



GREAT YARMOUTH
BOROUGH COUNCIL

Council

Date: Thursday, 11 July 2019

Time: 19:00

Venue: Assembly Room

Address: Town Hall, Hall Plain, Great Yarmouth, NR30 2QF

AGENDA

Open to Public and Press

1 APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2 DECLARATIONS OF INTEREST

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

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

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

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

Whenever you declare an interest you must say why the interest

arises, so that it can be included in the minutes.

3 MAYOR'S ANNOUNCEMENTS

To consider any announcements from His Worship the Mayor.

4 ITEMS OF URGENT BUSINESS

To consider any items of urgent business.

5 MINUTES

7 - 23

To confirm the minutes of the meeting held on the 15 and 16 May 2019.

6 NOTICE OF MOTION

To note that the following notices of motion have been submitted :

(a) Motion submitted by Councillors Wainwright, C Walker, C M Walker, Waters-Bunn, B Walker, Borg and Smith-Clare

Council resolves to

Call on the Leader of the Council to make representations to Jeremy Wright MP Secretary of State at the Department for Digital, Culture, Media and Sport, and urge him to re-instate and provide funding for free TV Licences for all the over 75s, including the 7850 households in the Borough of Great Yarmouth who are in receipt of a free TV Licence, and to honour the commitment made in the 2017 Conservative Party Manifesto to " Maintain all Pensioner benefits, including Free Bus Passes, Eye Tests, Prescriptions and TV LICENCES"

(b) Motion submitted by Councillors Smith-Clare, Wainwright, Borg, C M Walker, T Wright, B Williamson, C Walker and Waters-Bunn

This Council recognises the importance of Personal Independence Payments (PIP) in maintaining the lives of many of our Borough's most vulnerable residents.

The Council:

- acknowledges the many issues associated with the undertaking of assessments and reassessments and the related stress they can have on individuals
- recognises concerns at the fall in figures of those receiving the benefit and the impact this is having on their lives
- accepts the negative impact on those affected by the '20m rule'

In the interests of vulnerable local residents the Council will therefore write to the Minister for Work and Pensions to urgently review the 20m rule.

(c) Motion submitted by Councillors Flaxman-Taylor, Bensly, Wells, P Carpenter, Smith and Grant

This council recognises the scientific consensus on man-made climate change, which clearly highlights the risks, and shares the increasing concern of society on this issue. It also appreciates the necessity to ensure that our natural environment is protected for future generations.

The council also believes that Great Yarmouth can take a leading role in the fight against climate change, thanks to our ever-growing renewable energy industry and key infrastructure centred around the outer harbour.

This Council also welcomes the announcement that the Government plans to ensure that Britain will be carbon neutral by 2050 and notes that emissions have already fallen by 25% since 2010. It also notes and welcomes that last year more than half of the UK's electricity was generated by low-carbon sources.

The council resolves

1. to instruct the Chief Executive to explore measures aimed to prevent the unnecessary and wasteful use of single use plastics within GYBC owned buildings, and to encourage GYBC contractors to take similar steps.
2. that the Policy and Resources Committee will establish a working group to explore ways of lowering the council's carbon footprint. This working group should report to the

Policy and Resources Committee, with a final report being presented to Full Council.

3. To instruct the leader to write to The Secretary of State, for Business, Energy and Industrial Strategy to reiterate our support for the renewable energy industry, and to encourage them to continue the Government's positive work supporting this important growth industry for Great Yarmouth.

(d) Motion submitted by Councillors T Wright, B Wright, Wainwright, Robinson-Payne and Borg.

In light of the recent decision by East Coast College to re locate some skills courses from Gt Yarmouth to Lowestoft due to Government draconian cuts to the college funding, Gt Yarmouth Borough Council urgently writes to request that the Minister of state for Apprenticeships and Skills, re instates adequate funding to allow East Coast College to provide the necessary courses at the Gt Yarmouth campus to ensure all our residents have access to develop skills commensurate with the needs of all our industries.

In particular we are disappointed that the cuts have led to the closure of Ambitions restaurant which not only was a place for residents to experience first-hand the skills of students, but played a significant part in providing our tourism service industry with staff that have attained all the necessary skills required to maintain a high quality offering to tourists and local residents.

We recognise that students will still have catering and hospitality courses on the Gt Yarmouth campus, however the fact remains that the ability to have practical experience in a restaurant environment is vital to the students development and the requirement for them now to travel to Lowestoft will undoubtedly create difficulties, especially for students from our northern villages and North Norfolk.

This council also resolves to offer our full support to East Coast College and write to our MP asking him to support, influence and secure immediate funding to: -

1. Implement the post 18 education and funding review.
2. Address the significant underfunding of 16 to 18 education.
3. Implement a capital injection of funding to renew, refresh and upgrade facilities in line with technological advances and needs of business.

7	<u>2018-19 TREASURY MANAGEMENT OUTTURN REPORT</u>	24 - 31
----------	--	----------------

Report attached.

8	<u>FINANCIAL OUTTURN REPORT 2018-19</u>	32 - 90
----------	--	----------------

Report attached.

9	<u>FEES AND CHARGES BEACH HUTS</u>	91 - 92
----------	---	----------------

Report attached.

10	<u>FEES AND CHARGES - MEMORIALS AND TOWN HALL</u>	93 - 96
-----------	--	----------------

Report attached.

11	<u>PROPERTY RENTAL COMPANY</u>	97 - 104
-----------	---------------------------------------	-----------------

Report attached.

12	<u>REPRESENTATIVES ON OUTSIDE BODIES</u>	
-----------	---	--

Council is asked to consider the following appointments to Outside Bodies for the remainder of 2019/20 :-

(a) Community Economic Development Panel

To appoint one member

(b) Norfolk Health and Wellbeing Board

To appoint a Substitute member (C Walker is the representative)

13	<u>SERVICE COMMITTEE DECISION LIST FOR THE PERIOD 3 TO 11 JUNE 2019</u>	105 - 109
----	--	-----------

Report attached.

14	<u>STRATEGIC SITE ALLOCATION, NORTH QUAY, GREAT YARMOUTH</u>	110 - 127
----	---	-----------

Report attached.

15 ANY OTHER BUSINESS

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

16 EXCLUSION OF PUBLIC

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

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

17 CONFIDENTIAL APPENDICES - STRATEGIC SITE ALLOCATION, NORTH QUAY, GREAT YARMOUTH

Details

Council

Minutes

Wednesday, 15 May 2019 at 19:00

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

Also in attendance at the above meeting were: Mrs S Oxtoby (Chief Executive) and Mr S Ellwood (Interim Democratic Services Manager), Mrs L Goodman (Events Manager) and Mrs S Wintle (Corporate Services Manager).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Freeman and Myers.

2 DECLARATIONS OF INTEREST

There were no declarations of interest declared at the meeting.

3 PRESENTATION TO COUNCILLOR ROBINSON PAYNE DEPUTY MAYOR

Her worship the Mayor recorded her thanks and appreciation to the Deputy Mayor for her support and assistance during the last year and presented to Councillor Robinson Payne the past Mayors badge.

4 ELECTION OF MAYOR FOR THE MUNICIPAL YEAR 2019/20

On the Motion of Councillor Robinson Payne, seconded by Councillor Smith it was :

RESOLVED

That Councillor Michael Thomas Jeal one of the Councillors of the Borough of

Great Yarmouth be and is hereby elected Mayor of the said Borough for the Municipal Year 2019/20.
(Councillor M Coleman vacated the chair, and Councillor Jeal occupied the same).

5 VOTE OF THANKS AND PRESENTATION TO OUTGOING MAYOR

On the motion of Councillor Bensly, seconded by Councillor Fairhead it was :

RESOLVED :

That the Council do record their sincere thanks and appreciation to Councillor Mary Susan Clare Coleman for the dedication, commitment and enthusiasm with which she has carried out her mayoral duties and for the interest and loyalty Mary has shown in all matters concerning the Borough. And that the Council records its special thanks to Councillor Barry Coleman for the support he has given to his Wife in carrying out the role as Mayor's Consort. That these resolutions be engrossed, sealed with the common seal and suitably presented to Councillor Mary Susan Clare Coleman.

6 ELECTION OF DEPUTY MAYOR FOR THE MUNICIPAL YEAR 2019/20

On the motion of Councillor Annison and seconded by Councillor Fairhead it was :

RESOLVED :

That Councillor Sue Hacon be and is hereby elected Deputy Mayor of the Borough of Great Yarmouth for the Municipal Year 2019/20.

7 APPOINTMENT OF MAYOR'S CHAPLAIN

The Mayor reported that he had appointed Father Anthony to be his Chaplain for the Mayoral Year.
Father Anthony then gave a short blessing.

8 PRESENTATION TO MAYOR'S CONSORT

The outgoing Mayors consort Councillor B Coleman passed on his thanks and appreciation.
Councillor B Coleman. then presented the badge (mayors consort) to Mrs P Jeal.

9 MAYOR'S ANNOUNCEMENT'S

The Mayor reported that he has chosen the following charities to support during his Mayoral year :

- Seafarers Centre
- Heart to Heart Norfolk
- McMillan Cancer Support

He also made the following announcements :

- marking the 75th Anniversary of D Day there would be a Service in St Georges Park on Thursday 6th June at 6.30 pm
- the Civic Service will be held on Sunday 21st July at 11am at St Mary's Church, Regent Road
- the Mayor's Cadet for this year is Michael Avery from Caister ATC and the Deputy Cadet is Henry Brooker from Winterton 901 Troop Marine Cadets.

The meeting ended at: 20:00

Council

Minutes

Thursday, 16 May 2019 at 19:00

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

Also in attendance at the above meeting were: Mrs S Oxtoby (Chief Executive), Ms C Whatling (Monitoring Officer), Mr J Williams (Community Protection Manager) and Mr S Ellwood (Interim Democratic Services Manager).

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Freeman.

2 DECLARATIONS OF INTEREST

Councillor Wells declared an interest in the item relating to the notice of motion by virtue of him being the Parliamentary Assistant to Brandon Lewis MP but indicated that his interest was such that he could speak and vote on the matter.

3 ITEMS OF URGENT BUSINESS

The Mayor indicated that there was to be an urgent item of business relating to the Extension of the Public Spaces Protection Order no 1 (Alcohol Related Anti Social Behaviour).

4 EXTENSION OF PUBLIC SPACES PROTECTION ORDER (PSPO) NO 1 ALCOHOL RELATED ANTI SOCIAL BEHAVIOUR

The Community Protection Manager submitted a report advising that the current Great Yarmouth Borough Council PSPO NO 1 was introduced in 2016 to tackle anti-social behaviour associated with the consumption of alcohol in public places and is due to expire on 3 June 2019.

The Police have requested that the Order be extended for a further three years and the report outlines the actions taken by Environmental Services to date.

Proposer : Councillor Plant

Seconder : Councillor Wainwright

(1) That the current consultation exercise be endorsed.

(2) That the consultation response be received and considered at the next meeting of the Council.

CARRIED

5 MINUTES

Proposer : Councillor Plant

Seconder : Councillor Smith

That the minutes of the Council meeting held on 23 April 2019 be confirmed.

CARRIED

6 QUESTIONS FROM THE PUBLIC

(a) The following question has been submitted to the Chairman of the Policy and Resources Committee from Mrs L Hewett of Scratby :

As I understand it the proposed budget (initially discussed March 2019), is going to be in the region of £26 million. Bearing in mind that building projects often run over budget, is there going to be written into the final contract with the builders that any delay or increase in budget will incur some kind of forfeit for the contractors and it is ensured that all the promised ramps / pods / poolside disability access are completed, before the final payment is made to the builders, as I am sure that these will be the first things to disappear when the budget is getting tight!

Response from Councillor Plant

The cost of the new Centre has not yet been finalised, but an indicative range is between £20 - £26 million. Within this budget a healthy contingency has been set to ensure that any unforeseen matters that could arise during the project build can be fully and financially mitigated against.

In addition to this the procurement of the contractors will be fully compliant with European Union procurement rules with these contractors being fully managed through detailed contractual arrangements.

To further confirm that in the unlikely circumstance that there was pressure to undertake a value engineering (cost cutting exercise) during the build phase of the project, that any design features that ensure the Council meets its equalities and disability access requirements would not be removed from the scheme.

Supplementary Question from Mrs L Hewett

We originally had a meeting 2-3 years ago with Stuart Everett. We discussed at that time the refurbishments that could be done in the Marina Centre to make it more disabled friendly i.e. doors that open automatically so that wheelchairs could go through, handles placed on walls in the showers and changing rooms and we were told that we would be kept informed of all changes.

There was no talk of the Marina Centre being demolished. This is totally out of the blue. We have never had contact from any member of Sentinel or the council. All we ask of the council is to have a fair and rational public debate.

Response from Councillor Plant

The Norfolk County Council Disability Officer has had site visits with and taken disabled people to view the access and he shall request that he write a letter confirming what access arrangements are available.

(b) The following question has been submitted to the Chairman of the Policy and Resources Committee from Gaynor Read, Director of Retroskate CIC and Secretary to RetroSkate Artistic Roller Skating Club :

RetroSkate CIC and Retroskate club has carried out extensive searches for suitable venues in which to relocate to, should the demolition of the Marina Centre happen. This unfortunately so far has been fruitless due to the open space required, planning restrictions, suitable locations, affordability and costs involved in making any premises fit for skating. Even if a venue did materialise in the next few months, any hope of it being ready to accommodate the sheer size and scale of the annual competition are non-existent. Whilst we have notified all clubs that the competition may not go ahead, many have already booked accommodation and made plans to attend in the hope that their optimism, support and inability to comprehend the closure of such a successful venue would go ahead.

Dates for any competition have to be submitted to the Federation of Artistic Roller Skating

over a year in advance. The skating calendar is now full from September to November, so our scheduled date of 9th & 10th of November cannot be moved. We therefore ask that if the decision is taken to close and then demolish the existing Marina Centre, that the planning and timeline for this, allows for our 10th annual skating competition to go ahead. This would be in recognition of all the amazing achievements that RetroSkate and its skaters have proudly brought back to Great Yarmouth

Response from Councillor Plant

The Council has met directly with both Retroskate and the Artistic Roller Skating club on several occasions, to help support these clubs to find a suitable alternative location once the Marina Centre is closed. During these discussions the issue of the gala dates was raised and during initial conversations the clubs conceded that there was a possibility for their gala date to be moved to September.

However, the clubs have since confirmed that they are unable to move the gala to the September date and as such the Council has been able to review its project timeline and is pleased to be able to confirm that while the Marina Centre building will still need to be closed in October, that work on site can commence in such a way that the gala can still go ahead for the 9th & 10th November. After this date the whole site will then be fully closed.

Supplementary Question from Gaynor Read

The sport, play and leisure strategy that the Council committed to in 2015 not only highlighted the tired state of the current Marina Centre, but also that there was a significant under provision of sport for under 18's and the over 60's. The report from Kate Watts' refers a lot to the increased tourism and well being benefit a new centre brings, but no mention of any increase to the sport provision that the strategy stated was needed. Whilst the new sports hall apparently will allow roller skating and short mat bowls, the current sports hall is 95% full during after school, evening and weekends. How an extra 40hours the roller skating club needs, ignoring the 20,000 recreational skaters needs, and the bowls clubs hours would be fitted in is impossible. By effectively booting out these 2 sports, the new centre goes against the sport, play and leisure strategy that instigated it as it would decrease the provision further of sport for under 18's and those over 60. I'm sure that all the British roller skating champions past, present and future would appreciate knowing "ah don't worry, you can always play badminton!" So I ask, is the £26m investment really serving the clearly identified sporting needs of the local residents?

Response from Councillor Plant

Discussions have been held with Sport England who have confirmed that the recommendations contained in the report are acceptable.

(c) The following question has been submitted to the Chairman of the Policy and Resources Committee from Mr J Cannell of the Great Yarmouth and District Trades Union Council and was asked by the Mayor of behalf of the Questioner

In view of the recent statements of Government Ministers concerning the detrimental effects in the introduction of Universal Credit . Does the Council agree that Great Yarmouth is entitled to compensation for the effects that the system has caused to the Local Economy, this coupled with the cuts in the rate support grant has been catastrophic for the citizens of the Borough.

Response from Councillor Plant

No

7 PETITIONS

Mr E Childs introduced the petition of around 1500 signatures to protest against the closure of the Marina Centre - they want the new Marina Centre built elsewhere to ensure continuity of facilities.

Following the introduction Councillors debated the matter and noted that further investigation into the matter would be undertaken and that a report would be submitted to Council in due course.

8 GREAT YARMOUTH HEALTH AND FITNESS CENTRE

The Strategic Director (KW) submitted a report advising that in December 2018 Council agreed to allocate capital funding to progress the redevelopment of the Marina Centre to RIBA stage 3 and to authorise officers to further explore funding opportunities to support this project.

The report updates Members with the result of the public engagement exercise and to note the changes made to the project as a result of feedback.

Proposer : Councillor Smith

Seconder : Councillor Hacon

(1) That the feedback from the public engagement exercise and to note direct changes made to the project as a result of feedback gained during this period.

(2) To note that a further report will be received at the next Council meeting regarding the funding of the overall project and interim arrangements for displaced users.

9 NOTICE OF MOTION

Council considered the following notice of motion submitted by Councillors Smith-Clare , Cordiner-Achenbach, Borg, T Wright, B Walker, Waters-Bunn and Martin

Just under three years ago Universal credit was introduced in Great Yarmouth. During this period claimants have descended into debt; relying on food banks and food kitchens - getting into rent arrears and in some cases getting evicted from their own homes. delays

in the payment of Universal Credit has increased poverty and instances of anxiety and depression.

Council resolves to :

(1) agree that this Council has no confidence in Universal Credit

(2) call on the Leader of the Council to make representations to the Rt Hon Amber Rudd, Secretary of State at the Department for Work and Pensions to urge her to scrap Universal Credit and to replace it with a social security system that supports people and ensures that nobody is worse off, rather than driving them into greater poverty

(3) continue to support residents unduly affected by Universal Credit

That a recorded vote be taken on this issue as follows :-

For the motion :

Councillor Borg, Cordiner- Achenbach, Fairhead, Jeal, Martin, Myers, Robinson-Payne, Scott-Greenard, Smith-Clare, Talbot, Wainwright, B Walker, C Walker, C M Walker, Waters-Bunn, Williamson, B Wright, T Wright.

Against the motion :

Councillors Annison, Bensly, Bird, Cameron, Candon, G Carpenter, P Carpenter, Flaxman-Taylor, Galer, Grant, Hacon, D Hammond, P Hammond, Lawn, Mogford, Plant, Smith, Stenhouse, Wells

Abstentions : None

LOST

10 APPOINTMENT OF LEADER AND DEPUTY LEADER OF THE COUNCIL

Proposer : Councillor Plant

Seconder : Councillor Grant

That Councillor Smith be appointed as Leader of the Council for 2019/20

CARRIED

Proposer : Councillor Smith
Seconded : Councillor Bensly

That Councillor Plant be appointed as Deputy Leader of the Council for 2019/20.

11 COMMITTEE MEMBERSHIPS 2019/20

Council gave consideration to the appointment of Members to the various Council Committees for the Municipal year 2019/20

Proposer : Councillor Plant

Seconded : Councillor Smith

That the following appointments be agreed :-

Policy and Resources - Councillors P Carpenter, Flaxman – Taylor, Grant, P Hammond, Myers, Plant, Smith, Wainwright, B Walker, C M Walker, Wells, Williamson, A Wright

Economic Development Committee - Candon, G Carpenter, Cordiner - Achenbach, Freeman , P Hammond, Lawn, Mogford, Myers, Plant, Wainwright, B Walker, C M Walker, A Wright

Environment Committee - Annison, Bensly, Bird, Borg, Cameron, P Carpenter, Fairhead, Hacon, D Hammond, Robinson - Payne, Talbot, Waters – Bunn, B Wright

Housing and Neighbourhoods Committee - Candon, Cameron, Flaxman – Taylor, Galer, Grant Hacon, D Hammond, Martin, Smith-Clare, Talbot, Wainwright, C Walker, Williamson

Development Control Committee - Annison, Bird, Fairhead, Freeman, Flaxman-Taylor, P Hammond, Lawn, Mogford, Myers, Wainwright, Williamson, A Wright, B Wright

Licensing Committee - Bensly, Bird, Borg, G Carpenter, Cordiner-Achenbach, Galer, Mogford, Robinson – Payne, Stenhouse, Talbot, Wainwright, B Walker, Wells

Standards Committee - Freeman, Lawn, Robinson - Payne, Smith-Clare, Thompson

Audit and Risk Committee - Flaxman – Taylor, Freeman, D Hammond, Wainwright, C Walker

Appeals Committee - Candon, P Hammond, Robinson - Payne, Scott-Greenard, Waters- Bunn

Area Museums Committee - Cordiner - Achenbach, Freeman, Jeal, Lawn, Mogford, Robinson – Payne, Scott-Greenard, Thompson

Employment Committee - Borg, P Carpenter, P Hammond, Plant, Smith, Wainwright, Waters - Bunn

Housing Appeals - Candon, Cameron, G Carpenter, Galer, P Hammond, Martin, Robinson – Payne, Scott-Greenard, Smith-Clare, Stenhouse, Thompson, Wainwright, B Wright

CARRIED

12 APPOINTMENT OF CHAIR'S AND VICE-CHAIR'S OF COMMITTEES 2019/20

Council gave consideration to the appointment of Chairs and Vice-Chairs of the Committees for 2019/20.

Proposer : Councillor Smith

Seconder : Councillor Plant

That the following appointments be made for Chairs and Vice Chairs of the Committees for 2019/20 :

Policy and Resources - Councillor Smith to be Chair and Councillor Plant to be Vice Chair.

Economic Development Committee - Councillor Plant to be Chair and Councillor P Hammond to be Vice Chair.

Environment Committee - Councillor P Carpenter to be Chair and Councillor Bensly to be Vice Chair.

Housing and Neighbourhoods Committee - Councillor Grant to be Chair and Councillor Flaxman-Taylor to be Vice Chair.

Development Control Committee - Councillor Annison to be Chair and Councillor Bird to be Vice Chair.

Licensing Committee - Councillor G Carpenter to be Chair and Councillor Wells to be Vice Chair.

Standards Committee - Councillor Lawn to be Chair and Councillor Freeman to be Vice Chair.

Audit and Risk Committee - Councillor Flaxman-Taylor to be Chair and

Councillor D Hammond to be Vice Chair.

Appeals Committee - Councillor Candon to be Chair and Councillor P Hammond to be Vice Chair.

Area Museums Committee - Councillor Freeman to be Chair and Councillor Lawn to be Vice Chair.

Employment Committee - Councillor Smith to be Chair and Councillor Plant to be Vice Chair.

Housing Appeals Committee - Councillor P Hammond to be Chair and Councillor Candon to be Vice Chair.

CARRIED

13 APPOINTMENT OF WORKING GROUPS

Council gave consideration to the appointment of Members to the various Working Groups for the Municipal year 2019/20

Proposer : Councillor Smith

Seconder : Councillor Grant

That the following appointments be agreed :-

Civic Working Group - Bird, Candon, Fairhead, Hacon, Martin

Constitution Working Party - Bensly, P Carpenter, Freeman, Myers, Plant, Smith, Wainwright, B Walker, C Walker, Williamson

Joint Consultative Working group (formerly JCC) - P Carpenter, Lawn, Stenhouse, B Walker, Waters - Bunn

Local Plan Working Group - Annison, Bird, G Carpenter, Fairhead, P Hammond, Lawn, Mogford, Talbot, Wainwright, Williamson, A Wright

CARRIED

14 APPOINTMENT OF CHAIR'S AND VICE-CHAIR'S OF WORKING GROUPS 2019/20

Council gave consideration to the appointment of Chairs and Vice-Chairs of the Working Groups for 2019/20

Proposer : Councillor Smith

Seconder : Councillor Wells

That the following appointments be made for Chairs and Vice Chairs of the Working Groups for 2019/20

Local Plan Working Group - Councillor Annison to be Chair and Councillor Bird to be Vice Chair.

Joint Consultative Working Group - Councillor P Carpenter to be Chair and Councillor Lawn to be Vice Chair.

Civic Working Group - Councillor Bird to be Chair and Councillor Candon to be Vice Chair.

Constitution Working Party - Councillor Smith to be Chair and Councillor Plant to be Vice Chair.

CARRIED

15 APPOINTMENTS TO OUTSIDE BODIES 2018/19

Council considered the appointment of representatives to outside bodies for the Municipal Year 2019/20.

Proposer : Councillor Smith

Seconder : Councillor Hacon

That the following appointments to Outside bodies for 2019/20 be agreed :-

A47 Alliance - Councillor Plant

Bowls Tournament Working Party - Councillors Fairhead and Lawn

Broads Authority - Councillor Mogford

Broads Internal Drainage Board - Councillors Bird, Fairhead, Freeman, Galer, Lawn and Mogford

Chamber of Commerce - Norfolk (Great Yarmouth Committee) Chamber Council - Councillors Plant and A Wright

Coastal Partnership East - Councillor Bensly and P Carpenter

Community Association Management Committee - South Yarmouth -
Councillors Jeal and A Wright

Community Association Management Committee - Claydon Pavilion -
Councillors Borg and Williamson

Community Rail Partnership - Councillor Mogford

Community Safety (Great Yarmouth) Ltd (CCTV Co) - Councillor G Carpenter

East Anglia Port Welfare Committee - Councillor A Wright

East of England LGA - Councillor Smith

Economic Reference Group - Councillors Smith and Wainwright

EnterpriseGY Board - Councillor Plant

Gorleston Poor Land Trustees - Councillors Flaxman - Taylor and B Wright
(one Vacancy)

Great Yarmouth and Rambouillet Twinning Association - Councillors Candon,
Fairhead and Hacon

Great Yarmouth Development Company - Councillor Plant

Great Yarmouth in Bloom - Councillors Cameron and Stenhouse

Great Yarmouth Marketing Initiative - Councillor Plant

Great Yarmouth Municipal Charities (4 year term) - Councillors Cordiner-
Achenbach, D Hammond, Jeal, and Robinson-Payne

Great Yarmouth Preservation Trust - Councillors Fairhead, Freeman, Hacon
Wells and Williamson.

Great Yarmouth Racecourse - Councillors Bensly and P Hammond

Great Yarmouth Seafarers Centre - Councillor Borg

Great Yarmouth Sports Council - Councillors Cameron, Candon and C
Walker.

Great Yarmouth Sports Partnership - Councillors Cameron, Candon and C
Walker.

Great Yarmouth Transport & Infrastructure Steering Group (formerly Car
Parking Strategy Steering Group) - Councillors Plant, G Carpenter and

Mogford

Greater Yarmouth Tourism & Business Improvement Area Ltd/ Interim Board of Directors - Councillors Bensly, Jeal, P Hammond and Plant

GY Norse Company Board - Councillor Grant

GY Norse Liaison Board - Councillors P Carpenter, Grant and Wainwright

GYB Services Company Board - Councillor P Carpenter

GYB Services Liaison Board - Councillors P Carpenter, Waters-Bunn

High School Foundation - Councillor Grant

James Paget Healthcare NHS Trust (Governors' Council) - Councillor Flaxman - Taylor

Local Government Association - Coastal Issues - Councillor Bensly

Local Government Association - General Assembly - Councillor Smith

Neighbourhood Management Board - MESH (Gorleston) - Councillors Flaxman - Taylor and B Walker.

Neighbourhood Management Boards - Make It Happen (Southtown, Cobholm and Halfway House) - Councillors Cordiner-Achenbach and Williamson.

Neighbourhood Management Boards - Yarmouth - Councillors Jeal and Robinson - Payne

Nelson Museum Management Board - Councillors Candon and Stenhouse

Norfolk Coast Partnership (Joint Advisory Panel) - Councillors Bensly

Norfolk Countywide Community Safety Partnership - Councillor P Carpenter

Norfolk County Joint Museums Committee - Councillor Freeman

Norfolk Health and Wellbeing Board - Councillor C Walker

Norfolk Health Overview & Scrutiny Committee - Councillor Flaxman-Taylor

Norfolk Parking Partnership Joint Committee - Councillor Plant

Norfolk Rail Group - Councillor Mogford

Norfolk Records Committee - Councillor Wainwright

Norfolk Strategic Planning Framework - Councillor Plant and Councillor

Annison sub

Norfolk Waste Partnership - Councillor G Carpenter

Nplaw Board - Councillor G Carpenter

Older Peoples Partnership - Councillor D Hammond

Parking and Traffic Regulations Outside London Adjudication Joint Committee (PATROL AJC) - Councillor Plant

Police and Crime Panel - Councillor M Smith-Clare and Councillor Martin (Sub)

SeaChange Board - Councillor Flaxman-Taylor

Sentinel Leisure Trust - Councillors Flaxman-Taylor and Williamson

Sentinel Leisure Trust Partnership Board - Councillor Smith

Town Centre Company (Great Yarmouth) Ltd - Councillor Plant

Waveney, Lower Yare and Lothingland Internal Drainage Board - Councillors Annison, Cameron and Fairhead

Youth Advisory Board - Councillor Galer

CARRIED

16 GREAT YARMOUTH BOROUGH COUNCIL ELECTIONS - 2 MAY 2019

Council received for information the Deputy Returning Officer's report which detailed the results of the Local Elections held on Thursday 2 May 2019. The Council wished it be recorded the thanks to the Deputy Returning Officer and her team for the work undertaken during the election

17 ANY OTHER BUSINESS

The Chairman referred to the revised timetable of meetings for 2019/20 that was circulated at the meeting.

Proposer : Councillor Smith

Seconder : Councillor Wainwright

That the revised timetable of meetings for 2019/20 as circulated at the meeting be approved.

CARRIED

The meeting ended at: 21:40

Subject: 2018/19 TREASURY MANAGEMENT OUTTURN REPORT

Report to: Policy and Resources 11 June 2019
Full Council 11 July 2019

Report by: Finance Director (Section 151 Officer)

SUBJECT MATTER/RECOMMENDATIONS

This report presents the treasury management activity for the 2018/19 financial year and includes:

1. The overall treasury position for 2018/19
2. The borrowing requirement and debt for 2018/19
3. The borrowing outturn for 2018/19

Recommendations:

Members are asked to recommend that Council approves the Treasury Management outturn report and indicators for 2018/19.

1. INTRODUCTION AND BACKGROUND

- 1.1 The Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve treasury management annual report after the end of each financial year.
- 1.2 This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.
- 1.3 The Authority's treasury management strategy for 2018/19 was approved at a meeting on 20th February 2018. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

2. NATIONAL CONTEXT AND ECONOMIC COMMENTRY

- 2.1 Economic background: UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year/year, just above the consensus forecast but broadly in line with the Bank of England's February Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low 3.9% while the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%.
- 2.2 After rising to 0.6% in the third calendar quarter from 0.4% in the second, the fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend. Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy have been made since.

- 2.3 Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising in October, gilts regained their safe-haven status throughout December and into the new year - the 5-year benchmark gilt yield fell as low as 0.80% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.73% to 1.08% and from 1.90% to 1.55%. The increase in Bank Rate pushed up money markets rates over the year and 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.53%, 0.67% and 0.94% respectively over the period.
- 2.4 The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) transferred their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities.
- 2.5 In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and a number of government-related entities.
- 2.6 There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.

3. LOCAL CONTEXT

- 3.1 On 31st March 2019, the Authority had net borrowing of £102m arising from its revenue and capital income and expenditure, an increase on 2018 of £6.5m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary	31.3.18 Actual £m	2018/19 Movement £m	31.3.19 Actual £m
General Fund CFR	£50.200	£707	£50.907
HRA CFR	£80.717	£1.360	£82.077
Total CFR	£130.917	£2.067	£132.984
Less: Other debt liabilities*	(£1.010)	£112	(£0.898)
Borrowing CFR	£129.907	£2.179	£132.086
Less: Long term investments	(£2.000)	(£2.700)	(£4.700)
Less: Usable reserves	(26.139)	(£2.774)	(£28.913)
Less: Working capital	(6.605)	£9.824	£3.219
Net borrowing	£95.163	£6.529	£101.692

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

- 3.2 The increase in CFR reflects the use of borrowing to finance the capital expenditure in 2018/19. Also there has been an increase in usable reserves, including £1.2m in the HRA and £0.3m in the Capital Receipts reserve; and an increase in working capital due to the timing of receipts and payments.

- 3.3 The Authority's strategy was to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position at 31st March 2019 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary	31.3.18 Balance £m	2018/19 Movement £m	31.3.19 Balance £m	31.3.19 Rate %
Long-term borrowing	£81.388	£27.459	£108.847	3.15% - 4.95%
Short-term borrowing	£28.504	(£15.500)	£13.004	0.98% - 4.44%
Total borrowing	£109.892	£11.959	£121.851	
Long-term investments	£2.000	£2.700	£4.700	6%
Cash and cash equivalents	£12.729	£2.730	£15.459	N/A
Total investments	£14.729	£5.430	£20.159	
Net borrowing	£95.163	£6.529	£101.692	

Note: the figures in the table are from the balance sheet in the Authority's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments.

- 3.4 The increase in net borrowing in table 2 has translated into a rise in investment balances due to the Authority's internal borrowing policy. The £27m increase in long term borrowing has arisen from utilising the low cost Local Authority lending market to increase our liquidity resilience. Short term borrowing includes a £0.5m loan at 11% interest which was taken out in December 1983 and was repaid in December 2018. Long term investments increased by £2.7m from the Authority funding its trading company.

4. BORROWING ACTIVITY

- 4.1 At 31st March 2019 the Authority held £122m of loans, an increase of £12m on the previous year, as part of its strategy for improving liquidity resilience. The year-end borrowing position and the year-on-year change show in table 3 below.

Table 3: Borrowing Position	31.3.18 Balance £m	2018/19 Movement £m	31.3.19 Balance £m	31.3.19 Rate %	31.3.19 Maturity years
Public Works Loan Board	£71.388	£0	£71.388	3.15%-4.40%	10-40 years
Banks (LOBO)	£3.000	£0	£3.000	4.95%	1-2 years
Banks (fixed-term)	£7.500	(£500)	£7.000	3.35%-3.98%	<1-60 years
Local authorities (long-term)	£0.00	£27.375	£27.375	1.25%-4.44%	>1 year
Local authorities (short-term)	£28.004	(£14.916)	£13.088	0.98%-4.44%	<1 year
Total borrowing	£109.892	£11.959	£121.851		

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

- 4.3 In furtherance of these objectives, new loans totalling £39m were borrowed in 2018/19 to repay £30m existing short term borrowing and create liquidity. This strategy enabled the Authority to reduce net borrowing costs by exploiting the Local authority lending market.
- 4.4 New borrowing of £39m from Local Authorities in the year was for between 1 and 3 years and at interest rates of between 0.98% and 1.45%. Loans repaid to Local Authorities in the year of £28m were from between 1 and 6 months at interest rates of between 0.77% and 0.95%.
- 4.5 LOBO loans: The Authority continues to hold £3m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option to increase the rate during 2018/19.

5. INVESTMENT ACTIVITY

- 5.1 The Authority holds a level of invested funds, representing income received in advance of expenditure plus balances and reserves held and money borrowed in advance of need. During 2018/19, the Authority's investment balances ranged between £12m and £36m, averaging £22m due to timing differences between income and expenditure. The year-end position and the year-on-year change is shown in table 4 below.

Table 4: Treasury Investment Position	31.3.18 Balance £m	2018/19 Movement £	31.3.19 Balance £m	31.3.19 Rate %
Banks & building societies (unsecured)	£5.244	£0.465	£5.709	0.00% - 0.60%
Government (Inc. local authorities)	£0	£7.780	£7.780	0.50% - 1.00%
Money Market Funds	£8.945	£1.200	£9.065	0.61% - 0.86%
Total investments	£14.189	£8.365	£22.554	

- 5.2 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.3 In furtherance of these objectives and given the increasing risk and low returns from short-term unsecured bank investments, the Authority diversified into more secure and/or higher yielding asset classes during 2018/19. £14m that is available for longer-term investment was moved from bank and building society deposits into Local Authorities and Money Market Funds. As a result, investment risk was lowered, while the average rate of return has increased to between 0.31% and 1.00%. The progression of credit risk and return metrics for the Authorities investments managed in-house are shown in the extracts from Arlingclose's quarterly investment benchmarking in table 5 below.

Table 5: Investment Benchmarking	Balance £m	Short term/Money Market Funds			
		Fitch	Moody's	S&P	Arlingclose Limit £000
Barclays Bank Plc*	£1.000	F1	P-1	A-1	N/A
Goldman Sachs Liquid Reserve	£2.000	AAA mmf	Aaa-mmf	AAAm	£060.9
DWS Deutsche Managed	£1.565	AAA mmf	Aaa-mmf	AAAm	£028.2
Aberdeen Liquidity Funds	£2.500	AAA mmf	Aaa-mmf	AAAm	£138.2
CCLA Public Sector Deposit Fund	£1.000	AAA mmf	-	-	£002.2
Insight Liquidity Fund	£2.000	AAA mmf	-	AAAm	£115.4
Total	£10.065				

*The 2018/19 TMSS set the limit per institution at £3m with which the Authority complied. The above table does not include investments with the DMO £4.780 and local authorities £3.00m the total investments as at 31st March 2019 was £17.845m.

6. FINANCIAL IMPLICATIONS

- 6.1 The outturn for debt interest paid in 2018/19 was £3.449m on an average debt portfolio of £115.871m against a budgeted interest cost of £3.277m resulting in an average interest rate of 2.98%. The outturn for treasury investment income received in 2018/19 was £0.123m on an average investment portfolio of £15m at an average interest rate of 0.66%. Interest is allocated between the General Fund (45%) and the Housing Revenue Account (55%).
- 6.2 Readiness for Brexit: With little by way of political clarity as to the exact date on whether there would be an agreed deal prior to leaving the EU and to be prepared for the outside chance of a particularly disruptive Brexit (such as last-minute no-deal) on 29th March, the Authority ensured there were enough accounts open at UK-domiciled banks and Money Market Funds to hold sufficient liquidity over the year end and that its account with the Debt Management Account Deposit Facility (DMADF) remained available for use in an emergency.
- 6.3 The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short and long-term borrowing was maintained.
- 6.4 Other Non-Treasury Holdings and Activity – Although not classed as treasury management activities the definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 6.5 At the balance sheet date of 31 March 2019, the Authority also holds £53m of investments in directly owned property, loans to homeowners and local bodies and investments in a trading subsidiary. This represents an increase of £4.5m on the previous year due to new investment in its subsidiary of £2m and commercial property £1m as a result of asset reclassification.

- 6.6 These non-treasury investments generated £2.2 million of investment income for the Authority after taking account of direct costs, representing a rate of return of 4.1%. This is higher than the return earned on treasury investments but reflects the additional risks to the Authority of holding such investments.
- 6.7 **Performance Report** - The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and is developing further performance measures on this.
- 6.8 **Compliance Report** - The Finance Director is pleased to report that all treasury management activities undertaken during 2018/19 complied fully with the CIPFA Code of Practice and Treasury Management Strategy 2018/19. The Authority utilised the low-cost Local Authority lending market to increase its liquidity resilience and reduce costs by taking out low rate, short term loans.
- 6.9 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 6 below, and compliance with the specific investment limits is demonstrated in table 7 below.

Table 6: Debt Limits	2018/19 Maximum £m	31.3.19 Actual £m	2018/19 Operational Boundary £m	2018/19 Authorised Limit £m	Complied? Yes/No
Borrowing	£125.872	£121.851	£135.000	£140.000	Yes
Long term liabilities, PFI & Finance Leases	£0.898	£0.898	£2.000	£2.000	Yes
Total debt	£126.770	£122.749	£137.000	£142.000	Yes

- 6.10 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt did not exceed the operational boundary during 2018/19.

Table 7: Investment Limits	2018/19 Maximum	31.3.19 Actual	2018/19 Limit	Complied? Yes/No
Any single organisation, except the UK Government	£1m	£1m	£2m each	Yes
UK Central Government	Unlimited	£4.780	Unlimited	Yes
UK Central Government Local Authorities	£3m	£3m	£3m (2years)	Yes
Any group of organisations under the same ownership	£1m	£1m	£2m per group	Yes
Loans to subsidiary trading company	£4.7m	£4.7m	Not set	Yes
Money Market Funds	£15m	£9.065m	£3m per fund £10m in total	Yes

- 6.11 **Treasury Management Indicators** - The Authority measures and manages its exposures to treasury management risks using the following indicators.
- 6.12 **Liquidity** - The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, and the amount it can borrow each quarter without giving prior notice.

Table 8: Liquidity	31.3.19 Actual	2018/19 Target	Complied?
Total cash available without notice	£10.065m	£11.250m	Yes
Total sum borrowed in past 3 months without prior notice	£6m	Not set	

6.13 **Interest Rate Exposures** - This indicator is set to control the Authority'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 was:

Table 9: Interest Rate Exposures	31.3.19 Actual	2018/19 Limit	Complied?
Upper limit on fixed interest rate exposure	100%	100%	Yes
Upper limit on variable interest rate exposure	0%	100%	Yes

6.14 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.

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

Table 10: Maturity Structure of Borrowing	31.3.18 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	13%	0%	20%	Yes
12 months and within 24 months	19%	0%	40%	Yes
24 months and within 5 years	3%	0%	60%	Yes
5 years and within 10 years	2%	0%	80%	Yes
10 years and above	64%	0%	100%	Yes

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

6.17 **Principal Sums Invested for Periods Longer than 365 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 11: Principal Sums Invested for Periods Longer than 365 days	2018/19 £m	2019/20 £m	2019/21 £m
Actual principal invested beyond year end	£7.780m	Nil	Nil
Limit on principal invested beyond year end	£12m	£12m	£12m
Complied	Yes	Yes	Yes

7 RISK IMPLICATIONS

- 7.1 The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

8. CONCLUSIONS

- 8.1 The report presents the outturn of the treasury management activity compared to the strategy as approved by Members in February 20th February 2018. The Authority has complied with the Treasury Management Strategy for 2018/19.

9. RECOMMENDATIONS

- 9.1 Members are asked to recommend that Council approves the Treasury Management outturn report and indicators for 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:	No
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Yes, Treasury Management Strategy 2018/19
Financial Implications (including VAT and tax):	Yes
Legal Implications (including human rights):	No
Risk Implications:	Yes
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No

Subject: Financial Outturn Report 2018/19

Report to: Policy and Resources Committee 11 June 2019
Full Council 11 July 2019

Report by: Finance Director

SUBJECT MATTER AND RECOMMENDATIONS

This report presents the following:

- The draft outturn position for the General Fund, Housing Revenue Account and Capital Programme for the 2018/19 financial year which have been used to inform the production of the statutory accounts for audit and subsequent approval by the Audit and Risk Committee in July;
- Details of the more significant year-end variances compared to the current budget for 2018/19;
- Recommendations for contributions to and from earmarked reserves and the general reserve as applicable for future spending commitments;
- An update to the current capital programme after allowing for the re-profiling of schemes as applicable between financial years.

Recommendations:

Members are asked to consider the report and recommend the following:

- 1) The outturn position for the general fund revenue account for 2018/19 as included in the report and appendices;
- 2) The transfers to and from reserves (general and earmarked) as detailed within the report and Appendix along with an updated reserves statement (Appendix C);
- 3) Transfer the surplus of £307,262 to the general reserve;
- 4) The financing of the 2018/19 capital programme as detailed within the report and at Appendix D;
- 5) The updated capital programme 2019/20 to 2021/22 and the associated financing of the schemes as outlined within the report and detailed at Appendix E.
- 6) Approval of the allocation of £30,000 from the year end surplus to underwrite the commitments for the 2019/20 events, pending the outcome of the BID ballot.

1. INTRODUCTION AND BACKGROUND

- 1.1. This report presents the final budget monitoring position for the 2018/19 financial year which is the draft outturn report for the Council's general fund revenue account, housing revenue account (HRA) and capital programme. The position as reported has been used to inform the draft statement of accounts which are subject to external audit review

ahead of approval by the Audit and Risk Committee by the statutory deadline of 31 July 2019.

- 1.2. The budget for 2018/19 was set in February 2018 and assumed a small surplus of £5,066. During the year the budget has been updated for in-year virements and known spending commitments.
- 1.3. In-year financial monitoring reports have been presented to Members during the year; these reports have provided an overall financial position compared to the budget and also identified the more significant service and non-service variances against the budget.
- 1.4. The budget monitoring position to the end of period 10 was reported to the Policy and Resources Committee in March 2019 at which time there was forecast to be an overspend of £102k for the 2018/19 financial year which was due to a combination of service and non-service underspends and additional income reduced by some overspends.
- 1.5. Commentary on the more significant outturn variances compared to the current budget is provided within the detail of the report with further information provided in the appendices.
- 1.6. The report also includes a current forecast position statement on the level of reserves along with the outturn and financing position for the 2018/19 capital programme. The capital programme for the period 2019/20 to 2020/21 has been updated to reflect the outturn position and where capital schemes have slipped between financial years. The revised capital programme is included within the appendices to the report.
- 1.7. The outturn position as included in this report has been used to produce the statutory accounts for 2018/19 which are due to be approved by the Audit and Risk Committee in July 2019. The deadline for the production of the draft statutory annual accounts was 31 May following which the accounts have been subject to external audit prior to consideration and approval by the Audit and Risk Committee ahead of the publication of the final audited accounts by 31 July 2019.

2. REVENUE ACCOUNT OUTTURN 2018/19

- 2.1. The revenue account position for the year shows a surplus of £307k as detailed at Appendix A. This is after allowing for planned movements to and from earmarked reserves.
- 2.2. Unlike capital budgets underspends on service revenue budgets in the year are not automatically rolled forward at the year-end where an annual budget provision exists. Where the underspend represents a grant received which has not yet been fully utilised or where there has been a delay in the planned use, the unspent grant has been rolled forward within an earmarked reserve to match spend in a future year. In addition where a budget has been provided as a one-off in the year and remains unspent for example due to a slippage in the timescales of delivery, then the unspent budget can be rolled forward. Although agreements to carry forward unringfenced grants and budgets are made in the context of the overall financial position for the Authority.

- 2.3. The transfers to and from reserves in the year are made in line with the Council's policy framework for earmarked reserves as approved as part of the annual budget setting process. Earmarked reserves are typically used to set aside funds for known or specific liabilities. Further detail on the reserves for the year are provided at section 4 and appendix C.
- 2.4. The outturn position as included in the report and accounts include some significant figures, which will be subject to external audit later in the year; these are mainly in relation to Benefit Subsidy and Business Rates Retention income.
- 2.5. **Benefit Subsidy** - The benefit subsidy return was completed and submitted by 30 April 2019 and will be subject to external audit review which depending on the findings of the review there could be an impact on the overall financial position, for example should additional subsidy payments be due to or from the Department for Work and Pensions (DWP), then this could change the outturn position and amounts to be transferred to reserves. The Council holds an earmarked reserve for Revenues and Benefits which can be used to mitigate financial impact of any changes following the audit.
- 2.6. **Business Rates** - Under the system of business rates retention an element of the business rates is retained locally (split between the County and GYBC). The budget for the year was informed by the baseline funding and the NNDR1 position as submitted in January 2018. The outturn position is informed by the National Non Domestic Rates 3 (NNDR3) Return which is submitted annually. As with the treatment of benefit subsidy, the business rates position is subject to external audit and therefore any adjustments identified as part of the audit process could impact on the outturn position and reserves balance.
- 2.7. In the same way that Council Tax operates a collection fund account which distributes the precepts/shares of council tax collected to the respective authorities, the business rates collection fund distributes the respective shares of business rates (to Norfolk County Council and Central Government) based on the NNDR return. Should the actual income collected from business rates in the year exceed or not meet the anticipated amounts there would be a surplus or deficit on the fund, the implications of the surplus/deficit position on the fund will inform future funding available from business rates. Further details are provided in section 3. The Council holds a collection fund earmarked reserve which is used to mitigate the impact of fluctuations in business rate income (retained by the Borough) and also the impact of appeals.

3. **GENERAL FUND REVENUE ACCOUNT – DETAILED COMMENTARY 2018/19**

- 3.1. This section of the report highlights the more significant direct cost and income variances compared to the current budget. The current budget can be updated during the year to reflect a number of decisions including, roll forward decisions from the prior year outturn, in-year virement decisions, allocations of grants received in the year. Further commentary on the variances is included within Appendix B to the report.
- 3.2. Accounting standards require a number of notional charges to be made to service accounts. Notional charges include transactions in relation to depreciation, revenue expenditure funded from capital under statute (REFCUS) and pension costs, and whilst they do not have an impact on the 'bottom line/council tax payer' i.e. the surplus or deficit

for the year, they are included for reporting purposes. The following table provides a summary of the variances against the budget for the year.

	Current Budget 2018/19 £000	Out turn 2018/19 £000	Variance £000
Net Cost of Service	11,025	12,621	1,596
Non Service Exp/(Income):			
Notional Charges (Capital and Accounting Adjustments)	(1,530)	(4,521)	(2,991)
Loan Interest Payable	809	710	(99)
Interest Receivable	(64)	(268)	(204)
Parish Precepts & Concurrent Grants	412	412	0
Revenue Contribution to Capital	0	148	148
Transfers to/(from) Reserves	(1,564)	1,246	2,810
Pension Back Funding	1,540	1,780	240
Provision for Loan Repayment (MRP)	1,433	1,170	(263)
Vacancy Management & Apprenticeship Levy	36	31	(5)
Sub Total Non Service Expenditure	1,072	708	(364)
Net Expenditure to be met from Government Grant and Local Taxpayers	12,097	13,329	1,232
Income:			
Council Tax - Parishes	(412)	(412)	0
Council tax - Borough	(4,358)	(4,363)	(5)
Business Rates	(4,146)	(5,611)	(1,466)
Revenue Support Grant	(2,545)	(2,545)	0
New Homes Bonus	(628)	(628)	0
Other Grants	(31)	(77)	(46)
Total Income from Tax Payers and Grants	(12,120)	(13,636)	(1,517)
(Surplus)/Deficit	(23)	(307)	(285)

- 3.3. Appendix A shows the overall revenue position including capital charges and internal recharges, however to assist the reporting and explaining 'real cash' variances, table 2 provides a summary of the direct cost and income variances for each of the service areas. This shows a net cost of service underspend of £713,646, an element of this will have been carried forward into 2019/20 within earmarked reserves. The non-service expenditure variance allows for the earmarking of funds to be allocated to reserves and the underspends on interest payable and minimum revenue provision (see 3.5 for further comments).

Net Direct Costs and Income	Current Budget 2018/19 £000	Out turn 2018/19 £000	Variance £000
Executive	1,108	1,171	63
Housing	864	449	(415)
Inward Investment	2,039	1,902	(137)
Organisational Development	1,103	856	(247)
Planning and Growth	319	271	(48)
Customer Services	(1,182)	(1,019)	163
Property and Asset Management	(492)	(302)	190
IT, Communications and Marketing	1,922	1,945	23
Environmental Services	4,292	4,064	(228)
Finance	878	800	(78)
Net Cost of Service	10,851	10,137	(714)
Non Service Expenditure/Income	1,246	3,192	1,946
Income and Grants	(12,119)	(13,636)	(1,517)
(Surplus)/Deficit	(22)	(307)	(283)

- 3.4. **Service Variances** – Commentary on the direct costs and income variances within the service is provided at Appendix B. Some of the service underspends have been carried forward to the 2019/20 financial year. This will often be where a budget has not been fully utilised for which there is an ongoing commitment for which there is not an annual budget or where a grant was received towards the end of the year for which there was not sufficient time to draw down the associated spend. Where the funds have been carried forward this will be shown as an underspend within the net cost of services and offset by a transfer to reserves. Several of the service variances were identified and reported as part of the in-year budget monitoring process.
- 3.5. **Non-Service Expenditure/Income** - The non-service expenditure and income predominantly relates to investment income, interest payable and minimum revenue provision (MRP).
- 3.6. **Treasury Management Activity** - The budget for 2018/19 anticipated loan interest payable totaling £809,113, the outturn position was £710,177 resulting in an underspend of £98,936, mainly due to external borrowing not being undertaken at the levels anticipated and the ability to take advantage of low short-term rates. Interest receivable in the year has exceeded the budget by £203,841 and is mainly due to the interest receivable from the investment in Equinox. The outturn report is recommending the establishment of a treasury management earmarked reserve to mitigate the impact of fluctuations between financial years of the level of investment income received, this is detailed in section 4 of the report. The Treasury Management Annual Report is included on the agenda as a separate item.
- 3.7. **Minimum Revenue Provision** – This represents the cost to the revenue account of decisions made in respect of the financing of capital expenditure, the outturn position

shows a net saving of £262,945 which is largely due to the profile of some of the capital schemes.

- 3.8. Earmarked Reserves – As mentioned above the outturn position allows for additional transfers to earmarked reserves of grants received towards the year end and from budget underspends for which there are ongoing commitments, this has resulted in an additional transfer to reserves compared to the budgeted figure and have been mitigated by underspends and additional income received within the service areas.
- 3.9. Non-Service Funding – Retained Business Rates - The draft outturn position reflects the budgeted position adjusted for known movements from the NNDR3 position including allowance for section 31 grant funding. Overall within the net position there are some significant movements compared to the budget resulting in net receivable income above the level budgeted of £1.4 million. These are largely in relation to the impact of the appeals provision that is allowed for within the NNDR position, the receipt of S31 grants above the level budgeted for and income received in respect of the enterprise zone. The appeals provision continues to allow for the outcome of the power station for the 2010 rating list which has not yet been finalized. A transfer to the collection fund earmarked reserves has been allowed for of £800,000 within the reported outturn position to smooth the impact of appeals and the fluctuations for the income from business rates between financial years. The overall position will be subject to further review and any changes will be used in the statutory statements of accounts with compensating entries allowed for within the earmarked reserve.

4. RESERVES

- 4.1. The Council holds a general reserve for which the recommended balance is currently £2.75 million. The purpose of holding a general reserve is to provide a working balance to help cushion the impact of uneven cash flows to avoid temporary borrowing and to provide a contingency to help cushion the impact of unexpected events or emergencies.
- 4.2. In addition to the general reserve the Council holds a number of earmarked reserves to meet known or predicted liabilities and also funds that are carried forward to the new financial year to fund ongoing commitments and known liabilities for which no separate revenue budget exists.
- 4.3. There are a number of earmarked reserves that have balances, where the timing of the use of the reserve is yet to be agreed and /or where contributions from the reserves will be made during 2019/20 for spending commitments.
- 4.4. The transfers to and from reserves (general and earmarked) are included within the reserves statement as detailed at Appendix C. The appendix shows the planned use of reserves over the medium term to take account of where funding has been rolled forward from 2018/19 for use in 2019/20 and future years. The general reserve balance at 1 April 2018 was just over £4.6 million. Previously an element of the general reserve was assumed to be re-allocated/used during 2018/19 to finance capital spend. These financing assumptions have been reviewed and revised transfers are proposed as part of the outturn report and an element of this reserve reallocated as referred to below.
- 4.5. As part of the outturn report the opportunity has been taken to review a number of the earmarked and general reserves and to make recommendations for further ear-marking

of funds in the short to medium term. This report is making recommendations for some re-allocations from the general reserve and also transfers to earmarked reserves as follows:

- 4.5.1. Repairs and Maintenance – Allocating £100,000 to the reserve that is used
 - 4.5.2. Treasury Management – Establishing of a new reserve to mitigate the year on year fluctuations of investment income of £200,000.
 - 4.5.3. Collection Fund – Allocation of an element of the additional business rates income (£800,000) received in the year to mitigate the timing of rates income and fluctuations between financial years for appeals.
 - 4.5.4. Invest to Save – Earmarking of a further £250,000 for invest to save projects including an element for the digital strategy work that will be presented for approval.
 - 4.5.5. Special Projects - £100,000 allocated to the special projects reserve to be used as one-off funding and matched funding.
 - 4.5.6. Asset Management Reserve – reallocation £1.9million from the general reserve to be utilised in part (£200,000) to smooth the impact of timing of income receivable from property and assets and the balance to be earmarked for investments in Council assets, including current and future asset enhancements that will mitigate and smooth the revenue impact for which business cases will be brought forward for approval. The allocation from the general reserve is being recommended due to an amendment to the financing of the capital expenditure and the use of borrowing as opposed to the use of the revenue reserves.
- 4.6. All reserves will be reviewed as part of the upcoming work on the Medium Term Financial Strategy which will be presented to Members later in the year.

5. SUMMARY – REVENUE ACCOUNT 2018/19

- 5.1. The outturn position for the year ending 31 March 2019 is a £307k surplus. This is after allowing for planned movements to and from reserves as detailed in the report. The report is recommending that the surplus for the year is transferred to the general reserve.
- 5.2. The detail within the report and appendices have highlighted a number of significant variances compared to the budgeted position. A number of these were flagged as part of the in-year budget monitoring reports to Members and where applicable revised projections have been factored into the 2019/20 budget along with future financial projections. Where other variances have been identified further work will be carried out in the coming months ahead of the work on the future financial strategy and budget processes these will be taken account of in the 2020/21 Medium term financial strategy and future budget reports.

6. HOUSING REVENUE ACCOUNT – 2018/19

- 6.1. The outturn report for the Housing Revenue Account is included as a separate item on the agenda for the Housing and Neighbourhoods committee. The main implications for the general fund are in respect of the recharging of support costs that are made to the HRA.

- 6.2. The HRA operates as a ring fenced account in that the reserves for the HRA are held separately to those of the general fund. The capital programme for the HRA is included within the overall capital programme as referred to in section 8.
- 6.3. A summary position of the HRA outturn is included at Appendix D. The HRA outturn position for 2018/19 was a surplus of £1.178m against a forecasted deficit of £1.654m, resulting in a variance of £2.832m.
- 6.4. The 2018/19 outturn underspend is largely due to a delay in both revenue and capital works, the majority of which will be undertaken in the new year. Underspends have been carried forward to 2019/20.
- 6.5. The HRA 2018/19 opening reserves balance was £10.221m. As a result of the 2018/19 surplus in year being higher than originally anticipated, the closing 2018/19 reserves balance has been revised to £11.399m.
- 6.6. The outturn report for the Housing Revenue Account is included as a separate item on the agenda for the Housing and Neighbourhoods committee. The main implications for the general fund are in respect of the recharging of support costs that are made to the HRA.

7. CAPITAL PROGRAMME – GENERAL FUND

- 7.1. This section of the report presents the financing of the capital programme for 2018/19, along with an updated programme for 2019/20 as reported in the 2019/20 Budget in February 2019 (Appendix E) allowing for slippage of capital schemes between financial years. Appendix D provides the detail of the outturn on the 2018/19 capital programme for all service areas, together with the financing for all schemes.
- 7.2. The outturn position for the 2018/19 capital programme, at Appendix D, highlights where schemes have slipped between financial years. The reasons for slippage include where schemes have not progressed as originally planned, and the funding is requested for carry forward to the new financial year.
- 7.3. The following table provides a summary of the 2018/19 capital programme for the general fund. The revised budget was reported to Members in February 2019 as part of the budget report.

7.4.

	Expenditure £000				2019/20
	Original Budget 1819	Revised Budget 1819	Outturn 2018/19	Variances	Roll forward
Neighbourhood Management	147	171	10	(161)	162
Customer Services	232	279	11	(268)	208
Inward Investment	7,626	8,501	2,448	(6,053)	6,044
Housing (GF)	1,967	2,437	1,322	(1,115)	1,169
IT, Communications and Marketing	291	322	68	(254)	254
Property and Asset Management	8,896	13,722	3,736	(9,986)	9,004
	19,159	25,433	7,596	(17,837)	16,843

7.5. **Customer Services**

7.5.1. Replacement Pay and Display Machines - This project is due to be completed early in 2019/20.

7.6. **Inward Investment**

7.6.1. Marina Centre Refurbishment - Costs incurred in the current year reflect those that have been approved in relation to the design and re-provision of the leisure facility. Approval of the next stage of the project will be presented to Members in June/July and therefore the remaining budget has been carried forward to 2019/20.

7.6.2. Waterways – Works on the site are set to be completed in the summer of 2019 and therefore only £0.5m of the total £2.5m capital budget remains to be spent in 2019/20.

7.7. **Housing**

7.7.1. Empty Homes & Homes for Health – The underspend for the financial year is as expected as project plans for spend of the identified monies have been in development, Housing and Neighbourhoods Committee approved the spend in relation to empty homes in December 2018.

7.8. **IT, Communications and Marketing**

7.8.1. ICT Investment - A review of the ICT service provision in 2018/19 revised the timing and spend of ICT projects resulting in £65k of the £320k budget being spent in 2018/19. The remainder will be carried forward into the new financial year.

7.9. **Property and Asset Management**

7.9.1. Public Toilet Refurbishment Programme – The transfer of GYB Services staff into the Council, to manage the capital works and maintenance of the Council's assets, postponed the completion of the planned works in 2018/19. The remaining £110k balance is to be carried forward into 2019/20.

7.9.2. Esplande Resurfacing – There has been some delay to the works being completed partly due to the delay with the transfer of the property function from GYBS which

limited the amount of capital works that could complete be completed following the transfer in November but also it is more cost effective to undertake a larger area of refurbishment in relation to surfacing works so the budget will be carried forward to address a more significant area during the winter 2019/20 period.

- 7.9.3. Beach Huts – Of the £270k budget approved £91k has been spent in 2018/19 building the amenity block for the beach huts. The remaining balance is to be carried forward to be spent on the beach huts in line with sales.
- 7.9.4. Beacon Park Local Authority Trading Company: To date the Council has invested £4.7m in Equinox Enterprise Limited. The remaining balance is to be carried forward for future investments.
- 7.9.5. Beacon Park - Projects: Currently no significant works have been agreed but the roll forward reflects the current expected commitments in 2019/20 for infrastructure works.
- 7.9.6. Market Place Redevelopment – Members approved the allocation of the £1.2m in December 2018, this has been carried forward to 2019/20.
- 7.9.7. Energy Park - South Denes: £412k was spent on the project in 2018/19, further spend on this project is reliant on sites becoming available to enable works to be completed. The unspent budget will be rolled forward into the following financial year.

8. FUTURE FINANCIAL POSITION 2019/20 ONWARDS

- 8.1. The budget for 2019/20 was approved in February 2019. At the same time financial projections for the following two years to 2021/22 were also reported. The budget for 2019/20 approved a number of ongoing and new savings and these continue to be monitored with services as part of the overall budget monitoring processes.
- 8.2. Where service variances have occurred for 2018/19 these have been reviewed to identify future year implications. In addition, all underspends from 2018/19 will be reviewed to ensure future budgets are reflective of service requirements.
- 8.3. The forward financial projections from 2019/20 onwards make assumptions around the future funding from government support and known commitments and changes to service expenditure. Table 6 below provides a summary of the current reported funding gaps for the next three years.

Table 6 – Current Reported Funding Forecast			
	2019/20	2020/21	2021/22
	£000	£000	£000
Current Funding Gap ¹	87	1,508	2,365

- 8.4. The forward projections of expenditure and income will be updated to take account of the outturn position and also other spending/income pressures that have been identified

¹ As reported in the 2019/20 Budget Report, February 2019

outside of the budget process. These will be reported to Members as part of the Financial Strategy update to enable early preparation for the 2020/21 budget process which will be informed by the outcomes of a number of key pieces of national review work, namely Spending Review, Fair Funding Review and Business Rates Retention.

- 8.5. In addition, as part of the work on the financial strategy a review of all reserve balances will be carried out.

9. FINANCIAL IMPLICATIONS

- 9.1. The financial implications of the outturn report are detailed within the main body of the report and risk implications section.

10. RISK IMPLICATIONS

- 10.1. There are a number of financial risks that continue to face all Local Authorities in terms of funding both in the short and medium term, most significantly the future of the Local Retention of Business Rates and responding to spending pressures and changes in service demand. The more significant risks in relation to the outturn position for 2018/19 and the ongoing financial position are summarised below.
- 10.2. **Budget Pressures** - The outturn report has identified a number of year-end variances compared to the approved budget at the service level, some of which are significant for example lower income levels achieved, in addition turnover and vacancies savings have been highlighted, some of which have been offset by the use of interim and agency appointments and overtime pending recruitment. Some of the underspends for 2018/19 are in relation to ongoing savings which have already been factored into the 2019/20 base budget. The overall position and year end variances will be reviewed over the coming months as part of the early preparation work for future budget setting processes. The budget for 2019/20 made assumptions around achievement of income targets from fees and charges and future inflationary costs. The budget assumed a 2% pay award for 2019/20 and future years.
- 10.3. **Housing Benefit Subsidy** – as mentioned earlier in the report the outturn position includes the unaudited benefits subsidy position. Expenditure in the region of £30million has been incurred in the year to be recovered from subsidy payable by the Department for Work and Pensions (DWP). The final position will not be confirmed until the claim has been audited by the Councils external auditors and signed off by the DWP later in the year. There is a risk around changes to the claim and subsidy recoverable which is mitigated by the earmarked or general reserve to help mitigate the impact of any claw back from the DWP following the final audited subsidy claim.
- 10.4. **Business Rates Retention Scheme** – Local Authority funding from business rates continues to face risks around funding fluctuations due to increases and decreases in the rateable values (RV) of non-domestic properties and the outcome of appeals against RV. At the time of writing the report a draft outturn position was assumed for the level of retained income from business rates. The NNDR 3 return has been submitted and has been used to inform the outturn position along with the data included in the NNDR1 return. The NNDR returns do include assumptions around provisions for appeals and backdating, however these elements could be subject to fluctuations and therefore the

Collection Fund (Business Rates) earmarked reserve is held to mitigate some of the risks around fluctuations in business rates income.

- 10.5. **Future Funding** - The impact of a greater share of business rates retention from 2020/21 is yet to be fully quantified and understood, there have been a number of technical consultations to date, although there are no definitive timescales for the outcomes of the spending review, fair funding review and retention of business rates that will inform the funding allocations for Local Government from 2020/21 onwards. Assumptions on future funding will need to be made to inform the medium term financial strategy and future budget process. The Council continues to hold a general and number of earmarked reserves that can be used in the short term to mitigate any adverse impact on the overall financial position.

11. CONCLUSIONS

- 11.1. The outturn position on the general fund revenue account as at 31 March 2019 shows an underspend of £307k which has been allocated to the general reserves. The position as reported has been used to inform the production of the statutory accounts which are subject to audit by the Council's external auditors EY. The accounts will be presented to the Audit and Risk Committee on 29 July 2019.

12. **BACKGROUND PAPERS** – Budget monitoring reports, NNDR returns and Subsidy claims.

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:	Author
Existing Council Policies:	
Financial Implications:	Within the report
Legal Implications (including human rights):	
Risk Implications:	
Equality Issues/EQIA assessment:	
Crime and Disorder:	
Every Child Matters:	

General Fund Summary Out Turn 2018/2019

	Original Budget 2018/19 £	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £
Net Cost of Services				
Executive	114,115	292,724	217,166	(75,558)
Housing	1,511,719	1,504,121	1,162,466	(341,655)
Inward Investment	3,026,364	2,744,844	3,295,173	550,329
Organisational Development	436,597	582,413	314,289	(268,124)
Planning and Growth	723,979	721,233	807,942	86,709
Customer Services	(372,186)	(543,396)	77,216	620,612
Property and Asset Management	370,090	240,297	1,184,354	944,057
IT, Communications and Marketing	618,358	592,667	769,171	176,504
Environmental Services	4,158,517	5,053,347	4,793,178	(260,169)
Finance	7	37,143	6	(37,137)
Savings to be allocated to a service	(200,000)	(200,000)	0	200,000
	10,387,560	11,025,393	12,620,962	1,595,569
Non Service Expenditure/Income				
Loan Interest Payable	809,113	809,113	710,177	(98,936)
Interest Receivable	(64,315)	(64,315)	(268,256)	(203,941)
Capital Charges Reversal	(1,230,134)	(1,530,134)	(2,812,992)	(1,282,858)
Revenue Contribution to Capital	0	0	148,162	148,162
Transfers To/From Earmarked Reserves	(921,258)	(1,563,729)	3,145,905	4,709,634
Transfers To/From General Reserve	0	0	(1,900,000)	(1,900,000)
Pension Back Funding	1,403,000	1,540,250	1,779,703	239,453
Parish Precepts & Concurrent Grants	411,663	411,663	411,673	10
Provision for Loan Repayment (MRP)	1,432,906	1,432,906	1,169,961	(262,945)
Accounting Adjustments - soft loans, acc absences	0	0	(1,707,557)	(1,707,557)
Vacancy Management & Apprenticeship Levy	(114,550)	35,500	31,002	(4,498)
	1,726,425	1,071,254	707,777	(363,477)
Income				
Council Tax - Parishes	(411,663)	(411,663)	(411,663)	0
Council Tax - Borough	(4,357,745)	(4,357,745)	(4,362,997)	(5,252)
Business Rates	(4,145,833)	(4,145,833)	(5,611,441)	(1,465,608)
Revenue Support Grant	(2,544,905)	(2,544,905)	(2,544,905)	0
New Homes Bonus	(627,700)	(627,700)	(627,700)	0
Other Grants	(31,199)	(31,199)	(77,295)	(46,096)
	(12,119,045)	(12,119,045)	(13,636,001)	(1,516,956)
(Surplus)/Deficit	(5,060)	(22,398)	(307,262)	(284,864)

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Note 1 Support Services Recharges:

Support Services Recharge variances are driven by the variances in direct costs and income identified under those services recharged across the Council.

Note 2 IAS19 Accounting Adjustment:

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

Executive

Executive Team	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	633,792	651,400	17,608	The budget did not include all of the incremental pay increases for 18-19 which resulted in an overspend at year-end of £16.8k while increased staff hours added an additional overspend of £5.4k.
Non-pay	17,186	28,342	11,156	This relates to combined overspends for conference fees, travel & subsistence where actual costs are above base budgets.
Gross Direct Income	(50,000)	(51,712)	(1,712)	No significant variances
Net Direct Expenditure/(Income) Total:	600,978	628,030	27,052	
Support Services Recharges	(604,790)	(752,410)	(147,620)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	124,405	124,405	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(3,812)	24	3,836	

Legal	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	240,000	298,572	58,572	This overspend relates to a stakeholder fee of £42k for additional activity above the contracted levels and an invoice relating to the previous financial year which was not accrued in the previous financial year.
Gross Direct Income	(30,000)	(67,663)	(37,663)	This over recovery of income is due to higher than anticipated 17-18 profit sharing of £22k and monies received from the recovery of court costs which were higher than expected budgeted level.
Net Direct Expenditure/(Income) Total:	210,000	230,909	20,909	
Support Services Recharges	(210,010)	(230,910)	(20,900)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(10)	9	19	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Equinox	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	0	2,790,974	2,790,974	These reflect the intercompany transactions and the balance reflects costs in relation to the prior year that had not been accrued.
Gross Direct Income	0	(2,711,323)	(2,711,323)	
Net Direct Expenditure/(Income) Total:	0	79,652	79,652	
Support Services Recharges	0	0	0	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	0	79,652	79,652	

Town Centre Initiative	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	21,417	21,418	1	No significant variances
Non-pay	209,299	202,416	(6,883)	No significant variances
Gross Direct Income	(49,246)	(86,328)	(37,082)	Costs previously incurred for the Market Place Redevelopment Project are now to be recovered from the Business Rate Pool Funding allowing (£46.2k) to be transferred to reserves.
Net Direct Expenditure/(Income) Total:	181,470	137,505	(43,965)	
Support Services Recharges	0	0	0	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	181,470	137,505	(43,965)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Corporate Costs	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	115,076	95,376	(19,700)	This underspend principally relates to External Audit where costs have not been as high as previously expected.
Gross Direct Income	0	(60)	(60)	No significant variances
Net Direct Expenditure/(Income) Total:	115,076	95,316	(19,760)	
Support Services Recharges	0	(95,330)	(95,330)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	115,076	(14)	(115,090)	
Total Executive:	292,724	217,166	(75,558)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Housing

Housing Needs	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	479,779	615,467	135,688	Increased costs following a housing restructure which is offset by underspends within other housing services and recharging and allocation of costs to the HRA, increased housing teams to increase the output of homelessness prevention and new burdens works funded by additional grant in the year received in year of £116k.
Non-pay	301,192	510,015	208,823	B&B and rent payable costs overspent by a cumulative £139k. These are demand led services which have received increased requests within 2018/19. Income recovery figures have also increased to partly offset the overspend as per below. Overspend of £41k due to the purchase of the Locata system to better assist with the rising demand of housing enquiries. Homelessness and new burdens expenditure offset by funding received in year of £116k.
Gross Direct Income	(227,669)	(885,306)	(657,637)	Increased income recovery of £77k in line with increased service demand as per above. Homelessness and new burdens funding of £116k received in year to support increase in new burdens & homelessness projects. Grant funding of £426k moved to earmarked reserves to support new burdens & homelessness in future years.
Net Direct Expenditure/(Income) Total:	553,302	240,176	(313,126)	
Support Services Recharges	311,430	282,861	(28,569)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	111,996	111,996	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	18,515	11,806	(6,709)	No significant variances
Total:	883,247	646,838	(236,409)	

Housing Strategy	Revised Budget 2018/19 £	Actuals 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	73,869	77,462	3,593	No significant variances
Non-pay	49,273	63,876	14,603	Community Housing fund expenditure offset by earmarked reverses of £39k.
Gross Direct Income	0	(15,680)	(15,680)	No significant variances
Net Direct Expenditure/(Income) Total:	123,142	125,658	2,516	
Support Services Recharges	73,400	62,840	(10,560)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	14,769	14,769	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	24,437	23,792	(645)	No significant variances
Total:	220,979	227,059	6,080	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Traveller's Site/ Gapton Hall (NEW)	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	0	63,159	63,159	This is a new service area. Unbudgeted sewage works were required at the site at a total cost of £15k. The overspend also reflects increased utility fees, site maintenance and clearance charges. Costs have been partial recovered from site income below.
Gross Direct Income	0	(34,575)	(34,575)	Rental and services income received from site to cover the increased costs highlighted above.
Net Direct Expenditure/(Income) Total:	0	28,584	28,584	
Support Services Recharges	0	19,570	19,570	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	0	48,154	48,154	

Private Sector Housing	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	80,590	54,215	(26,375)	Housing management restructure which mitigates increased costs included within other housing departments.
Non-pay	67,627	41,301	(26,326)	Handy person contractor withdrawal and minimal admin support resulted in reduced applications and costs received in year.
Gross Direct Income	(37,400)	(19,477)	17,923	No significant variances
Net Direct Expenditure/(Income) Total:	110,817	76,039	(34,778)	
Support Services Recharges	94,320	38,880	(55,440)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	10,769	10,769	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	205,137	125,688	(79,449)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Safe at Home	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	307,952	308,712	760	No significant variances
Non-pay	45,283	36,844	(8,439)	No significant variances
Gross Direct Income	(276,727)	(366,766)	(90,039)	Increased income received from Safe at home fees of £33k.
Net Direct Expenditure/(Income) Total:	76,508	(21,209)	(97,717)	
Support Services Recharges	118,250	83,310	(34,940)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	52,627	52,627	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	194,758	114,727	(80,031)	
Total Housing:	1,504,121	1,162,466	(341,655)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Inward Investment

Projects and Programmes	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	144,698	148,968	4,270	No significant variances
Non-pay	4,600	8,426	3,826	No significant variances
Gross Direct Income	0	0	0	
Net Direct Expenditure/(Income) Total:	149,298	157,394	8,096	
Support Services Recharges	36,760	209,890	173,130	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	41,486	41,486	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	186,058	408,770	222,712	

Parks and Outdoor spaces	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	181,717	171,825	(9,892)	No significant variances
Gross Direct Income	0	(987)	(987)	
Net Direct Expenditure/(Income) Total:	181,717	170,838	(10,879)	
Support Services Recharges	27,720	11,740	(15,980)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	3,367	3,522	155	
Total:	212,804	186,100	(26,704)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Outdoor Sports	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	342,638	329,163	(13,475)	There is an £11k underspend to date on the Wellesley Recreation Ground project that is being carried forward to 2019/20 in line with the completion date. Below budget Outdoor Sports income has resulted in both lower costs, partially offset by a £6k bad debt provision, and lower income than budgeted. Steps have been taken to improve both the income and utilisation of outdoor sports.
Gross Direct Income	(112,726)	(96,218)	16,508	
Net Direct Expenditure/(Income) Total:	229,912	232,946	3,034	
Support Services Recharges	38,490	22,510	(15,980)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	33,434	290,989	257,555	Updated capital charges, notional charges and these do not impact on the bottom line.
Total:	301,836	546,445	244,609	

CCTV	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	147,153	138,320	(8,833)	No significant variances
Gross Direct Income	(4,000)	(4,000)	0	
Net Direct Expenditure/(Income) Total:	143,153	134,320	(8,833)	
Support Services Recharges	22,410	17,880	(4,530)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	1,500	0	(1,500)	
Total:	167,063	152,200	(14,863)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Culture and Leisure	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	21,001	40,889	19,888	The role of Cultural Lead was extended to the end of February 2019 this was originally budgeted for to the end of September 2018.
Non-pay	183,744	252,338	68,594	The variance refers specifically to additional funding for St George's Theatre Trust as previously approved by Committee.
Gross Direct Income	0	9,559	9,559	No significant variances
Net Direct Expenditure/(Income) Total:	204,745	302,787	98,042	
Support Services Recharges	42,290	55,800	13,510	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	8,018	8,018	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	247,035	366,605	119,570	

Voluntary Sector Grants	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	93,500	96,767	3,267	No significant variances
Gross Direct Income	(53,000)	(53,000)	0	
Net Direct Expenditure/(Income) Total:	40,500	43,767	3,267	
Support Services Recharges	22,760	22,120	(640)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	63,260	65,887	2,627	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Indoor Leisure - Phoenix Pool & Marina Centre	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	172,809	314,589	141,780	£74k of the variance reflects costs incurred in respect of the living wage. The remaining overspend of £63k refers to costs in relation to the new Marina Centre Project, these costs cannot be capitalised.
Gross Direct Income	0	0	0	
Net Direct Expenditure/(Income) Total:	172,809	314,589	141,780	
Support Services Recharges	26,460	38,520	12,060	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	392,415	386,500	(5,915)	
Total:	591,684	739,609	147,925	

Neighbourhood Management	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	360,942	335,570	(25,372)	This variance is a result of maternity leave partially offset by agency cover costs and a vacant post due to early retirement.
Non-pay	905,926	1,013,346	107,420	£113k expenditure on "Social Prescribing" offset by matching grant income from Norfolk County Council. Agency costs of £29.9k were incurred to cover maternity leave
Gross Direct Income	(868,583)	(991,235)	(122,652)	Additional income of (£119k) from Social Prescribing and £20k contribution to the Help Hub Co-ordinator role.
Net Direct Expenditure/(Income) Total:	398,285	357,681	(40,604)	
Support Services Recharges	(122,360)	(96,770)	25,590	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	55,662	55,662	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	275,925	316,573	40,648	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Waterways	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	155,979	102,981	(52,998)	Staff employed on the project started later than programmed.
Non-pay	161,862	23,178	(138,684)	Costs have not been incurred as originally programmed but are expected to be spent.
Gross Direct Income	(235,109)	(111,415)	123,694	Funding is claimed based on spending therefore the fall in costs noted above results in a fall in the income claimed.
Net Direct Expenditure/(Income) Total:	82,732	14,744	(67,988)	
Support Services Recharges	0	61,380	61,380	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	20,214	20,214	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	82,732	96,338	13,606	

Conservation	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	109,930	100,818	(9,112)	
Non-pay	106,095	152,805	46,710	Additional £30k costs which are being match funded by Historic England for Town Wall repairs, reflected in income variance below. Agency staff costs have been incurred to cover a vacant permanent post which has now been filled.
Gross Direct Income	0	(35,633)	(35,633)	As above.
Net Direct Expenditure/(Income) Total:	216,025	217,989	1,964	
Support Services Recharges	63,580	40,770	(22,810)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	18,917	18,917	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	26,129	90,049	63,920	Updated capital charges
Total:	305,734	367,726	61,992	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Economic Development	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	143,988	22,892	(121,096)	This underspend is as a result of the restructure of Economic Development. The underspent budget is being rolled forward to 2019/20
Non-pay	38,799	(10,490)	(49,289)	
Gross Direct Income	(1,500)	0	1,500	
Net Direct Expenditure/(Income) Total:	181,287	12,402	(168,885)	
Support Services Recharges	90,920	88,240	(2,680)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	3,160	3,160	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	272,207	103,802	(168,405)	

Enterprise GY	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	18,634	16,008	(2,626)	No significant variances
Non-pay	21,705	40,040	18,335	Both expenditure and income refers to the "Spirit of Enterprise"
Gross Direct Income	(1,833)	(15,320)	(13,487)	
Net Direct Expenditure/(Income) Total:	38,506	40,727	2,221	
Support Services Recharges	0	0	0	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	2,771	2,771	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	38,506	43,498	4,992	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Inclusion Project	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	28,291	28,291	
Non-pay	0	31,727	31,727	This is an unbudgeted project funded by the European Social Fund
Gross Direct Income	0	(60,019)	(60,019)	
Net Direct Expenditure/(Income) Total:	0	0	0	
Support Services Recharges	0	0	0	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	0	0	0	

Enterprise Zone	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	
Non-pay	0	917,417	917,417	Recognition of costs in relation to the Enterprise Zones (Beacon Park & South Denes) within the borough that are able to be recovered in agreement with the Local Enterprise Partnership and Enterprise Zone arrangement. These costs were not separately identified when the 2018/19 budget was set as a reliable methodology for estimating them had not been developed. These are offset by the income below.
Gross Direct Income	0	(1,015,797)	(1,015,797)	This represents income from business rates generated from the operation of the Enterprise Zones (Beacon Park and South Denes Energy Park) within the borough.
Net Direct Expenditure/(Income) Total:	0	(98,380)	(98,380)	
Support Services Recharges	0	0	0	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	0	(98,380)	(98,380)	

Total Inward Investment:	2,744,844	3,295,173	550,329	
---------------------------------	------------------	------------------	----------------	--

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Organisational Development

Corporate Strategy	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	80,039	70,532	(9,507)	Vacancy for part year.
Non-pay	1,250	3,858	2,608	No significant variances
Gross Direct Income	0	0	0	No significant variances
Net Direct Expenditure/(Income) Total:	81,289	74,390	(6,899)	
Support Services Recharges	(82,260)	(88,540)	(6,280)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	14,137	14,137	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(971)	(13)	958	

Elections	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	148,344	120,064	(28,280)	An internal virement of pay costs to reflects the actual allocation of staff time. Further savings have been achieved due to reduced expenditure of (£10k) for casual staff compared to budget. These have enabled £17k of this combined underspend to be transferred to reserves to support anticipated election costs in 2019-20.
Non-pay	105,401	115,893	10,492	This full year figure results from an estimate of monies owed to HMRC in relation to an outstanding VAT claim for elections held in previous years, less savings in casual staff costs, postage and printing & stationery.
Gross Direct Income	(19,700)	(34,030)	(14,330)	Increased funding in relation to the Individual Electoral Register has been received which has not been reflected by increased costs.
Net Direct Expenditure/(Income) Total:	234,045	201,927	(32,118)	
Support Services Recharges	220,690	191,980	(28,710)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	14,202	14,202	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	454,735	408,108	(46,627)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Licensing	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	67,953	90,320	22,367	This relates to pay costs transferred from Elections to acknowledge the dual role of two staff budgeted under this department.
Non-pay	27,496	28,104	608	No significant variances
Gross Direct Income	(276,013)	(317,334)	(41,321)	This underspend is a combination of various small balances for licensing income where out of a total of twenty four different types of licence, 63% are above budgeted levels.
Net Direct Expenditure/(Income) Total:	(180,564)	(198,910)	(18,346)	
Support Services Recharges	69,710	86,650	16,940	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	18,448	18,448	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(110,854)	(93,812)	17,042	

Member Services	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	124,817	66,148	(58,669)	A pay vacancy has been held all year equating to (£41.8k) but this has partly been used to fund the costs of consultancy interim cover below. Further savings have been achieved of (£7.7k) for overtime and (£9.3k) for training. However £26.3k of this underspend has been transferred to reserves to cover the 'over-lap' costs of the new Corporate Services Manager and the current interim arrangement until August and expected increased costs due to new member training requirements in 2019-20.
Non-pay	300,272	312,285	12,013	An underspend has occurred as the budget anticipated 21 member allowances being paid for the year however as four members have dual Committee responsibilities they only receive one allowance, so only 17 allowances have been paid. This has resulted in full year underspends of (£16.8k) but this has been offset by an overspend for consultancy costs which is stated above.
Gross Direct Income	0	0	0	No significant variances
Net Direct Expenditure/(Income) Total:	425,089	378,433	(46,656)	
Support Services Recharges	(328,610)	(385,760)	(57,150)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	7,323	7,323	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	96,479	(5)	(96,484)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Human Resources	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	437,529	347,703	(89,826)	The HR team were restructured during the year and although vacancies and savings were made for established posts these were reduced by increased costs for agency staff. The majority of this underspend is due to savings in training and (£70.5k) has been carried forward to reserves.
Non-pay	105,815	53,674	(52,141)	This consists of (£15k) saving on computers as the Nimbus software was not renewed this year, (£10.7k) for DBS checks which although additional monies were allocated were not required and £8.5k for recruitment costs to support the restructure. A further underspend of (£35.3k) has occurred due to the slippage of the HR & Payroll systems review and this has been carried forward to reserves.
Gross Direct Income	0	(1,138)	(1,138)	No significant variances
Net Direct Expenditure/(Income) Total:	543,344	400,239	(143,105)	
Support Services Recharges	(400,320)	(449,080)	(48,760)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	48,852	48,852	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	143,024	10	(143,014)	
Total Organisational Development:	582,413	314,289	(268,124)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Planning and Growth:

Building Control	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	233,286	237,644	4,358	No significant variances
Non-pay	35,280	29,312	(5,968)	No significant variances
Gross Direct Income	(249,700)	(271,168)	(21,468)	More building inspection fee income received than budgeted.
Net Direct Expenditure/(Income) Total:	18,866	(4,212)	(23,078)	
Support Services Recharges	100,920	94,230	(6,690)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	46,607	46,607	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	119,786	136,625	16,839	

Development Control	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	522,767	466,218	(56,549)	Two staff vacancies during the year has resulted in an estimated underspend. This is partial offset by interim agency costs.
Non-pay	37,948	48,158	10,210	No significant variances
Gross Direct Income	(527,000)	(477,582)	49,418	Income for planning fees are lower than expected when the budget was set. Pre-application charging was implemented later in 2018 (October) than originally expected at budget setting time.
Net Direct Expenditure/(Income) Total:	33,715	36,795	3,080	
Support Services Recharges	127,370	90,730	(36,640)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	85,856	85,856	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	161,085	213,381	52,296	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Land Charges	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	42,558	45,819	3,261	No significant variances
Non-pay	41,178	33,416	(7,762)	No significant variances
Gross Direct Income	(188,100)	(113,818)	74,283	No significant variances
Net Direct Expenditure/(Income) Total:	(104,364)	(34,583)	69,781	
Support Services Recharges	62,930	44,520	(18,410)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	9,334	9,334	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	1,746	0	(1,746)	No significant variances
Total:	(39,688)	19,272	58,960	

Strategic Planning	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	345,984	310,210	(35,774)	A strategic planner post was vacant for much of the year.
Non-pay	64,361	50,175	(14,186)	No significant variances
Gross Direct Income	(39,345)	(87,633)	(48,288)	New burdens grant funding carried forward to 2019/20 when expenditure will be incurred.
Net Direct Expenditure/(Income) Total:	371,000	272,752	(98,248)	
Support Services Recharges	109,050	106,310	(2,740)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	59,602	59,602	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	480,050	438,664	(41,386)	

Total Planning and Growth:	721,233	807,942	86,709	
-----------------------------------	----------------	----------------	---------------	--

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Customer Services

Benefits	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	618,015	578,444	(39,571)	The forecast underspend is offset by under/over spends on Customer Services, Support Services and Revenues.
Non-pay	27,591,894	24,380,642	(3,211,252)	Additional New Burdens payment of (£13.7k) and additional Admin grant of (£41.1k) received.
Gross Direct Income	(28,454,106)	(25,446,610)	3,007,496	Funding for Universal Credit full transition service costs for (£186k) to be transferred to reserves
Net Direct Expenditure/(Income) Total:	(244,197)	(487,524)	(243,327)	
Support Services Recharges	380,258	435,313	55,055	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	110,844	110,844	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	136,061	58,633	(77,428)	

Crematorium and Cemeteries	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	181,502	181,945	443	No significant variances
Non-pay	583,558	555,621	(27,937)	The underspend is made up of a number of small variances however a (£13.1k) underspend on repairs and maintenance is being carried forward 2019/20
Gross Direct Income	(1,423,607)	(1,416,920)	6,687	No significant variances
Net Direct Expenditure/(Income) Total:	(658,547)	(679,354)	(20,807)	
Support Services Recharges	137,130	133,260	(3,870)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	35,722	35,722	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	59,248	454,385	395,137	Updated capital charges, notional charges and these do not impact on the bottom line.
Total:	(462,169)	(55,987)	406,182	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Customer Services	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	521,237	568,626	47,389	The forecast overspend is offset by under/over spends on Benefits, Support Services and Revenues.
Non-pay	3,311	1,891	(1,420)	No significant variances
Gross Direct Income	0	0	0	
Net Direct Expenditure/(Income) Total:	524,548	570,516	45,968	
Support Services Recharges	(632,740)	(681,320)	(48,580)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	110,797	110,797	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(108,192)	(7)	108,185	

Support Services	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	159,538	172,826	13,288	The forecast overspend is offset by under/over spends on Customer Services, Benefits and Revenues.
Non-pay	5,659	4,531	(1,128)	No significant variances
Gross Direct Income	0	67	67	No significant variances
Net Direct Expenditure/(Income) Total:	165,197	177,424	12,227	
Support Services Recharges	(168,690)	(208,480)	(39,790)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	29,178	29,178	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	1,876	1,876	
Total:	(3,493)	(2)	3,491	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Car Parks	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	458,929	415,563	(43,366)	Staff costs are lower than budgeted due to the transfer of parking fines function to Kings Lynn
Non-pay	1,181,487	978,794	(202,693)	The large reduction in the net income payable to NCC of (£238k) against is as a result of the transfer of PCN processing and collection of income to Kings Lynn
Gross Direct Income	(3,041,725)	(2,525,218)	516,507	Car park income is lower than expected at £517k below budget, £270k relates to NCC (see above) the remainder relates to GYBC car parks which is £247k below budget at year end . This position will be closely monitored next year and action has been taken to improve the position where possible including a review of all car park costs and revenues.
Net Direct Expenditure/(Income) Total:	(1,401,309)	(1,130,861)	270,448	
Support Services Recharges	396,090	262,320	(133,770)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	64,162	64,162	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	25,036	35,562	10,526	
Total:	(980,183)	(768,817)	211,366	

Revenues	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	661,518	663,814	2,296	The forecast underspend is offset by under/over spends on Customer Services, Benefits and Support Services.
Non-pay	270,892	279,956	9,064	There is a reduction in legal and recovery costs of (£15k) due to the write off mentioned below
Gross Direct Income	(500,200)	(413,216)	86,984	A review of bad debts and subsequent write off has resulted in an under recovery of summons income of £150k. There is an increase in NNDR Admin income of (£53k)
Net Direct Expenditure/(Income) Total:	432,210	530,554	98,344	
Support Services Recharges	442,370	192,730	(249,640)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	120,112	120,112	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	874,580	843,396	(31,184)	
Total Customer Services:	(543,396)	77,216	620,612	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Property and Asset Management

Public Toilets	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	323,544	326,333	2,789	No significant variances
Gross Direct Income	(4,000)	(2,181)	1,819	No significant variances
Net Direct Expenditure/(Income) Total:	319,544	324,152	4,608	
Support Services Recharges	29,620	60,530	30,910	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	89,287	423,729	334,442	Updated capital charges, notional charges and these do not impact on the bottom line.
Total:	438,451	808,411	369,960	

Repairs and Maintenance	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	428,707	479,032	50,325	This variance relates to the GYBS Partnership transfer and the resulting changes in the allocation of costs/savings over other cost centres budgets to reflect this. For example footway lighting below.
Gross Direct Income	(249,000)	(225,175)	23,825	The 2018-19 Profit Sharing Income was lower than budgeted for both partners.
Net Direct Expenditure/(Income) Total:	179,707	253,857	74,150	
Support Services Recharges	18,980	54,520	35,540	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	214,735	252,225	37,490	Updated capital charges, notional charges and these do not impact on the bottom line.
Total:	413,422	560,602	147,180	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Footway Lighting	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	354,910	294,236	(60,674)	This underspend relates to the GYBS Partnership transfer and the resulting changes in the allocation of costs/savings over other cost centres budgets to reflect this. For example repairs and maintenance above.
Gross Direct Income	0	0	0	No significant variances
Net Direct Expenditure/(Income) Total:	354,910	294,236	(60,674)	
Support Services Recharges	18,000	54,860	36,860	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	61,230	64,194	2,964	
Total:	434,140	413,290	(20,850)	

Coast Protection	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	55,645	51,923	(3,722)	No significant variances
Non-pay	60,295	528,774	468,479	Unbudgeted costs incurred for repair work at Scratby and for a Hemsby option appraisal which should be recoverable below.
Gross Direct Income	(550)	(464,275)	(463,725)	Recovery of above costs from the Environment Agency.
Net Direct Expenditure/(Income) Total:	115,390	116,421	1,031	
Support Services Recharges	23,550	53,210	29,660	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	10,331	10,331	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	332,393	362,692	30,299	Updated capital charges, notional charges and these do not impact on the bottom line.
Total:	471,333	542,654	71,321	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Community Centres	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
-------------------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	0	0	0	No significant variances
Non-pay	11,683	11,424	(259)	No significant variances
Gross Direct Income	(3,152)	(3,639)	(487)	No significant variances
Net Direct Expenditure/(Income) Total:	8,531	7,784	(747)	
Support Services Recharges	10,700	6,310	(4,390)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	18,932	27,142	8,210	
Total:	38,163	41,236	3,073	

Construction Services	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
-----------------------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	445	(4,563)	(5,008)	No significant variances
Non-pay	53,766	45,851	(7,915)	No significant variances
Gross Direct Income	(850)	0	850	No significant variances
Net Direct Expenditure/(Income) Total:	53,361	41,289	(12,072)	
Support Services Recharges	(568,400)	0	568,400	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	71,555	0	(71,555)	
Total:	(443,484)	41,289	484,773	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Council Offices - Town Hall	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	166,856	144,652	(22,204)	Although the expenditure for the cleaning contract reflects an underspend of (£13.7k) the costs have been received but included under the Partnership Contract charges and not separately identified. The balance of the underspend (£9.3k) is due to repairs & maintenance costs which are lower than budget.
Gross Direct Income	0	0	0	No significant variances
Net Direct Expenditure/(Income) Total:	166,856	144,652	(22,204)	
Support Services Recharges	0	(190,990)	(190,990)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	46,342	46,342	
Total:	166,856	4	(166,852)	

Council Offices - Greyfriars	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	96,394	76,554	(19,840)	Although the expenditure for the cleaning contract reflects an underspend of (£13.8k) the costs have been received but included under the Partnership Contract charges and not separately identified.
Gross Direct Income	0	(1,012)	(1,012)	No significant variances
Net Direct Expenditure/(Income) Total:	96,394	75,542	(20,852)	
Support Services Recharges	0	(83,250)	(83,250)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	7,710	7,710	
Total:	96,394	2	(96,392)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Council Offices - Maritime House	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	45,706	34,467	(11,239)	Although the expenditure for the cleaning contract reflects an underspend of (£6.9k) the costs have been received but included under the Partnership Contract charges and not separately identified.
Gross Direct Income	0	0	0	No significant variances
Net Direct Expenditure/(Income) Total:	45,706	34,467	(11,239)	
Support Services Recharges	0	(39,020)	(39,020)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	4,560	4,560	
Total:	45,706	7	(45,699)	

Council Offices - Catalyst Centre	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	14,500	11,672	(2,828)	No significant variances
Gross Direct Income	0	0	0	No significant variances
Net Direct Expenditure/(Income) Total:	14,500	11,672	(2,828)	
Support Services Recharges	0	(16,450)	(16,450)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	4,783	4,783	
Total:	14,500	5	(14,495)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Beach Huts	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
-------------------	---	-----------------------------------	-----------------------	-----------------

Gross Direct Expenditure:

Pay	16,000	0	(16,000)	No activity during year so no expenditure incurred
Non-pay	7,000	16	(6,984)	No activity during year so no expenditure incurred
Gross Direct Income	(24,500)	0	24,500	No activity during year so no income generated.
Net Direct Expenditure/(Income) Total:	(1,500)	16	1,516	
Support Services Recharges	2,370	14,350	11,980	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	870	14,366	13,496	

Easter Fayre	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
---------------------	---	-----------------------------------	-----------------------	-----------------

Gross Direct Expenditure:

Pay	2,000	2,695	695	No significant variances
Non-pay	20,000	22,469	2,469	No significant variances
Gross Direct Income	(15,265)	(15,775)	(510)	No significant variances
Net Direct Expenditure/(Income) Total:	6,735	9,389	2,654	
Support Services Recharges	9,680	5,200	(4,480)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	16,415	14,589	(1,826)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Markets	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	60,578	62,936	2,358	No significant variances
Non-pay	197,734	194,755	(2,979)	No significant variances
Gross Direct Income	(261,869)	(250,497)	11,372	Income from two day market fees reflected an under recovery of £10k with a further £4k fall in income due to the food and craft fayres which did not take place during the year.
Net Direct Expenditure/(Income) Total:	(3,557)	7,195	10,752	
Support Services Recharges	86,430	85,730	(700)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	12,831	12,831	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	4,495	4,820	325	
Total:	87,368	110,576	23,208	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Go Trade	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
----------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	32,413	30,984	(1,429)	Expenditure incurred was higher than budget but recovered below.
Non-pay	25,606	41,669	16,063	Expenditure incurred was higher than budget but recovered below.
Gross Direct Income	(37,995)	(56,591)	(18,596)	Income was higher than budgeted.
Net Direct Expenditure/(Income) Total:	20,024	16,062	(3,962)	
Support Services Recharges	0	0	0	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	20,024	16,062	(3,962)	

Bretts	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
--------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	0	0	0	No significant variances
Non-pay	28,782	29,945	1,163	No significant variances
Gross Direct Income	(43,401)	(45,173)	(1,772)	No significant variances
Net Direct Expenditure/(Income) Total:	(14,619)	(15,228)	(609)	
Support Services Recharges	9,250	8,220	(1,030)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(5,369)	(7,008)	(1,639)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Courts	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
--------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay 0 0 0 No significant variances

Non-pay 11,555 1,749 (9,806) No significant variances

Gross Direct Income (24,019) (14,795) 9,224 No significant variances

Net Direct Expenditure/(Income) Total: (12,464) (13,047) (583)

Support Services Recharges 12,420 10,040 (2,380) See note 1 at the top of this appendix which covers explanation for change in recharges.

IAS19 Accounting Adjustment 0 0 0 See note 2 at the top of this appendix which covers explanation for IAS19 charges.

Capital Charges 0 0 0

Total: (44) (3,007) (2,963)

South Denes Energy Park	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
-------------------------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay 0 0 0 No significant variances

Non-pay 2,600 (420) (3,020) No significant variances

Gross Direct Income (2,600) 31,181 33,781 This under recovery of income relates to the Norfolk Infrastructure funding previously anticipated in previous years which will not now be received.

Net Direct Expenditure/(Income) Total: 0 30,761 30,761

Support Services Recharges 9,260 53,170 43,910 See note 1 at the top of this appendix which covers explanation for change in recharges.

IAS19 Accounting Adjustment 0 0 0 See note 2 at the top of this appendix which covers explanation for IAS19 charges.

Capital Charges 0 0 0

Total: 9,260 83,931 74,671

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Factory Units	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	59,382	108,894	49,512	Additional costs partly due to an increase to the bad debt provision of £52.6k
Gross Direct Income	(114,033)	(155,748)	(41,715)	This over recovery of income is due to rentals for the prior year being invoiced in the current financial year which were not included in the 2017-18 accounts.
Net Direct Expenditure/(Income) Total:	(54,651)	(46,854)	7,797	
Support Services Recharges	19,920	26,680	6,760	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(34,731)	(20,174)	14,557	

Corporate Estates	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	19	20	1	No significant variances
Non-pay	420,834	525,735	104,901	Increased business rates costs of £37.5k have been incurred due to properties being empty. This is offset by a (£12.7k) reduction in insurance costs than anticipated when the budget was set. There has also been an overspend on both electricity £49.5k and water £26.5k which relates to one particular property, however this is recoverable from the occupier (and this is reflected in the income variance below). The balance is principally due to bad debts provision £55k and repairs & maintenance (£55k) where expenditure is less than budget although £16.1k has been carried forward to 2019-20.
Gross Direct Income	(2,426,499)	(2,579,562)	(153,063)	Recharges for electricity and water costs mentioned above equate to (£157k) which is partly due the recovery of 17-18 costs being higher than previously anticipated.
Net Direct Expenditure/(Income) Total:	(2,005,646)	(2,053,807)	(48,161)	
Support Services Recharges	472,590	593,790	121,200	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	7,124	17,082	9,958	
Total:	(1,525,932)	(1,442,935)	82,997	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Minerva House	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
---------------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	0	0	0	No significant variances
Non-pay	76,863	71,112	(5,751)	No significant variances
Gross Direct Income	(36,600)	(46,394)	(9,794)	No significant variances
Net Direct Expenditure/(Income) Total:	40,263	24,719	(15,544)	
Support Services Recharges	22,670	13,990	(8,680)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	62,933	38,709	(24,224)	

Onians	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
--------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	0	0	0	No significant variances
Non-pay	2,825	2,352	(473)	No significant variances
Gross Direct Income	(13,310)	(13,999)	(689)	No significant variances
Net Direct Expenditure/(Income) Total:	(10,485)	(11,647)	(1,162)	
Support Services Recharges	10,670	8,480	(2,190)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	185	(3,167)	(3,352)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Property Services	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	565,531	664,023	98,492	This overspend does not reflect recharges to Capital & HRA which are included below in income equating to (£42.7k) and additional budget of (£15k) which is included under the GYBS Partnership Contract savings but has not been reallocated to this statement upon transfer. The remainder of the overspend is due to the combination of vacancy savings target, flex & holiday accrual and the under recovery of pay charges against budgeted levels.
Non-pay	18,190	21,767	3,577	No significant variances
Gross Direct Income	(22,060)	(11,256)	10,804	This under recovery of income relates to the Norfolk Infrastructure funding previously anticipated in this and previous years of £53k less the recharge income stated above.
Net Direct Expenditure/(Income) Total:	561,661	674,534	112,873	
Support Services Recharges	(409,720)	(804,190)	(394,470)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	129,652	129,652	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	151,941	(4)	(151,945)	

Beacon Park	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	328,227	333,567	5,340	No significant variances
Gross Direct Income	(919,844)	(716,145)	203,699	This under recovery of income is covered by an allocation from reserves in relation to the LEP contract.
Net Direct Expenditure/(Income) Total:	(591,617)	(382,578)	209,039	
Support Services Recharges	28,900	73,540	44,640	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	126,064	129,220	3,156	
Total:	(436,653)	(179,818)	256,835	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Property Building Services	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	0	0	No significant variances
Non-pay	218,549	154,735	(63,814)	This is a new cost centre created to reflect the orders raised by the transferees which were previously included under the GYBS Partnership. The underspend consists of (£20k) for the staff who transferred to Norse and (£43k) for repairs and maintenance although this later amount has been transferred to reserves to meet potential 2019-20 pressures.
Gross Direct Income	0	0	0	
Net Direct Expenditure/(Income) Total:	218,549	154,735	(63,814)	
Support Services Recharges	0	0	0	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	218,549	154,735	(63,814)	
Total Property and Asset Management:	240,297	1,184,354	944,057	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

IT, Communications & Marketing

ICT	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	291,653	277,487	(14,166)	Vacancy saving partially offset by agency costs.
Non-pay	879,198	967,861	88,663	Computer software costs across the business are overspend by £60k as previously reported, this position is under review. Management of the shared service SLA in year will result in efficiency savings since these figures have been reported.
Gross Direct Income	0	(1,347)	(1,347)	
Net Direct Expenditure/(Income) Total:	1,170,851	1,244,001	73,150	
Support Services Recharges	(1,275,040)	(1,353,250)	(78,210)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	52,672	52,672	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	86,670	56,585	(30,085)	
Total:	(17,519)	8	17,527	

Communications	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	177,423	116,391	(61,032)	Staff vacancies & a secondment have resulted in a (£61k) saving partially offset by agency staff mentioned below of £30k .
Non-pay	21,986	50,185	28,199	Agency staff costs of £30k covering staff vacancies
Gross Direct Income	0	(1,898)	(1,898)	No significant variances
Net Direct Expenditure/(Income) Total:	199,409	164,679	(34,730)	
Support Services Recharges	(202,000)	(158,550)	43,450	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	22,734	22,734	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(2,591)	28,862	31,453	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Print and Design	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
------------------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	41,459	42,095	636	No significant variances
Non-pay	62,447	37,870	(24,577)	There is a (£16k) underspend from planned savings from running new printer equipment
Gross Direct Income	(12,500)	(5,874)	6,626	No significant variances
Net Direct Expenditure/(Income) Total:	91,406	74,091	(17,315)	
Support Services Recharges	(92,160)	(82,550)	9,610	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	8,466	8,466	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(754)	6	760	

Tourism	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
---------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	175,458	152,098	(23,360)	Vacancy saving
Non-pay	377,764	308,553	(69,211)	An underspend of (£38k) on advertising, (£19k) on tickets for resale and (£19k) on What's On are partially offset by a £25k overspend on events.
Gross Direct Income	(282,963)	(192,171)	90,792	The reimbursement of costs from GYTA is down by £28k at the year end due to a post becoming vacant. Advertising income and sponsorship is £32k below budget with ticket sales and commission £20k below budget.
Net Direct Expenditure/(Income) Total:	270,259	268,479	(1,780)	
Support Services Recharges	241,190	315,810	74,620	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	17,721	17,721	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	511,449	602,010	90,561	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Civic and Portering	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
---------------------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	147,052	129,426	(17,626)	Vacancy savings partially offset by agency costs below
Non-pay	48,741	58,491	9,750	Agency costs of £4k incurred against vacancy saving above.
Gross Direct Income	(8,500)	(2,112)	6,388	No significant variances
Net Direct Expenditure/(Income) Total:	187,293	185,805	(1,488)	
Support Services Recharges	(189,600)	(205,320)	(15,720)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	19,519	19,519	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	(2,307)	5	2,312	

Mayor	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
-------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	0	0	0	
Non-pay	7,051	7,025	(26)	No significant variances
Gross Direct Income	0	0	0	
Net Direct Expenditure/(Income) Total:	7,051	7,025	(26)	
Support Services Recharges	0	13,370	13,370	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	7,051	20,395	13,344	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Events	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	0	1,457	1,457	No significant variances
Non-pay	7,798	14,069	6,271	No significant variances
Gross Direct Income	(12,000)	(14,743)	(2,743)	No significant variances
Net Direct Expenditure/(Income) Total:	(4,202)	784	4,986	
Support Services Recharges	101,540	117,100	15,560	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	97,338	117,884	20,546	
Total IT, Communications and Marketing:	592,667	769,171	176,504	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Environmental Services

Environmental Health	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	1,121,620	969,719	(151,901)	4 vacant posts throughout the year and a restructure within the department has resulted in a saving partly due to not yet recruiting to some of the posts.
Non-pay	736,878	839,531	102,653	The overspend is mainly due to demolition costs at Hemsby of £82k, although the majority of this has been funded from the Environment Agency grant funding as highlighted below. Net statutory funeral costs are (£19k) underspent compared to the level budgeted.
Gross Direct Income	(112,624)	(173,543)	(60,919)	Environment Agency grant balance of (£71k) to contribute to the demolition costs at Hemsby as highlighted above.
Net Direct Expenditure/(Income) Total:	1,745,874	1,635,707	(110,167)	
Support Services Recharges	289,120	234,520	(54,600)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	147,838	147,838	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	7,831	9,340	1,509	No significant variances
Total:	2,042,825	2,027,405	(15,420)	

Selective Licensing	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	76,746	77,339	593	No significant variances
Non-pay	13,803	16,456	2,653	No significant variances
Gross Direct Income	(141,460)	(93,464)	47,996	Support service recharges are not included in the funding of this scheme.
Net Direct Expenditure/(Income) Total:	(50,911)	331	51,242	
Support Services Recharges	50,911	44,040	(6,871)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	14,862	14,862	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	0	0	0	
Total:	0	59,233	59,233	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Grounds Maintenance	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
---------------------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	0	(2,387)	(2,387)	No significant variances
Non-pay	560,700	599,335	38,635	Additional tree works £14k have been recharged to NCC as highlighted below.
Gross Direct Income	(38,950)	(64,705)	(25,755)	(£22k) for additional tree works and an extra grass cut have been charged to NCC.
Net Direct Expenditure/(Income) Total:	521,750	532,243	10,493	
Support Services Recharges	57,650	45,550	(12,100)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	
Capital Charges	86,092	88,142	2,050	No significant variances
Total:	665,492	665,935	443	

Street Cleansing	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
------------------	--------------------------------	--------------------------	---------------	----------

Gross Direct Expenditure:

Pay	0	0	0	
Non-pay	875,546	881,280	5,734	No significant variances
Gross Direct Income	0	(17,428)	(17,428)	National community clean up DCLG funding. Grant has been carried forward to 2019/20 as only received in March 2019.
Net Direct Expenditure/(Income) Total:	875,546	863,852	(11,694)	
Support Services Recharges	50,490	19,000	(31,490)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	0	0	
Capital Charges	0	0	0	
Total:	926,036	882,852	(43,184)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Waste Management	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	37,589	26,216	(11,373)	No significant variances
Non-pay	2,520,085	2,248,374	(271,711)	Waste disposal costs have a favourable variance of (£41k) as there is a decrease in tonnage being collected due to the national trend of product packaging reducing and the hot summer reducing the amount of garden waste collected. This is offset by a reduction in income as highlighted below. (£183k) saving as accrual from 2017/18 for special works was not required.
Gross Direct Income	(1,357,890)	(1,242,567)	115,323	The forecast variance reflects an increase in bulk waste collection income of (£25) as the scheme is still very popular with residents. The garden waste scheme has not increased as expected from the recycling officer initiative, resulting in an adverse variance of £100k for brown bin income. Recycling credits are also £38k less than budget due to the reduction in tonnage collected.
Net Direct Expenditure/(Income) Total:	1,199,784	1,032,023	(167,761)	
Support Services Recharges	83,310	102,720	19,410	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	5,369	5,369	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	135,900	17,641	(118,259)	Updated capital charges, notional charges and these do not impact on the bottom line.
Total:	1,418,994	1,157,753	(261,241)	
Total Environmental Services:	5,053,347	4,793,178	(260,169)	

Appendix B - General Fund Services - Budget monitoring and commentary Outturn 2018/2019

Finance

Finance	Current Budget 2018/19 £	Out turn 2018/19 £	Variance £	Comments
Gross Direct Expenditure:				
Pay	515,419	509,201	(6,218)	No significant variances
Non-pay	382,894	294,307	(88,587)	Insurance fund transactions transferred to earmarked reserve.
Gross Direct Income	(20,000)	(3,946)	16,054	Reduction in the number of insurance policies recharged.
Net Direct Expenditure/(Income) Total:	878,313	799,561	(78,752)	
Support Services Recharges	(843,170)	(888,990)	(45,820)	See note 1 at the top of this appendix which covers explanation for change in recharges.
IAS19 Accounting Adjustment	0	89,435	89,435	See note 2 at the top of this appendix which covers explanation for IAS19 charges.
Capital Charges	2,000	0	(2,000)	No significant variances
Total:	37,143	6	(37,137)	
Total Finance:	37,143	6	(37,137)	
Grand Totals:	11,225,393	12,620,962	1,395,569	

General Fund Reserves Schedule - 2018/19 OUTTURN		Closing Balance 31/03/18	Budgeted Movement 2018/19	Actual Movement (inc forecast) 2018/19	Updated Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20	Budgeted Movement 2020/21	Closing Balance 31/03/21	Budgeted Movement 2021/22	Closing Balance 31/03/22
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£	£
Planning Delivery Grant	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Development Framework.	62,360	0	0	62,360	0	62,360	0	62,360	0	62,360
Insurance Fund	The Council budgets for a level of excess being charged to the Service Accounts annually. Any under provision is met from the Insurance Fund, and any surplus is transferred to the fund.	169,679	0	45,975	215,655	0	215,655	0	215,655	0	215,655
Town Centre Initiative	Earmarked for spend in relation to the town centre project.	253,147	(25,175)	(219,836)	33,310	(33,310)	0	0	0	0	0
SHARP Funding	The Council will utilise this funding for capital expenditure incurred in the Wellesley Rd, Sandown Rd, Euston Rd & Paget Rd areas.	493,039	0	(142,769)	350,270	0	350,270	0	350,270	0	350,270
Restricted use grant	This reserves holds unspent grants received for specific purposes for which the spend has not yet been incurred.	978,319	(24,000)	(37,709)	940,610	(169,195)	771,415	(37,802)	733,613	(20,815)	712,798
Invest to Save	To be used to fund one-off costs associated with projects that will deliver future efficiencies and savings including costs associated with restructures.	1,706,147	(175,341)	(116,897)	1,589,249	(134,076)	1,455,173	0	1,455,173	0	1,455,173
Specific budget	This reserve is utilised as expenditure is incurred.	102,327	0	0	102,327	67,520	169,847	(1,370)	168,477	(1,770)	166,707
LEGI	As costs are incurred, these are offset by the reserve.	523,671	0	0	523,671	(400,000)	123,671	0	123,671	0	123,671
Repairs and Maintenance	This reserve is utilised as expenditure is incurred.	298,846	0	53,407	352,253	0	352,253	0	352,253	0	352,253
Second Homes Council Tax	This reserve is utilised as expenditure is incurred.	155,962	0	0	155,962	(155,962)	(0)	0	(0)	0	(0)
Waste Management	This reserve is utilised as expenditure is incurred in relation to the service.	25,170	0	0	25,170	0	25,170	0	25,170	0	25,170
Collection Fund (Business Rates)	Earmarked to mitigate the fluctuations in business rate income between years.	2,545,615	0	740,362	3,285,976	(180,000)	3,105,976	80,201	3,186,177	0	3,186,177

General Fund Reserves Schedule - 2018/19 OUTTURN		Closing Balance 31/03/18	Budgeted Movement 2018/19	Actual Movement (inc forecast) 2018/19	Updated Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20	Budgeted Movement 2020/21	Closing Balance 31/03/21	Budgeted Movement 2021/22	Closing Balance 31/03/22
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£	£
Community Housing Fund	This represents grants previously received to assist with the delivery of Community Housing.	618,603	0	(45,000)	573,603	0	573,603	0	573,603	0	573,603
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.	47,590	0	(1,568)	46,022	0	46,022	0	46,022	0	46,022
Special Project Reserve	Earmarked as per the 2017/18 budget report for project spend and also for matched funding as appropriate.	812,362	(696,742)	(68,681)	743,681	(323,529)	420,152	(6,455)	413,697	0	413,697
Benefits/Revenues Reserve	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.	155,000	0	(10,379)	144,621	(72,311)	72,311	(72,311)	0	0	0
Homelessness	These Reserves are utilised as expenditure is incurred.	0	0	426,366	426,366	32,269	458,635	(147,263)	311,372	0	311,372
Coast Protection	Established as part of the 2019/20 budget process for match funding and mitigate one-off costs in relation to coast protection.	0	0	0	0	150,000	150,000	0	150,000	0	150,000
Empty Business Property Incentive Fund	Earmarking of funds to be used for incentivising bringing properties back into use. Policy to be developed.	0	0	0	0	100,000	100,000	0	100,000	0	100,000
Treasury Management	This reserve is held to mitigate year on year fluctuations of investment income received.	0	0	200,000	200,000	0	200,000	0	200,000	0	200,000
Asset Management	This reserve is held to mitigate the impact of fluctuations between financial years from income received from Council assets and properties, in addition it includes re-allocation from other reserves to be used for investments in Council assets including current and future asset enhancements.	0	0	1,900,000	1,900,000	0	1,900,000	0	1,900,000	0	1,900,000
Other Reserves	These Reserves are budget carry forwards to be used in future years	307,350	0	422,635	729,984	(729,984)	0	0	0	0	0
Total GF Earmarked Reserves		9,255,185	(921,258)	3,145,905	12,401,090	(1,848,577)	10,552,512	(185,000)	10,367,513	(22,585)	10,344,928
General Fund Reserve	Current recommended balance of £2.75 million (as at Feb 2019)	4,642,356	0	(1,592,739)	3,049,617	0	3,049,617	0	3,049,617	0	3,049,617
Total GF Reserves		13,897,541	(921,258)	1,553,166	15,450,707	(1,848,577)	13,602,129	(185,000)	13,417,130	(22,585)	13,394,545

Appendix D - General Fund Capital Programme - Detail - 2018/19 Outturn

Services & Projects	Expenditure £000				Outturn 1819 Financing - £000				2019/20
	Original Budget 1819	Revised Budget 1819	Outturn 2018/19	Variances	Borrowing	Grants & Contributions	Revenue/ Earmarked Reserves	Capital Receipts	Roll forward
Childrens Playground Refurbishment	£47	£56	£9	(£47)	£9				£47
Cobholm Skate Park	£100	£100	£1	(£99)	£1				£100
Wellesley CCTV	£0	£15	£0	(£15)					£15
Total: Neighbourhood Management	£147	£171	£10	(£161)	£10	£0	£0	£0	£162
Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt									
Yarmouth Cemetery Wall	£35	£15	£9	(£6)	£9				£6
St Nicholas Minster West Boundary Wall	£90	£96	£1	(£95)	£1				£95
New cremators	£0	£40	£1	(£39)	£1				£0
Replacement P&D Machines	£107	£107	£0	(£107)					£107
Parking Services - handheld devices (Rialto Civil enforcement)	£0	£21	£0	(£21)					£0
Total: Customer Services	£232	£279	£11	(£268)	£11	£0	£0	£0	£208
Marina Centre Refurbishment	£5,739	£5,730	£86	(£5,645)	£86				£5,645
33 King Street - THI & Preservation Trust project (REFCUS)	£0	£400	£392	(£8)		£250	£141		£0
The Waterways	£1,888	£2,371	£1,971	(£400)	£507	£1,464			£400
Total: Inward Investment	£7,626	£8,501	£2,448	(£6,053)	£592	£1,715	£141	£0	£6,044
Disabled Facilities Grant	£800	£1,232	£1,246	£14		£1,242		£4	£0
Empty Homes	£719	£719	£2	(£718)			£2		£719
Homes for Health	£400	£400	£0	(£400)					£400
Norfolk & Waveney Equity Loan Scheme	£8	£50	£0	(£50)					£50
Home Improvement Loans	£40	£36	£75	£39		£15		£59	£0
Total: Housing	£1,967	£2,437	£1,322	(£1,115)	£0	£1,258	£2	£63	£1,169
ICT Investment to deliver GYBC ICT Strategy	£291	£321	£65	(£255)	£65				£255
Postroom Scanners	£0	£2	£3	£1	£3				£0
Total: IT, Communications & Marketing	£291	£322	£68	(£254)	£68	£0	£0	£0	£255
Public Toilet Refurbishment Programme	£160	£165	£55	(£110)	£55				£110
Gorleston High Street car park resurfacing	£19	£19	£0	(£19)					£19
Cobholm Rugby Club roadway	£20	£20	£0	(£20)					£20
Yacht Station Improvements - welfare facilities	£12	£12	£10	(£2)	£10				£0
Footway Lighting	£100	£103	£47	(£56)	£47				£56
Esplanade Resurfacing	£336	£331	£0	(£331)					£331
Pops Meadow, Fiskes opening Gorleston CPO	£0	£5	£0	(£5)					£0
Beach Huts	£140	£270	£92	(£178)	£92				£178
Cycle Shed	£0	£42	£5	(£37)			£5		£37
Gorleston Paddling Pool /Splash Pad	£0	£400	£325	(£75)	£81	£244			£10
Beacon Park LATC - Phase 1/ Equinox	£4,335	£7,335	£2,700	(£4,635)	£2,700				£4,635
Beacon Park Projects	£1,500	£1,500	£91	(£1,409)		£91			£500
Market Place Redevelopment	£0	£1,200	£0	(£1,200)					£1,200
Energy Park - South Denes	£2,274	£2,320	£412	(£1,908)	£412				£1,908
Total: Property & Asset Management	£8,896	£13,722	£3,736	(£9,986)	£3,396	£335	£5	£0	£9,004
Overall Total	£19,159	£25,433	£7,596	(£17,837)	£4,078	£3,307	£148	£63	£16,843

Appendix E - General Fund Capital Programme - Detail - Updated 2019/20 Budget

Services & Projects	Expenditure £000		Revised Budget 1920 Financing - £000			
	Original Budget 1920	Revised Budget 1920	Borrowing	Grants & Contributions	Reveue/ Earmarked Reserves	Capital Receipts
Equinox Enterprises Limited Share Capital	£0	£1,058	£1,058	£0	£0	£0
Total: Executive	£0	£1,058	£1,058	£0	£0	£0
Childrens Playground Refurbishment	£40	£87	£87	£0	£0	£0
Cobholm Skate Park	£0	£99	£74	£25	£0	£0
Wellesley CCTV	£0	£15	£15	£0	£0	£0
Total: Neighbourhood Management	£40	£201	£176	£25	£0	£0
Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt						
Yarmouth Cemetery Wall	£0	£6	£6	£0	£0	£0
St Nicholas Minster West Boundary Wall	£0	£95	£95	£0	£0	£0
St Nicholas car park north Boundary Wall	£25	£25	£25	£0	£0	£0
Rebuilding sections of Great yarmouth Cemetry Wall - East Road	£25	£25	£25	£0	£0	£0
Replacement P&D Machines	£0	£107	£107	£0	£0	£0
King Street car parking spaces/ sub-station works	£19	£19	£19	£0	£0	£0
Total: Customer Services	£69	£277	£277	£0	£0	£0
Marina Centre Refurbishment	£0	£5,645	£5,645	£0	£0	£0
The Waterways	£0	£400	£94	£306	£0	£1
Total: Inward Investment	£0	£6,044	£5,739	£306	£0	£1
Disabled Facilities Grant	£1,000	£1,188	£0	£1,188	£0	£0
Empty Homes	£0	£718	£718	£0	£0	£0
Homes for Health	£0	£400	£0	£0	£400	£0
Norfolk & Waveney Equity Loan Scheme	£0	£55	£0	£0	£0	£55
Equity Home Improvement Loans	£0	£479	£0	£0	£0	£479
Total: Housing	£1,000	£2,840	£718	£1,188	£400	£534
ICT Investment to deliver GYBC ICT Strategy	£365	£620	£590	£0	£30	£0
Total: IT, Communications & Marketing	£365	£620	£590	£0	£30	£0
Public Toilet Refurbishment Programme	£155	£265	£265	£0	£0	£0
Footway Lighting	£100	£156	£156	£0	£0	£0
Gorleston High Street car park resurfacing	£0	£19	£19	£0	£0	£0
Cobholm Rugby Club roadway	£0	£20	£20	£0	£0	£0
Yacht Station Improvements - welfare facilities	£0	£2	£2	£0	£0	£0
Esplande Resurfacing	£0	£331	£331	£0	£0	£0
GY Flood Defence Scheme Epoch 2	£50	£50	£50	£0	£0	£0
Beach Huts	£145	£178	£178	£0	£0	£0
Cycle Sheds	£0	£37	£0	£0	£37	£0
Gorleston Paddling Pool /Splash Pad	£0	£10	£10	£0	£0	£0
Beacon Park Projects	£0	£500	£500	£0	£0	£0
Market Place Redevelopment	£0	£1,200	£1,200	£0	£0	£0
HMOs /Guesthouse Purchase & Repair Scheme	£0	£2,000	£2,000	£0	£0	£0
Energy Park - South Denes	£0	£1,908	£1,908	£0	£0	£0
Total: Property & Asset Management	£450	£6,677	£6,640	£0	£37	£0
Overall Total	£1,924	£16,659	£14,139	£1,519	£467	£535

Subject: Fees and Charges Beach Huts
Report to: Executive Leadership Team – 1st July 2019
Council – 11th July 2019
Report by: Head of Property and Asset Management

SUBJECT MATTER/RECOMMENDATIONS

To approve 2019/20 annual rental cost for Beach Huts located on the Lower Promenade, Gorleston-on-Sea

1. BACKGROUND

Following Capital approval of the Beach Hut and Amenity Block scheme works have now been completed with an initial 12 beach huts delivered to site together with the installation of a fully operational toilet and kitchen facility (amenity block) solely for the use of beach hut occupiers.

2. CURRENT SITUATION

The first phase of beach huts have been offered for sale however it was always the wish of the Council to consider the opportunity for rental of the units should demand be identified.

In anticipation of demand for rental this report requests Council approve an all-inclusive fee for the annual rental of a beach hut. The offer would be for rental on an annual basis April – March with full use of the amenity block, insurance, ground rent and the services of a Beach Hut Warden all incorporated into the fee.

Annual rental would be managed and operated through the Property and Asset Department.

3. PROPOSAL

The proposed fee for the rental of the Beach Hut is based on the existing sale fees and other associated costs. It is recommended that the full annual fee be £1,600 plus VAT (£1,920) per annum, to be calculated on a pro-rata basis for 2019/20.

4. FINANCIAL AND RISK IMPLICATIONS

No additional revenue impact has been assumed from the rental of the beach huts, it is anticipated that the fee will cover the costs associated with operation of the rentals and mitigate the revenue impact of the capital expenditure incurred to date. Future rental fees will form part of the wider fees and charges review for the 2020/21 budget.

There is a risk that use of the huts as rental will reduce the numbers that are available for sale. This is the first phase of the original programme for the provision of 70 beach huts and depending on demand for rentals and purchase of the beach huts, officers will manage this through the phased programme of delivery.

5. RECOMMENDATION

For the Fees and Charges schedule to be updated to include the following

- Gorleston Beach Hut Annual Rental £1,600 plus VAT per annum.

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

Subject: **Fees and Charges – Memorials and Town Hall**

Report to: Full Council – 11th July 2019

Report by: Paula Boyce – Head of IT, Marketing and Communications
Claire Sullivan – Project Manager

SUBJECT MATTER/RECOMMENDATIONS

That approval be given to the fees and charges for the Town Hall and the Waterways Memorials for 2019/2020.

1. BACKGROUND

- 1.1 This report sets out the updated fees and charges for the Town Hall Meeting room and the Venetian Waterways memorial plaques.
- 1.2 The report contains guidance on the style, type and cost of the commemorative benches suitable for the Venetian Waterways. A criterion is proposed to ensure appropriate and consistent lettering and wording is applied to commemorative plaques and labels.
- 1.3 As part of the restoration of the Venetian Waterways the furniture was replaced to match other features such as the bins, interpretation, lamp posts and lighting. Benches have been selected for their robustness and minimal maintenance needs.
- 1.4 Great Yarmouth Borough Council and the Access Community Trust will assist in promotion of the commemorative benches and plants in the waterways. The Access Trust will as part of their contract for the site continue to maintain the benches.
- 1.5 Great Yarmouth Borough Council will select and approve new commemorations within the park and this will include siting, numbers of and, in terms of roses and plants, the species.

2. Commemorative Benches

- 2.1 As part of the park restoration 38 new benches are being installed. Whilst there is space for additional benches within the park the number was agreed for this phase of the restoration. New benches may be considered and agreed by Great Yarmouth Borough Council.
- 2.2 All plaques will be bronze and will have a maximum number of characters (84), including spaces that can be included in the inscription. Type script corresponds with the interpretation in the park. Plaques will be location on the top center of each bench.

THE INSCRIPTION IS 4MM HIGH
CAPITAL LETTERS OVER 4 LINES
GIL SANS TYPEFACE
PLAQUES MEASURE 48MM X 100

The following criteria has been developed to ensure wording on all plaques is appropriate:

- The proposed wording must not be used as a means of advertising any business;
- The proposed wording must not cause offence i.e. likely to be upsetting, insulting, or objectionable to some or most people

3. Commemorative Plants

- 3.1 The park is very special to many people who visit and continue to visit over the past 90 years. There is an opportunity to offer plants and roses as commemorations within the park.
- 3.2 Commemorative plants and roses locations will be decided by the Head Gardener and Access Trust tenant in liaison with Great Yarmouth Borough Council. Plants will be located for aesthetic reasons and will be limited in number depending on the management needs of the waterways.
- 3.3 The plant labels will be a standard botanical style similar to those used by the National Trust and Botanic Gardens. Maintenance of the plants will be undertaken by the waterways staff. Any plants that die within the first three years will be replaced. Commemorative plaques will be positioned as to not distract from the over aesthetic of the feature and will be similar in size to the proposed bench plaque.
- 3.4 A commemoration book will be located within Great Yarmouth Town Hall duplicating all commemorative information located on benches, plants and features. It will include all previous commemoration details. A digital version of the book will also be maintained.

4.0 Charges for Commemorations

- 4.1 A total of 38 benches have been installed on the waterways. 25 on the waterways and 13 on the boating lake.
- 4.2 Each bench cost £420 and installation was £140. Total cost per bench installation and purchase of £560 excluding VAT.
- 4.3 The life span of the benches is 15 years with regular maintenance on the timber with the cast iron legs 50 years if maintained regularly.
- 4.4 Table 1. Breakdown of Commemoration Costs and Charges.

Commemorative Items – 10-year dedication period	2019/2020 Charges VAT @ 20% (where applicable)
Six-foot bench including bronze plaque (VAT included in fee)	£1,182.00
Additional plaque for bench	£206.00
Memorial Shrub (VAT included in fee)	£292.00
Standard Rose (VAT included in fee)	£341.00
Memorial Tree (VAT included in fee)	£434.00
Return of memorial plaque (VAT included in fee)	£8.00

- 4.5 These charges have been set in line with Great Yarmouth borough Councils fees and charges 2019-2020.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The VAT implications;

If a donation is freely given for a bench or memorial with no expectation of receiving anything in return, even when including a memorial plaque, then this is considered as outside the scope of VAT.

If there is any sponsorship i.e. trading name or logo then VAT must be charged at the prevailing rate.

Any subsequent maintenance charges would be outside of the "donation" and therefore chargeable at the standard rate of VAT.

6. Town Hall Room Hire

- 6.1 Members previously set the fees and charges for the most of council's public meeting/function rooms in the Town Hall as part of the Fees & Charges Report (Council 19 December 2018) for 2019/20. However, the main Assembly Room function room was not set at this time. In order to provide an improved in-house

arrangement for future corporate functions and weddings, Members are asked to now set a room hire rate for the Assembly Room including use of the kitchen. The proposed Assembly Room hire rate is proposed as £750.00 for normal weekdays, £1,000 for a Saturday and £2,000 for a Sunday or bank holidays plus VAT.

7. RECOMMENDATIONS

- 7.1 Full Council approve the fees and charges for the Town Hall and the Waterways Memorials for 2019/2020.

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

Area for consideration	Comment
Monitoring Officer Consultation:	Yes.
Section 151 Officer Consultation:	Yes.
Existing Council Policies:	Fees and Charges 2019-2020
Financial Implications:	Yes. Details contained within the report.
Legal Implications (including human rights):	Yes.
Risk Implications:	Yes.
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No

Subject: Property Rental Company

Report to: Full Council – 11 July 2019

Report by: Neil Shaw, Strategic Director

RECOMMENDATIONS

- 1. Members consider and approve the scope and strategic objectives of the Property Rental Company contained in this report and that these be incorporated within the Equinox Enterprises business plan.**
- 2. a) Members consider and approve that a ‘sister’ company to Equinox Enterprises be established to hold rental properties.**
b) Members approve the appointment of the existing Directors of Equinox Enterprises as the Directors of the new Property Rental Company.
- 3. Delegate authority to the council’s Strategic Director who, in conjunction with the Monitoring Officer, will establish the new company and engage a letting partner to undertake tenancy management for the rental properties.**

1. INTRODUCTION

- 1.1. The Housing & Neighbourhoods Committee on 6 December 2018 agreed that work be undertaken seeking to establish a property management company to enable the council to hold rental properties. The Policy & Resources Committee meeting on 19 March 2019 agreed that the council progresses a HMO and Guesthouse purchase and repair scheme. This included agreeing an initial £2m capital budget to be used to deliver the scheme.
- 1.2. Legal advice has been sought from nplaw and Trowers Hamblins and the council has also examined the approaches taken by other local authorities who have set up such a company. This report outlines the process for establishing the company. The report was considered by members at the Housing & Neighbourhoods Committee on 20 June 2019 and this report has been referred onto Full Council for consideration and approval.

2. BACKGROUND

- 2.1. The council is keen to establish a vehicle to enable it to hold properties which it can then rent to meet a wider range of strategic objectives and to deliver a revenue stream. The council is currently able to hold rental property as part of its housing stock and this is held within the Housing Revenue Account. The council is seeking to widen its role as part of the ‘Housing Deal for Great Yarmouth’ approved by the

committee in July 2018 to hold properties which it can then offer at market rent. The Deal sets the strategic context for how the council is seeking to use housing, alongside other levers, as a force for positive place-making in the borough.

- 2.2. On 6 December 2018 the committee approved the Empty Homes policy, that the council progresses two approaches – a loan scheme and an ‘invest and lease’ scheme. The loan scheme is being progressed but to deliver the ‘invest and lease’ option and to be able to purchase, repair and then retain properties for market rental (whether these are existing empty properties or not) a Property Rental Company is required.
- 2.3. The Policy & Resources Committee on 19 March 2019 agreed both an updated Acquisition & Disposal Policy and that the council progresses a HMO and Guesthouse purchase and repair scheme. This included agreeing an initial £2m capital budget to be used to deliver the scheme.
- 2.4. Properties to be offered at market rent require the council to establish a company to hold the rental properties. Equinox Enterprises is currently set up as a development company but, in its current form, cannot yet hold the rentals. It is therefore proposed that a new Property Rental Company within Equinox Enterprises is established.

3. SCOPE AND OBJECTIVES OF THE PROPERTY RENTAL COMPANY

- 3.1. The company can be established to achieve a wide range of objectives. The council is seeking to establish the company to provide a degree of flexibility to meet current and possible future objectives it may wish to achieve. The council wishes to achieve the following objectives by establishing the property rental company:
 - To hold and manage market rent properties:
 - to provide a more sustainable mix of local communities, particularly in the town centre
 - to provide a commercial revenue return for the council’s General Fund
 - to set a high standard for the quality of and management of private rented homes
 - To manage properties and offer assured shorthold tenancies at intermediate rent:
 - to provide a wider range of rental properties available to local people struggling to access the local rental market
 - to offer targeted local people access to rental properties at below market rent levels

The council intends to focus on the first of these objectives immediately. The second objective provides the council flexibility to undertake this activity if it the business case for a property is financially viable. This is explored later in this report. It is intended that the Property Rental Company will only seek to acquire homes within the Great Yarmouth borough initially, although the company will have the power to obtain properties in a wider geographical location if this is desired in the future.

- 3.2. The council is seeking to avoid setting up a completely new company and governance structure so proposes that the new structure to hold the rental properties be held under the Equinox umbrella as a ‘sister’ company and incorporate a separate

company for the property rental business. The company functions will be subsumed within Equinox - one company with two 'arms': a development arm and a property rental arm. The development arm will be able to sell completed homes to the property arm. In addition, the property arm will be able to acquire homes more widely on the open market.

- 3.3. The council is seeking to hold the properties and engage a letting partner to undertake tenancy management and manage the lets. This approach may change over time when the second objective of the company is delivered or when the company has sufficient homes to undertake the management of the homes and letting process within the council if this becomes more cost efficient than a letting partner or the council wishes to exert more control over the lets.
- 3.4. It is not proposed that the company will acquire any affordable/social homes as such homes which would exclusively be for those households on the council's allocation list. These are more appropriately held within the Housing Revenue Account or owned by a Housing Association.
- 3.5. The company will also be able to hold properties at sub-market rental (generally defined as 'intermediate rent') accommodation. Although the primary focus of the company will be on providing a more sustainable mix of local communities and a commercial income stream for the General Fund, at some point in the future the council may wish to have the ability to hold a small proportion of properties which it can decide to let at sub-market levels.
- 3.6. Intermediate rent means lower cost accommodation which is provided on an assured shorthold tenancy to a tenant who is not a person nominated by the council under section 159(2)(c) of the Housing Act (1996) i.e. someone who is ineligible or low priority for local authority housing. Such properties cannot be held in the Housing Revenue Account. The council may wish to be able to provide intermediate rental properties to:
 - local people struggling to access the local rental market,
 - to offer targeted local people access to rental properties or
 - seek to support key workers
 - meet a particular sub set of private rental demand which is not being met whilst still meeting the commercial purpose of the company
- 3.7. Overall, the company would have the ability to link in with empty homes and HMO/guesthouse work including property acquisition with a view to holding rental properties.
- 3.8. The key issues to clarify to establish the 'sister' company are:
 - Examining existing local authority powers for these functions
 - Governance structure
 - Finance (including tax liability)
 - Legal issues (including the relevance of the Teckal exemption and state aid)

4. LOCAL AUTHORITY POWERS

- 4.1. Whilst council companies have existed for many years, with trading powers set out in Section 93 of the Local Government Act (2003), more recent diversification of new companies has been enabled by the General Power of Competence introduced in the Localism Act (2011). Whereas previously councils could only trade their existing activities, this legislation in essence allows a local council to undertake any commercial activity that an individual or private company can lawfully undertake, provided this activity is not explicitly ruled out or constrained for councils by another piece of legislation. This opens up purely commercial trading in services not provided by councils before, such as building homes for open market sale and full private market rent.
- 4.2. In terms of powers the council is therefore permitted to establish a local authority wholly owned company to develop, deliver, own and manage property as well as new development providing loan funding sourced from either Public Works Loan Board (PWLB) funding or external financing. The renting of housing at market rents would be pursuing a "commercial purpose" even if the council's ultimate purpose was to create mixed, economically active communities. The council's intention to seek a commercial return from its participation in the company, for example through dividend distribution, is likely to be deemed a commercial purpose and will be a fundamental requirement of the Property Rental Company.
- 4.3. Under Section 4 Localism Act (2011) the council can exercise its general power of competence for a commercial purpose but it must do so through a company. Therefore the "commercial" nature of the enterprise would justify the council's establishment of the company. All land and property transactions between the council and the company must comply with Section 123 of the Local Government Act (1972):
- "Except with the consent of the Secretary of State, a council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained."*
- 4.4. The council will be using the general power of competence in Section 1 of the Localism Act (2011) to establish the Property Rental Company. Legally, the use of the powers under the Act can be justified as a reasonable use of that power.

5. GOVERNANCE ARRANGEMENTS FOR THE PROPERTY RENTAL COMPANY

- 5.1. The council is keen to streamline the overall governance arrangements of Equinox and the new Property Rental Company so to avoid unnecessary duplication and ensure that both companies have agile and responsive decision-making processes. To ensure effective governance but minimise unnecessary additional bureaucracy, the current governance arrangements of Equinox will be replicated for the Property Rental Company. This means that the current Board members of Equinox will be appointed as Board members of the new Property Rental Company. This will necessitate holding separate board meetings which can be on the same day and probably increasing the frequency of meetings of the Property Rental Company's Board so it can consider proposals for acquiring a rental property and enable the company to move quickly if required. The Board would then report into the Policy & Resources Committee as Equinox does currently.

- 5.2. The Policy & Resources Committee on 19 March 2019 agreed that the Acquisition & Disposal Policy. This included clear parameters of delegated authority for Strategic Directors in consultation with the Section 151 Officer to approve the acquisition of property purchases from the open market (and the disposal of properties) in line with agreed budget and strategy. The Policy also outlined the financial considerations which will be undertaken when a rental property for potential acquisition is identified.
- 5.3. Where homes are transferred from Equinox (as developer) to the Property Rental Company they will be classed as intragroup transfers (Equinox and the Property Rental Company would have the council as a common parent). Legal advice has confirmed that this should not cause any conflict of interest, even if both entities have the same Board members.
- 5.4. In summary, as part of the arrangements to establish the new company this report is seeking approval to agree the appointment of the existing Directors of Equinox Enterprises as the Directors of the new Property Rental Company.

6. FINANCE

- 6.1. The new company will be funded in the same way as Equinox currently is. This will be a mix of 50% share capital (equity) and 50% loans (debt). The Policy & Resources Committee on 19 March 2019 agreed an initial £2m capital budget to be used to deliver the HMO/guesthouse scheme and this will be used as the initial loan and capital for the company.
- 6.2. Section 1 of the Local Government Act (2003) gives the council power to borrow capital to fund the company if it so wishes in the future. It is unlawful for the council to borrow to on-lend to a Property Rental Company to fund revenue expenditure. Regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003/3146) stipulates the circumstances in which a loan made by a local authority to a third party (such as the Property Rental Company) is treated as capital expenditure. In effect, Regulation 25 ensures that the capital funding will be used for the same purpose as the Property Rental Company would under the loan. When providing a loan the council is required to act as a market lender and lend at a commercial rate (as is the case with the loans the council currently provides to Equinox).

7. LEGAL

Teckal exemption

- 7.1. In addition to the relevant local authority powers explored in Section 4 of this report, as with Equinox Enterprises, the Property Rental Company will operate under Regulation 12 (the "Teckal exemption") of the Public Contracts Regulations (2015). The company meets the "control and function tests" under the Teckal exemption as the council will exercise control which is similar to that which it exercises over its own services and there is no direct private capital participation in the company. More than 80% of the activities of the company will be carried out in the performance of

tasks entrusted to it by the controlling contracting authority (the council) or by other legal persons controlled by that contracting authority.

State aid

- 7.2. Loans to the Property Rental Company which are to be used for a commercial purpose, must be on the terms (including financing terms) which a market lender would require. Provision of the loans from the council to the company on commercial terms avoids any claim the council is providing state aid.
- 7.3. Any loans given by the council to the company for intermediate housing do not necessarily have to be on market terms as the state aid exemption is available for the provision of affordable/sub-market housing.

Tax

- 7.4. Efficient tax management is important in establishing the most appropriate structure for the new company. If Equinox Enterprises operates the property rental business from the properties it develops (or through further acquisitions) under the existing company structure, the corporation tax treatment of Equinox is likely to be less advantageous. For example, any acquisitions of property from trading stock (as a developer) to investment (for long term rental purposes) may incur a tax charge for Equinox (as Equinox will not have realised any cash from the deemed disposal on appropriation to fund the tax liability).
- 7.5. A separate investment holding company for the rental investment properties may also be more attractive to any future buyer of the rental property portfolio who could save stamp duty by purchasing shares in the Property Rental Company. The buyer would be liable to 0.5% of stamp duty on the value of the shares rather than stamp duty (with a potential top rate of 15%), on the value of the portfolio.
- 7.6. As such, incorporating the Property Rental Company as a separate business company is preferable and more tax efficient. The Property Rental Company will pay stamp duty when purchasing from third parties i.e. on the open market but should be able to claim stamp duty group relief on any property purchases from the council and Equinox.
- 7.7. The Property Rental Company will pay corporation tax on its rental profits and any chargeable gains.
- 7.8. Short-term renting of residential property is exempt from VAT. Therefore, the Property Rental Company will not have to account for VAT in respect of the rents it receives (whether sub-market or full market rent). As VAT is only generally recoverable to the extent it relates to VATable supplies the Property Rental Company will not be able to recover any VAT it incurs in relation to its letting activities. The company will incur VAT on legal fees, letting fees, repair and maintenance costs and also management fees charged by the council. The refurbishment of existing dwellings is generally standard-rated (a rate of 20%) although in some cases the

work may be reduced-rated (a rate of 5%). The purchase of completed dwellings is either zero-rated or exempt from VAT.

8. CONCLUSIONS

- 8.7. The council is keen to establish a company which can hold residential properties which it can let. Equinox Enterprises is not currently established to undertake this function and the council is seeking to establish a 'sister' company to Equinox Enterprises. This will enable Equinox Enterprises (wholly owned by the council) to hold rental properties and it will then seek to engage a letting agent to undertake the day-to-day tenancy management .
- 8.8. The Policy & Resources Committee has already agreed a mechanism through which the council will purchase the properties. This is set out in the Acquisitions & Disposals policy agreed at Committee in March 2019. This same meeting also agreeing an initial £2m capital budget which will be used to provide an initial tranche of funding for the new company to purchase the properties.
- 8.9. The council has sought independent legal advice from both nplaw and Trowers Hamlins who have considerable experience advising local authorities setting up their own property rental companies. Establishing the new company as a 'sister' company to Equinox ensures it is legally compliant and the more tax efficient vehicle to hold the properties.
- 8.10. This report was considered and supported by members at the Housing & Neighbourhoods Committee on 20 June 2019. This report is seeking member approval to now proceed and establish the new company.

9. RECOMMENDATIONS

- 9.1. **Members consider and approve the scope and strategic objectives of the Property Rental Company contained in this report and that these be incorporated within the Equinox Enterprises business plan.**
- 9.2. **a) Members consider and approve that a 'sister' company to Equinox Enterprises be established to hold rental properties.**
- b) Members approve the appointment of the existing Directors of Equinox Enterprises as the Directors of the new Property Rental Company.**
- 9.3. **Delegate authority to the council's Strategic Director who, in conjunction with the Monitoring Officer, will establish the new company and engage a letting partner to undertake tenancy management for the rental properties.**

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

Service Committee Decision List from 3rd to 11th June 2019		
	Details of Decision	Officer Lead
1	<p>Economic Development Committee - 3 June 2019</p> <p>GREATER YARMOUTH TOURISM & BUSINESS IMPROVEMENT AREA (GYTABIA) - PROPOSED SECOND TERM</p> <p>RESOLVED :</p> <p>That approval be given to the following subject to the required documentation being submitted to the Council by Friday :-</p> <p>(1) To note that the information has been supplied by Greater Yarmouth Tourism and Business Improvement Area Limited (GYTABIA) to the council as Billing Authority in respect to the information listed under Regulation 4 Schedule 1 of The Business Improvement Districts (England) Regulations 2004.</p> <p>(2) The draft Business Plan proposed by GYTABIA as at Appendix 1.</p> <p>(3) To the Council's support being given for GYTABIA in relation to its ballot for a second BID term.</p>	Paula Boyce
2	<p>Economic Development Committee - 3 June 2019</p> <p>GO TRADE PROJECT UPDATE</p> <p>RESOLVED :</p> <p>1) That the Committee note the progress of the project and the outcomes to date.</p> <p>2) That approval be given to the procurement of the market place wifi scheme.</p>	David Helsdon

3	<p>Economic Development Committee - 3 June 2019</p> <p>TELECOMS & FIBRE BROADBAND IMPROVEMENTS IN GREAT YARMOUTH BOROUGH</p> <p>RESOLVED :</p> <p>(1) That Committee note the contents of the Head of Environmental Services report.</p> <p>(2) That a Member workshop be established.</p>	Adam Nichols
4	<p>Environment Committee - 5 June 2019</p> <p>GYBS BUSINESS PLAN 2019-20</p> <p>RESOLVED :</p> <p>(1) That the GYBS Business Plan for 2019/20 be noted.</p> <p>(2) That a review of operating practices for key services are undertaken to improve service, performance, beginning with street cleansing.</p> <p>(3) That Councillors Borg, Cameron, Hacon, Hammond, Talbot and Wright be appointed to participate in a working group on street cleansing.</p>	Neil Shaw
5	<p>Policy and Resources Committee - 11 June 2019</p> <p>FEES AND CHARGES - MEMORIALS AND TOWN HALL</p> <p>RESOLVED :</p> <p>That the Committee recommend to Full Council the fees and charges for the Town Hall and the Waterways Memorials for 2019/20.</p>	Claire Sullivan

6	<p>Policy and Resources Committee - 11 June 2019</p> <p>EQUINOX ENTERPRISES LTD UPDATE</p> <p>RESOLVED :</p> <p>The the Committee :-</p> <p>That the Committee note the update of activities of Equinox Enterprises Ltd.</p>	Neil Shaw
7	<p>Policy and Resources Committee - 11 June 2019</p> <p>ANNUAL PERFORMANCE REPORT 2018/19</p> <p>RESOLVED :</p> <p>1. That the Committee approve the Annual Performance Report 2018/19.</p> <p>2. That Service Committee's will receive quarterly update reports on all key projects and performance measures during 2019/20 with the aim obtaining/maintaining a green status (on target) on all key projects and performance measures.</p>	Neil Shaw
8	<p>Policy and Resources Committee - 11 June 2019</p> <p>2018/19 TREASURY MANAGEMENT OUTTURN REPORT</p> <p>RESOLVED :</p> <p>That the Policy and Resource's Committee recommend to Council that approval be given to the Treasury Management outturn report and indicators for 2018/19.</p>	Karen Sly

9	<p>Policy and Resources Committee - 11 June 2019</p> <p>FINANCIAL OUTTURN REPORT 2018-19 9</p> <p>RESOLVED :</p> <p>That the Policy and Resources Committee recommend to Council :-</p> <p>1) The outturn position for the general fund revenue account for 2018/19 as included in the report and appendices;</p> <p>2) The transfers to and from reserves (general and earmarked) as detailed within the report and Appendix along with an updated reserves statement (Appendix C);</p> <p>3) Transfer the surplus of £307,262 to the general reserve;</p> <p>4) The financing of the 2018/19 capital programme as detailed within the report and at Appendix D;</p> <p>5) The updated capital programme 2019/20 to 2021/22 and the associated financing of the schemes as outlined within the report and detailed at Appendix E.</p> <p>6) The approval of the allocation of £30,000 from year end surplus to underwrite the commitments for the 2019-20 events, pending the outcome of the BID ballot.</p>	Karen Sly
10	<p>Policy and Resources Committee - 11 June 2019</p> <p>FUTURE PROVISION OF THE COUNCIL'S PROCUREMENT FUNCTION</p> <p>RESOLVED :</p> <p>1. That Policy and Resource approve under section 113 Local Government Act 1972 the proposal for South Norfolk Council to undertake the Council's procurement function up to May 2022 subject to a formal agreement being put in place between the parties;</p> <p>2. That an agreement be developed between Great Yarmouth Borough Council and South Norfolk Council to support the proposal with authority being delegated to the Finance Director and the Monitoring Officer (acting jointly) to determine and sign the terms of the agreement.</p>	Karen Sly

11	Policy and Resources Committee - 11 June 2019 REVIEW OF THE DATA PROTECTION ACT (PREVIOUSLY GDPR POLICY) AND FREEDOM OF INFORMATION ACT POLICIES RESOLVED: That the revised policies be approved.	Sammy Wintle
12	Policy and Resources Committee - 11 June 2019 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) MEMBER NOTIFICATION RESOLVED : That the report be noted.	Sammy Wintle

Exempt Information: Not for publication – Appendices 3 and 4 only

- (1) *The content of Appendices 3 and 4 qualify as exempt information under Section 100(A)(4) and paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972 as it is “information relating to the financial or business affairs of any particular person (including the authority holding that information)” and*
- (2) *In relation to the “exempt” information, it has been determined that the public interest in maintaining the exemption outweighs the public interest in disclosing the information because disclosure would adversely affect the authority’s ability to manage its commercial financial and business affairs.*

Accordingly, appendices 3 and 4 should remain exempt.

Subject: Strategic Site Allocation, North Quay, Great Yarmouth

Report to: Council

11 July 2019

Report by: Director of Development

SUBJECT MATTER

Implementation of a strategy to deliver the land assembly and redevelopment of North Quay in Great Yarmouth, a strategic allocation in the adopted Great Yarmouth Local Plan Core Strategy.

RECOMMENDATION

Council is recommended to:

- 1) Endorse the ongoing engagement with North Quay property owners to facilitate redevelopment, as set out in the confidential North Quay Property Acquisition Strategy**
- 2) Commit a capital budget of £2.5 million to be financed by borrowing for the acquisition of the properties identified in this report**
- 3) Note the commissioning of technical studies in relation to: ground conditions and land quality; archaeology; utilities; flood risk and drainage; transport; topographical; air quality; ecology; and noise assessments**
- 4) Note the development of a Supplementary Planning Document/Planning Brief to further guide the redevelopment of the North Quay area**

1. INTRODUCTION

- 1.1 In the summer of 2018 Policy and Resources Committee received and endorsed a confidential report to explore the development of a strategy to deliver the land assembly and redevelopment of North Quay in Great Yarmouth, a strategic allocation in the adopted Great Yarmouth Local Plan Core Strategy. This report updates Members on progress and findings to date with a recommendation to approve the next stages in the project.

2. BACKGROUND

- 2.1 The adopted Great Yarmouth Local Plan 'Core Strategy' establishes the spatial vision and objectives for the future development of the borough from 2013 to 2030. It also sets out a series of strategic policies and site allocations or 'key sites' that aim to deliver significant regeneration and growth.
- 2.2 There are two key site allocation policies identified in the development plan:
- i. Policy CS17 Regenerating Great Yarmouth's Waterfront
 - ii. Policy CS18 Extending the Beacon Park development at land south of Bradwell
- 2.3 Policy CS18: Following delivery of the A47/A143 link road, the early phases of housing development on land south of Bradwell and west of the successful commercial development on Beacon Park Enterprise Zone is underway. This is in accordance with a clear masterplan that will deliver: over 1000 new homes, new employment land, a primary school and open space in a sustainable new development. This is a significant area of growth for the borough.
- 2.4 Policy CS17 (appendix 1): The regeneration of Great Yarmouth's central riverside areas in the heart of the town is more challenging, but remains a key ambition of the Council, especially the North Quay, which complements the Great Yarmouth Town Centre Masterplan, adopted in June 2017.
- 2.5 The comprehensive redevelopment of North Quay could transform this key riverside and gateway site to Great Yarmouth and maximise the potential by creating a vibrant waterfront development accessible by the public adjacent to the town centre.

3. NORTH QUAY SITE

- 3.1 The North Quay site comprises 4.07 hectares of land west of North Quay, east of the River Yare and south of the River Bure. Fullers Hill roundabout is at the northern limit, with the site extending southwards to include 67 North Quay (see plan at appendix 2).
- 3.2 It comprises a mixture of light industrial and commercial buildings, yards and car parks, two areas of open or cleared land and a row of houses at 73-82 North Quay.
- 3.3 As set out in the Great Yarmouth Local Plan Core Strategy, the North Quay site is a fairly typical (in national terms) edge of town centre location in need of regeneration. It is traffic-dominated, turns its back on the rivers Bure and Yare (therefore not maximising the attractive longer views towards Breydon Water and the Broads), does not make the most of its proximity to the railway station, or indeed connect particularly well to the town centre. There is a mix of residential, commercial and industrial uses, with numerous underutilised tracts of land. It also has a number of other constraints (highlighted in section 4), including: low land values, potential contamination, archaeology, and areas of high flood risk.
- 3.4 However, comprehensive re-development could transform the area by: increasing land values; improving the architectural quality of the area (and, by extension, Great Yarmouth generally); improving connectivity (especially for walking and cycling) to and from the town centre and railway station; potentially providing some high-quality residential and/or retail and/or commercial and/or food & beverage offerings. In short, if undertaken appropriately, it offers the potential to be a “game-changer” for the town and borough, leading to further regeneration schemes (hopefully more market-led) elsewhere in the town through increased confidence in Great Yarmouth as a place to live, work, play and invest.
- 3.5 In order to comprehensively redevelop the site, for a variety of potential end uses (or mix of uses), any developer would need to assemble approximately 72 land interests, held by approximately 62 different owners. This is extremely unlikely to be deliverable through a private sector initiative alone, and so the Council (either alone or perhaps working with a joint venture partner), using

its powers of compulsory purchase where necessary, will need to assemble the land.

4. PROGRESS TO DATE

4.1 Property Acquisition Strategy

A confidential Property Acquisition Strategy for North Quay, Great Yarmouth was endorsed by Policy and Resources Committee and engagement with property owners is well underway, as per the structured and pro-active approach set out in the agreed strategy.

4.2 In February 2019 officers from the Property and Asset Management Service made contact with all property and land owners within the agreed North Quay area to ensure all occupiers were aware of considerations in relation to potential redevelopment of the area. These communications were primarily to begin to understand the aspirations of individual owners and formulate an early view of the potential availability of land parcels within the site.

4.3 The Council has undertaken a planned approach to communications and engagement to support conversations with individual property owners and occupiers, as part of exploring the potential of land assembly to facilitate redevelopment.

4.4 Dialogue in relation to the 11 larger sites and a number of individual residential and commercial buildings have been entered into (as per the confidential Property Acquisition Strategy). The discussions are exploring the willingness of owners and occupiers of the properties to discuss with the Council the possibility of future purchase. As anticipated, responses have been varied. However, it is clear that a number of opportunities could potentially be pursued through to purchase. The benefit of doing so would be to build momentum and demonstrate genuine intent for a wider redevelopment option as has been identified within the Local Plan. **The latest position regarding these properties is shown in appendices 3 and 4, which for reasons of commercial confidentiality are marked 'confidential'.**

4.5 Independent land valuation advice has also been completed for the North Quay area to ensure an accurate picture is gained from the outset.

- 4.6 As previously reported, the complete assembly of the site at North Quay will ultimately require deals to be agreed with around 60 different parties. There is a very significant likelihood that not all the necessary agreements will be able to be secured through negotiation alone (for example, due to unrealistic land value expectations or because it is not possible to trace particular landowners). As a matter of last resort, it would therefore be necessary for the Council to consider the use of compulsory purchase powers alongside the negotiation process, subject to the considerations set out below.
- 4.7 The confidential Property Acquisition Strategy employed by the Council has as its aims:
- a) Securing as much of the land as possible at a reasonable (fair, market) price through negotiation
 - b) Protecting, so far as is practicable, against inflated or 'ransom' prices being sought or paid, that may prevent or hinder the delivery of the project
 - c) Assisting (so far as is practicable and pragmatic) residents and businesses displaced from the North Quay to successfully relocate within the town or borough
 - d) As a last resort, it may be that the Council uses its compulsory purchase powers.
- 4.8 In summary, the confidential Property Acquisition Strategy is as follows:
- a) Engage all parties (landowners and leaseholders) initially to identify specific constraints and opportunities for agreements
 - b) Focus initial acquisition negotiations on options and conditional agreements, starting with freeholders of larger sites and investors, to secure sites and open up access to agreements with tenants
 - c) Engagement with smaller site owner-occupiers, especially residents, to provide reassurance over process and timeframes
 - d) Explore relocation criteria with occupiers and develop assistance for relocation including extended notice agreements keyed to main acquisition programme or other milestones. As a last resort, if the use of compulsory purchase orders is deemed necessary, engagement and negotiation with land owners and occupiers will conform with Government guidance and best practice.
- 4.9 In the event that a North Quay regeneration scheme does not proceed, the

Council could either retain such properties in its portfolio of land, or look to sell them back into the market (potentially losing only acquisition and disposal costs, and seeing a small profit if the market rises). As with any acquisition strategy, there are risks. These include land values both now and in the future and the expectations of the owners themselves in relation to development and value.

4.10 It is extremely important for Members to be aware that the project, if it progresses further, will be a multi-million pound and multi-year scheme and such projects cannot be risk-free. As with any longer-term and significant scheme, there will be inherent risks. This could include, for example, a downturn in the property market, or very extended negotiations for particular parcels of land which could delay the timescale (and therefore push up the overall costs).

4.11 A vital part of the work to be undertaken is therefore to assess (as far as it is practicable, and on an ongoing basis) the main potential risks that the project faces and develop appropriate mitigation and “fall-back” strategies. For example, if costs escalated to such an extent that it was judged not financially prudent to continue with the project (at least for the foreseeable future), the Council should have at least one fall-back option. These would include: i) keeping any purchased land/properties within the Council’s asset portfolio for the longer-term (i.e. for rent), perhaps pending a potential second (later) attempt at a complete land assembly scheme; ii) considering a smaller-scale regeneration scheme on part of the site which the Council has secured ownership of; or iii) to sell some/all of the acquired land/properties back on the open market at a controlled rate.

4.12 **Technical Studies**

Consultants have been commissioned to deliver technical studies in relation to: ground conditions and land quality; archaeology; utilities; flood risk and drainage; transport; topographical; air quality; ecology; and, noise assessments. This workstream also covers The Conge which is identified in the Great Yarmouth Town Centre Masterplan as an area of redevelopment potential. These studies include site investigations and are due to report in October 2019.

4.13 **Supplementary Planning Document (SPD)**

The studies identified in section 4.12 of this report will help inform a Supplementary Planning Document (SPD) / Planning Brief for the North Quay area, which Core Strategy Policy CS17 says will be prepared to set out additional planning and design guidance for the area. The production of this SPD has also been commissioned. The SPD will provide further details to help guide the redevelopment of North Quay, provide a better understanding of development costs and potential impact on viability. Production of the SPD/Design Brief will involve public consultation and is due to complete in late 2019.

4.14 Public Realm investment

The North Quay area forms a key gateway to the town when approaching by multiple modes of transport and has recently benefitted a from multi-million pound investment in public realm and wayfinding improvements identified through the Town Centre Initiative, supported by the Local Growth Fund (New Anglia Local Enterprise Partnership). This includes:

- a) a strengthened pedestrian and cycle link between the railway station and the Market Place, inclusive of rail station forecourt improvements, new wayfinding signage and a toucan crossing over North Quay and an improved section along The Conge.
- b) added to this are the improved vehicular capacity and landscaping of Fullers Hill roundabout to deliver a more free-flowing and attractive point of arrival (helped by the new right turn out of the rail station onto Acle New Road).

4.15 Marketing

North Quay has also been pro-actively marketed at inward investment events such as REVO 2018 in Manchester and MIPIM 2018 in London, helped by the in-house production of an Inward Investment brochure for Great Yarmouth alongside the Great Yarmouth Town Centre Masterplan (2017).

- 4.16 Included within the project programme is the soft market testing of the area to ascertain developer interest in the site.

5 FINANCIAL IMPLICATIONS

- 5.1 Policy and Resources Committee approved a budget of £250,000 in July 2018 to be funded from the Invest to Save earmarked reserve to fund the identified associated costs for the project to date, which include engagement

with property owners and the commissioning of multiple technical studies and the commissioning of a Supplementary Planning Document, as highlighted in section 4 of this report. This work remains within budget.

- 5.2 A subsequent successful bid for £197,500 Norfolk Business Rate Pool match funding has also been secured for the project.
- 5.3 As detailed within the report, if Members are supportive of the proactive approach to the development of a key site allocation policy within the Local Plan, the stages of work outlined above need to be completed to facilitate the delivery of the land assembly and resulting redevelopment.
- 5.4 In order to progress the further stages of work it is recommended that a budget of £2.5 million is approved to be funded within the capital programme (to be financed from borrowing) to begin the process of pro-active acquisition of the properties identified in section 4.4 and detailed in appendices 3 and 4 of this report (marked confidential).
- 5.5 There will be growth to the revenue account from the costs associated with the capital financing of the budget which will include interest payable and also the minimum revenue provision (MRP). The MRP represents the annual charge to the revenue account for the provision to repay debt incurred in respect of capital expenditure that is financed by borrowing. The MRP charge will not come into operation until the asset for which the borrowing has financed becomes operational.
- 5.6 Depending on the use of the properties that are acquired as part of the pro-active acquisition, the timing of the MRP will not impact initially on the general fund revenue account. As costs are incurred the impact to the revenue account can be mitigated in the short term by the budget previously allocated to the project. This can be used to smooth the financial impact over a number of financial years until any revenue costs are offset by a return to the Council.
- 5.7 There is, however, a risk that the timing of the return to the Council of the acquisitions will not fully offset the revenue impact of the borrowing costs. The overall project and aspirations of the project will be closely monitored, and actions taken as applicable to mitigate any ongoing revenue implications.

6 RISK IMPLICATIONS

- 6.1 Taking into account the multiple land ownership constraint to delivery, the following issues are also recognised: low land values, flood risk, financial viability, potential contamination, poor ground conditions, archaeological heritage, and future property/land market downturns.
- 6.2 Land Values: Strategies to help protect against inflated valuation of land is covered in the Property Acquisition Strategy. Land valuation advice has been received to ascertain the current market value of the whole site and will continue to be taken as the project progresses (if Council so agrees).
- 6.3 Flood Risk: North Quay is in an area of high flood risk, with most of the site falling within Zone 2 or Zone 3 (Zone 1 being at least flood risk) but following successful partnership working with the Environment Agency (EA) and the Great Yarmouth Tidal Defence Business Partnership, a compelling business case has secured £8.2million through the New Anglia Local Enterprise Partnership 'Local Growth Fund' to match significant Environment Agency funding to improve the flood defences along the extent of the river Yare in a £40 million package of works due to commence in summer 2019. This is a 5 year programme of works under 'epoch 2' and the Environment Agency are fully engaged regarding the redevelopment ambition along North Quay. Further work is required of the Environment Agency to ascertain precisely how much of the funding (referred to above) will be allocated to this water frontage (compartment G).
- 6.4 Land Assembly: Covered in sections 4 and 5 of this report. At this stage, Members are being asked to endorse the continued engagement with all property owners as per the structured approach set out in the adopted (confidential) North Quay Property Acquisition Strategy and to release the funds to begin the acquisition of the first tranche of properties as identified in appendices 3 and 4 to this report.
- 6.5 Contamination and ground investigations: A high level contamination report undertaken in 2008 covers the whole North Quay site. This Preliminary Environmental Risk Assessment (PERA) assessed the potential for ground contamination associated with the existing and historical uses of the land. Based on desk study information, a number of potentially contaminative sources / land uses have been identified, including a former factory, garage, coal yard, railway line, limekilns, iron foundry, boat building yard, car sales

forecourt, van rental premises, timber yard and electricity sub-station. A number of potentially active pollutant linkages have been identified. In order to fully assess any impacts to soil and groundwater, further investigation is required. The outcome of any intrusive environmental investigation and risk assessment will determine the need for future remedial action. In addition, new development of any significant height and weight will very likely need to be supported on piled foundations. In combination with the high anticipated groundwater table, this could cause construction problems and increased costs. Detailed site investigation will be required in order to facilitate foundation design. If the results of this work deem development to be cost-prohibitive, then this will be brought back to Members. This work has now been commissioned, as highlighted in paragraph 4.12.

- 6.6 Archaeology: An archaeological report has been commissioned (as mentioned above as part of the suite of evidence base studies) to highlight the presence of archaeology on the site which is within the confines of the Great Yarmouth town wall.
- 6.7 There is a financial risk that any investment by the Council would not be fully recovered (as highlighted in the report). Cost recovery could be through future asset disposal, delivery of new homes with the resulting revenue from Council Tax and New Homes Bonus and/or delivery of growth in business rates from the future use of the site.
- 6.8 Equally there is the risk that the site continues to be a key site allocation in the Local Plan Core Strategy with no proactive intervention or available opportunities being progressed to facilitate the development of the site. In this scenario, as the private sector is unlikely to be able to site assemble to any significant degree, serious consideration would need to be given to de-allocate this site from the adopted Local Plan Core Strategy in order to deliver the planned quantum of development elsewhere in the borough.
- 6.9 Depending on the future use of the site any upfront costs could be recovered through future development from capital receipts or income streams, although this would not be achievable in the short term and therefore at this stage the upfront costs are being funded from the Invest to Save earmarked reserve as a one off. Further allocations of budget would be subject to separate approval as part any wider proposals for the site.

- 6.10 A clear communications plan has been developed, is being implemented and will be kept under review.

7 LEGAL IMPLICATIONS

- 7.1 The use of compulsory purchase powers is not within the scope of this report, but is contemplated by the proposed programme of regeneration. The information provided in this section is therefore provided to ensure that members are aware of some of the legal implications of the project should it progress beyond the exploratory stage.
- 7.2 The Council is empowered under section 226(1)(a) of the Town and Country Planning Act 1990 ("TCPA") as amended, to acquire any land in its area if it is satisfied that the proposed acquisition will facilitate the carrying out of development, redevelopment or improvement on or in relation to the land.
- 7.3 The Council may make a compulsory acquisition under section 226 of the TCPA (a) if it thinks the acquisition will facilitate the carrying out of development or redevelopment or improvement on or in relation to the land or (b) which is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated. In order to make an acquisition under (a), the Council must also consider that the development, redevelopment or improvement will contribute to the promotion or improvement of the economic social or environmental well-being of its area.
- 7.4 The Council may dispose of the land under section 233 of the TCPA for the purpose of bringing it forward for development or otherwise facilitating development. Any such disposal must be for the best consideration that can reasonably be obtained, unless the Secretary of State's consent is obtained. By a combination of sections 226 and 233 of the TCPA, it is open to the Council to compulsorily acquire land for planning purposes and then transfer it to a developer or Registered Provider partner.
- 7.5 As any compulsory acquisition would extinguish third party rights, the Council would need to take care that it did not contravene the rights of individuals under the European Convention on Human Rights ("ECHR"). Section 6 of the Human Rights Act 1998 makes it unlawful for the Council to act in any way which is incompatible with a right under the ECHR. Pursuant to Article 1 of the First Protocol to the ECHR, every person is entitled to the peaceful enjoyment of his or her possessions and no one shall be deprived of those possessions

except in the public interest and subject to the conditions provided for by law and by the general principles of international law. In order to avoid contravening individual human rights by making a CPO, it must be demonstrated that the CPO is in the public interest and that it is necessary and proportionate to make the CPO. It is considered that, as the requirements of S226 (1) and (1a) have been fulfilled (i.e. the development, redevelopment or improvement will contribute to the promotion or improvement of the economic social or environmental well-being of its area), this will provide a very substantial basis upon which to make the case that the scheme is policy based and is consistent with statutory objectives.

8 CONCLUSIONS

- 8.1 It is recognised that the land assembly and redevelopment of North Quay is a complex project with associated risks, but without the pro-active intervention highlighted in this report, the comprehensive transformation of North Quay will not be realised, and the significant social, economic, environmental and reputational gains to the Council and borough envisaged through the Great Yarmouth Local Plan Core Strategy will not be achieved.
- 8.2 As stated in the report, there is a significant amount of further work for officers (working with external consultancy and legal experts) to undertake to better understand the opportunities, risks, costs and options of the potential land assembly and re-development scheme. At this stage, the Committee is being asked to note the progress made to date as outlined in this report, and to agree the following recommendations.

9 RECOMMENDATIONS

Council is recommended to:

- 1) Endorse the ongoing engagement with North Quay property owners to facilitate redevelopment, as set out in the confidential North Quay Property Acquisition Strategy**
- 2) Commit a capital budget of £2.5 million to be financed by borrowing for the acquisition of the properties identified in this report**
- 3) Note the commissioning of technical studies in relation to: ground conditions and land quality; archaeology; utilities; flood risk and drainage; transport; topographical; air quality; ecology; and noise assessments**
- 4) Note the development of a Supplementary Planning Document/Planning**

Brief to further guide the redevelopment of the North Quay area

10 BACKGROUND PAPERS

10.1 Great Yarmouth Local Plan Core Strategy (2015)

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

Area for consideration	Comment
Monitoring Officer Consultation:	Consulted and reflected in the report
Section 151 Officer Consultation:	Consulted and reflected in the report
Existing Council Policies:	Great Yarmouth Local Plan Core Strategy (2015)
Financial Implications (including VAT and tax):	Considered and reflected in the report
Legal Implications (including human rights):	Considered and reflected in the report
Risk Implications:	Considered and reflected in the report
Equality Issues/EQIA assessment:	Considered and reflected in the report
Crime & Disorder:	Considered and reflected in the report
Every Child Matters:	Considered and reflected in the report

Appendix 1: Great Yarmouth Local Plan Core Strategy 2013-2030

Policy CS17 - Regenerating Great Yarmouth's Waterfront

The Waterfront area in the heart of Great Yarmouth has the potential to become a vibrant urban quarter that utilises its rich heritage and prime urban riverside location to create a unique and high quality environment for housing, shopping and offices; attractive to investors and visitors as well as new and existing residents. Proposals for new development within the Waterfront Area should seek to:

- a) Transform Great Yarmouth's arrival experience by developing a network of attractive, vibrant and well-connected neighbourhoods to create a new gateway to the town
- b) Identify appropriate development sites within the Waterfront area for approximately:
 - 1,000 new dwellings of a mix of types (of which at least 300 are anticipated to be delivered within the plan period)
 - 16,500m² of employment floorspace (of which at least 7,700m² is anticipated to be delivered within the plan period)
 - 14,200m² of retail and leisure floorspace, promoting the mixed-use regeneration of disused and other under-used sites (of which at least 5,050m² is anticipated to be delivered within the plan period)
- c) Ensure that the quayside area identified on the Policies Map as port operational land is safeguarded as employment land to serve offshore energy related businesses for the first part of the plan period (2013-2025) unless it can be demonstrated that there is no need for this use. If the land is developed for offshore energy related employment uses during this period then Policy CS17 will no longer apply and Policy CS6 will apply.
- d) Maximise the provision of on-site affordable housing by submitting a site-specific viability assessment at the planning application stage
- e) Provide positive, safe and convenient connections for pedestrians and cyclists throughout the area and to neighbouring areas, served by high quality public transport services
- f) Improve links between the railway station and the market place in Great Yarmouth town centre and maximise public access to the Waterfront area through the use of walkways and open spaces, provided this does not conflict with port activity or safety requirements
- g) Capitalise on the area's prime riverside location by creating a strong urban form with distinctive high quality architecture of an appropriate scale, form and massing that complements the surrounding historic environment
- h) Utilise the heritage assets of the area, such as the historic townscape and important historic buildings, converting buildings to other uses where appropriate
- i) Promote high levels of sustainable construction and design in non-residential development, including energy and water efficiency, reduced waste production and where possible, the use of renewable energy in accordance with Policy CS12
- j) Enrich the quality of the public realm, ensuring that elements of the street scene contribute to the overall character and identity of each neighbourhood and that the choice of materials and quality of signage adds interest, and aids identity and legibility

- k) Protect and enhance biodiversity and geodiversity across the waterfront area and ensure that appropriate mitigation measures for protected species, biodiversity and geodiversity are undertaken in accordance with Policy CS11
- l) Ensure that the development is safe in terms of flood risk for its lifetime, design and location and does not increase the risk of flooding elsewhere, in accordance with Policy CS13
- m) Provide appropriate new community, education and health facilities to meet the day-to-day needs of new and existing residents and improve existing facilities in Great Yarmouth, where possible, in accordance with Policy CS14

The Council will produce a Supplementary Planning Document setting out additional planning and design guidance for the Waterfront Area to ensure that the objectives of this policy are fully realised. Proposals relating to the development of individual buildings and/or sites within the Waterfront Area submitted before the Supplementary Planning Document is adopted will need to demonstrate that they have appropriately responded to the points within Policy CS17 and that they will not prejudice the overall regeneration ambitions for the area.

Regenerating Great Yarmouth's Waterfront area

5.1.1 Great Yarmouth is the borough's largest town and one of the main centres in Norfolk. However, it needs to reinvent itself as a modern coastal town and take better advantage of the opportunities provided by both its riverside and coastal location, whilst respecting its historic local distinctiveness and character. It needs to ensure that it is able to compete as a sustainable and accessible location for shopping, leisure and business and as a visitor destination, as well as being an attractive place to live with housing that meets people's needs and aspirations. The mixed-use regeneration of the Waterfront area provides a superb opportunity to improve this riverside location close to the town centre, attract investment and create wealth.

5.1.2 The overall approach to the future development and regeneration of the Waterfront area is to facilitate the comprehensive regeneration of Great Yarmouth's historic quaysides in the heart of the town and provide improved linkages



between the town centre and its riverfront, which for many years has been subject to industrial decline and under-utilisation. The overall development aspiration for the area is to create a series of vibrant, mixed-use urban neighbourhoods that meet the needs of existing and future residents, with easy access to jobs, community facilities and public transport services, thus reducing the need for the private car and creating a more sustainable environment.

Defining the Great Yarmouth Waterfront area

- 5.1.3 The Great Yarmouth Waterfront area consists of approximately 40 hectares of under-utilised, previously developed land in the heart of Great Yarmouth. The area includes North Quay, The Conge, Ice House Quay and Bure Harbour Quay, all of which front the rivers Yare and Bure.
- 5.1.4 It should be noted that the 2007 version of the emerging Great Yarmouth Waterfront Area Action Plan (AAP) covered a much larger geographical area, which included South Denes, much of Southtown and Gorleston river frontages and did not include The Conge or a small parcel of land in Cobholm. The reasoned justifications for revising the Area Action Plan boundary in May 2010 were principally because:
- In light of the challenging economic environment, it was deemed appropriate to focus delivery on a small number of priority sites
 - Limited support and considerable deliverability constraints were associated with the Runham Broad proposal
 - There was resistance to the scale of port land redevelopment
 - Completion of the first phase of Eastport UK (Great Yarmouth's Outer Harbour) was undertaken
 - A preferred route for the Third River Crossing had been identified
 - The inclusion of The Conge would help to promote better connectivity between the railway station, riverside and the market place in the town centre
- 5.1.5 By directing development to these locations it is intended to promote highly sustainable, healthy lifestyles and assist in overcoming high levels of deprivation and unemployment.

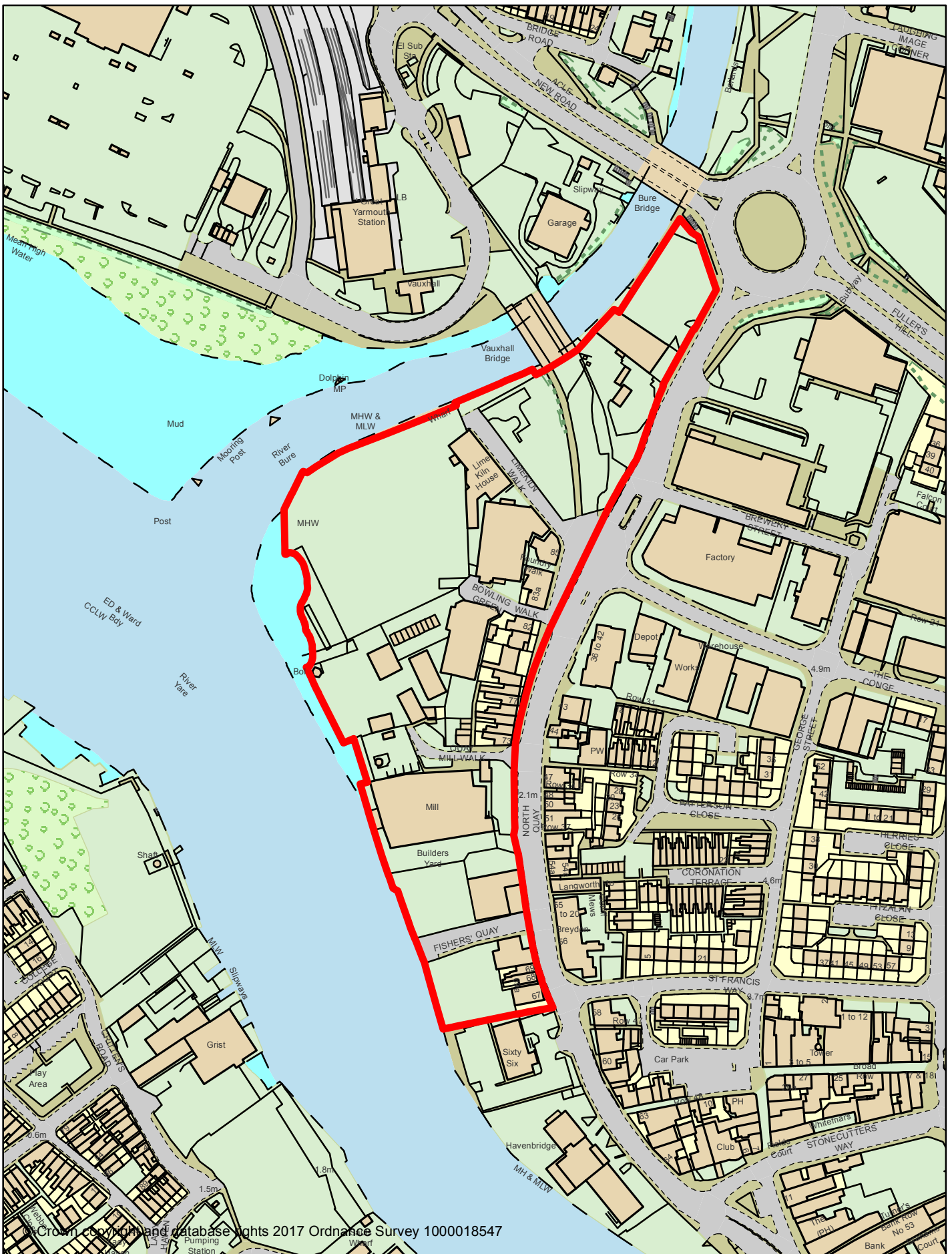
Ensuring high quality design

- 5.1.6 High quality design will be essential to the regeneration of the Waterfront area. There is a need to secure a built environment and townscape of the highest possible quality, which reflects the town's distinctive identity, enhancing and conserving Great Yarmouth's heritage and improving the character and identity of the river frontage. In particular, there are opportunities to create eye-catching landmark buildings and structures on several key strategic gateway sites, such as Ice House Quay. In accordance with Policy CS9, all development proposals must incorporate principles of good design and create a high quality, safe, stimulating, attractive and accessible environment for everyone.
- 5.1.7 Public realm enhancements and planting within the Waterfront Area should seek to reinforce the character of the wider area by defining key spaces and vistas and softening the potential impact on residential amenity from existing/proposed employment areas within and adjacent to the Waterfront Area.

Delivery and implementation

- 5.1.8 The emerging Great Yarmouth Waterfront Supplementary Planning Document will be a key instrument in delivering the ambitions of this policy. Since work began on the Core Strategy and the emerging Supplementary Planning Document, there has been a global economic downturn. This downturn has changed the housing market, in particular the funding available to developers to build housing and for mortgages. This has impacted on the ability of developers to both build and sell housing. There has also been a change to Government policy in relation to viability and planning, as well as changes in public sector finances. This has seen a reduction in regeneration funding, thereby impacting on the Council's ability to deliver its regeneration priorities in the timescales originally envisaged.
- 5.1.9 It is critical to the economic and social welfare of the borough that the Council meets its development needs and provides land for housing that is economically viable for development. An adequate supply of good quality houses is needed if the borough is to meet the economic challenges ahead. If these development needs are not met, the economy will suffer and residents seeking a new property may move elsewhere, adding to the trend of out migration.
- 5.1.10 Taking into account these factors and the various constraints to delivery, such as low land values, flood risk, financial viability, multiple land ownership, potential contamination, poor ground conditions and the archaeological heritage, it is unlikely that the regeneration of Great Yarmouth's Waterfront area will be fully realised within the plan period. However, the economy is likely to recover over time and it is important that plans are in place to ensure the redevelopment of Great Yarmouth's Waterfront area can commence as soon as market conditions allow. It is anticipated that the regeneration of the Waterfront area will start to take shape in areas such as Bure Harbour Quay, North Quay and Runham Vauxhall during the last six years of the plan period.
- 5.1.11 The Supplementary Planning Document will only be realised through a coordinated approach to implementation and strong partnership working to investigate potential funding sources and delivery mechanisms. The Norfolk Development Company has been established to aid this programme of delivery and close working relationships with organisations such as the Environment Agency are seen to be crucial to the future success of delivery. When adopted, the Supplementary Planning Document will ensure that development in the Waterfront area comes forward in a timely and co-ordinated manner by setting out detailed guidance to support the delivery of new housing, employment space, retail, leisure and tourism facilities, community facilities, open space, transport initiatives and environmental enhancements. In addition, Policies CS14 and CS16, along with the emerging Infrastructure Plan, will ensure that key infrastructure to support the development of this site is appropriately phased.

Appendix 2: North Quay, Great Yarmouth



© Crown copyright and database rights 2017 Ordnance Survey 1000018547



GREAT YARMOUTH
BOROUGH COUNCIL

Strategic Planning
Town Hall, Ball Road
Great Yarmouth, Norfolk, NR30 2QF
Customer Contact Centre Tel. (01493) 856100
E-mail: localplan@great-yarmouth.gov.uk
Web: www.great-yarmouth.gov.uk

Page 127 of 127



Date: 23/05/2018
User Name: sgs
Drawing No.:
Scale @ A4:1:2,500