | (370) | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (531,360) | (533,340) | (533,340) | (502,240) | 31,100 | Reflects decrease in cost of service, as per analysis, as the Human Resources service is fully recharged. |
| Support Services - Recharges In | 162,263 | 141,983 | 141,983 | 101,920 | (40,063) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | 0 | 0 | 0 | 0 | 0 | |
| | <u>(60)</u> | <u>(4)</u> | <u>134,415</u> | <u>9</u> | <u>13</u> | |
| Total Organisational Development: | <u>153,642</u> | <u>496,006</u> | <u>636,097</u> | <u>436,597</u> | <u>(59,409)</u> | |
| Total Organisational Development excluding recharges: | <u>991,339</u> | <u>966,073</u> | <u>1,106,164</u> | <u>957,387</u> | <u>(8,686)</u> | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|----------------------------------|--------------------|-------------------------------|---------------------|-------------------|--|--|
| Planning and Growth: | | | | | | |
| CPBC Building control | | | | | | |
| Employee | 227,804 | 209,862 | 206,211 | 236,235 | 26,373 | Variance mainly due to the budget of one post transferred from Land Charges (CPLC) below. |
| Premises | (508) | 1,500 | 1,500 | 1,500 | 0 | |
| Transport | 12,218 | 11,000 | 11,000 | 11,000 | 0 | |
| Supplies & Services | 10,619 | 25,163 | 39,413 | 29,008 | 3,845 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 161,940 | 108,410 | 108,410 | 100,920 | (7,490) | |
| Income | (230,584) | (247,700) | (244,700) | (249,700) | (2,000) | |
| | 181,490 | 108,235 | 121,834 | 128,963 | 20,728 | |
| CPDC Development control | | | | | | |
| Employee | 380,879 | 476,436 | 415,057 | 510,443 | 34,007 | Employee costs reflecting the management restructure. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 8,770 | 10,000 | 10,000 | 10,000 | 0 | |
| Supplies & Services | 26,435 | 47,104 | 55,314 | 25,140 | (21,964) | Budgets for one-off adhoc costs removed (£10k specialist advice, £2k appeal advice) and also reduction in the IT software licence of £10.7k to reflect actual requirements. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (67,000) | (67,000) | (67,000) | (60,040) | 6,960 | |
| Support Services - Recharges In | 194,130 | 168,590 | 168,590 | 187,410 | 18,820 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (396,846) | (461,100) | (436,100) | (527,000) | (65,900) | The 20% national increase in planning application fees is expected to lead to increase income of £50k. Also £15k increase expected for pre-application advice income as part of a 17/18 saving proposal, with the income expected derived from the subsequent S106 legal agreements. |
| | 146,368 | 174,030 | 145,861 | 145,953 | (28,077) | |
| CPLC Land charges | | | | | | |
| Employee | 68,716 | 63,613 | 63,880 | 43,541 | (20,072) | Variance mainly due to the budget of one post transferred to Building Control (CPBC) above. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 21,369 | 25,410 | 25,410 | 7,178 | (18,232) | IT software licence budget review delivering £14k of the variance. |
| Third Party Payments | 38,186 | 29,000 | 32,000 | 34,000 | 5,000 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 1,747 | 1,747 | 1,747 | 1,746 | (1) | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 75,070 | 89,050 | 89,050 | 62,930 | (26,120) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (178,515) | (188,100) | (148,100) | (188,100) | 0 | |
| | 26,573 | 20,720 | 63,987 | (38,706) | (59,425) | |
| RGED Economic development | | | | | | |
| Employee | 195,311 | 183,911 | 180,596 | 186,157 | 2,246 | |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 1,865 | 4,000 | 4,000 | 4,000 | 0 | |
| Supplies & Services | 22,514 | 34,799 | 34,799 | 34,799 | 0 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 145,213 | 140,433 | 140,433 | 90,920 | (49,513) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (2,398) | 23,500 | (1,500) | (1,500) | (25,000) | 17-18 base included funding for 'the Conge' from the Town Centre Initiative reserve. This has been transferred back to reserves for 18-19 and will be carried forward in Executive as an under spend in 17-18 if required. Also base budget transferred to Executive from here during 17/18. |
| | 362,505 | 386,643 | 358,328 | 314,376 | (72,267) | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|---|--------------------|-------------------------------|---------------------|-------------------|--|---|
| RGEG Enterprise GY | | | | | | |
| Employee | 199,555 | 57,000 | 107,500 | 0 | (57,000) | Project is due to finish March 2018. |
| Premises | 18,635 | 0 | 7,121 | 0 | 0 | |
| Transport | 152 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 42,946 | 0 | 13,700 | 0 | 0 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 132,333 | 33,333 | 33,333 | 0 | (33,333) | Project is due to finish March 2018 so no recharge required in 18/19. |
| Income | (313,699) | 0 | 0 | 0 | 0 | |
| | <u>79,922</u> | <u>90,333</u> | <u>161,654</u> | <u>0</u> | <u>(90,333)</u> | |
| RGSP Strategic planning | | | | | | |
| Employee | 358,299 | 373,078 | 300,346 | 302,986 | (70,092) | Employee budget transfer to reflect the new management structure. |
| Premises | 0 | 5,769 | 5,769 | 0 | (5,769) | |
| Transport | 2,820 | 3,500 | 3,500 | 2,800 | (700) | |
| Supplies & Services | 29,075 | 79,116 | 140,789 | 76,061 | (3,055) | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 4,953 | 5,000 | 5,000 | 5,000 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (66,666) | (66,666) | (66,666) | 0 | 66,666 | Management restructure during 17/18 removed the requirement for a recharge from this code in 18/19. |
| Support Services - Recharges In | 107,490 | 112,470 | 112,470 | 109,050 | (3,420) | |
| Income | (9,129) | (9,345) | (19,108) | (9,345) | 0 | |
| | <u>426,842</u> | <u>502,922</u> | <u>482,100</u> | <u>486,552</u> | <u>(16,370)</u> | |
| Total Planning and Growth: | <u>1,223,699</u> | <u>1,282,882</u> | <u>1,333,764</u> | <u>1,037,139</u> | <u>(245,743)</u> | |
| Total Planning and Growth excluding recharges: | <u>541,189</u> | <u>764,262</u> | <u>815,144</u> | <u>545,949</u> | <u>(218,313)</u> | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|--|--------------------|-------------------------------|---------------------|-------------------|--|--|
| Customer Services: | | | | | | |
| CCBE Benefits | | | | | | |
| Employee | 654,819 | 602,006 | 574,615 | 582,217 | (19,789) | Employee budget transferred to support services (CCCS). |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 490 | 200 | 600 | 500 | 300 | |
| Supplies & Services | 231,274 | 130,376 | 115,922 | 127,008 | (3,368) | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 34,662,832 | 40,630,200 | 40,630,200 | 27,290,200 | (13,340,000) | Fall in housing benefit claims processed via the Council mainly due to the implementation of universal credits. An estimation of this change was not captured within the 2017/18 budget. A corresponding fall can be seen in the recovery income from the DWP below. |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (83,500) | (213,682) | (213,682) | (239,332) | (25,650) | Restructure during 17/18 has increased the recharge for the management of this service. |
| Support Services - Recharges In | 832,590 | 764,950 | 764,950 | 619,590 | (145,360) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (36,223,237) | (41,769,274) | (41,769,274) | (28,265,833) | 13,503,441 | The budget for housing benefit subsidy to be reclaimed from DWP has fallen in line with the fall in the housing benefit claim expenditure noted above (£13.42m). Confirmation reductions to the Admin subsidy grant received of £47.7k. Further sundry income, following universal credit implementation, is estimated to be £30k in 18/19, a reduction of £29.7k. |
| | 75,267 | 144,776 | 103,331 | 114,350 | (30,426) | |
| CCCE/R Crematorium and cemeteries | | | | | | |
| Employee | 197,369 | 188,272 | 177,257 | 184,550 | (3,722) | |
| Premises | 591,115 | 635,364 | 626,167 | 611,151 | (24,213) | £10.2k reduction in maintenance due to reduced activity at the crematorium. Rates budget updated to reflect actual reduction of £15.7k. |
| Transport | 1,401 | 2,000 | 2,000 | 2,000 | 0 | |
| Supplies & Services | 98,693 | 112,180 | 120,681 | 102,421 | (9,759) | |
| Third Party Payments | 34,109 | 31,809 | 34,109 | 31,809 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 57,136 | 68,070 | 68,070 | 59,248 | (8,822) | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 110,490 | 199,990 | 199,990 | 137,130 | (62,860) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (1,383,573) | (1,617,005) | (1,325,617) | (1,423,607) | 193,398 | Following the ongoing fall in crematorium general fees since 16/17 the anticipated income has been reduced by £202k. |
| | (293,260) | (379,320) | (97,343) | (295,299) | 84,021 | |
| CCCS Customer services | | | | | | |
| Employee | 550,394 | 523,791 | 509,867 | 629,434 | 105,643 | Employee budgets transferred from CCBE & CCSS and reclassification of training costs (see below). |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 698 | 351 | 351 | 351 | 0 | |
| Supplies & Services | 21,317 | 28,900 | 30,278 | 2,960 | (25,940) | £15k savings proposal on 1st class postage costs. £10k reduction in website expenditure these costs are now incorporated in employee costs. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (1,064,670) | (1,095,380) | (1,095,380) | (1,062,020) | 33,360 | Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out. |
| Support Services - Recharges In | 492,130 | 542,340 | 542,340 | 429,280 | (113,060) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (477) | 0 | 0 | 0 | 0 | |
| | (608) | 2 | (12,544) | 5 | 3 | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|---|--------------------|-------------------------------|---------------------|-------------------|--|---|
| CCSS | | | | | | |
| Support services | | | | | | |
| Employee | 235,394 | 230,010 | 224,849 | 163,031 | (66,979) | Employee budget transferred to CCCS. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 535 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 2,967 | 5,639 | 5,639 | 5,659 | 20 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 3,714 | 3,714 | 3,714 | 0 | (3,714) | |
| Support Services - Recharges Out | (396,830) | (480,440) | (480,440) | (303,250) | 177,190 | Reflects increase in service cost therefore corresponding increase in the amount to be recharged out. |
| Support Services - Recharges In | 155,170 | 241,080 | 241,080 | 134,560 | (106,520) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (949) | 0 | 0 | 0 | 0 | |
| | <u>1</u> | <u>3</u> | <u>(5,158)</u> | <u>(1)</u> | <u>(4)</u> | |
| CCCG/L Car parks /N/P/O /T | | | | | | |
| Employee | 500,173 | 461,134 | 456,737 | 469,807 | 8,673 | |
| Premises | 305,745 | 306,045 | 332,255 | 307,305 | 1,260 | |
| Transport | 7,553 | 14,740 | 14,740 | 14,740 | 0 | |
| Supplies & Services | 144,503 | 163,744 | 199,633 | 160,037 | (3,708) | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 794,602 | 750,792 | 750,792 | 754,975 | 4,183 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 143,274 | 25,324 | 25,324 | 25,036 | (288) | |
| Support Services - Recharges Out | (54,014) | (54,014) | (54,014) | 0 | 54,014 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Support Services - Recharges In | 333,954 | 364,404 | 364,404 | 396,090 | 31,686 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (2,937,078) | (2,969,826) | (2,996,716) | (3,041,726) | (71,900) | Variance reflects increased fees & charges rates for 18/19. |
| | <u>(761,287)</u> | <u>(937,656)</u> | <u>(906,845)</u> | <u>(913,737)</u> | <u>23,920</u> | |
| RRRE | | | | | | |
| Revenues | | | | | | |
| Employee | 490,607 | 448,813 | 437,869 | 531,298 | 82,485 | Employee costs accrued for under the business case for improving "collection rate for both Council Tax and Business Rates" approved in July 17. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 2,456 | 2,000 | 2,000 | 2,000 | 0 | |
| Supplies & Services | 198,819 | 224,017 | 216,017 | 232,792 | 8,775 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 100 | 100 | 100 | 0 | |
| Support Services | 33,220 | 36,000 | 36,000 | 36,000 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (168,530) | (210,260) | (210,260) | (308,810) | (98,550) | Reflects increase in service cost therefore corresponding increase in the amount to be recharged out. |
| Support Services - Recharges In | 779,363 | 699,673 | 699,673 | 751,180 | 51,507 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (590,102) | (534,000) | (559,650) | (500,200) | 33,800 | £16.2k BIDS & TIDS charges income included in 18/19 but not included in the 17/18 budget. £50k contribution by NCC for Council tax discounts implementation costs received as a one off in 17/18. |
| | <u>745,832</u> | <u>666,343</u> | <u>621,749</u> | <u>744,360</u> | <u>78,017</u> | |
| Total Customer Services: | <u>(234,055)</u> | <u>(505,852)</u> | <u>(296,810)</u> | <u>(350,321)</u> | <u>155,531</u> | |
| Total Customer Services excluding recharges: | <u>(1,170,208)</u> | <u>(1,264,513)</u> | <u>(1,055,471)</u> | <u>(904,739)</u> | <u>359,774</u> | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|---------------------------------------|--------------------|-------------------------------|---------------------|-------------------|--|---|
| Property and Asset Management: | | | | | | |
| CGDC Churchill depot | | | | | | |
| Premises | 3,046 | 0 | 0 | 0 | 0 | |
| Capital Charges | 600 | 600 | 600 | 0 | (600) | |
| Support Services - Recharges In | 0 | 380 | 380 | 0 | (380) | |
| Income | 2 | 0 | 0 | 0 | 0 | |
| | <u>3,648</u> | <u>980</u> | <u>980</u> | <u>0</u> | <u>(980)</u> | |
| CGPC Public toilets | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 279,466 | 298,137 | 307,729 | 303,771 | 5,634 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 11,381 | 9,654 | 9,654 | 10,278 | 624 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 80,500 | 85,850 | 85,850 | 89,287 | 3,437 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 20,940 | 22,770 | 22,770 | 29,620 | 6,850 | |
| Income | (153) | (4,000) | 0 | (4,000) | 0 | |
| | <u>392,134</u> | <u>412,411</u> | <u>426,003</u> | <u>428,956</u> | <u>16,545</u> | |
| CGRM Repairs and maintenance | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 1,023,287 | 981,759 | 973,343 | 970,259 | (11,500) | Budget transferred to the Public Toilets cost centre (CGPC). |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 11,657 | 12,577 | 12,577 | 14,182 | 1,605 | |
| Third Party Payments | 8,714 | 8,714 | 8,714 | 8,714 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 199,620 | 209,080 | 209,080 | 214,735 | 5,655 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 11,240 | 15,050 | 15,050 | 18,980 | 3,930 | |
| Income | (295,837) | (249,000) | (249,000) | (249,000) | 0 | |
| | <u>958,682</u> | <u>978,180</u> | <u>969,764</u> | <u>977,870</u> | <u>(310)</u> | |
| CGSF Footway Lighting | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 422,741 | 426,579 | 449,370 | 430,514 | 3,935 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 11,148 | 12,316 | 12,316 | 12,943 | 627 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 57,232 | 59,232 | 59,232 | 61,230 | 1,998 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 14,980 | 15,300 | 15,300 | 18,000 | 2,700 | |
| Income | 0 | 0 | 0 | 0 | 0 | |
| | <u>506,101</u> | <u>513,428</u> | <u>536,218</u> | <u>522,687</u> | <u>9,260</u> | |
| CPCP Coast Protection | | | | | | |
| Employee | 54,325 | 55,675 | 52,349 | 56,628 | 953 | |
| Premises | 323 | 42,000 | 42,000 | 42,000 | 0 | |
| Transport | 1,239 | 2,878 | 2,878 | 2,878 | 0 | |
| Supplies & Services | 29,808 | 27,446 | 27,446 | 27,917 | 471 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 325,161 | 331,787 | 331,787 | 332,393 | 606 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 19,800 | 22,360 | 22,360 | 23,550 | 1,190 | |
| Income | (8,550) | (550) | (550) | (550) | 0 | |
| | <u>422,105</u> | <u>481,596</u> | <u>478,270</u> | <u>484,816</u> | <u>3,220</u> | |
| RPBH Beach Huts | | | | | | |
| Employee | 0 | 0 | 0 | 16,000 | 16,000 | New cost centre in 18/19 to record the income and expenditure in relation to Beach Hut rentals and sales. Employee costs reflect the increased cost for managing the new project. |
| Premises | 0 | 0 | 0 | 7,000 | 7,000 | |
| Support Services - Recharges In | 0 | 0 | 0 | 2,370 | 2,370 | |
| Income | 0 | 0 | 0 | (24,500) | (24,500) | New cost centre in 18/19 to record the income and expenditure in relation to Beach Hut rentals and sales. |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>870</u> | <u>870</u> | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|-----------------------------------|--------------------|-------------------------------|---------------------|-------------------|--|--|
| RPCC Community centres | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 6,458 | 8,633 | 8,633 | 8,788 | 155 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 0 | 0 | 0 | 0 | 0 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 18,932 | 18,974 | 18,974 | 18,932 | (42) | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 1,070 | 1,530 | 1,530 | 10,700 | 9,170 | |
| Income | (1,966) | (2,152) | (2,735) | (3,152) | (1,000) | |
| | <u>24,494</u> | <u>26,985</u> | <u>26,402</u> | <u>35,268</u> | <u>8,283</u> | |
| RPCS Construction services | | | | | | |
| Employee | 172,735 | 156,033 | 152,856 | 87,296 | (68,737) | Restructure of the Property Asset Management service has transferred some employee costs to Property Services (RPPP). |
| Premises | 295,981 | 346,544 | 342,358 | 352,381 | 5,837 | |
| Transport | 2,937 | 3,100 | 3,100 | 3,100 | 0 | |
| Supplies & Services | 32,005 | 35,579 | 35,579 | 54,920 | 19,341 | New protective personal equipment (such as body cameras & stab vests) is to be purchased in 18/19 at a cost of £18k. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 48,167 | 54,716 | 54,716 | 71,555 | 16,839 | Increased depreciation due to prior year capital expenditure in relation to the flexible working projects works on the Town Hall & Greyfriars. |
| Support Services - Recharges Out | (881,710) | (934,110) | (934,110) | (807,630) | 126,480 | Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out. |
| Support Services - Recharges In | 351,120 | 338,980 | 338,980 | 239,230 | (99,750) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (21,212) | (850) | (850) | (850) | 0 | |
| | <u>23</u> | <u>(8)</u> | <u>(7,371)</u> | <u>2</u> | <u>10</u> | |
| RPFA Easter Fayre | | | | | | |
| Employee | 3,459 | 2,000 | 3,000 | 2,000 | 0 | |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 20,526 | 20,000 | 21,800 | 20,000 | 0 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 0 | 0 | 0 | 9,680 | 9,680 | |
| Income | (14,692) | (15,265) | (15,265) | (15,265) | 0 | |
| | <u>9,293</u> | <u>6,735</u> | <u>9,535</u> | <u>16,415</u> | <u>9,680</u> | |
| RPGO Go Trade - Markets | | | | | | |
| Employee | 0 | 0 | 0 | 32,413 | 32,413 | New cost centre for 2018-19 although commenced July 17 for 5 years. Expenditure is based upon 100% of approved agreement with income equivalent to 69% recovery. Balance of budget represents the 31% contribution by the Council. |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 0 | 0 | 0 | 40,606 | 40,606 | As per above. |
| Income | 0 | 0 | 0 | (37,995) | (37,995) | As per above. |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>35,024</u> | <u>35,024</u> | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|----------------------------------|--------------------|-------------------------------|---------------------|-------------------|--|---|
| RPMA Markets | | | | | | |
| Employee | 92,013 | 99,323 | 97,251 | 63,035 | (36,288) | Restructure of the Property Asset Management service has transferred some employee budgets to Property Services (RPPP). |
| Premises | 117,104 | 133,246 | 136,344 | 134,774 | 1,528 | |
| Transport | 0 | 500 | 500 | 500 | 0 | |
| Supplies & Services | 31,812 | 40,689 | 57,248 | 49,368 | 8,679 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 4,494 | 4,494 | 4,494 | 4,495 | 1 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 162,910 | 143,740 | 143,740 | 86,430 | (57,310) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (360,514) | (355,542) | (317,579) | (330,367) | 25,175 | Reduction in 2 day market income from £1.00 to 50p for April to September 2018 inclusive to be funded from reserves. No decision for remainder of the year so no further adjustment included. A reduction in 6 day market income has also been funded from reserves due to the 5% direct debit rebates. |
| | 47,819 | 66,450 | 121,998 | 8,235 | (58,215) | |
| RPMT Modernisation team | | | | | | |
| Employee | 78,936 | 74,913 | 71,412 | 0 | (74,913) | Cost centre closed by transfer of all budgets to Projects & Programmes (EXPP). |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 12 | 100 | 100 | 0 | (100) | |
| Supplies & Services | 0 | 230 | 230 | 0 | (230) | |
| Support Services - Recharges In | 18,130 | 24,180 | 24,180 | 0 | (24,180) | Cost centre closed by transfer of all budgets to Projects & Programmes (EXPP). |
| Income | 0 | 0 | 0 | 0 | 0 | |
| | 97,079 | 99,423 | 95,922 | 0 | (99,423) | |
| RPPB Bretts | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 35,064 | 3,460 | 3,460 | 3,535 | 75 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 32,228 | 25,247 | 25,247 | 25,247 | 0 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | (1,249) | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 770 | 1,120 | 1,120 | 9,250 | 8,130 | |
| Income | (53,186) | (43,482) | (55,208) | (43,401) | 81 | |
| | 13,627 | (13,655) | (25,381) | (5,369) | 8,286 | |
| RPPC Courts | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 10,187 | 11,203 | 11,203 | 11,555 | 352 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 653 | 0 | 0 | 0 | 0 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 2,470 | 3,350 | 3,350 | 12,420 | 9,070 | |
| Income | (36,744) | (18,419) | (20,868) | (24,019) | (5,600) | |
| | (23,434) | (3,866) | (6,315) | (44) | 3,822 | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|-------------------------------------|--------------------|-------------------------------|---------------------|--------------------|--|--|
| RPPE South Denes energy park | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 462 | 0 | 0 | 2,600 | 2,600 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 0 | 0 | 0 | 0 | 0 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 0 | 0 | 0 | 9,260 | 9,260 | |
| Income | 0 | 0 | 0 | (2,600) | (2,600) | |
| | <u>462</u> | <u>0</u> | <u>0</u> | <u>9,260</u> | <u>9,260</u> | |
| RPPF Factory units | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 49,540 | 49,162 | 44,162 | 49,678 | 516 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | (14,087) | 9,365 | 9,365 | 9,704 | 339 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 8,010 | 9,310 | 9,310 | 19,920 | 10,610 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (172,932) | (100,905) | (128,131) | (114,033) | (13,128) | Increased rentals expected to reflect the changes in leases agreements (new, revised & terminated leases). |
| | <u>(129,470)</u> | <u>(33,068)</u> | <u>(65,294)</u> | <u>(34,731)</u> | <u>(1,663)</u> | |
| RPPG Corporate estates | | | | | | |
| Employee | 15 | 16 | 16 | 19 | 3 | |
| Premises | 184,946 | 172,542 | 386,668 | 187,472 | 14,930 | One off funding from reserves of £12.6k in relation to revenue costs of Pops Meadow as approved by committee. |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 66,803 | 19,417 | 19,417 | 28,671 | 9,254 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 6,524 | 6,524 | 6,524 | 7,124 | 600 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 313,370 | 283,370 | 283,370 | 472,590 | 189,220 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (2,381,073) | (2,395,661) | (2,447,364) | (2,426,499) | (30,838) | Increased rentals expected to reflect the changes in leases agreements (new, revised & terminated leases). |
| | <u>(1,809,416)</u> | <u>(1,913,792)</u> | <u>(1,751,369)</u> | <u>(1,730,623)</u> | <u>183,169</u> | |
| RPPM Minerva House | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 69,531 | 68,772 | 73,091 | 70,301 | 1,529 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 4,090 | 6,349 | 6,349 | 6,562 | 213 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 12,200 | 11,630 | 11,630 | 22,670 | 11,040 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (40,470) | (36,600) | (40,110) | (36,600) | 0 | |
| | <u>45,352</u> | <u>50,151</u> | <u>50,960</u> | <u>62,933</u> | <u>12,782</u> | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|---|--------------------|-------------------------------|---------------------|-------------------|--|--|
| RPPO Onians | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | (5,542) | 257 | 257 | 265 | 8 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 0 | 2,560 | 2,560 | 2,560 | 0 | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 0 | 0 | 0 | 10,670 | 10,670 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (2,271) | (18,760) | (13,310) | (13,310) | 5,450 | |
| | (7,812) | (15,943) | (10,493) | 185 | 16,128 | |
| RPPP Property services | | | | | | |
| Employee | 384,530 | 335,779 | 347,191 | 401,050 | 65,271 | Property & Assets establishment restructure which includes (a) transfer of base budget from Construction Services (RPCS) & Markets (RPMA), (b) a reduction in the 17-18 base due to a non recurring item re: restructuring costs, (c) costs in respect of the management structure (d) identified savings for the internal recharge of work undertaken by valuers and (e) savings generated by the restructure of the establishment. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 1,742 | 3,000 | 3,000 | 3,000 | 0 | |
| Supplies & Services | 9,692 | 7,105 | 7,105 | 5,675 | (1,430) | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (544,150) | (447,720) | (447,720) | (525,360) | (77,640) | Reflects increase in service cost therefore corresponding increase in the amount to be recharged out. |
| Support Services - Recharges In | 148,190 | 101,840 | 101,840 | 115,640 | 13,800 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | 0 | 0 | 0 | 0 | 0 | |
| | 4 | 4 | 11,416 | 5 | 1 | |
| RPPS Beacon Park | | | | | | |
| Employee | 60,210 | 0 | 0 | 0 | 0 | |
| Premises | 355,793 | 170,951 | 220,951 | 175,206 | 4,255 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 20,620 | 7,508 | 7,508 | 127,508 | 120,000 | This is a payment to the Local Enterprise Partnership (LEP) for their share of rental income for a unit on Beacon Park. |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 119,563 | 119,563 | 119,563 | 126,064 | 6,501 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 15,510 | 16,570 | 16,570 | 28,900 | 12,330 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (322,725) | (365,344) | (581,094) | (919,844) | (554,500) | Increased rentals expected to reflect the changes in leases agreements (new, revised & terminated leases). Also includes a payment to be collected on behalf of the LEP as per above. |
| | 248,970 | (50,752) | (216,502) | (462,166) | (411,414) | |
| Total Property and Asset Management: | 799,661 | 605,259 | 644,743 | 349,593 | (255,665) | |
| Total Property and Asset Management excluding recharges: | 1,124,811 | 975,609 | 1,015,093 | 542,703 | (432,905) | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|--|--------------------|-------------------------------|---------------------|-------------------|--|---|
| IT, Communications and Marketing: | | | | | | |
| CCIC ICT | | | | | | |
| Employee | 182,313 | 185,619 | 280,892 | 339,176 | 153,557 | £36k transfer of budget from other external costs; £75k due to management restructuring ; 1.00 FTE post £15k (Mobile and ICT officer) 12 months only and funded by deleted posts in Customer Services (CCCS). |
| Premises | 4,607 | 4,254 | 4,254 | 5,094 | 840 | |
| Transport | 513 | 200 | 200 | 300 | 100 | |
| Supplies & Services | 522,693 | 606,608 | 537,608 | 268,437 | (338,171) | £36k transfer to employee costs; Software licences charged direct to cost centres £288.3k saving in CCIC. |
| Third Party Payments | 549,363 | 455,367 | 455,367 | 575,367 | 120,000 | ICT consumables to be included based on previous charges from NCC. |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 38,070 | 50,000 | 50,000 | 86,670 | 36,670 | Increased depreciation due to prior year capital expenditure in relation to the ICT projects works completed in 2017/18. |
| Support Services - Recharges Out | (1,366,480) | (1,399,530) | (1,399,530) | (1,407,480) | (7,950) | |
| Support Services - Recharges In | 69,750 | 97,480 | 97,480 | 132,440 | 34,960 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (825) | 0 | 0 | 0 | 0 | |
| | 5 | (2) | 26,271 | 4 | 6 | |
| CTCO Communications | | | | | | |
| Employee | 52,598 | 40,927 | 39,997 | 180,013 | 139,086 | Employee budget movement reflects the new management structure. |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 0 | 500 | 500 | 750 | 250 | |
| Supplies & Services | 16,286 | 28,970 | 23,620 | 21,236 | (7,734) | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (96,980) | (122,010) | (122,010) | (310,790) | (188,780) | Reflects increase in service cost therefore corresponding increase in the amount to be recharged out. |
| Support Services - Recharges In | 28,100 | 51,610 | 51,610 | 108,790 | 57,180 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | 0 | 0 | 0 | 0 | 0 | |
| | 4 | (3) | (6,283) | (1) | 2 | |
| CTRE Print and Design | | | | | | |
| Employee | 74,123 | 69,471 | 65,035 | 42,216 | (27,255) | Employee budget transferred to Communications (CTRE). |
| Premises | 0 | 0 | 0 | 0 | 0 | |
| Transport | 2 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 59,825 | 65,397 | 65,397 | 62,447 | (2,950) | |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | (188,950) | (206,900) | (206,900) | (188,290) | 18,610 | Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out. |
| Support Services - Recharges In | 68,820 | 88,730 | 88,730 | 96,130 | 7,400 | |
| Income | (13,821) | (16,698) | (16,698) | (12,500) | 4,198 | |
| | (1) | 0 | (4,436) | 3 | 3 | |
| Total IT, Communications and Marketing: | 8 | (5) | 15,552 | 6 | 11 | |
| Total IT, Communications and Marketing excluding recharges: | 1,485,748 | 1,490,615 | 1,506,172 | 1,569,206 | 78,591 | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|----------------------------------|--------------------|-------------------------------|---------------------|-------------------|--|---|
| Environmental Services: | | | | | | |
| CEEH Environmental health | | | | | | |
| Employee | 922,893 | 956,176 | 914,381 | 1,025,496 | 69,320 | Employee budget funded by Special Projects for 12 months. |
| Premises | 46,785 | 40,363 | 49,742 | 35,902 | (4,461) | |
| Transport | 35,705 | 37,770 | 37,770 | 37,811 | 41 | |
| Supplies & Services | 188,286 | 236,169 | 218,494 | 231,139 | (5,030) | |
| Third Party Payments | 10,420 | 10,000 | 10,000 | 10,000 | 0 | |
| Transfer Payments | 224,416 | 222,631 | 238,774 | 245,937 | 23,306 | Drainage levy increase notification for 17/18 received after budget was set hence greater growth in 18/19. |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 4,497 | 4,497 | 4,497 | 7,831 | 3,334 | |
| Support Services - Recharges Out | (70,000) | (70,000) | (70,000) | (56,280) | 13,720 | The main cause of this variance is the management Restructure in 17/18 has amended the recharges out from this service to other services within Environmental Services. |
| Support Services - Recharges In | 381,880 | 390,250 | 390,250 | 345,400 | (44,850) | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (114,344) | (103,024) | (124,519) | (112,625) | (9,601) | |
| | 1,630,538 | 1,724,832 | 1,669,389 | 1,770,611 | 45,780 | |
| CGGM Grounds maintenance | | | | | | |
| Employee | 33,126 | 0 | 0 | 0 | 0 | |
| Premises | 188,555 | 221,425 | 205,128 | 204,559 | (16,866) | Highway verge maintenance outside of the standard agreement ended in 2016-17, so no longer required (£17k). |
| Transport | 2,874 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 31,706 | 44,273 | 70,899 | 52,570 | 8,297 | |
| Third Party Payments | 9,240 | 11,540 | 9,240 | 11,540 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 116,790 | 125,790 | 125,790 | 86,092 | (39,698) | Decreased depreciation charge reflecting the completion of the charge for the assets aligned to this cost centre. |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 30,780 | 17,360 | 17,360 | 57,650 | 40,290 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (67,789) | (22,075) | (24,350) | (38,950) | (16,875) | Est 1718 will be £36k now as summer invoice now being raised - current SLA being reviewed. |
| | 345,280 | 398,313 | 404,067 | 373,460 | (24,852) | |
| CGSC Street cleansing | | | | | | |
| Employee | 0 | 0 | 0 | 0 | 0 | |
| Premises | 919,936 | 929,105 | 933,028 | 929,105 | 0 | |
| Transport | 0 | 0 | 0 | 0 | 0 | |
| Supplies & Services | 0 | 0 | 0 | 0 | 0 | |
| Third Party Payments | 359 | 381 | 381 | 381 | 0 | |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 11,220 | 11,630 | 11,630 | 50,490 | 38,860 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | 0 | 0 | 0 | 0 | 0 | |
| | 931,515 | 941,116 | 945,039 | 979,976 | 38,860 | |

| | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|--|--------------------|-------------------------------|---------------------|-------------------|--|--|
| CGWA Waste management | | | | | | |
| Employee | 0 | 52,693 | 31,527 | 38,572 | (14,121) | Recycling officers due to finish Sept 2018 as posts were for 12 months as part of the 17/18 budget proposal. |
| Premises | 110,000 | 110,000 | 110,000 | 110,000 | 0 | |
| Transport | 0 | 3,443 | 1,722 | 1,722 | (1,722) | |
| Supplies & Services | 337,904 | 470,875 | 470,093 | 400,460 | (70,415) | Smoothing payments removed - any future funding will be a request from reserves £50k; gate fee estimated saving £20k. |
| Third Party Payments | 1,628,033 | 1,647,841 | 1,624,395 | 1,622,394 | (25,447) | Continuation of reduction in waste collection costs from 17/18 savings. |
| Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| Support Services | 0 | 0 | 0 | 0 | 0 | |
| Capital Charges | 135,898 | 135,898 | 135,898 | 135,900 | 2 | |
| Support Services - Recharges Out | 0 | 0 | 0 | 0 | 0 | |
| Support Services - Recharges In | 65,410 | 43,450 | 43,450 | 83,310 | 39,860 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| Income | (1,164,386) | (1,272,881) | (1,187,614) | (1,357,890) | (85,009) | Bulk waste income annually over budget £15k. |
| | <u>1,112,859</u> | <u>1,191,319</u> | <u>1,229,471</u> | <u>1,034,468</u> | <u>(156,852)</u> | |
| Total Environmental Services: | 4,020,192 | 4,255,580 | 4,247,966 | 4,158,515 | (97,064) | |
| Total Environmental Services excluding recharges: | 3,600,902 | 3,906,340 | 3,898,726 | 3,761,255 | (145,084) | |

| | | 2016/17 Actuals | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | Variance 17/18 Base Budget to 18/19 Base Budget | Comments |
|-----------------|--|--------------------|-------------------------------|---------------------|-------------------|--|--|
| Finance: | | | | | | | |
| RRFI | Finance | | | | | | |
| | Employee | 523,746 | 511,590 | 487,460 | 521,283 | 9,693 | |
| | Premises | 0 | 0 | 0 | 0 | 0 | |
| | Transport | 577 | 650 | 650 | 650 | 0 | |
| | Supplies & Services | 399,394 | 331,938 | 278,138 | 240,244 | (91,694) | The budget for the External Audit fees have been transferred to the new Corporate Costs cost centre (EXCC) and it also anticipated that savings will be achieved in computer software contracts. |
| | Third Party Payments | 0 | 0 | 0 | 0 | 0 | |
| | Transfer Payments | 0 | 0 | 0 | 0 | 0 | |
| | Support Services | 57,467 | 99,000 | 99,000 | 99,000 | 0 | |
| | Capital Charges | 28,303 | 31,785 | 31,785 | 2,000 | (29,785) | Decreased depreciation charge reflecting the completion of the charge for the finance system capital cost nine years ago. |
| | Support Services - Recharges Out | (1,218,376) | (1,109,826) | (1,109,826) | (1,096,000) | 13,826 | Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out. |
| | Support Services - Recharges In | 330,010 | 170,400 | 170,400 | 252,830 | 82,430 | Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. |
| | Income | (168,034) | (35,531) | (35,531) | (20,000) | 15,531 | Reduction in the insurance income budget as this has not been achieved for several years. |
| | | (46,914) | 6 | (77,924) | 7 | 1 | |
| EXIS | Invest to Save | | | | | | |
| | Supplies & Services | 46,910 | 0 | 0 | 0 | 0 | |
| | | 46,910 | 0 | 0 | 0 | 0 | |
| | Total Finance: | (4) | 6 | (77,924) | 7 | 1 | |
| | Total Finance excluding recharges: | 888,362 | 939,432 | 861,502 | 843,177 | (96,255) | |
| | Total for Services: | 9,983,898 | 11,272,892 | 11,953,355 | 10,567,156 | (705,736) | |
| | Total for Services excluding recharges: | 11,307,126 | 12,802,601 | 13,504,292 | 12,156,718 | (645,883) | |

2018/19 Budget Process - Additional income and savings proposal

| Department | Heading | Description | Savings/ Income | 2018/19 | 2019/20 | 2020/21 | 2021/22 | Total |
|-------------------------------|---|---|--------------------|---------------|----------------|----------------|----------------|----------------|
| Environmental Services | Deletion of part time post of Environmental and Health Support Assistant | Vacant post duties have been received and the post is deemed surplus | Savings | 8,541 | 8,541 | 8,541 | 8,541 | 34,164 |
| Environmental Services | Closure of Market Gates Public Toilets | Closure of toilets as there are others within the town centre and this is becoming a continual place for anti social behaviour and incurring extra costs | Savings | 8,750 | 8,750 | 8,750 | 8,750 | 35,000 |
| Crematorium | Crematorium concession opportunities | Introduction of a Tea Shop or Café concession within the Crematorium grounds in Magdalen Lawn cemetery. Introduction of flower stall concession within the Crematorium grounds in Magdalen Lawn Cemetery | Income | 0 | 20,000 | 20,000 | 20,000 | 60,000 |
| Customer Services | Removal of 1st Class Postage | Removal of outgoing 1st class postage service and repurchase of postal contract. | Savings | 15,000 | 15,000 | 15,000 | 15,000 | 60,000 |
| Car parks | Parking Services - Cash Collection/Cash in Transit | Rationalisation of the Pay & Display Machines on car parks as 'Pay by Phone' solution introduced | Savings | 10,000 | 10,000 | 10,000 | 10,000 | 40,000 |
| Customer Services | Reduction in number of Multi Functional Devices | Rationalisation of the organisations MFD requirements and further reductions in printing and stationery costs | Savings | 0 | 11,000 | 22,000 | 22,000 | 55,000 |
| Property and Asset Management | Sale of Council House - Valuations | Currently valuations in relation to requests for Sale of Council Houses are undertaken by an external Valuer. With the restructure of the Property Services team these Valuations can be brought in-house there will be no associated additional costs. | Savings | 30,000 | 30,600 | 31,200 | 31,800 | 123,600 |
| Property and Asset Management | Beach Hut Proposal - Gorleston Lower Promenade | The introduction of Beach Huts to the Gorleston promenade. | Income | 1,500 | 1,500 | 25,000 | 25,000 | 53,000 |
| | | | | 73,791 | 105,391 | 140,491 | 141,091 | 460,764 |

Fees & Charges 2018/19

(Proposals not included in the approved schedule December 2017)

Markets**Six Day Market - charges per stall type**

From the 1st April 2018 fees paid in advance by direct debit will be subject to a 5% discount:

| | 2017/18 Charges | 2018/19 Charges |
|--------------|--------------------|------------------------|
| Hot Food - 1 | N/A Monthly Charge | £685.50 Monthly Charge |
| Groceries | N/A Monthly Charge | £463.50 Monthly Charge |
| Dry Goods | N/A Monthly Charge | £509.50 Monthly Charge |
| Hot Food - 2 | N/A Monthly Charge | £648.50 Monthly Charge |

Market Fairs

| | 2017/18 Charges | 2018/19 Charges |
|--|-----------------|-----------------|
|--|-----------------|-----------------|

Costs based of square metres

Category Attractions Description:

| | | | |
|---|--|--------|--------|
| A | Roundabouts over 25ft (7.62m) in diameter or any other machinery or apparatus, whether operated by electricity, steam, hand or other means | £2.65 | £2.90 |
| B | Roundabouts less than 25ft (7.62m) in diameter, power operated Hooplas, Spinners and games of similar nature | £4.75 | £5.10 |
| C | Non-mechanical operated Hooplas, Swinging boats, Booths, Shows and Exhibitions and Refreshments kiosks | £3.15 | £3.40 |
| D | Dart stalls, Coconut-shy, Shooting Galleries and other Shooting Games | £1.60 | £1.70 |
| | Minimum Charge | £31.50 | £33.40 |

Borough News advertising 2018/19

| | 2017/18 Charges | 2018/19 Charges |
|---------------------------------|-----------------|-----------------|
| Borough News Advertising | | |
| Outside back cover (full page) | N/A | £1,250.00 |
| Full page | N/A | £1,000.00 |
| Half page | N/A | £600.00 |
| Quarter page | N/A | £375.00 |

Offers/ Discounts

| | |
|---|---------|
| Discount for paying in advance for the same size advert in two editions of the magazine | 15% |
| Community Group and Charities | £150.00 |

*Two advertorial slots available per edition for community groups or charities, each of 120 words plus photo, or 180 words without photo.

Pay & Display Car Parks 2017/18

| | 2017/18 Charges | 2018/19 Charges |
|----------------------|-----------------|-----------------|
| Rover Tickets | | |
| Three day (72 hours) | £10.00 | £10.60 |

Council Tax Summary 2018/19

| | 2017/18 Actual | Actual 2018/19 £5 Council Tax Increase | | |
|---|-------------------|---|---------------|---------------|
| | | | Movement £ | Movement % |
| Demand on Collection Fund (excluding Parish/Town Precepts) | £ 4,141,766 | £ 4,391,455 | £249,689 | 6.03% |
| Borough Council Tax Level at Band D | £ 151.48 | £ 156.48 | £5.00 | 3.30% |
| Net Borough Council Tax at Band D | £ 151.48 | £ 156.48 | £ 5.00 | 3.30% |
| Value of Precepts | £ 354,143 | £377,953 | £23,810 | 6.72% |
| Effect of Parish/Town Precepts | £ 12.95 | 13.47 | £0.52 | 4.02% |
| Billed Borough Council Tax at Band D | £ 164.43 | £ 169.95 | £ 5.52 | 3.36% |

| | | |
|----------------------------------|--------|--------|
| Tax Base | 27,342 | 28,064 |
| Tax Base Movement (from 2017/18) | | 722 |

Note: The Tax Base for 2018/19 is 28,064 (2017/18 27,342) so each £28,064 change in net expenditure has £1.00 effect on Council Tax at Band D.

| General Fund Reserves Schedule | Closing Balance 31/03/17 | Actual Movement (inc forecast) 2017/18 | Updated Closing Balance 31/03/18 | Budgeted Movement 2018/19 | Updated Closing Balance 31/03/19 | Budgeted Movement 2019/20 | Updated Closing Balance 31/03/20 |
|---|--------------------------|--|----------------------------------|---------------------------|----------------------------------|---------------------------|----------------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Planning Delivery Grant | 62,360 | 0 | 62,360 | 0 | 62,360 | 0 | 62,360 |
| Insurance Fund | 210,076 | (5,940) | 204,136 | 0 | 204,136 | 0 | 204,136 |
| Town Centre Initiative | 494,945 | (271,656) | 223,289 | (13,429) | 209,860 | 0 | 209,860 |
| SHARP Funding | 493,039 | 0 | 493,039 | 0 | 493,039 | 0 | 493,039 |
| Restricted use grant | 949,505 | (232,870) | 716,635 | (24,000) | 692,635 | (24,000) | 668,635 |
| Efficiency Support grant | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Invest to Save | 1,828,329 | (182,072) | 1,646,257 | (175,341) | 1,470,916 | (22,930) | 1,447,986 |
| Specific budget | 103,241 | (673) | 102,568 | 0 | 102,568 | 0 | 102,568 |
| LEGI | 523,671 | 0 | 523,671 | 0 | 523,671 | 0 | 523,671 |
| Repairs and Maintenance | 302,351 | 0 | 302,351 | 0 | 302,351 | 0 | 302,351 |
| Second Homes Council Tax | 155,962 | 0 | 155,962 | 0 | 155,962 | 0 | 155,962 |
| Waste Management | 25,170 | 0 | 25,170 | 0 | 25,170 | 0 | 25,170 |
| Collection Fund (Business Rates) | 1,959,854 | (431,559) | 1,528,295 | 0 | 1,528,295 | 0 | 1,528,295 |
| Neighbourhoods | 652,770 | (35,000) | 617,770 | 0 | 617,770 | 0 | 617,770 |
| Community Homes | 0 | (2,410) | (2,410) | 0 | (2,410) | 0 | (2,410) |
| Enforcement | 50,000 | 0 | 50,000 | 0 | 50,000 | 0 | 50,000 |
| Special Project Reserve | 1,000,000 | 457,500 | 1,457,500 | (696,742) | 760,758 | (44,533) | 716,225 |
| Benefits/Revenues Reserve | 155,000 | 0 | 155,000 | 0 | 155,000 | 0 | 155,000 |
| Other Reserves | 263,698 | (236,852) | 26,846 | 0 | 26,846 | 0 | 26,846 |
| Total GF Earmarked Reserves | 9,229,970 | (941,532) | 8,288,437 | (909,512) | 7,378,925 | (91,463) | 7,287,463 |
| General Fund Reserve (Minimum Recommended Balance £2.5m) | 3,707,631 | (821,420) | 2,886,211 | 0 | 2,886,211 | 0 | 2,886,211 |
| Total GF Reserves | 12,937,601 | (1,762,952) | 11,174,648 | (909,512) | 10,265,136 | (91,463) | 10,173,674 |

Note: 2017/18 transfers allows for the use of £188,240 from the general reserve.

Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2018/19 to 2021/22

1 Background

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

2 Earmarked Reserves

2.1 Purpose

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

2.2 Earmarked Reserves Protocol

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

2.3 Review of Earmarked Reserves

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

3 The General Reserve

3.1 Purpose

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

3.2 The Optimum Level of the General Reserve

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

3.3 Assessment Framework

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

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

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

3.4 The Assessment of the General Fund Reserve

- 3.4.1 When undertaking the assessment it must be remembered that the items considered are merely guides to assessing the overall level of the reserve. In no way is it a budget for any of the items being created since by its nature a general reserve is designed to protect against the unexpected and unquantifiable for whatever reason.
- 3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2018/19:

| Item | 2018/19 | 2019/20 | 2020/21 |
|---|---------|---------|---------|
| 1 Pay and Price Inflation (0.5% sensitivity to budget assumption) | 130,000 | 130,000 | 130,000 |
| 2 Interest Rates & MRP (0.5% sensitivity to short term borrowing and profiling of capital spend and MRP impact) | 140,000 | 150,000 | 150,000 |
| 3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets (to ensure core services are maintained) | 150,000 | 130,000 | 130,000 |
| 4 Major Litigation and Legal Claims (to provide additional comfort above earmarked reserves) | 100,000 | 100,000 | 100,000 |
| 5 Emergencies and Other Unknowns (to recognise the risks associated with unpredictable events) | 500,000 | 500,000 | 500,000 |

Appendix G

| Item | 2018/19 | 2019/20 | 2020/21 |
|--|------------------|------------------|------------------|
| 6 Treatment of Demand Led Pressures (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income) | 580,000 | 580,000 | 580,000 |
| 7 Project Risks (To recognise the risks the Authority is facing in terms of partnership work and significant projects) | 100,000 | 100,000 | 100,000 |
| 8 Cash Flow (the impact of timing of cash flow, including the profiling of expenditure) | 50,000 | 50,000 | 50,000 |
| 9 Future Funding Fluctuations (an allowance to reflect the increased risk around local funding, ie business rates and new homes bonus, to mitigate the impact within and between financial years) | 800,000 | 830,000 | 830,000 |
| Total Indicated General Fund Reserve Recommended | 2,550,000 | 2,570,000 | 2,570,000 |
| % of Net Budgeted Operating Expenditure (excluding parish precepts) | 20% | 20% | 19% |

4 Chief Financial Officer's Opinion

- 4.1 The Earmarked Reserves detailed within the reserves statement are proper and appropriate with regard to purpose, level and proposed use, although the future timing of their use will be reported within the budget monitoring reports and the statement updated accordingly.
- 4.2 Based on the assessment detailed above the recommended level of the general reserve for 2018/19 should be £2.5million. This is in line with the current recommended general reserve The budgeted General Fund Reserve has been reviewed as part of the 2018/19 budget and the recommendations within the report include reallocations from the general reserve to current and new earmarked reserves to support the delivery of the corporate plan and also to mitigate future fluctuations in funding.

Capital Programme Budget 2017-2018 updated

| Service Area | Project Title | 2017/18 Original Budget Capital Programme | 2017/18 REVISED Capital Programme | 2017/18 REVISED Forecast Spend | Forecast 2017/18 Financing | | | | 2017/18 Forecast Variance | Notes | Carried forward capital programme spend to 2018/19 |
|--|---|--|--|---|----------------------------|---------------------------|---------------------|---------|---------------------------------|---|--|
| | | | | | Borrowing | Grants & Contributions | Capital Receipts | Revenue | | | |
| Head of Community Development & Regeneration | Childrens Playground Refurbishment 2017/18 - 2019/20 | £ 151,370 | £ 151,370 | £ 151,370 | £ 36,370 | £ 115,000 | £ - | £ - | £ - | Project due to complete on budget in 2017/18. | £ - |
| Head of Community Development & Regeneration | Children's Playground Resurfacing | £ 37,650 | £ 37,650 | £ 37,650 | £ 37,650 | £ - | £ - | £ - | £ - | Project due to complete on budget in 2017/18. | £ - |
| Head of Community Development & Regeneration | Priory Gardens Footpath Gorleston | £ 19,000 | £ 19,000 | £ 19,000 | £ 19,000 | £ - | £ - | £ - | £ - | Project due to complete on budget in 2017/18. | £ - |
| Head of Community Development & Regeneration | Wellesley CCTV | £ 15,000 | £ 15,000 | £ 15,000 | £ 15,000 | £ - | £ - | £ - | £ - | Project due to complete on budget in 2017/18. | £ - |
| Head of Community Development & Regeneration | Marina Centre Refurbishment | £ 5,727,435 | £ 5,738,562 | £ - | £ - | £ - | £ - | £ - | £ 5,738,562 | Project to be completed in future. This represents the previously committed spend. | £ 5,738,562 |
| Head of Community Development & Regeneration | Mill Lane Hot Water Vessels | £ 31,000 | £ 31,000 | £ 39,000 | £ 39,000 | £ - | £ - | £ - | -£ 8,000 | Project due to complete over budget in 2017/18 due to unforeseen works following commencement of the project. | £ - |
| Head of Community Development & Regeneration | The Waterways (revised HLF bid) | £ 262,162 | £ 2,087,819 | £ 200,000 | £ 72,000 | £ 128,000 | £ - | £ - | £ 1,887,819 | Project spanning 3 financial years so remaining spend carried into future years. | £ 1,887,819 |
| Head of Community Development & Regeneration | Runham Vauxhall | £ 119,541 | £ 119,541 | £ - | £ - | £ - | £ - | £ - | £ 119,541 | Consideration of future of project to be reviewed. | £ - |
| Head of Community Development & Regeneration | Cobholm Skatepark | £ - | £ 100,000 | £ - | £ - | £ - | £ - | £ - | £ 100,000 | Project to be completed in 2018/19. | £ 100,000 |
| Head of Customer Services | Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt Yarmouth Cemetery Wall | £ 75,000 | £ 75,000 | £ 40,000 | £ 40,000 | £ - | £ - | £ - | £ 35,000 | Project set to continue into 2018/19. | £ 35,000 |
| Head of Customer Services | St Nicholas Minster West Boundary Wall | £ 50,000 | £ 50,000 | £ 10,000 | £ 10,000 | £ - | £ - | £ - | £ 40,000 | Project set to continue into 2018/19. | £ 40,000 |

Capital Programme Budget 2017-2018 updated

| Service Area | Project Title | 2017/18 Original Budget Capital Programme | 2017/18 REVISED Capital Programme | 2017/18 REVISED Forecast Spend | Forecast 2017/18 Financing | | | | 2017/18 Forecast Variance | Notes | Carried forward capital programme spend to 2018/19 |
|--------------------------------|--|--|--|---|----------------------------|---------------------------|---------------------|----------|---------------------------------|--|--|
| | | | | | Borrowing | Grants & Contributions | Capital Receipts | Revenue | | | |
| Head of Customer Services | Marine Parade car park Gorleston - Surfacing | £ 22,000 | £ 22,000 | £ 22,000 | £ 22,000 | £ - | £ - | £ - | £ - | Project due to complete on budget in 2017/18. | £ - |
| Head of Customer Services | Rialto Civil enforcement | £ 21,050 | £ 21,050 | £ - | £ - | £ - | £ - | £ - | £ 21,050 | different arrangement established in 2017/18 so budget is no longer required. | £ - |
| Head of Customer Services | Purchase & installation of Wesley Acoustic Media system & upgrade for Crem | £ - | £ 17,432 | £ 17,432 | £ - | £ - | £ - | £ 17,432 | £ - | Project due to complete on budget in 2017/18. Project funded by Invest to Save. | £ - |
| Head of Customer Services | New Cremators | £ - | £ 144,297 | £ 50,000 | £ 50,000 | £ - | £ - | £ - | £ 94,297 | Project due to complete under budget in 2017/18. | £ - |
| Head of Customer Services | Flexible Working | £ - | £ 200,706 | £ 25,000 | £ 25,000 | £ - | £ - | £ - | £ 175,706 | Project due to complete under budget in 2017/18. | £ - |
| Head of Environmental Services | Replacement of the Council's Air Quality Monitoring Station | £ 50,000 | £ 50,000 | £ 50,000 | £ 50,000 | £ - | £ - | £ - | £ - | Project due to complete on budget in 2017/18. | £ - |
| Head of Environmental Services | Refuse Vehicles | £ - | £ 115,000 | £ - | £ - | £ - | £ - | £ - | £ 115,000 | Capital spend to be reviewed as part of the overall review of the GYBS contract. | £ - |
| Head of Housing | Disabled Facilities Grant (Better Care Fund) | £ 941,786 | £ 1,228,031 | £ 1,228,031 | £ - | £ 1,148,031 | £ - | £ 80,000 | £ - | Increased demand has resulted in increased grants being given. Increased DFG funding from DCLG has been secured & further is being sought. Housing & Neighborhoods Committee (18th January 2018) have agreed that if the additional funding is not received £80,000 can be vired from the Homes 4 Health funding used for the shortfall. | £ - |

Capital Programme Budget 2017-2018 updated

| Service Area | Project Title | 2017/18 Original Budget Capital Programme | 2017/18 REVISED Capital Programme | 2017/18 REVISED Forecast Spend | Forecast 2017/18 Financing | | | | 2017/18 Forecast Variance | Notes | Carried forward capital programme spend to 2018/19 |
|-------------------------------------|---|--|--|---|----------------------------|---------------------------|---------------------|---------|---------------------------------|---|--|
| | | | | | Borrowing | Grants & Contributions | Capital Receipts | Revenue | | | |
| Head of Housing | Empty Homes | £ 650,000 | £ 719,340 | £ - | £ - | £ - | £ - | £ - | £ 719,340 | Project commitment to be carried forward into future years. | £ 719,340 |
| Head of Housing | Homes 4 Health | £ 300,000 | £ 400,000 | £ - | £ - | £ - | £ - | £ - | £ 400,000 | Project commitment to be carried forward into future years. | £ 400,000 |
| Head of Housing | Norfolk & Waveney Equity Loan Scheme | £ - | £ 48,040 | £ 40,000 | £ - | £ - | £ 40,000 | £ - | £ 8,040 | Recirculating of capital receipts for the project. Repayment of prior year loans replenishes the fund available for new loans. | £ 8,040 |
| Head of Housing | Emergency Home Improvement Loans | £ - | £ 50,000 | £ 10,000 | £ - | £ - | £ 10,000 | £ - | £ 40,000 | Project commitment to be carried forward into future years. Recirculating of these loans based on previous loans repaid. | £ 40,000 |
| Head of IT | ICT Investment to deliver GYBC ICT Strategy | £ 222,500 | £ 242,500 | £ 15,000 | £ 15,000 | £ - | £ - | £ - | £ 227,500 | ICT capital budget to be reviewed as part of the overall review of the service provision so no roll forward. £15,000 to be used for replacement scanners. | £ - |
| Head of IT | Digital By Design | £ - | £ 23,303 | £ - | £ - | £ - | £ - | £ - | £ 23,303 | In line with ICT capital budget, this project is to be reviewed as part of the overall review of the ICT service provision. | £ - |
| Head of IT | Server Upgrades - Integra | £ - | £ 20,000 | £ 11,000 | £ 11,000 | £ - | £ - | £ - | £ 9,000 | Project due to complete under budget in 2017/18. | £ - |
| Head of Property & Asset Management | Pops Meadow, Fiskes Opening Gorleston CPO | £ - | £ 60,000 | £ 60,000 | £ 60,000 | £ - | £ - | £ - | £ - | Future business case for development of site. | £ - |
| Head of Property & Asset Management | Beacon Park LATC - Phase 1/ Equinox | £ 9,260,000 | £ 9,334,662 | £ 5,000,000 | £ 5,000,000 | £ - | £ - | £ - | £ 4,334,662 | Equinox funding to be staged therefore budget carried into future years. | £ 4,334,662 |

Capital Programme Budget 2017-2018 updated

| Service Area | Project Title | 2017/18 Original Budget Capital Programme | 2017/18 REVISED Capital Programme | 2017/18 REVISED Forecast Spend | Forecast 2017/18 Financing | | | | 2017/18 Forecast Variance | Notes | Carried forward capital programme spend to 2018/19 |
|-------------------------------------|---------------------------------------|--|--|---|----------------------------|---------------------------|---------------------|-----------------|---------------------------------|--|--|
| | | | | | Borrowing | Grants & Contributions | Capital Receipts | Revenue | | | |
| Head of Property & Asset Management | Public Toilet Refurbishment Programme | £ 160,000 | £ 160,000 | £ 160,000 | £ 160,000 | £ - | £ - | £ - | £ - | Project due to complete on budget in 2017/18. | £ - |
| Head of Property & Asset Management | Footway Lighting | £ 100,000 | £ 100,000 | £ 100,000 | £ 100,000 | £ - | £ - | £ - | £ - | Project due to complete in budget in 2017/18. | £ - |
| Head of Property & Asset Management | Esplande Resurfacing | £ 191,440 | £ 236,440 | £ - | £ - | £ - | £ - | £ - | £ 236,440 | No spend forecast in 2017/18. | £ 236,440 |
| Head of Property & Asset Management | Beacon Park projects | £ 4,225,000 | £ 4,875,807 | £ 1,000,000 | £ 1,000,000 | £ - | £ - | £ - | £ 3,875,807 | Carried forward budget represents commitments made in 2017/18 (e.g. roadworks, rising main). Any further spend required in future years will be subject to consideration of proposals. | £ 1,500,000 |
| Head of Property & Asset Management | Beacon Park - Site 12a | £ 3,300,000 | £ 6,747,084 | £ 6,747,084 | £ 3,700,000 | £ 3,047,084 | £ - | £ - | £ - | Project due to complete in budget in 2017/18. | £ - |
| Head of Property & Asset Management | Energy Park - South Denes | £ 2,738,559 | £ 2,868,276 | £ 594,000 | £ - | £ 594,000 | £ - | £ - | £ 2,274,276 | Remaining budget carried forward into 2018/19 & future years to recognise commitments to the development of the site. | £ 2,274,276 |
| | | £ 28,670,493 | £ 36,108,910 | £ 15,641,567 | £ 10,462,020 | £ 5,032,115 | £ 50,000 | £ 97,432 | £ 20,467,344 | | £ 17,314,140 |

Current Capital Programme Budget 2018-2019 (excluding new bids)

| Service Area | Project Title | Included within the 2017/18 Budget Book | Removed | 2017/18 Roll Forward | In year Approvals | 2018/19 Capital Programme | Notes | BORROWING | GRANTS & CONTRIBUTIONS | | CAPITAL RECEIPTS | REVENUE |
|--|---|---|---------------------|----------------------|-------------------|---------------------------|---|--------------------|------------------------|--------------------------------------|------------------|-----------------|
| | | | | | | | | | DFG | Other Grants/3rd Party Contributions | | |
| Head of Customer Services | ICT Investment to deliver GYBC ICT Strategy | £290,500 | £0 | £0 | £0 | £290,500 | ICT capital budget to be reviewed as part of the overall review of the service provision so no roll forward. | £290,500 | £0 | £0 | £0 | £0 |
| Head of Customer Services | St Nicholas Minster West Boundary Wall | £50,000 | £0 | £0 | £0 | £50,000 | | £50,000 | £0 | £0 | £0 | £0 |
| Head of Property & Asset Management | Public Toilet Refurbishment Programme | £160,000 | (£160,000) | £0 | £0 | £0 | Superseded by 2018/19 bid. | £0 | £0 | £0 | £0 | £0 |
| Head of Property & Asset Management | Footway Lighting | £100,000 | £0 | £0 | £0 | £100,000 | To be reviewed. | £100,000 | £0 | £0 | £0 | £0 |
| Head of Property & Asset Management | Esplanade Resurfacing | £100,000 | £0 | £236,440 | £0 | £336,440 | To be reviewed. | £336,440 | £0 | £0 | £0 | £0 |
| Head of Community Development & Regeneration | Childrens Playground Refurbishment 2017/18 - 2019/20 | £46,595 | £0 | £0 | £0 | £46,595 | Strategy expected to continue. | £46,595 | £0 | £0 | £0 | £0 |
| Head of Housing | Disabled Facilities Grant | £800,000 | £0 | £0 | £0 | £800,000 | DFG spen will be revised in line with DFG allocation via the Better Care Fund. Notification due February 2018. Total likely to be greater than £880k based on previous years. | £0 | £800,000 | £0 | £0 | £0 |
| Head of Community Development & Regeneration | The Waterways | £1,435,311 | (£1,435,311) | £1,887,819 | £0 | £1,887,819 | Project revised after 2017/18 budget produced. | £429,615 | £0 | £1,458,204.16 | £0 | £0 |
| Head of Community Development & Regeneration | Marina Centre Refurbishment | £0 | £0 | £5,738,562 | £0 | £5,738,562 | Project to be completed in future. This represents the previously committed spend. | £5,738,562 | £0 | £0 | £0 | £0 |
| Head of Housing | Empty Homes | £0 | £0 | £719,340 | £0 | £719,340 | | £719,340 | £0 | £0 | £0 | £0 |
| Head of Housing | Homes for Health | £0 | £0 | £400,000 | £0 | £400,000 | | £0 | £0 | £0 | £0 | £400,000 |
| Head of Housing | Norfolk & Waveney Equity Loan Scheme | £0 | £0 | £8,040 | £0 | £8,040 | | £0 | £0 | £8,040 | £0 | £0 |
| Head of Housing | Emergency Home Improvement Loans | £0 | £0 | £40,000 | £0 | £40,000 | | £0 | £0 | £0 | £40,000 | £0 |
| Head of Property & Asset Management | Beacon Park LATC - Phase 1/ Equinox | £0 | £0 | £4,334,662 | £0 | £4,334,662 | | £4,334,662 | £0 | £0 | £0 | £0 |
| Head of Property & Asset Management | Beacon Park Projects | £0 | £0 | £1,500,000 | £0 | £1,500,000 | | £1,500,000 | £0 | £0 | £0 | £0 |
| Head of Property & Asset Management | Energy Park - South Denes | £0 | £0 | £2,274,276 | £0 | £2,274,276 | | £638,559 | £0 | £1,635,717 | £0 | £0 |
| Head of Community Development & Regeneration | Cobholm Skate Park | £0 | £0 | £100,000 | £0 | £100,000 | | £75,000 | £0 | £0 | £25,000 | £0 |
| Head of Customer Services | Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt Yarmouth Cemetery Wall | £0 | £0 | £35,000 | £0 | £35,000 | | £35,000 | £0 | £0 | £0 | £0 |
| Head of Customer Services | St Nicholas Minster West Boundary Wall | £0 | £0 | £40,000 | £0 | £40,000 | | £40,000 | £0 | £0 | £0 | £0 |
| Head of Property & Asset Management | Beach Huts | £0 | £0 | £0 | £140,000 | £140,000 | | £140,000 | £0 | £0 | £0 | £0 |
| | | £2,982,406 | (£1,595,311) | £17,314,140 | £140,000 | £18,841,235 | | £14,474,273 | £800,000 | £3,101,962 | £65,000 | £400,000 |

Current Capital Programme Budget 2019-2020 (excluding new bids)

| Directorate | Project Title | Included within the 2017/18 Budget Book | Removed | 2018/19 Roll Forward | Separate Report | 2019/20 Capital Programme | Notes | BORROWING | GRANTS & CONTRIBUTIONS | | CAPITAL RECEIPTS | REVENUE |
|--|--|---|-------------------|----------------------|-----------------|---------------------------|--|-----------------|------------------------|--------------------------------------|------------------|-----------|
| | | | | | | | | | DFG | Other Grants/3rd Party Contributions | | |
| Head of Customer Services | ICT Investment to deliver GYBC ICT Strategy | £240,500 | £0 | £0 | £0 | £240,500 | | £240,500 | | | | |
| Head of Community Development & Regeneration | Childrens Playground Refurbishment 2017/18 - 2019/20 | £39,945 | £0 | £0 | £0 | £39,945 | Strategy expected to continue. | £39,945 | | | | |
| Head of Community Development & Regeneration | The Waterways | £363,260 | (£363,260) | £0 | £0 | £0 | Will be revised based on 2018/19 yearend position. | £0 | | | | |
| | | £643,705 | (£363,260) | £0 | £0 | £280,445 | | £280,445 | £0 | £0 | £0 | £0 |

Capital Programme Budget 2018-2019 - Bids**2018/19 Bids - seeking approval**

| Service Area | Project Title | 18/19 | 19/20 |
|-------------------------------------|--|-----------------|-----------------|
| Head of Customer Services | Replacement Pay & Display Machines Borough Car Parks | £106,875 | £0 |
| Head of Property & Asset Management | Public Toilet Refurbishment Programme | £160,000 | £155,000 |
| Head of Property & Asset Management | Gorleston High Street car park surfacing | £19,000 | £0 |
| Head of Property & Asset Management | Overlay Access Roadway to Cobholm Rugby Club | £20,000 | £0 |
| Head of Property & Asset Management | Yacht Station Improvements - welfare facilities (shower block) | £12,000 | £0 |
| | | £317,875 | £155,000 |
| Financed By: | | | |
| Borrowing | | £317,875 | £155,000 |

2018/19 Bids - business cases required but seeking approval in principal

| Service Area | Project Title | 18/19 |
|-------------------------------------|-------------------------------------|-----------------|
| Head of Property & Asset Management | Gorleston Paddling Pool /Splash Pad | £400,000 |
| Head of Property & Asset Management | Cycle Shed & Shower facilities | £44,650 |
| Head of Customer Services | Tea Rooms for Crematorium | £60,000 |
| | | £504,650 |
| Financed By: | | |
| Borrowing | | £504,650 |

Appendix J - Prudential Indicators and Annual Minimum Revenue Provision Statement 2018/19.

Prudential Indicators 2018/19

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Authority's planned capital expenditure and financing may be summarised as follows. Further detail is provided in the capital programme report Appendix H.

| Capital Expenditure and Financing | 2017/18 Revised £000 | 2018/19 Estimate £000 | 2019/20 Estimate £000 |
|--|---------------------------------|----------------------------------|----------------------------------|
| Head of Community Development & Regeneration | 462 | 7,773 | 40 |
| Head of Customer Services | 190 | 582 | 241 |
| Head of Environmental Services | 50 | 0 | 0 |
| Head of Housing | 1,278 | 1,967 | 0 |
| Head of Property & Asset Management | 13,661 | 9,341 | 155 |
| Non-HRA (GF) Total | 15,641 | 19,664 | 435 |
| HRA | 10,499 | 9,820 | 10,429 |
| Total Expenditure | 26,140 | 29,484 | 10,864 |
| Capital Receipts | 1,312 | 1,197 | 1,388 |
| Capital Grants | 5,032 | 3,902 | 0 |
| Revenue | 6,668 | 7,728 | 6,902 |
| Borrowing | 13,128 | 16,657 | 2,574 |
| Total Financing | 26,140 | 29,484 | 10,864 |

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

| Capital Financing Requirement | 31.03.18 Revised £000 | 31.03.19 Estimate £000 | 31.03.20 Estimate £000 |
|--------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| General Fund | 50,636 | 53,420 | 58,394 |
| HRA | 79,984 | 81,344 | 83,483 |
| Total CFR | 130,620 | 134,764 | 141,877 |

The CFR is forecast to rise by £8m over the next two years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

| Debt | 31.03.18 Revised £000 | 31.03.19 Estimate £000 | 31.03.20 Estimate £000 |
|----------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| Net Borrowing | 106,890 | 109,890 | 113,890 |
| Net Finance leases | 426 | 359 | 290 |
| Net Transferred debt | 505 | 467 | 429 |
| Total Debt | 107,821 | 110,716 | 114,609 |

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Authority's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Authority's debt.

| Operational Boundary | 2017/18 Revised £000 | 2018/19 Estimate £000 | 2019/20 Estimate £000 | 2020/21 Estimate £000 |
|-----------------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Borrowing | 133,000 | 135,000 | 141,000 | 142,000 |
| Other long-term liabilities | 2,000 | 2,000 | 2,000 | 2,000 |
| Total Debt | 135,000 | 137,000 | 143,000 | 144,000 |

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

| Authorised Limit | 2017/18 Limit £000 | 2018/19 Limit £000 | 2019/20 Limit £000 | 2020/21 Limit £000 |
|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Borrowing | 138,000 | 140,000 | 146,000 | 147,000 |
| Other long-term liabilities | 2,000 | 2,000 | 2,000 | 2,000 |
| Total Debt | 140,000 | 142,000 | 148,000 | 149,000 |

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

| Ratio of Financing Costs to Net Revenue Stream | 2017/18 Revised % | 2018/19 Estimate % | 2019/20 Estimate % |
|--|-------------------------|--------------------------|--------------------------|
| General Fund | 3.9% | 5.4% | 7.1% |
| HRA | 10.8% | 10.8% | 11.3% |

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and housing rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed Appendix H.

| Incremental Impact of Capital Investment Decisions | 2018/19 Estimate | 2019/20 Estimate |
|---|---------------------|---------------------|
| General Fund - increase in annual band D Council Tax | £0.29 | £1.21 |
| HRA - increase in average weekly rents | £0.05 | £0.06 |

Adoption of the CIPFA Treasury Management Code: The Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* and it fully complies with the Codes recommendations.

Annual Minimum Revenue Provision Statement 2018/19

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Communities and Local Government's Guidance on Minimum Revenue Provision (the CLG Guidance) most recently issued in 2012.

The broad aim of the CLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The CLG Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.

The following outlines the Council's MRP policy, as approved by the Policy & Resources Committee 28th November 2017, for the General Fund in 2017/18 and moving forward:

Post-2008 Expenditure - For capital expenditure financed by borrowing after 31st March 2008, the annuity MRP method is applied. This provides a lower annual charge in the earlier years which gradually increases. The approach is both prudent and a recommended method as per the CLG guidance. This method allows for a reduction in the interest costs chargeable (as the CFR is repaid) over time and is offset by a rise in the MRP over the same period, thereby resulting in a consistent revenue charge of the cost of capital.

Pre 2008 Expenditure – MRP on all General Fund capital expenditure incurred before 1st April 2008 is equal to 4% of the opening CFR less a fixed sum known as "Adjustment A". This methodology is consistent with previous years.

For assets acquired by finance leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

No MRP will be charged in respect of assets held within the Housing Revenue Account.

Capital expenditure incurred during 2018/19 will not be subject to a MRP charge until 2019/20.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2018, the budget for MRP has been set as follows:

| | 31.03.2018 Estimated CFR £000 | 2018/19 Estimated MRP £000 |
|---------------------------------------|--|---|
| Capital expenditure before 01.04.2008 | 14,718 | 498 |
| Capital expenditure after 31.03.2008 | 35,918 | 935 |
| Total General Fund | 50,636 | 1,433 |
| Housing Revenue Account | 79,984 | 0 |
| Total | 130,620 | 1,433 |

Subject: COUNCIL TAX SETTING 2018/19

Report to: Full Council 20 February 2018

Report by: Finance Director

SUBJECT MATTER

This report presents for approval the budget for 2018/19 and to make statutory calculations in accordance with the Local Government Finance Act 1992 to set the Council Tax for 2018/19. The report also includes the Chief Financial Officer's report on the robustness of the estimates and adequacy of reserves.

This report should be considered alongside the budget report as presented to Policy and Resources Committee on 6 February 2018 for which the recommendations are included on this agenda.

RECOMMENDATIONS:

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

1. That the budget for 2018/19 as detailed in the budget report to Policy and Resources Committee and outlined at Appendix A is approved;
2. That Members undertake the Council Tax and statutory calculations as set out in section 4 of the report and set the Council Tax for 2018/19;
3. The demand on the Collection Fund for 2018/19 be:
 - a. £4,391,455 for the Borough Council purposes;
 - b. £377,953 for Parish Precepts.

1. Introduction and Background

- 1.1 This report presents for approval the 2018/19 revenue budget along with undertaking the statutory calculations for the determination of the Council Tax for 2018/19. This report should be considered alongside the budget report that was presented to the Policy and Resources Committee on 6 February 2018.
- 1.2 The budget for 2018/19, along with detailed projections for the following two financial years, were recommended to Full Council by the Policy and Resources Committee on 6 February 2018. The General Fund Summary Appendix to this report has been updated to reflect revised allocations of some service grants for which notification has recently been received along with some updates on employee costs. A revised summary has been attached at Appendix A.
- 1.3 The Committee report included the provisional finance settlement for 2018/19 which was subsequently confirmed when the final finance settlement was announced on 6 February.

2. 2018/19 Budget

- 2.1 In making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report to the Council on the following matters:
- The robustness of the estimates made for the purpose of the budget calculations and,
 - The adequacy of the proposed financial reserves.
- 2.2 This is provided in section three of the report.

3. Chief Financial Officer's Report

The Robustness of the Estimates

- 3.1 This section of the report provides a commentary on the robustness of the estimates now presented and provides an analysis of the risks facing the Council in relation to the control of income and expenditure flows compared to the budgets that are recommended for 2018/19.
- 3.2 The framework within which the budget for 2018/19 has been constructed takes into account the following factors:
- The previous financial years out-turn position as reported to Members(2017/18) (3.3);
 - The in-year budget monitoring and associated reports that have been made to date in the current financial year (3.4 - 3.7);
 - The Medium Term Financial Strategy as reported to Members in November 2017 (3.8);
 - The 2018/19 Local Government Finance Settlement (3.9);
 - Consideration of risks facing the Authority in the short to medium term (3.10).
- 3.3 **Previous Year Outturn** - The outturn position for 2016/17 was reported to Members in June 2017, the position was then subject to external audit review and reported to Members in September 2017. The outturn position is used to update the financial planning process and establishes the baseline for the current estimates by reflecting significant movements against the current position and those which will have an on-going impact on the future financial position of the Council. The more significant implications were factored into the updated financial forecasts as reported within the Financial Strategy to Members in November 2017.
- 3.4 **In Year Budget Monitoring and Financial Control** - Best practice suggests that regular financial monitoring reports are presented to officers and members periodically during the year for review and scrutiny and also to ensure transparency of decision making and financial control. The budget monitoring process is carried out throughout the year between finance and service areas and the process is fundamental to ensuring strong financial control and governance to inform decision making and to support the longer term delivery of local services. The budget monitoring also ensures that update information can be used to inform budget and future projections to reflect local demand and spending pressures in order that the overall financial position of the Council can be managed.

- 3.5 During the year budget monitoring reports have been presented to the Policy and Resources Committee in September 2017 for period four and November 2017 for period six. The reports have highlighted some significant in-year variances within services, for example under achievement of income targets for demand led services most significantly the crematorium, turnover and vacancies within commercial rented properties and spending in excess of agreed budget. Overall these have been mitigated by additional non-service income from retained business rates income and a reduction in the interest payable and the implications of re-profiled capital expenditure plans. The in-year variances have informed the 2018/19 budget to ensure that an accurate position is reflected in the budget and future projections informed by current spending plans and commitments.
- 3.6 The financial reporting throughout the year has continued to improve on previous years with reports being presented to Policy and Resources Committee, however, processes still require further development to enable reports which accord with best practice and to ensure there is a consistent approach by Heads of Service with budget responsibility pro-actively using accurate and timely financial information to manage their services and to inform decision making. This is an area which will continue to develop and improve during 2018/19 to satisfy senior management, Members and Auditors that internal financial control is embedded within the organization that supports strong governance and sound decision-making.
- 3.7 Budgets are prepared using the best information that is available to the Council from its own sources i.e. budget holders, service managers and members of Executive Leadership Team and from external advisors for example the Council's treasury management advisors, Arlingclose. However, many budgets are related to factors that fall outside the control of the Council, for example, demand led income levels, inflation and interest rates, and all can have a significant impact on the Council's overall budget and financial position both in the current and future years. Forecasting for these areas requires an examination of recent trends as well as assimilating future projections from known factors.
- 3.8 **Medium Term Financial Strategy (MTFS)** - The financial planning process for the Council has developed over the past year. The setting of the budget for the forthcoming year should not be seen as a one-off project of the presentation of the budget report for approval, but part of the overall financial planning process which includes financial monitoring and the Medium term Financial Strategy. The updated Financial Strategy was presented to Members in November 2017. The strategy includes high level financial projections for the medium term updated for local and national factors that will have an impact on the overall financial position, for example indication of future levels of funding from New Homes Bonus, forecasts of retained business rates and local spending pressures and service income levels. The process of co-ordinating the MTFS and budget includes the critical examination and challenge of current expenditure and income on existing services and seeks to identify changed priorities in service delivery and planned future developments, in line with the Councils Plan and in response to local and national factors, including legislative changes, local economic factors and changes in demand for statutory and non-statutory services.
- 3.9 **Local Government Finance Settlement** – The Council had previously (in 2016/17) accepted and received confirmation of the offer of the four year multi-year finance settlement until 2019/20, this essentially confirms the level of Revenue Support Grant that will be received until 2019/20. Other elements of the settlement, for

example retained business rates and new homes bonus will still be subject to local factors annually, for example fluctuations in business rate income collected and retained and delivery of new homes and reduction in long term empty properties.

3.10 **Risks** - There are a number of financial risks facing the authority which are relevant at both service and corporate levels. In order that these risks are managed, a number of key areas within the budget need to be closely monitored in the coming financial year, these include:

- a) **Car Park Income** – This area generates income for the Council which in turn supports the delivery of other services across the Council. As a demand led service which is influenced by external factors, this service is regularly monitored. The 2018/19 budget assumes gross income of in the region of £1.79 million from all car parking related fees and charges.
- b) **Planning and Building Control Fees** – The 2018/19 base budget includes income totalling approximately £730k from planning and building control fees, this too is subject to external demands and is monitored regularly to highlight any significant fluctuations against the budget.
- c) **Waste and Recycling Credits** – This is a significant source of income to the Council and reflects the activity across the borough in recycling domestic refuse and providing a garden waste service. A total of £1.3 million is included in the 2018/19 base budget.
- d) **Crematorium Income** – The 2018/19 budget assumes gross income from the crematorium of £1.080 million. This is an income source that has fluctuated significantly over the past 12 to 18 months and therefore remains under close review.
- e) **Planned Savings and Additional Income** – The Council is continuing to deliver against a number of work streams for which savings have been factored into the base budgets as part of previous budget approvals and include for example, digital by design, flexible working. New Savings and additional income of £274k have been factored into the budget for 2018/19, in addition to £297k identified in prior years. Where applicable the budgets have been profiled to allow implementation of the savings or where upfront one-off costs (to be funded from the invest to save reserves) are required to achieve future savings.
- f) **Council Tax Support** – The Local Council Tax Support Scheme (LCTSS) was implemented from April 2013; whilst there have been no changes to the Council's scheme for 2018/19, there still remains a risk of increases in the number of those eligible for Council Tax Support and the ability to collect Council Tax and is an area that will continue to be monitored including the impact on collection rate.
- g) **Business Rates Retention** – The implications of the current system of funding Local Authorities is that the income from the Council's share of the business rates will fluctuate in-year and between years. The budget has been informed by the shares of the income as specified in the National Non Domestic Rate 1 (NNDR) return submitted for 2018/19. Other factors that will have an impact on the level of rates retained are current and backdated appeals. In addition 2018/19 is the first year that GYBC is part of the Norfolk Business Rates Pool, this essentially means

that the levy on growth in business rates that would have previously been paid over to central government is now retained in Norfolk to be allocated to funding projects that all authorities within Norfolk can bid for. The risk is that should any council that is in the pool (all of Norfolk authorities) have a significant reduction in business rates income to below a predetermined level known as the safety net, this would be funded by the pool.

- 3.11 Looking beyond 2018/19, the financial projections included in the budget report indicate that further savings will have to be made; this is based on the assumptions about the future level of funding as included in the finance settlement. The financial projections show a forecast deficit of £384k in 2019/20 increasing to £2.6 million in 2020/21 after the removal of revenue support grant of £2 million funding from 2020/21. Although further work will need to be carried out on the funding forecasts for the Council from 2020/21 onwards from the introduction of 75% rates retention and the Fair Funding Review which are currently expected to be implemented in 2020/21.
- 3.12 The capital programme continues to be funded from a number of external and internal resources, for example, capital receipts from the sale of assets, internal and external borrowing. In both cases prudent estimates are made of the timing of such receipts and the expenditure profiles within the overall capital programme.
- 3.13 Budget monitoring throughout the financial year is critical to the robustness of the estimates and maintaining a sound financial position. It is through the ability to manage and control the spending within the approved budgets and, where appropriate, identify and recommend appropriate actions, which serves to mitigate the Council's level of financial risk.
- 3.14 The Council also takes advice from third party organisations concerning a number of more technical factors that impact on the budget process, for example external advice in relation to treasury management, VAT and Insurance. By doing so the Council is able to monitor the wider implications of changes in interest rates, inflation and employment and take remedial action to mitigate financial risk.

Adequacy of the Reserves

- 3.15 An assessment of the adequacy of the reserves, estimated to be available to the Council throughout 2018/19 is based on the possible commitments falling to be discharged against the following categories of reserves:
- General Reserve
 - Earmarked Reserves.
- 3.16 Where there is budgeted expenditure to be funded from a reserve (earmarked or general) these will be allowed for within the reserves statement.
- 3.17 There are three main reasons for holding reserves:
- a) as a contingency to cushion the impact of unexpected events or emergencies;
 - b) to cushion against the impact of uneven cash flows and to avoid temporary borrowing; and
 - c) as a means of building up funds to meet known or predicted liabilities (earmarked reserves).

- 3.18 When assessing the level of reserves the Council should take account of strategic, operational and financial risks facing them.
- 3.19 In particular, the risks associated with the Local Government funding mechanism, for example the retention of business rates continues to be a risk for Local Authorities, due to fluctuations of income in year and between years, an element of this risk can be mitigated by the level of the general reserve and the earmarked reserve.
- 3.20 Other income streams from demand led services remain vulnerable both from economic factors and seasonal factors including weather that can influence for example car parking income. Steps have been taken to set prudent estimates of income from these services as appropriate but the activity that drives the income remains very difficult to predict.
- 3.21 The programme of savings and efficiencies which the Council is continuing to deliver against remains critical in terms of delivering a balanced budget and therefore the monitoring and ownership at both officer and member level is essential.
- 3.22 Earmarked reserves are estimated to total £7.4 million by the end of the 2018/19 financial year and include three significant earmarked reserves for which the timing of their use are not yet planned as will be subject to approval of project and business cases, namely the Invest to Save reserve at £1.47million, the Collection Fund at £1.53 million and Special Projects at £761k.
- 3.23 The level of all reserves (general and earmarked) are reviewed annually as part of the budget process and alongside the policy framework for earmarked reserves and assessing the optimum level of general reserve (appendix G to the budget report to Policy and Resources Committee.
- 3.24 The recommended level of the general reserve is £2.5million and the current balance forecast by 31 March 2019 after allowing for budgeted movements in 2018/19 is £2.9 million.

Summary

- 3.25 In the opinion of the Chief Financial Officer the overall budgeted level of both the General Reserve and the Earmarked Reserves as included in the budget report are considered adequate in the short term. The General Reserve balance is forecast to be above that of the recommended balance (£2.5 million), all reserves will be subject to further annual review in 2018/19 as part of the budget monitoring and financial strategy process.
- 3.26 When considering the robustness of the estimates and adequacy of reserves a holistic approach is taken, which considers the general reserve, earmarked reserves and also the identified risks in relation to the revenue and capital budgets presented for approval.

4. Council Tax Setting Resolution – 2018/19

- 4.1 The following sections of the report and applicable appendices (appendices A and F) set out the information required for Members to set the Council Tax for the 2018/19 financial year commencing 1 April 2018.
- 4.2 Norfolk County will meet on 12 February 2018 to set its Council Tax, and the recommendation is to increase the Council Tax by 5.99% (including the additional 3% for adult social care precept).
- 4.3 The Norfolk Police and Crime Panel met on 6 February 2017 to agree the Norfolk Police and Crime Commissioner's proposals for the Council Tax of an increase of 5.5%. The figures used in this report are based on the assumption that there will be an increase for Great Yarmouth Borough Council (excluding parish council precepts) of 2.64%, 5.99% for Norfolk County Council, and a confirmed 5.51% increase for the Norfolk Police & Crime Commissioner.
- 4.4 Under section 52ZB of the Local Government Finance Act 1992 ("the 1992 Act") each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year ("the year under consideration") is excessive. If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount. The excessiveness principles are set out each year and for 2018/19 the principles outline that an increase above the amount for 2017/18 will be excessive, and a referendum must be held, in the following circumstances:
- for Norfolk County Council if the increase is 6% or more (comprising of a maximum of 3% for expenditure on adult social care and 2.99% for other expenditure) than its relevant basic amount of council tax for 2017/18;
 - for the Norfolk Police and Crime Commissioner if the increase is to be increased by more than £12 on a Band D property; than its relevant basic amount of council tax for 2017/18;
 - for Great Yarmouth Borough Council if the increase is 3% or more and more than £5.00 on a Band D property (i.e. an increase of more than 3% is permitted as long as it does not exceed £5.00 on a Band D property); than its relevant basic amount of council tax for 2017/18.

Local precepting authorities (parish and town councils) are not subject to Council Tax referendums in 2018/19.

Recommendations in relation to the setting of the Council Tax 2018/19:

The following set out the statutory calculations

- 4.5 That it **be noted** at its meeting on 14 December 2017, Full Council calculated the following Council Tax bases for the year 2018/19 in accordance with (Calculation of Council Tax Base) Regulations 1992 and Local Authority (Calculation of Council Tax Base) Regulations 2012 as amended: -
- (a) the **Council Tax Base 2018/19 for the whole Council area as 28,064** [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and,

(b) for dwellings in those parts of its area to which a Parish precept relates as in the Revenue Budget and Council Tax 2018/19 Report the amounts in **Appendix B** being the amounts calculated by the Council, in accordance with Regulation 6 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the amount of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items (parish precepts).

4.6 That the following amounts **be calculated** for the Council for the year 2018/19 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 and the relevant regulations and directions as follows:

- (a) £55,749,826 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
- (b) £50,980,419 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- (c) £4,769,408 Being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A (4) of the Act).
- (d) £169.95 Being the amount at (c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £377,953 Being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act.
- (f) **£156.48** Being the amount at (d) above less the result given by dividing the amount at (e) above by Item T (4.5 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- (g) **Appendix B** Being the amounts given by adding to the amount at (f) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (4.5 b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.
- (h) **Appendix C** Being the amounts given by multiplying (as appropriate) the amounts at (f) or (g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the

number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 4.7 **That it be noted** that for the year 2018/19 Norfolk County Council and the Norfolk Police and Crime Commissioner have stated the following amounts in precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings shown below:

| Council Tax Schedule 2018/19 | Valuation Bands | | | | | | | |
|---|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | A | B | C | D | E | F | G | H |
| Norfolk County Council | £881.82 | £1,028.79 | £1,175.76 | £1,322.73 | £1,616.67 | £1,910.61 | £2,204.55 | £2,645.46 |
| Office of the Police & Crime Commissioner for Norfolk | £152.76 | £178.22 | £203.68 | £229.14 | £280.06 | £330.98 | £381.90 | £458.28 |

- 4.8 That, having calculated the aggregate in each case of the amounts at 4.6(h) and 4.7 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, **hereby sets** the amounts at **Appendix D** as the amounts of Council Tax for the year 2018/19 for each of the categories of dwellings shown.
- 4.9 **Excessiveness Determination** - The Council's basic amount of council tax as calculated above has increased by £5 of that calculated for 2017/18, and therefore within the £5 or 3.0% increase limit at which a referendum would be required (as per para 4.3 above).
- 4.10 The Council has determined that its relevant basic amount of Council Tax for 2018/19 is **not excessive** in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2018/19 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.
- 4.11 If the formal Council Tax Resolution is approved, the total Band D Council Tax for 2018/19 will be as follows:

| Total Band D Council Tax | 2017/18 | 2018/19 | Increase/ (Decrease) | |
|--|------------------|------------------|-------------------------|-------|
| | | | £ | % |
| Great Yarmouth Borough Council | £151.48 | £169.95 | £5.51 | 2.64% |
| Norfolk County Council | £1,247.94 | £1,322.73 | £74.79 | 5.99% |
| Office of the Police & Crime Commissioner for Norfolk | £217.17 | £229.14 | £11.97 | 5.51% |
| Sub-Total | £1,616.59 | £1,721.82 | | |
| Parish Council (average) | £12.96 | £13.47 | £0.51 | 3.94% |
| Total | £1,629.55 | £1,735.29 | £105.74 | 6.49% |

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

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General Fund Summary

| | Original 2017/18 Budget | 2017/18 Forecast | 2018/19 Budget | 2019/20 Forecast | 2020/21 Forecast |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|
| LOCAL GOVERNMENT FINANCE SETTLEMENT PERIOD | | | | | |
| | £ | £ | £ | £ | £ |
| Services: | | | | | |
| Executive | 878,566 | 1,311,086 | 1,301,812 | 1,267,624 | 1,305,996 |
| Housing | 932,430 | 979,031 | 914,319 | 878,997 | 895,358 |
| Community Development & Regeneration | 3,213,788 | 3,066,845 | 2,646,200 | 2,484,947 | 2,453,604 |
| Organisational Development | 966,073 | 1,106,164 | 957,387 | 1,012,858 | 923,101 |
| Planning and Growth | 764,262 | 815,144 | 547,165 | 610,868 | 571,898 |
| Customer Services | (1,264,513) | (1,055,471) | (926,606) | (1,070,452) | (927,921) |
| Property and Asset Management | 975,609 | 1,015,093 | 542,703 | 378,096 | 283,934 |
| IT, Communications and Marketing | 1,490,615 | 1,506,172 | 1,569,206 | 1,484,199 | 1,571,968 |
| Environmental Services | 3,906,340 | 3,898,726 | 3,761,255 | 3,658,299 | 3,724,319 |
| Finance | 939,432 | 861,502 | 843,177 | 864,142 | 880,524 |
| Savings to be allocated to service | 0 | 0 | (200,000) | (200,000) | (200,000) |
| Net Cost of Service | 12,802,601 | 13,504,292 | 11,956,619 | 11,369,580 | 11,482,781 |
| Non Service Exp/(Income): | | | | | |
| Recharges to HRA | (1,529,710) | (1,550,937) | (1,589,562) | (1,589,562) | (1,589,562) |
| Parish Precepts | 354,487 | 354,810 | 377,953 | 377,953 | 377,953 |
| Parish CTSS Grant | 46,070 | 45,897 | 33,710 | 26,968 | 26,968 |
| Capital Charges | (1,861,586) | (1,861,586) | (1,830,134) | (1,830,134) | (1,830,134) |
| Revenue Contribution to Capital Outturn | 0 | 0 | 600,000 | 0 | 0 |
| Interest Receivable | (72,000) | (22,000) | (64,315) | (64,128) | (63,950) |
| Interest Payable | 610,795 | 559,795 | 809,113 | 1,042,539 | 1,117,539 |
| Minimum Revenue Provision | 1,802,342 | 1,802,342 | 1,432,906 | 1,465,535 | 1,493,082 |
| IAS19 Pension Adjustment | 1,306,407 | 1,351,069 | 1,403,000 | 1,600,000 | 1,760,000 |
| Second Homes Council Tax Grant | (62,397) | (62,397) | (31,199) | 0 | 0 |
| Vacancy Management | (144,000) | 36,000 | (150,050) | (150,014) | (150,013) |
| Apprenticeship Levy | 0 | 0 | 35,500 | 34,300 | 36,400 |
| Sub total - Non Service Exp/Inc | 450,409 | 652,993 | 1,026,922 | 913,456 | 1,178,283 |
| Net Operating Expenditure | 13,253,010 | 14,157,285 | 12,983,541 | 12,283,036 | 12,661,064 |
| Contributions to/(from) Reserves: | | | | | |
| Insurance Fund | 0 | (5,940) | 0 | 0 | 0 |
| Town Centre | (25,000) | (271,656) | (13,429) | 0 | 0 |
| Neighbourhood Management | 0 | (35,000) | 0 | 0 | 0 |
| Enforcement | 0 | (2,410) | 0 | 0 | 0 |
| Restricted Use Grant | 0 | (232,870) | (24,000) | (24,000) | (23,726) |
| Specific Budget | 0 | (673) | 0 | 0 | 0 |
| LEGI | (57,000) | 0 | 0 | 0 | 0 |
| Second Homes Council Tax | 0 | 0 | 0 | 0 | 0 |
| Waste Management | (25,170) | 0 | 0 | 0 | 0 |
| Invest To Save | (172,308) | (182,072) | (175,341) | (22,930) | 0 |
| Collection Fund Reserve | 0 | (431,559) | 0 | 0 | 0 |
| Special Project Reserve | (105,250) | 457,500 | (696,742) | (44,533) | 0 |
| Other Reserves | (19,130) | (236,852) | 0 | 0 | 0 |
| Sub Total Reserves | (403,858) | (941,532) | (909,512) | (91,463) | (23,726) |
| Amount to be met from Government Grant and Local Taxpayers | 12,849,152 | 13,215,753 | 12,074,029 | 12,191,573 | 12,637,338 |
| Collection Fund - Parishes | (354,487) | (354,810) | (377,953) | (377,953) | (377,953) |
| Collection Fund - Borough | (4,141,766) | (4,141,443) | (4,391,455) | (4,612,515) | (4,838,575) |
| Retained Business Rates (net) | (4,094,570) | (4,094,570) | (4,145,833) | (4,249,479) | (4,355,716) |
| Revenue Support Grant | (3,006,673) | (3,006,673) | (2,544,905) | (2,029,123) | 0 |
| New Homes Bonus | (1,063,416) | (1,063,416) | (627,700) | (569,640) | (499,240) |
| Income from Grant and Taxpayers | (12,660,912) | (12,660,912) | (12,087,846) | (11,838,710) | (10,071,484) |
| (Surplus)/Deficit (before general reserve transfer) | 188,240 | 554,841 | (13,816) | 352,863 | 2,565,854 |
| Surplus/Deficit after use of reserves | 188,240 | 554,841 | (13,816) | 352,863 | 2,565,854 |

Parish Precepts and Band D Council Tax

| Parishes | 2017/18 | | | 2018/19 | | | Parish Band D Movement | 2018/19 Band D including Parish & Borough Charge |
|-------------------------------|-----------------|-----------------|---------------------------|-----------------|-----------------|---------------------------|------------------------|---|
| | Parish Tax Base | Parish Precept | Parish Council Tax Band D | Parish Tax Base | Parish Precept | Parish Council Tax Band D | | |
| Ashby with Oby | 23 | £0 | £0.00 | 23 | £0 | £0.00 | 0.00% | £156.48 |
| Belton with Browston | 1,111 | £38,960 | £35.07 | 1,124 | £40,347 | £35.90 | 2.37% | £192.38 |
| Bradwell | 3,470 | £45,575 | £13.13 | 3,546 | £47,043 | £13.27 | 1.07% | £169.75 |
| Burgh Castle | 406 | £5,400 | £13.30 | 463 | £7,220 | £15.59 | 17.22% | £172.07 |
| Caister on Sea | 2,744 | £71,066 | £25.90 | 2,770 | £75,605 | £27.29 | 5.37% | £183.77 |
| Filby | 319 | £3,538 | £11.09 | 333 | £3,578 | £10.74 | -3.16% | £167.22 |
| Fleggburgh | 385 | £4,758 | £12.36 | 385 | £5,028 | £13.06 | 5.66% | £169.54 |
| Fritton with St Olaves | 268 | £6,567 | £24.50 | 269 | £6,754 | £25.11 | 2.49% | £181.59 |
| Hemsby | 1,352 | £14,801 | £10.95 | 1,360 | £17,000 | £12.50 | 14.16% | £168.98 |
| Hopton | 1,012 | £28,820 | £28.48 | 1,021 | £29,396 | £28.79 | 1.09% | £185.27 |
| Martham | 1,081 | £43,492 | £40.23 | 1,096 | £44,092 | £40.23 | 0.00% | £196.71 |
| Mautby | 143 | £2,574 | £18.00 | 147 | £2,606 | £17.73 | -1.50% | £174.21 |
| Ormesby St Margaret w Scratby | 1,586 | £51,761 | £32.64 | 1,606 | £53,178 | £33.11 | 1.44% | £189.59 |
| Ormesby St Michael | 114 | £1,252 | £10.98 | 112 | £1,296 | £11.57 | 5.37% | £168.05 |
| Repps with Bastwick | 147 | £3,252 | £22.12 | 149 | £3,577 | £24.01 | 8.54% | £180.49 |
| Rollesby | 336 | £6,343 | £18.88 | 339 | £6,533 | £19.27 | 2.07% | £175.75 |
| Somerton | 116 | £1,707 | £14.72 | 116 | £1,707 | £14.72 | 0.00% | £171.20 |
| Stokesby | 118 | £2,816 | £23.86 | 118 | £5,440 | £46.10 | 93.21% | £202.58 |
| Thurne | 49 | £1,120 | £22.86 | 51 | £1,120 | £21.96 | -3.94% | £178.44 |
| West Caister | 75 | £0 | £0.00 | 74 | £0 | £0.00 | 0.00% | £156.48 |
| Winterton | 568 | £20,685 | £36.42 | 581 | £26,433 | £45.50 | 24.93% | £201.98 |
| Great Yarmouth & Gorleston | 11,919 | £0 | £0.00 | 12,381 | £0 | £0 | 0.00% | £156.48 |
| TOTAL | 27,342 | £354,487 | | 28,064 | £377,953 | | | |

Borough & Parish Council Tax Amounts

| Parish | Borough & Parish Council Tax amounts by band | | | | | | | |
|-------------------------------|--|---------|---------|---------|---------|---------|---------|---------|
| | A | B | C | D | E | F | G | H |
| Ashby with Oby | £104.32 | £121.71 | £139.09 | £156.48 | £191.25 | £226.03 | £260.80 | £312.96 |
| Belton with Browston | £128.25 | £149.63 | £171.00 | £192.38 | £235.13 | £277.89 | £320.63 | £384.76 |
| Bradwell | £113.17 | £132.03 | £150.89 | £169.75 | £207.47 | £245.20 | £282.92 | £339.50 |
| Burgh Castle | £114.71 | £133.84 | £152.95 | £172.07 | £210.30 | £248.55 | £286.78 | £344.14 |
| Caister on Sea | £122.51 | £142.94 | £163.35 | £183.77 | £224.60 | £265.45 | £306.28 | £367.54 |
| Filby | £111.48 | £130.06 | £148.64 | £167.22 | £204.38 | £241.54 | £278.70 | £334.44 |
| Fleggburgh | £113.03 | £131.87 | £150.70 | £169.54 | £207.21 | £244.89 | £282.57 | £339.08 |
| Fritton with St Olaves | £121.06 | £141.24 | £161.41 | £181.59 | £221.94 | £262.30 | £302.65 | £363.18 |
| Hemsby | £112.65 | £131.43 | £150.20 | £168.98 | £206.53 | £244.09 | £281.63 | £337.96 |
| Hopton | £123.51 | £144.10 | £164.68 | £185.27 | £226.44 | £267.62 | £308.78 | £370.54 |
| Martham | £131.14 | £153.00 | £174.85 | £196.71 | £240.42 | £284.14 | £327.85 | £393.42 |
| Mautby | £116.14 | £135.50 | £154.85 | £174.21 | £212.92 | £251.64 | £290.35 | £348.42 |
| Ormesby St Margaret w Scratby | £126.39 | £147.46 | £168.52 | £189.59 | £231.72 | £273.86 | £315.98 | £379.18 |
| Ormesby St Michael | £112.03 | £130.71 | £149.37 | £168.05 | £205.39 | £242.74 | £280.08 | £336.10 |
| Repps with Bastwick | £120.33 | £140.38 | £160.43 | £180.49 | £220.60 | £260.71 | £300.82 | £360.98 |
| Rollsby | £117.17 | £136.70 | £156.22 | £175.75 | £214.80 | £253.86 | £292.92 | £351.50 |
| Somerton | £114.13 | £133.16 | £152.17 | £171.20 | £209.24 | £247.29 | £285.33 | £342.40 |
| Stokesby | £135.05 | £157.57 | £180.07 | £202.58 | £247.59 | £292.62 | £337.63 | £405.16 |
| Thurne | £118.96 | £138.79 | £158.61 | £178.44 | £218.09 | £257.75 | £297.40 | £356.88 |
| West Caister | £104.32 | £121.71 | £139.09 | £156.48 | £191.25 | £226.03 | £260.80 | £312.96 |
| Winterton | £134.65 | £157.10 | £179.53 | £201.98 | £246.86 | £291.75 | £336.63 | £403.96 |
| Great Yarmouth & Gorleston | £104.32 | £121.71 | £139.09 | £156.48 | £191.25 | £226.03 | £260.80 | £312.96 |

2018/19 COUNCIL TAX FOR BOROUGH & PARISH PURPOSES

| | Precept | Council Tax Band D |
|--|--------------------|-------------------------------|
| Great Yarmouth Borough Council | | |
| Borough purposes | £4,391,455 | £156.48 |
| Parish purposes | £377,953 | £13.47 |
| Total Borough & Parish Precept | <u>£4,769,408</u> | <u>£169.95</u> |
| Norfolk County Council | £34,425,548 | £1,226.68 |
| Adult Social Care (ASC) | £2,695,547 | £96.05 |
| Total County Precept | <u>£37,121,095</u> | <u>£1,322.73</u> |
| Office of the Police and Crime Commissioner for Norfolk | £6,430,585 | £229.14 |
| Average council tax (Band D) | <u>£48,321,087</u> | <u>£1,721.82</u> |
| Overall Taxbase | 28,064 | |

| Council Tax Schedule 2018/19 | Valuation Bands | | | | | | | |
|--|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | A | B | C | D | E | F | G | H |
| Great Yarmouth Borough Council | £104.32 | £121.71 | £139.09 | £156.48 | £191.25 | £226.03 | £260.80 | £312.96 |
| Parish | £8.98 | £10.48 | £11.97 | £13.47 | £16.46 | £19.46 | £22.45 | £26.94 |
| Parish and Borough | £113.30 | £132.19 | £151.06 | £169.95 | £207.71 | £245.49 | £283.25 | £339.90 |
| Norfolk County Council | £817.79 | £954.08 | £1,090.38 | £1,226.68 | £1,499.28 | £1,771.87 | £2,044.47 | £2,453.36 |
| Adult Social Care (ASC) | £64.03 | £74.71 | £85.38 | £96.05 | £117.39 | £138.74 | £160.08 | £192.10 |
| Norfolk County Council | £881.82 | £1,028.79 | £1,175.76 | £1,322.73 | £1,616.67 | £1,910.61 | £2,204.55 | £2,645.46 |
| Office of the Police and Crime Commissioner for Norfolk | £152.76 | £178.22 | £203.68 | £229.14 | £280.06 | £330.98 | £381.90 | £458.28 |
| Total | £1,147.88 | £1,339.20 | £1,530.50 | £1,721.82 | £2,104.44 | £2,487.08 | £2,869.70 | £3,443.64 |

| Parishes | A | B | C | D | E | F | G | H |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Ashby with Oby | £1,138.90 | £1,328.72 | £1,518.53 | £1,708.35 | £2,087.98 | £2,467.62 | £2,847.25 | £3,416.70 |
| Belton with Browston | £1,162.83 | £1,356.64 | £1,550.44 | £1,744.25 | £2,131.86 | £2,519.48 | £2,907.08 | £3,488.50 |
| Bradwell | £1,147.75 | £1,339.04 | £1,530.33 | £1,721.62 | £2,104.20 | £2,486.79 | £2,869.37 | £3,443.24 |
| Burgh Castle | £1,149.29 | £1,340.85 | £1,532.39 | £1,723.94 | £2,107.03 | £2,490.14 | £2,873.23 | £3,447.88 |
| Caister on Sea | £1,157.09 | £1,349.95 | £1,542.79 | £1,735.64 | £2,121.33 | £2,507.04 | £2,892.73 | £3,471.28 |
| Filby | £1,146.06 | £1,337.07 | £1,528.08 | £1,719.09 | £2,101.11 | £2,483.13 | £2,865.15 | £3,438.18 |
| Fleggburgh | £1,147.61 | £1,338.88 | £1,530.14 | £1,721.41 | £2,103.94 | £2,486.48 | £2,869.02 | £3,442.82 |
| Fritton with St Olaves | £1,155.64 | £1,348.25 | £1,540.85 | £1,733.46 | £2,118.67 | £2,503.89 | £2,889.10 | £3,466.92 |
| Hemsby | £1,147.23 | £1,338.44 | £1,529.64 | £1,720.85 | £2,103.26 | £2,485.68 | £2,868.08 | £3,441.70 |
| Hopton | £1,158.09 | £1,351.11 | £1,544.12 | £1,737.14 | £2,123.17 | £2,509.21 | £2,895.23 | £3,474.28 |
| Martham | £1,165.72 | £1,360.01 | £1,554.29 | £1,748.58 | £2,137.15 | £2,525.73 | £2,914.30 | £3,497.16 |
| Mautby | £1,150.72 | £1,342.51 | £1,534.29 | £1,726.08 | £2,109.65 | £2,493.23 | £2,876.80 | £3,452.16 |
| Ormesby St Margaret w Scratby | £1,160.97 | £1,354.47 | £1,547.96 | £1,741.46 | £2,128.45 | £2,515.45 | £2,902.43 | £3,482.92 |
| Ormesby St Michael | £1,146.61 | £1,337.72 | £1,528.81 | £1,719.92 | £2,102.12 | £2,484.33 | £2,866.53 | £3,439.84 |
| Repps with Bastwick | £1,154.91 | £1,347.39 | £1,539.87 | £1,732.36 | £2,117.33 | £2,502.30 | £2,887.27 | £3,464.72 |
| Rollesby | £1,151.75 | £1,343.71 | £1,535.66 | £1,727.62 | £2,111.53 | £2,495.45 | £2,879.37 | £3,455.24 |
| Somerton | £1,148.71 | £1,340.17 | £1,531.61 | £1,723.07 | £2,105.97 | £2,488.88 | £2,871.78 | £3,446.14 |
| Stokesby | £1,169.63 | £1,364.58 | £1,559.51 | £1,754.45 | £2,144.32 | £2,534.21 | £2,924.08 | £3,508.90 |
| Thurne | £1,153.54 | £1,345.80 | £1,538.05 | £1,730.31 | £2,114.82 | £2,499.34 | £2,883.85 | £3,460.62 |
| West Caister | £1,138.90 | £1,328.72 | £1,518.53 | £1,708.35 | £2,087.98 | £2,467.62 | £2,847.25 | £3,416.70 |
| Winterton | £1,169.23 | £1,364.11 | £1,558.97 | £1,753.85 | £2,143.59 | £2,533.34 | £2,923.08 | £3,507.70 |
| Great Yarmouth & Gorleston | £1,138.90 | £1,328.72 | £1,518.53 | £1,708.35 | £2,087.98 | £2,467.62 | £2,847.25 | £3,416.70 |

Subject: Pay Policy Statement 2018/19

Report to: Full Council 20 February 2018

Report by: Head of Organisational Development

SUBJECT MATTER – PAY POLICY STATEMENT 2018/19

RECOMMENDATION:

To adopt the attached Pay Policy Statement for 2018/19 and to publish on the Council's website.

1. BACKGROUND

Section 38 of the Localism Act 2011 (“the Act”) requires the Council to produce an annual pay policy statement (“the Statement”) for the start of each financial year. It is a legal requirement that Full Council formally sign off this statement and the responsibility cannot be devolved to any other person or committee.

The pay Policy Statement must set out the Council's policies relating to:-

- a) The remuneration of its chief officers,
- b) The remuneration of its lowest-paid employees, and
- c) The relationship between:
 - The remuneration of its Chief Officers, and
 - The remuneration of its employees who are not Chief Officers

With regard to the process for approving the statement, it must:

- Be approved formally by Full Council and cannot be delegated to any sub committee. This includes any amendments in each financial year
- Be approved by the end of March each year
- Be published on the Council's website and in any other manner that the Council thinks appropriate as soon as it is reasonably practicable after it is approved or amended
- Be complied with when the Council sets the terms and conditions for a Chief Officer

For the purpose of the Pay Policy Statement the term 'Chief Officer' in a local authority context is defined as set out in the Local Government and Housing Act 1989 as:

- The Head of Paid Service (Chief Executive)
- The Monitoring Officer
- A statutory Chief Officer and non statutory Chief Officer (section 2 of that Act)
- A deputy Chief Officer (section 2 of that Act)

CONCLUSION

The Pay Policy Statement meets the statutory requirements of the Localism Act and it is therefore recommended that the attached statement be approved.

FINANCIAL IMPLICATIONS:

There are no increased risks as a result of setting and publishing the Pay Policy Statement and the financial implications have been factored into the budget setting process.

The report and the statement outline arrangements for 2018/19. This statement builds on the publication of senior officer salary information which is already available on the website at <https://www.great-yarmouth.gov.uk/article/2470/Where-can-I-see-your-senior-staff-salaries>

LEGAL IMPLICATIONS:

To comply with section 38 of the Localism Act 2011, Full Council must approve the Pay Policy Statement for 2018/19 by 31 March 2018. The Statement must be published as soon as is reasonably practicable after it has been approved, it will, therefore, be placed on the Council's website.

RECOMMENDATIONS

That the Council's Pay Policy Statement for 2018/19 be approved.

| | | |
|---|---------------------|----------------------------|
| Does this report raise any legal, financial, sustainability, equality, crime and disorder or human rights issues and, if so, have they been considered? | Issues | |
| | Legal | Yes and taken into account |
| | Financial | Yes and taken into account |
| | Risk | No |
| | Sustainability | No |
| | Equality | No new issues raised |
| | Crime and Disorder | No |
| | Human Rights | No |
| | Every Child Matters | No |

PAY POLICY STATEMENT 2018/19

This Pay Policy Statement is produced in accordance with Chapter 8 of the Localism Act 2011. It was approved by a meeting of Great Yarmouth Borough Council (GYBC) on 20 February 2018. It is made available on the Council's website. The Council's website also includes separately published data on salary information relating to Chief Officers and this can be accessed at <https://www.great-yarmouth.gov.uk/article/2470/Where-can-I-see-your-senior-staff-salaries>

Once approved by Council, this policy statement will come into immediate effect, superseding the 2017/18 statement and will continue to be reviewed on an annual basis.

1. Remuneration of Employees

- 1.1 For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council (NJC) for Local Government Services' (commonly known as the 'Green Book'), the Council uses a pay spine that commences at national Spinal Column Point (SCP) 6 and ends at local SCP 51. This pay spine is divided into 10 pay bands, which each contain five incremental points. Band 1 is the lowest and Band 10 is the highest of these pay grades. Posts are allocated to a pay band through a process of job evaluation. See Appendix A for the NJC pay bands.
- 1.2 For the purpose of this Policy Statement, employees on Band 1 are defined as our lowest-paid employees. These are the lowest paid employees other than apprentices who are paid in line with national standards to reflect the nature of the training and development role. The bottom of Band 1 is national SCP 6 and the top is national SCP 10. At 31 March 2018, the full-time equivalent (FTE) annual values of these two SCPs are £15,014 (SCP 6) and £15,613 (SCP 10).

- 1.3 The values of the SCPs in these pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services. During 2018/19, the NJC employers will complete their review of the national pay structure and the SCP's. This will impact on the Council's current pay structure and will require the Council to review the pay structure during this financial year to ensure compliance with the national agreement.
- 1.4 The minimum (pro rata) salary paid by the Council to employees in established posts should not be less than the Foundation Living Wage which is currently £8.25 per hour. This rate is reviewed and updated annually by the Living Wage Foundation and the new rate is announced in November of each year. Where an employee's contractual (pro-rata) pay is less than the Foundation Living Wage they receive a supplement to raise their pay to the Foundation Living Wage level (excluding apprentices).

2. **Remuneration of Senior Managers**

2.1 **Chief Executive**

- 2.1.1 The Council's Chief Executive is the Council's Head of Paid Service. As at 31 March 2018, the FTE salary range for this post is £108,734 - £123,335. There are five incremental points in the grade.
- 2.1.2 It is the Council's policy that the FTE salary range for the post of Chief Executive will normally be no greater than 8.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not being exceeded. The current pay levels within the Council define the pay multiple between the median full time equivalent (FTE) earnings and the Chief Executive as 1:5.36.
- 2.1.3 Notwithstanding 2.1.2, the value of the SCP's in the Chief Executive's grade will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.
- 2.1.4 The Chief Executive also receives a (Deputy) Returning Officer fee in respect of County, District and Parish Council Elections. The fee for undertaking this role in Norfolk is calculated in accordance with a formula approved annually by the Norfolk Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group. Fees for

conducting Parliamentary Elections are determined by way of a Statutory Instrument.

2.2 Directors

2.2.1 The Directors report to the Chief Executive. As at 31 March 2018, the annual FTE range for the grade of the Director posts is currently £67,634 - £81,000.

2.2.2 It is the Council's policy that the FTE salary range for the posts of Director will normally be no greater than 6x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not being exceeded. The current pay levels within the Council define the multiple between the median employee full time equivalent (FTE) earnings and the median Chief Officers' earnings as 1:3.45.

2.2.3 Notwithstanding 2.2.2, the value of the SCPs in the Director grades will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities.

2.2.4 The Council's Monitoring Officer is employed by Norfolk County Council (although is seconded to GYBC for this purpose). This Policy Statement does not, therefore, concern the remuneration of the post whose holder undertakes that role.

2.3 Heads of Service

2.3.1 The Heads of Service report to the Executive Leadership Team (ELT). ELT is comprised of the Chief Executive and the Directors. As at 31 March 2018, the annual FTE salary range for the Heads of Service posts is £57,785 to £62,000.

2.3.2 It is the Council's policy that the FTE salary range for Head of Service posts will normally be no greater than 4.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not being exceeded.

2.4 Senior Managers (new grade)

2.4.1 To allow the Council flexibility in recruiting and retaining senior managers, a new grade has been introduced to bridge the gap between the top of the NJC pay scales and the Head of Service grade. The East of England Local

Government Association (EELGA) was asked to review this and on their recommendation, an additional grade has been inserted (MGR-11) which has five SCP points. The annual FTE salary range for this additional grade is £46,000 – £49,000.

3. **General Principles Applying to Remuneration of Chief Officers and Employees**

- 3.1 On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.
- 3.2 Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. In exceptional circumstances (e.g. examination success), individuals will receive accelerated increments. Again, this is subject to the top of their grade not being exceeded.
- 3.3 The Council does not apply performance-related pay, with the exception of the Directors and Heads of Service whose progression through the increments of the pay grade is subject to performance management. The Council does not apply any bonuses.
- 3.4 The minimum point of a pay grade will not be lower than the maximum point of the preceding pay grade.
- 3.5 On ceasing to be employed by the Council, individuals will only receive compensation:
 - (a) in circumstances that are relevant (e.g. redundancy), and
 - (b) that is in accordance with our published Policy Statement on how the Council will exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
 - (c) that complies with the specific term(s) of a settlement agreement.
- 3.6 The Policy Statement on how the Council will exercise the various employer discretions provided by the LGPS also summarises how Flexible Retirement might be allowed. This is where an individual aged 55 or over who reduces their grade or hours of work (or both) may receive their LGPS benefits immediately, even though they haven't left the Council's employment. This

will be allowed only in circumstances where it is demonstrated to be in the Council's long-term interests.

- 3.7 Any decision to re-employ an individual who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Council will not, however, normally engage such an individual under a contract for services.
- 3.8 Any Market Supplement that is paid will be in accordance with our Protocol for Payment of Market Supplements.
- 3.9 If it is appropriate for an honorarium to be paid, this will be in accordance with our Principles for Payment of Honoraria.
- 3.10 The Council pays Essential and Casual Car User allowances in appropriate circumstances. These allowances are in accordance with 'Green Book' rates, although the Council does not recognise the 1200cc to 1450cc (i.e. the top) band and mileage may only be claimed at a reduced local rate. There are also local rates in force for individuals who use their motorcycles or bicycles on official business.
- 3.11 Any excess travelling allowance that is paid will be in accordance with the Change in Place of Employment – Scheme for Payment of Allowance.
- 3.12 Any subsistence allowance that is paid will normally be no higher than the rates notified from time to time by the East of England Local Government Association.

4. Consultants and Agency Workers

- 4.1 Consultants and agency workers are not deemed to be employees and therefore their remuneration is not covered by this Pay Policy Statement. Contracts covering the engagement of consultants and agency workers will be agreed under the rules of Great Yarmouth Borough Council's Contract Standing Orders. Where the Council is unable to recruit officers or there is a need for interim support, the Council will, put in place the most effective arrangements to engage individuals. These arrangements will comply with HMRC IR35 requirements, relevant procurement processes and ensure the Council is able to demonstrate maximum value for money.

5. **Tax Avoidance**

- 5.1 The Council is committed to tackling all forms of tax avoidance and therefore encourages the direct employment of staff and pays them via the payroll system.

6. **Review**

- 6.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2019/20 and will be submitted to Full Council for approval by 31 March 2019.
- 6.2 If it should be necessary to amend this 2018/19 Statement during the year that it applies, an appropriate resolution will be made by Full Council.
- 6.3 The Council will also publish Gender Pay Gap data during the 2017/18 financial year and annually thereafter, in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

GYBC PAY STRUCTURE - 2017/18

| Spinal Column Point | Annual FT Rate April 2017 | Pay Bands | | Break Points | 2017 Hourly Rate |
|---------------------------|------------------------------------|-----------|---------|----------------------|------------------------|
| 4 | | not used | | | |
| 5 | | not used | | | |
| 6 | £15,014 | Band 1 | | Band 1 | £7.7822 |
| 7 | £15,115 | Band 1 | | Up to 222 points | £7.8345 |
| 8 | £15,246 | Band 1 | | | £7.9024 |
| 9 | £15,375 | Band 1 | | | £7.9693 |
| 10 | £15,613 | Band 1 | Band 2 | Band 2 | £8.0926 |
| 11 | £15,807 | | Band 2 | 223 to 279 points | £8.1932 |
| 12 | £16,123 | | Band 2 | | £8.3570 |
| 13 | £16,491 | | Band 2 | | £8.5477 |
| 14 | £16,781 | Band 3 | Band 2 | Band 3 | £8.6980 |
| 15 | £17,072 | Band 3 | | 280 to 321 points | £8.8489 |
| 16 | £17,419 | Band 3 | | | £9.0287 |
| 17 | £17,772 | Band 3 | | | £9.2117 |
| 18 | £18,070 | Band 3 | Band 4 | Band 4 | £9.3662 |
| 19 | £18,746 | | Band 4 | 322 to 363 points | £9.7165 |
| 20 | £19,430 | | Band 4 | | £10.0711 |
| 21 | £20,138 | | Band 4 | | £10.4381 |
| 22 | £20,661 | Band 5 | Band 4 | Band 5 | £10.7091 |
| 23 | £21,268 | Band 5 | | 364 to 417 points | £11.0238 |
| 24 | £21,962 | Band 5 | | | £11.3835 |
| 25 | £22,658 | Band 5 | | | £11.7442 |
| 26 | £23,398 | Band 5 | | | £12.1278 |
| 27 | £24,174 | | Band 6 | Band 6 | £12.5300 |
| 28 | £24,964 | | Band 6 | 418 to 471 points | £12.9395 |
| 29 | £25,951 | | Band 6 | | £13.4511 |
| 30 | £26,822 | | Band 6 | | £13.9026 |
| 31 | £27,668 | | Band 6 | | £14.3411 |
| 32 | £28,485 | Band 7 | | Band 7 | £14.7645 |
| 33 | £29,323 | Band 7 | | 472 to 527 points | £15.1989 |
| 34 | £30,153 | Band 7 | | | £15.6291 |
| 35 | £30,785 | Band 7 | | | £15.9567 |
| 36 | £31,601 | Band 7 | | | £16.3796 |
| 37 | £32,486 | | Band 8 | Band 8 | £16.8384 |
| 38 | £33,437 | | Band 8 | 528 to 577 points | £17.3313 |
| 39 | £34,538 | | Band 8 | | £17.9020 |
| 40 | £35,444 | | Band 8 | | £18.3716 |
| 41 | £36,379 | | Band 8 | | £18.8562 |
| 42 | £37,306 | Band 9 | | Band 9 | £19.3367 |
| 43 | £38,237 | Band 9 | | 578 to 632 points | £19.8193 |
| 44 | £39,177 | Band 9 | | | £20.3065 |
| 45 | £40,057 | Band 9 | | | £20.7626 |
| 46 | £41,025 | Band 9 | | | £21.2643 |
| 47 | £41,967 | | Band 10 | Band 10 | £21.7526 |
| 48 | £42,899 | | Band 10 | 633 points and above | £22.2357 |
| 49 | £43,821 | | Band 10 | | £22.7136 |
| 50 | £44,629 | | Band 10 | | £23.1324 |
| 51 | £45,481 | | Band 10 | | £23.5740 |

COMMITTEE TIMETABLE 2018-19

| | May | June | July | August | September | October | November | December | January | February | March | April |
|----------|------------------------|---------------------------|-----------------------------|--------------------------------|--|------------------------|---------------------------|---------------------------------|-------------------|--------------------------------|-------------------------------|------------------------------|
| M | | | 2 | | 3 PAM (P&R) Eco Dev | 1 | | 3 PAM (GAC) | | | | 1 Eco Dev |
| T | 1 | | 3 PAM (Council) PAM (DC) | | 4 PAM (DC) | 2 PAM (ENV) | | 4 PAM (DC) PAM (Council) YAC | 1 | | | 2 |
| W | 2 | | 4 | 1 | 5 PAM (Council) ENV | 3 | | 5 | 2 PAM (DC) | | | 3 PAM (H&N) DC |
| T | 3 BC ELECTIONS | | 5 | 2 | 6 H & N | 4 | 1 Council | 6 H&N | 3 ENV | | | 4 |
| F | 4 | 1 | 6 PAM (ED) | 3 | 7 | 5 PAM (Licensing) | 2 | 7 | 4 PAM (Licensing) | 1 | 1 | 5 PAM (JCC) |
| M | 7 | 4 Eco Dev PAM (P&R) | 9 | 6 | 10 PAM (GAC, YAC) Audit & Risk Licensing | 8 PAM (P&R) Eco Dev | 5 | 10 Audit & Risk | 7 Eco Dev | 4 | 4 Audit & Risk | 8 PAM (Council) Licensing |
| T | 8 PAM (Council) | 5 | 10 PAM (ENV) | 7 | 11 P&R | 9 PAM (DC) | 6 PAM (DC) | 11 GAC | 8 P&R | 5 PAM (ENV) P&R | 5 GAC | 9 |
| W | 9 | 6 PAM (H&N) ENV | 11 DC | 8 DC | 12 DC | 10 ENV | 7 | 12 DC | 9 DC | 6 DC | 6 DC | 10 |
| T | 10 | 7 | 12 Council | 9 | 13 Council | 11 | 8 | 13 Council | 10 | 7 | 7 | 11 H&N |
| F | 11 | 8 Appeals | 13 PAM (Licensing) | 10 | 14 | 12 PAM (JCC) | 9 PAM (ED) | 14 | 11 PAM (JCC) | 8 PAM (Council) PAM (ED) | 8 | 12 |
| M | 14 ANNUAL COUNCIL | 11 PAM (YAC) Licensing | 16 Eco Dev PAM (P&R) | 13 | 17 Parish Liaison | 15 Licensing | 12 | 17 | 14 Licensing | 11 | 11 PAM(P&R) Parish Liaison | 15 JCC |
| T | 15 COUNCIL PAM (DC) | 12 PAM (DC) P&R | 17 | 14 | 18 GAC YAC | 16 P&R | 13 PAM (ENV) | 18 | 15 | 12 | 12 | 16 Council |
| W | 16 | 13 | 18 ENV | 15 | 19 | 17 PAM (H&N) DC | 14 DC | 19 PAM (P&R) | 16 PAM (H&N) | 13 ENV | 13 | 17 |
| T | 17 | 14 H & N | 19 PAM (H&N) | 16 | 20 | 18 | 15 | 20 PAM (ED) PAM (ENV) | 17 | 14 | 14 | 18 |
| F | 18 | 15 PAM (JCC) | 20 PAM (A&R) | 17 | 21 | 19 | 16 PAM (Licensing) | 21 | 18 | 15 PAM (Licensing) | 15 | 19 |
| M | 21 | 18 PAM (GAC) | 23 Licensing | 20 | 24 | 22 JCC | 19 PAM (P&R) Eco Dev | 24 | 21 JCC | 18 Eco Dev | 18 | 22 |
| T | 22 | 19 YAC | 24 P&R | 21 | 25 | 23 PAM (Council) | 20 | 25 | 22 | 19 PAM (YAC) BUDGET COUNCIL | 19 PAM (ENV) P&R | 23 |
| W | 23 DC | 20 DC | 25 | 22 | 26 | 24 | 21 ENV | 26 | 23 | 20 PAM(H&N) | 20 | 24 |
| T | 24 | 21 | 26 H & N | 23 | 27 | 25 H&N | 22 | 27 | 24 H&N | 21 | 21 | 25 |
| F | 25 PAM (Eco Dev) | 22 | 27 | 24 PAM (P&R) PAM (ED) | 28 Appeals PAM (ED) | 26 | 23 Appeals | 28 | 25 Appeals | 22 PAM (A&R) | 22 PAM (ED) Appeals | 26 |
| M | 28 | 25 JCC | 30 Audit and Risk | 27 | | 29 | 26 PAM (YAC) Licensing | 31 | 28 PAM (P&R) | 25 PAM(GAC) Licensing | 25 | 29 |
| T | 29 | 26 GAC | 31 PAM (DC) | 28 PAM (Env) | | 30 | 27 P&R | | 29 PAM (DC) | 26 PAM (DC) YAC | 26 PAM (DC) | 30 |
| W | 30 PAM (ENV) | 27 | | 29 PAM (H&N) | | 31 | 28 PAM (H&N) | | 30 | 27 | 27 ENV | |
| T | 31 | 28 | | 30 | | | 29 | | 31 | 28 H&N | 28 | |
| F | | 29 P | | 31PAM (Licensing) PAM (A&R) | | | 30 PAM (A&R) | | | | 29 PAM (Licensing) | |

Council - 7pm
Policy & Resources - 6.30pm (P&R)
Economic Development – 6.30pm (ECO DEV)
Environment – 6.30pm (ENV)
Housing and Neighbourhoods – 6.30pm (HN)

Development Control – 6.30pm (DC)
Licensing – 6.30pm
Audit & Risk – 10:00am
Appeals – 10am
Standards – 10am

Yarmouth Area Committee – 7pm (YAC)
Gorleston Area Committee – 6.30pm (GAC)
Parish Liaison – 7pm
Joint Consultative Committee – 10am (JCC)

PRE-AGENDA MEETINGS:-
PAM (JCC) PAM (P&R) PAM (YAC) PAM (GAC)
PAM (ED) PAM (ENV) (10am)
PAM (H&N) PAM (DC)
PAM (LIC) PAM (A&R) PAM (COUNCIL)

15 CONSTITUTION WORKING PARTY

Council was asked to consider the following recommendations from the Constitution Working Party of the 2 November 2017 as follows :-

(1) That Council be recommended to agree the proposed Terms of Reference of the Constitution Working Party for inclusion in the Council's Constitution

(2) That Council be recommended not to agree to the proposed amendment as detailed in the Monitoring Officer's report in respect of the current provisions within the Constitution relating to the Scope of Motions.

(3a) That Council be recommended to agree the proposed Terms of Reference for the Member Development Group.

(3b) That Group Leaders be given delegated authority to appoint Members on the Member Learning and Development Group (5 Members).

Proposer : Councillor Williamson

Seconder : Councillor Wainwright

That the recommendations of the Constitution Working Party as detailed (1) to (3) above be approved en bloc.

LOST

Following Council's decision on this matter the Monitoring Officer clarified the proposals that had been considered by the Constitution Working Party in relation to the proposal to amend the wording of the Constitution in relation to the Scope of Motions.

For clarification, the Monitoring Officer explained to Council the consequences of their decision in respect of the recommendations from the Constitution Working Party was that recommendations (1) and (3) had been rejected and that (2) had also been rejected and therefore as a consequence Council had agreed to accept the proposed amendments as detailed in the Monitoring Officer's report to the wording of the Constitution relating to the Scope of Motions.

Subject: COUNCIL DECISION OF 14 DECEMBER 2017 ON CONSTITUTION
WORKING PARTY RECOMMENDATIONS

Report to: COUNCIL 20 FEBRUARY 2018

Report by: MONITORING OFFICER

SUBJECT MATTER/RECOMMENDATIONS

1. Notice of Motion to Rescind a Previous Decision
2. To consider the recommendations of the Constitution Working Party in relation to:
 - i) the terms of reference of the Constitution Working Party
 - ii) the Scope of Motions
 - iii) the Member Learning and Development Group

1. INTRODUCTION/BACKGROUND

At its meeting on 14th December 2017 Council made a decision in relation to the Constitution Working Party's report at Item 15 of the Agenda. The report detailed proposed changes to the Constitution and the delegation of authority to Group Leaders to appoint Members to the Member Learning and Development Group. It contained 4 recommendations under the following 3 headings:

- i) Terms of Reference of the Constitution Review Working Party
- ii) Scope of Motions
- iii) Member Learning and Development Group (2 recommendations)

At Council all 4 recommendations were addressed by a single, en bloc vote. The nature of that motion was not accepted by all members, as some believed they had voted only in relation to the first recommendation and would proceed to vote on the others individually.

The first, third and fourth recommendations were framed in the positive, the second recommendation in the negative. The motion to approve the recommendations (en bloc) was lost, from which it was inferred that:

- a) The proposed Terms of Reference for the CWP were not agreed

- b) The proposed amendments to the Scope of Motions were (by implication) agreed
- c) The proposed Terms of Reference for the Member Learning and Development Group were not agreed
- d) Group Leaders were not given delegated authority to appoint Members on the Member and Learning Group.

The Monitoring Officer does not find that recommendation b) should have been carried by implication and finds that a further motion, framed positively, should have been required, voted on and carried in order that the amendments proposed were accepted.

For the reasons set out above, 16 members acting under clause 31.14.1 of the Constitution have signed a Notice of Motion to rescind the previous decision, in order that each of the 4 recommendations may be properly considered and appropriate debate may take place, and in order that all decisions are properly taken by an appropriate motion and not by mere implication.

Only if the motion to rescind is carried by a vote of full Council will members be asked to consider afresh the recommendations of the Constitution Working Party set out at 6 below.

2. **MAIN BODY**

At its meeting on 2 November 2017 the Constitution Working Party:

- 2.1 having considered the Monitoring Officer's report on the proposed terms of Reference of the Constitution Working Party, resolved to recommend that Council agree the proposed terms of Reference of the Constitution Working Party (attached as Annex 1) for inclusion in the Council's Constitution.
- 2.2 having considered the Monitoring Officer's report on the Scope of Motions, resolved to recommend to Council that the amendments to the Constitution proposed by the Monitoring Officer in respect of the scope of motions be rejected. The Monitoring Officer's proposals are set out below:

2.2.1 to add the following clause to the Constitution:

"If the subject matter of any Motion of which notice has been duly given comes within the province of any Sub-committee, Committee or Committees, it shall, upon being moved and seconded, stand referred without discussion to such Sub-committee, Committee or Committees as the Council may determine for consideration and report."

2.2.2 to reinforce the above rule, the MO recommended that at paragraph 31.13.10 (Motions which may be Moved during Debate) (d) should be amended to state:

“(d) to refer something to an appropriate body or individual”.

2.2.3 the MO also reported that Members should not be placed in a position where they are asked to make a decision outside the Council’s Budget and Policy framework without appropriate Officer advice and accordingly recommended that the following be added to the Constitution:

“The Monitoring Officer and section 151 Officer may reject a motion that impacts on the Policy and Budget framework of the Council and require that a report from an Officer be prepared before the matter can go forward to Council for consideration.”

2.3 having considered arrangements for membership of the Member Learning and Development Group and the proposed terms of reference of the Group, resolved to recommend that:

2.3.1 Council agree the proposed terms of reference for the Member Learning and Development Group (attached as Annex 2)

2.3.2 Council agree to delegate authority to Group Leaders to appoint Members to the Member Learning and Development Group (5 Members in total)

3. FINANCIAL IMPLICATIONS

There are no financial implications.

4. RISK IMPLICATIONS

The terms of reference take into account risk issues in the management of the committee’s business.

5. CONCLUSIONS

Next Steps

Once members have decided on the proposals, the relevant amendments (if any) will be made to the Council’s Constitution **SAVE THAT** Members should be aware

that if they vote against recommendation 6.2, the proposed amendments are not then taken forward by implication, but would require a further motion to be carried (i.e. that the amendments be made to the Constitution) in order that the changes be put into effect.

6. CONSTITUTION WORKING PARTY'S RECOMMENDATIONS

- 6.1 That Council agree the proposed Terms of Reference of the Constitution Working Party for inclusion in the Council's Constitution.
- 6.2 That Council reject the proposed amendments as outlined above by the Monitoring Officer in respect of the current provisions in the Constitution relating to the scope of motions.
- 6.3 That Council agree the proposed Terms of Reference for the Member Learning and Development Group.
- 6.4 That Council delegate authority to Group Leaders to appoint Members on the Member Learning and Development Group which shall be formed of 5 Members.

7. BACKGROUND PAPERS

None

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 |
|--|---|
| Section 151 Officer Consultation: | No financial implications |
| Existing Council Policies: | Council's Constitution |
| Financial Implications: | None |
| Legal Implications (including human rights): | Monitoring Officer has cleared legal implications |
| Risk Implications: | No significant risk |
| Equality Issues/EQIA assessment: | No equality issues |
| Crime & Disorder: | No issues |
| Every Child Matters: | No issues |

Subject: Terms of Reference of the Constitutional Review Working Party

Report to: Constitutional Working Party

Report by: Monitoring Officer

| |
|---------------------------------------|
| SUBJECT MATTER/RECOMMENDATIONS |
|---------------------------------------|

| |
|---|
| To agree Terms of Reference of the Constitutional Review Working Party |
|---|

1. Composition

- (a) Membership – to be determined by Full Council
- (b) Officers - meetings will be supported by the Head of Paid Service, Monitoring Officer, Corporate Governance Manager and any other Officer as required

2. Role and Function

- (a) The Constitutional Review Working Group shall report its work to Full Council
- (b) It will set its own work programme save the following bodies can request that it considers a particular item of work
 - Full Council
 - The Chairman of Audit and Risk Committee
 - The Monitoring Officer

3. Terms of reference

- The Constitution working party has no decision making power save that it shall act as a 'sounding board' for the delegated decision making power of the Monitoring Officer in relation to minor amendments to the Constitution
- It can invite any Member or Officer to speak on a particular item
- The agenda and minutes will be circulated to the Leader and other Group Leaders
- It can consider any constitutional or procedural matter concerning the Council
- It will assist the Audit and Risk Committee in undertaking regular reviews of the Council's Constitution
- It will make recommendations on changes to the Constitution, and other Council Procedures, to the Audit and Risk Committee and the Full Council

DRAFT TERMS OF REFERENCE FOR MEMBERS LEARNING AND DEVELOPMENT GROUP

Membership

The Members Learning and Development Group comprises of the following:-

(List members once agreed)

Scope and purpose of group

To develop appropriate processes and activities which will ensure Members are supported and equipped with the necessary skills and knowledge to carry out their roles effectively in line with the Council's corporate plan

To report to the Policy and Resources Committee on the key recommendations of the Members learning and development group

Functions

- To represent the views of all Members and to be champions for, and promote Member development among all Members
- To provide a strategic lead regarding learning and development support to Members ensuring that the support provided is consistent with the strategic direction of the Council
- To ensure that learning and development provision for Members meets the Council's requirements having regard to the changing roles and expectations of Members and that delivery is co-ordinated in a structured and manageable package for Members
- To ensure that Member learning and development activity builds elected member capacity to undertake the changing roles of Members
- To monitor and evaluate the effectiveness of Member learning and development activities
- To review and consider training and development needs with a view to producing an induction and an on-going training and development programme for Members