



# GREAT YARMOUTH BOROUGH COUNCIL

## Council

**Date:** Tuesday, 21 February 2023

**Time:** 19:00

**Venue:** Council Chamber

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

### AGENDA

#### Open to Public and Press

#### **1 APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

#### **2 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 MAYORS ANNOUNCEMENTS**

To consider any announcements from His Worship the Mayor.

### **4 ITEMS OF URGENT BUSINESS**

To consider any items of urgent business.

### **5 PUBLIC QUESTION TIME**

The Chairman of the Policy and Resources Committee is asked to consider the following question from Ms Spychal :-

Would the Borough Council give considered thought to the way in which they approach Levelling-Up in our borough? Please think carefully about the priorities which the residents, especially those least-well off and struggling in the current, difficult economic climate, will benefit from the most and which will result in a better place for them to live and work.

Please remember that the priorities are:-

- The up-skilling of our workforce
- The renovation of our existing housing stock to exceed the Decent Homes Standard
- The upgrading of play areas, play equipment and recreation areas for all residents of the borough to enable them to access free, local good quality and safe green spaces.
- Will the elected members work together to improve the lives of the residents and businesses of the borough and not be unduly influenced by Central Government dictate; and
- Will the members and officers work in partnership and give an assurance that they will secure a gateway for a better life for all the residents of Great Yarmouth.

### **6 MINUTES**

**5 - 15**

To confirm the minutes of the meeting held on the 15 December 2022.

### **7 SERVICE COMMITTEE DECISION LIST**

**16 - 22**

Report attached.

**8 AMENDMENT TO THE APPOINTED MEMBER FOR THE NORFOLK PARKING PARTNERSHIP COMMITTEE**

Council are asked to consider the following appointment :-

That Councillor Plant be replaced with Councillor Candon on the Norfolk Parking Partnership.

**9 APPOINTMENT OF EXECUTIVE DIRECTOR - PLACE 23 - 25**

Report attached.

**10 PAY POLICY STATEMENT 2023/24 26 - 32**

Report attached.

**11 INVESTMENT STRATEGY 2023/24 33 - 44**

Report attached.

**12 CAPITAL STRATEGY 2023/24 45 - 57**

Report attached.

**13 TREASURY MANAGEMENT STRATEGY 2023/24 58 - 75**

Report attached.

**14 HOUSING REVENUE ACCOUNT BUDGET 2023/24 76 - 92**

Report attached.

**15 GENERAL FUND BUDGET REPORT 2023/24 93 - 149**

Report attached.

**16 COUNCIL TAX SETTING 2023/24 150 - 161**

Report attached.

**17 MOTION ON NOTICE**

Council is asked to consider the following Motion on Notice from Councillors Smith-Clare; Cordiner Achenbach, Jeal, Robinson-Payne, Waters-Bunn and T Wright.

Streetlights across our Borough provide residents safe and visible access to roads, pavements and alleyways. It is therefore essential that all streetlights remain in full working order.

At present too many streetlights remain broken and un-repaired.

The Council therefore resolves to :

- 1) Ensure that all streetlights are regularly checked and maintained
- 2) Work to repair any streetlight within 48 hours of a fault being reported.

**18 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.

**19 EXCLUSION OF PUBLIC**

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

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



# GREAT YARMOUTH BOROUGH COUNCIL

## Council

### Minutes

Thursday, 15 December 2022 at 19:00

**PRESENT:-**

His Worship, The Mayor, Councillor Plant; Councillors Annison, Bird, Borg, Candon, Cameron, G Carpenter, P Carpenter, Fairhead, Flaxman- Taylor, Freeman, Galer, Grant, D Hammond, P Hammond, Jeal, Lawn, Martin, Mogford, Myers, Robinson-Payne, Smith-Clare, Stenhouse, Talbot, Thompson, Wainwright, Waters-Bunn, B Walker, C Walker, Wells, A Wright & B Wright.

Ms S Oxtoby (Chief Executive Officer), Ms C Whatling (Monitoring Officer), Ms K Sly (Finance Director), Mrs S Wintle (Corporate Services Manager), Ms C Whatling (Monitoring Officer), Mr S Hubbard (Strategic Planning Manager), Mr M Brett (IT Support), Ms C Ingram (Communications & Media Officer), Ms T Kooman (Senior Democratic Services Officer) & Mrs C Webb (Democratic Services Officer).

#### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Bensly, Cordiner-Achenbach, Hacon, Hanton, Price, Smith & Williamson.

#### **2 DECLARATIONS OF INTEREST**

Councillors Cameron & Myers declared a personal interest in item number 9 as they are both Ward Councillors for Lothingland.

### **3 MAYOR'S ANNOUNCEMENTS**

His Worship, the Mayor, made the following announcements:-

- (i) A service to commemorate the Holocaust Memorial Day to be held on 29/01/2023
- (ii) A service to commemorate the 70th Anniversary of the 1953 Floods.
- (iii) A Beetle Drive for the Mayor's Charity to be held on 10/02/2023
- (iv) A card had been received from HM King Charles III, thanking the Council for their kind wishes following the death of his beloved mother, Queen Elizabeth II.

### **4 ITEMS OF URGENT BUSINESS**

His Worship, the Mayor, informed Council that there were no items of urgent business to report.

### **5 MINUTES**

The minutes of the Council meeting held on 13 October 2022 were confirmed.

Proposer: Councillor P Carpenter.

Secunder: Councillor Candon.

CARRIED.

### **6 LEADER - COUNTY DEAL UPDATE**

The Deputy Leader informed Council that the Leader was absent from tonight's meeting due to being unwell, and that this item had been tabled by him to provide an update on the County Deal for Norfolk. At this time, the Leader had no further information to pass on to Members.

The Leader emailed all Members on 8th December 2022 regarding the County Deal for Norfolk and as Members will be aware, a public consultation on the matter is due to be held in 2023, and Members will be kept informed as information is received.

### **7 SERVICE COMMITTEE DECISION LIST**

Council received and considered the Service Committee Decision List which was presented by the Deputy Leader.

Proposer: Councillor P Carpenter

Secunder: Councillor Candon

CARRIED.

## **8 APPOINTMENT OF SUBSTITUTE MEMBER FOR THE NORFOLK PARKING PARTNERSHIP COMMITTEE**

That Councillor Candon be appointed as a substitute Member on the Norfolk Parking Partnership Committee.

Proposer: Councillor P Carpenter

Secunder: Councillor Flaxman-Taylor

CARRIED.

## **9 DESIGNATION OF BELTON WITH BROWSTON, BURGH CASTLE AND FRITTON WITH ST OLAVES NEIGHBOURHOOD AREA**

Councillor Annison reported that the designation of the Neighbourhood Area establishes the start of the Neighbourhood Plan making process, with the neighbourhood area setting out the area over which the plan will apply.

An application was received from Belton with Browston Parish Council to prepare a joint neighbourhood plan. The proposed area extends over the three parish areas of: Belton with Browston, Burgh Castle and Fritton with St Olaves. It is clear from the minutes of each the respective parish council meetings in September that the three parish councils have decided to prepare a joint neighbourhood plan. As the proposed area is larger than a single parish area the application must be consulted upon and determined by the local authority.

Consultation has taken place. Only two responses were received, one without comment and the other in support from Burgh Castle Parish Council.

It is important to note that the Broads Authority also has responsibility as a local authority, with part of the proposed neighbourhood area within The Broads Area. The areas covered by the proposed Neighbourhood Area are similar in character and have good linkages between them. Given there were no objections received at consultation, it is considered that the proposed Neighbourhood Area is appropriate. The Council's Local Plan Working Party has endorsed this designation.

Proposer: Councillor Annison

Secunder: Councillor Freeman

That Council designates Belton with Browston, Burgh Castle and Fritton with St Olaves Neighbourhood Area.

CARRIED.

## 10 GREEN FLEET STRATEGY (2022- 2032)

The Deputy Leader reported that SLR (Waste Management Consultant) were commissioned to carry an assessment on the fleet and the depot to establish what would be required to run a green fleet. A survey was also commissioned on the depot to understand what Electric charging infrastructure would be needed against our requirements; a “Nature of Supply” application was submitted to find out how much power the depot uses, there is a substation in the far corner of the depot, since the meeting in NOV the survey is now back and confirms we can get the supply we need.

The Council commissioned a Fleet specialist to help with our procurement who has access to frameworks and networks to get us the best deal, since the meeting in NOV this is now in progress and delivery of 1 x 7.5T RCV in Jan 2023 and 5 x 26T RCV's arrive July 2023.

The Council are attending various webinars and events on Electric and Hydrogen, currently part of the Norfolk Climate Change partnership officer working group who are looking at options for using Hydrogen across Norfolk. Officers visited Nottingham City Council in November who are well on their way to electrifying their fleet, they have been on this journey for 10 years who have 6 x eRCV's with 12 on order.

The Council secured a trial with Dennis Eagle in September using the eCollect which is a fully electric RCV, we it had for 3 full days using it on all 3 waste streams, each day the vehicle returned with 30-50% charge which alleviated the range anxiety with this type of vehicle, very good crew feedback, cost eRCV is £450k versus £206k for diesel.

Hydrogen trial; the system retrofitted to diesel engines using sophisticated electronics which are demand responsive to hydrogen flow to optimise engine performance, it is too early to say if the trail was a success or not because the data is still being analysed.

Hydrotreated Vegetable Oil (HVO), the Council would only use sustainable HVO which is being used by several LA's now, earlier this year there were supply chain issues in Norfolk & Suffolk which have now been resolved.

Efficiencies; 90% in emissions, odourless, doesn't need any modifications to the vehicle or any infrastructure changes, it is delivered to the current diesel tank. Currently costs 18% more than diesel per litre, across the fleet this would cost £47k per annum.

Options appraisal is as follows:-

1. Do nothing, although its an option it shouldn't be one to take given the aging fleet.
2. Replace all RCV's with Euro 6 RCV's – how would this sit with the sustainability strategy.
3. Replace all RCV's with eRCV's – very expensive with vehicle and infrastructure costs
4. Mixed fleet using Ultra Low Emissions Vehicles (ULEV) where possible, we can continue with trials, watch what is happening across the industry. Adapt the site as we move along with the industry giving manufacturers time to develop technology



and hope fully bring the prices of vehicles down.

Proposer: Councillor P Carpenter

Seconder: Councillor Wells

That Council:-

(i) Agree to the addition of an extra £106,000 (due to a cost increase since the budget was agreed last year) in 2022/23 and the allocation of a further capital spend of £1.7 million in 2023/24 for vehicle acquisitions; and

(ii) Agree to to lease all operational vehicles to the new company Great Yarmouth Services (GYS) Limited and delegates authority to the Deputy Section 151 Officer to agree the lease terms.

CARRIED.

## **11 RENEWAL OF PUBLIC SPACE PROTECTION ORDER NO.2 - VEHICLE RELATED ANTI-SOCIAL BEHAVIOUR**

The Deputy Leader reported that Public Protection Order No.2 was introduced in 2017 to assist in addressing vehicle related anti-social behaviour along the seafront in Great Yarmouth. The Order was extended in 2020 and this extension is due to expire on 1 February 2023. This report seeks member approval to extend it by a further three years. Since 202, 97 warning letters and 13 FPNs have been issued by Police and Council officers. The police will have officers on site with CCTV regularly and will tackle any road offences using their primary legislation and passing evidence to Council officers for breaches of the PSPO.

There is always a staged approach to enforcement and the warning letters have been very effective in changing peoples behaviour with only the need to issue a smaller number of FPNs.

A public consultation was completed earlier in the year asking for comments from local residents and partners on the proposal to extend the PSPO. Overwhelming the response was to continue to have the PSPO in place to assist police and GYBC officers in tackling this issue. As part of this consultation the Police have also signified they would like an amendment to the PSPO to address unnecessary or excessive revving of engines by vehicle owners, which Council officers would also support.

Councillor Jeal reported that he supported the PSPO but was concerned that the warning letters which were issued did not lead to many prosecutions. Councillor Jeal welcomed any powers to help combat the Boy Racers along South Beach Parade who had a negative effect on the amenity of local residents. Councillor Jeal asked that the Council support local residents who were concerned regarding HGV's travelling along the seafront and then Kings Road to miss the traffic lights associated with the Third river Crossing works.

Proposer: Councillor P Carpenter  
Secunder: Councillor Wells

That Council:-

- (i) Agree to the Order being extended by a further three years; and
- (ii) Agree to an amendment to the Order to help address unnecessary revving of engines.

CARRIED.

## **12 COUNCIL TAX BASE 2023-24**

The Deputy Leader reported that the Council Tax base is a technical calculation that must be formally set each year. It is the first stage of the Council Tax setting process that will be finalised once the budgets have been agreed.

The normal non-collection rate used is 1.75%. However, for this year the non-collection rate has been estimated as higher than normal due to the national cost of living issues at 2.1%.

The calculation of the 2023/24 tax base totalling 29,851 shows a positive growth on prior year of 507.

Proposer: Councillor P Carpenter

Secunder: Councillor Candon

That Council approve the calculation of the 2023/24 tax base totalling 29,851, as shown in Appendix A, this is the total number of domestic properties in the Borough using band D as the average property band.

CARRIED.

## **13 COUNCIL TAX SUPPORT SCHEME 2023-24**

The Deputy Leader reported that this report is asking for Council approval on the 2023 Local Council Tax Support Scheme to be in place from April 2023, following a consultation period based on retaining the existing scheme for 2023.

Proposer: Councillor P Carpenter

Secunder: Councillor Candon

That Council formally approves the Local Council Tax Scheme for 2023, which is to continue with the existing scheme for 2023/24, a maximum award of 91.5% of the Council Tax Liability for Working Age.

CARRIED.

#### **14 COUNCIL TAX DISCOUNTS 2023-24**

The Deputy Leader reported that Councils have discretion in setting the level of council tax charged in respect of unoccupied properties and second homes. Page 2 of the report shows the proposed discounts for 2023/. From April 2023 it is recommended that there is one change to these discounts. This is that the 100% discount for vacant Class C Properties (unoccupied and unfurnished) for one month or less is removed and no discount is applied.

Under the Levelling-up and Regeneration Bill legislation currently going through Parliament the government is proposing further changes to take effect from 1 April 2024

In this legislation Councils can exercise their discretion to:-

- (i) commence the Empty Property Premium after 1 year of the property becoming empty (instead of after two years); and
- (ii) Introduce a premium on unoccupied and furnished properties (second homes) of up to 100%.

It is recommended that both of these are introduced from 1 April 2024 as the Council needs to make this decision at least 12 months in advance on implementing the new premium.

Proposer: Councillor P Carpenter

Secunder: Councillor Candon

- (i) That Council approve the council tax discounts as shown in Table 2 that will apply for 2023/24.
- (ii) That Council, pending the Levelling Up and Regeneration Bill receiving Royal Assent, to approve the changes with effect from 1 April 2024 that:-
  - (a) The Empty Property premium of 100% for properties that have been empty for one year or more commences from 1 April 2024; and
  - (b) The Second Homes Premium of 100% for Class B properties commences from 1 April 2024.

CARRIED.

#### **15 MEDIUM TERM FINANCIAL STRATEGY 2023-24 TO 2025-26**

The Deputy Leader reported that this report presents the medium-term financial strategy for 2023/24 to 2025/26.

The strategy is refreshed each year as part of the preparation for the following years budget and includes the latest high level financial forecasts which have been updated for known spending pressures and commitments.

Like all Local Authorities, the Council are faced with increasing cost pressures in response to the rising cost of living, rising inflation and increased demand on our services. The projections take into account these current spending pressures, most significantly the impact of the pay award from the current financial year, the increased cost of utilities and the impact of increases to interest rate. The continued uncertainty around local government funding does make the budgeting process somewhat challenging.

This week saw announcements on the Local Government Finance Policy Statement which outlined the principles that will be applied in the 2023/24 provisional local government finance settlement, most likely to be announced the middle of next week. The settlement principles cover both 2023/24 and 2024/25, with the overall funding envelope likely to be set at the levels announced in the Autumn statement.

Until the Council receive the figures, it could not confirm for certain, however with headline announcements of rises in core spending power for local authorities of 3%, we can expect grant funding announcements not to be too dissimilar to those included in the financial strategy forecasts with increases in revenue support grant mitigating reductions in grants that are due to be removed.

As always, the devil will be in the detail and we wait for the settlement to be published.

At these challenging financial times it is increasingly important that the Council continues to have a business strategy in place which provides a framework within which plans and work can progressed to reduce the future funding gap by delivering efficiencies and additional income to deliver a sustainable budget in the medium to long term.

The strategy priorities are detailed at section 8 of the strategy document and this is included from page 133 of the agenda. These include:-

- strategic asset management
- economic and housing growth
- technological investment
- and reviewing the operating model for the Council to ensure that Council is operating in the most efficient way.
- Identification of savings and additional savings.

The MTFS also provides an updated reserves statement, which provides details on the level of reserves held. The use of reserves provides only a short-term funding option as this is not sustainable in the longer term, although it is expected that there will be a requirement to use reserves in the short term to reduce the forecast gap.

Additional income to be delivered over the short to medium term, some of these are estimated to be delivered on the back of work that is currently in train. For example, where we have identified assets for disposal that will generate capital receipts that can be used to reduce the pressures on the revenue account from financing. The strategy (at section 8.19) has started to allocate indicative targets for savings the capital programme from borrowing.

In summary, before assuming the level of savings to be delivered there is a forecast gap for next year is £2.4m, this is ahead of the detailed budget work that is currently being undertaken by finance and services and before the consideration of savings and additional income opportunities that will be brought forward for approval as part of the budget reports.

Finally, Members will be aware that the Council has been a member of the Norfolk business rates pool in recent years and this report is recommending that it continues to be a member for 2023/24 subject to the finalisation of the forecasts for 2023/24 and

this decision is delegated to the Section 151 officer in consultation with the Leader. The recommendations are included on page 119 of the agenda.

Councillor Wainwright thanked the Finance Director and her team for all their hard work in the production of the MTFS. Councillor Wainwright informed Council of the bleak outlook for thousands of residents due to the current economic turmoil, cost-of-living crisis and strikes which added up to the worst case scenario for the last twelve years, which was a driving force in the reduction of the life expectancy of local residents in our poorest wards. Councillor Wainwright reported that although the Council had received an award from the LGA and had been highly commended from the recent Peer Review, these honours would not keep our most vulnerable residents warm and fed.

Proposer: Councillor P Carpenter

Seconder: Councillor Candon

That Council:-

- (i) Consider the updated Medium Term Financial Strategy (MTFS) and the key themes of the business strategy as outlined at Section 8;
- (ii) Consider the revised reserves statement as included at Appendix A to the MTFS; and
- (iii) Agree to continue with the business rates pool for 2023/24 subject to the finalisation of the forecasts for 2023/24 and the outcome local government finance settlement, to delegate authority to the Section 151 Officer in consultation with the Leader to approve.

CARRIED.

## **16 MOTION ON NOTICE**

Councillor Smith-Clare presented the following Motion to Council:-

Council are asked to consider the following Motion on Notice from Councillors Smith-Clare, Wainwright, Cordiner-Achenbach, Waters-Bunn, Robinson-Payne, Jeal.

Council recognises that recycling is good for the environment and saves public money being spent on sending waste to landfill.

Fly tipping is a crime.

Recycling rates in GY are too low and every effort should be made to encourage recycling and discourage fly-tipping.

The cost of clearing fly-tipping falls to the borough council tax payers or landowners when rubbish is tipped in private land.

Council welcomes county council investment with all party support in upgrading

recycling and reuse centres. Proposals to reduce the hours of recycling centres goes against the need to encourage recycling, sends out the wrong message about the importance of the environment and could lead to increased fly-tipping.

Motion on Notice:-

That this council resolves to write to Norfolk County Council to reconsider their proposals to reduce the hours at recycling and reuse centres, as this goes against the need to encourage recycling; sends out the wrong message about the importance of the environment, and could lead to increased fly tipping.

Councillor Smith-Clare proposed that a recorded vote be taken. This motion was seconded by Councillor Waters-Bunn. Following a vote, the required 16 votes for a recorded vote was not attained, so a recorded vote would not be taken.

Councillor Smith-Clare reported that parts of his ward were used as fly-tipping areas and that targeted work by the Council had been undertaken to reduce this in Churchill Road and Harley Road.

Councillor Smith-Clare reported that it was ludicrous and un-economical to propose a reduction in hours and/or opening days of the recycling centre as this would lead to more fly-tipping in the Borough and consequently, more cost to the Council and he urged Council to support this common-sense motion.

The Deputy Leader reported that 80% of fly-tipping could have been taken to the tip for free which demonstrated that fly-tippers had no intention of taking their waste to the tip in the first place. Four cases of fly-tipping had been taken to court this year with a further 5 cases pending. It was premature for the Council to make a decision on this matter until the public consultation finished and the data had been analysed.

Councillor Jeal spoke in favour of the motion and reported that he had witnessed builders dumping brick rubble in public bins.

Councillor Talbot reported the fly-tipping she encountered whilst taking her children to school on a daily basis. She asked for data regarding the number of fly-tipping incidents where the perpetrator could not be identified and court proceedings could not be undertaken.

Councillor Grant reencountered his experiences of fly-tipping when he worked at the Caister Recycling Centre and he informed Council that there was no link between changes in operating hours and an increase in fly-tipping. The public would get used to altered opening hours after a two week adjustment period. Councillor Grant declared a personal interest as he had a waste carrier licence and used the Recycling Centre.

Councillor Wells agreed that there were fly-tipping problems in certain wards but education of local residents was key.

Councillor Myers referred to a recent FOI submitted to the Council regarding fly-tipping and asked for clarification as to how many fixed-penalty notices had been issued.

Councillor Candon reiterated that this motion was premature and that Council should wait until the consultation had closed and the results examined.

Councillor Smith-Clare summed up.

Following a vote; the Motion was lost

Councillor A Wright asked for a point of order that his vote for the motion be recorded in the minutes as per the Council's Constitution. The Monitoring Officer agreed to his request. A number of other councillors requested that their votes be recorded in the minutes too as follows.

For the motion:- Councillor A Wright, Jeal, Wainwright, C Walker, B Walker, Smith-Clare, Martin, Waters-Bunn, Robinson-Payne, Fairhead, B Wright, Borg, Talbot, Myers & Thompson.

## **17 ANY OTHER BUSINESS**

His Worship, the Mayor, reported that there was no other business being of sufficient urgency to warrant consideration at the meeting.

His Worship, the Mayor, wished all those present at Council a very Happy Christmas and a peaceful New Year.

The meeting ended at: TBC

Service Committee Decision List for the period 10 November 2022 to 6 December 2022

	Details of Decision	Officer Lead
1	<p>Housing and Neighbourhoods Committee – 10 November 2022</p> <p><b><u>OPEN SPACE NEEDS EVIDENCE</u></b></p> <p>Resolved:</p> <p>That Committee endorses the content and recommendations to adopt :-</p> <ol style="list-style-type: none"> <li>1. The Open Space Needs Assessment</li> <li>2. The Playing Pitch and Outdoor Sports Strategy.</li> </ol>	Principal Strategic Planner
2	<p>Housing and Neighbourhoods Committee – 10 November 2022</p> <p><b><u>2022/23 PERIOD 6 HOUSING REVENUE ACCOUNT BUDGET MONITORING REPORT</u></b></p> <p>Resolved :</p> <p>(1) That Committee note the 2022/23 Housing revenue and capital budget monitoring position as at the end of period 6</p>	HRA Service Accountant
3	<p>Housing and Neighbourhoods Committee – 10 November 2022</p> <p><b><u>COUNCIL HOUSING COMPLIANCE - SIX MONTHLY UPDATE AS AT END OF QUARTER 2</u></b></p> <p>RESOLVED :</p> <p>That the Committee note the Director of Housing Asset's report.</p>	Director of Housing Assets



4	<p>Housing and Neighbourhoods Committee – 10 November 2022</p> <p><b><u>HOMELESSNESS UPDATE AND TEMPORARY ACCOMODATION ACQUISITION</u></b></p> <p>RESOLVED :</p> <p>That the Committee :-</p> <p>(1) Approve the acquisition of 6 x 2-bedroom flats to increase the Council’s Temporary Accommodation portfolio.  (2) Recommend to Full Council the approval of the expenditure and borrowing set out at paragraph 1.3 of the Confidential Appendix.  (3) Delegate decisions in relation to the acquisition of the properties in in accordance with the Property Acquisitions and Disposals Policy to a Strategic Director and the Section 151 Officer.  (4) Delegate decisions in relation to the works required on the properties and applicable expenditure to the Housing Director.</p>	Housing Director
5	<p>Economic Development Committee – 14 November 2022</p> <p><b><u>E-SCOOTER TRIAL</u></b></p> <p>RESOLVED :</p> <p>That the Committee agree:-</p> <p>That the Committee note the progress of the E-Scooter trial and the extension of the trial to 31 May 2024.</p>	Project Manager
6	<p>Economic Development Committee – 14 November 2022</p> <p><b><u>GENERATE - MARKETING &amp; PROMOTION UPDATE</u></b></p> <p>RESOLVED :</p> <p>That the Committee review and approve the policy.</p>	Project Manager

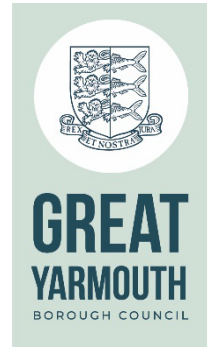
7	<p>Environment Committee – 15 November 2022</p> <p><b><u>HEMSBY - UPDATE MANAGEMENT OF COASTAL EROSION</u></b></p> <p>RESOLVED :</p> <p>That the Committee:</p> <p>(1) Notes progress on the work completed to date to gain planning permission, marine licence and Coast Protection Act consent for the Hemsby Rock berm.  (2) Notes the findings of the Wider Economic Appraisal.  (3) Supports consideration of a capital submission for interim works at Hemsby.</p>	Head of Property and Asset Management
8	<p>Environment Committee – 15 November 2022</p> <p><b><u>THE FOOD SERVICE PLAN 2022/2023</u></b></p> <p>RESOLVED :</p> <p>That Committee:</p> <p>1) That the Committee approve and adopt the Food Service Plan for 2022/23.</p>	Environmental Health Manager
9	<p>Environment Committee – 15 November 2022</p> <p><b><u>FLYTIPPING AND WASTE – LESSONS LEARNT REPORT</u></b></p> <p>RESOLVED :</p> <p>That Committee note the report.</p>	Head of Environment and Sustainability

10	<p>Environment Committee – 15 November 2022</p> <p><b><u>FLEET STRATEGY UPDATE</u></b></p> <p>RESOLVED :</p> <p>That Committee note the report.</p>	<p>Head of Environment and Sustainability / Director of Operational Services</p>
11	<p>Environment Committee – 15 November 2022</p> <p><b><u>GYBS LTD END OF SEASON – UPDATE</u></b></p> <p>RESOLVED:-</p> <p>That the Committee note the report.</p>	<p>Director of Operational Services</p>
12	<p>Environment Committee – 15 November 2022</p> <p><b><u>NORFOLK WASTE PARTNERSHIP - UPDATE</u></b></p> <p>RESOLVED:-</p> <p>That the Committee note the report.</p>	<p>Head of Environment and Sustainability</p>
13	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>GORLESTON SEAFRONT MASTERPLAN</u></b></p> <p>RESOLVED :</p> <p>That Policy and Resources Committee adopt the Gorleston Seafront Masterplan included in Appendix 1 of the Principal Strategic Planner's report.</p>	<p>Principal Strategic Planner</p>

14	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>RENEWAL OF PUBLIC SPACE PROTECTION ORDER NO.2 – VEHICLE RELATED ANTI-SOCIAL BEHAVIOUR</u></b></p> <p>RESOLVED :</p> <p>That the Policy and Resources recommend to Council :-</p> <ul style="list-style-type: none"> <li>• That Members agree to the Order being extended by a further three years</li> <li>• That Members agree to an amendment to the Order to help address unnecessary revving of engines</li> </ul>	Head of Environment and Sustainability
15	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>GREAT YARMOUTH SERVICES LTD BUSINESS PLAN 2023-24</u></b></p> <p>RESOLVED:</p> <p>(That Committee :-</p> <p>(1) Agree Great Yarmouth Services Ltd (GYS) Business Plan for 2023/24 alongside GYS Operational Plans, as provided for under the scheme of Delegation in relation to acting as the Member for GYS.</p> <p>(2) Note the budget for the delivery of these services as included in the business plan reflects the forecasted current year position and an allowance for an uplift.</p> <p>(3) Note that the budget will still need to be approved by Full Council in February, and therefore could be subject to some adjustments prior to this final approval.</p>	Director of Operational Services
16	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>DRAFT COASTAL ADAPTATION SUPPLEMENTARY PLANNING DOCUMENT CONSULTATION</u></b></p> <p>RESOLVED:</p> <p>That the Committee :</p> <p>(1) Endorse the Draft Coastal Adaptation SPD, included as Appendix 1 in this report for consultation</p> <p>(2) Delegates authority to the Director of Planning &amp; Growth to make minor amendments to the consultation documents prior to consultation.</p>	Principal Strategic planner

17	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>NEW LOCAL PLAN OPTIONS CONSULTATION</u></b></p> <p>RESOLVED:</p> <p>That the Committee approve the consultation document on the new Local Plan appended to the Strategic Planning Manager's report.</p>	Strategic Planning Manager
18	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>SPENDING OF DEVELOPER CONTRIBUTIONS (SECTION 106/SECTION 111) ON OPEN SPACE PROVISION</u></b></p> <p>RESOLVED:</p> <p>That Committee approve the approach set out in the report to spending developer contributions towards open space.</p>	Strategic Planning Manager
19	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>GENERAL FUND ASSET MANAGEMENT STRATEGY 2022-2025</u></b></p> <p>RESOLVED:</p> <p>That Committee review and approve the 2022-2023 General Fund Asset Management Strategy.</p>	Head of Property and Asset Management
20	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>2022-23 TREASURY MANAGEMENT MID YEAR REPORT</u></b></p> <p>RESOLVED:</p> <p>That Committee approve the treasury management half yearly report for 2022/23.</p>	Finance Manager

21	<p>Policy and Resources Committee – 6 December 2022</p> <p><b><u>PARISH GRANTS REVIEW UPDATE</u></b></p> <p><u>RESOLVED :</u></p> <p>That Committee:</p> <p>(1) Note the level of financial support provided to parish councils; (2) Approve the removal of the Local Council Tax Support Grant of £25,003 for 2023/24; (3) Approve the removal of the concurrent function grants for bus shelters in 2023/24 of £8,714; (4) Agree to establishment of a small Officer working group to review the Burial Grounds and Parks and Open Spaces element of the Concurrent Function Grants with no changes to these elements proposed for 2023/24, but to review in line with the criteria of grants as outlined in section 2.1 and 2.2 of the report for concurrent function grants.</p>	Finance Director
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**Subject: Appointment of Executive Director - Place**

**Report to: Council - 21st February 2023**

**Report by: Sarah Tate, Head of Organisational Development**

#### **SUBJECT MATTER**

To seek ratification of the recommendation from the Employment Committee following the recruitment and selection process undertaken by the Committee.

#### **RECOMMENDATION**

That Council :

- (1) Agree to the appointment of Natasha Hayes as Executive Director – Place

### **1. Introduction**

- 1.1. Under the Council’s Constitution (Article 45 – Officer Employment Procedure Rules) the appointment of any chief officer shall be by resolution of the Council on the recommendation of the Employment Committee.
- 1.2. An offer of employment as a Chief Officer shall only be made where no well-founded objection from any Member of the Council has been received.
- 1.3. The Employment Committee met on 30th January 2023 to undertake the final stage of the recruitment process for the Executive Director – Place, in accordance with the Council’s Constitution. The Employment Committee are recommending Full Council to agree the following appointment:  
  
Natasha Hayes as Executive Director – Place
- 1.4. The Employment Committee were assisted in the process by Sheila Oxtoby, Chief Executive, Sapna Sharma, Penna and Sarah Tate, Head of Organisational Development.
- 1.5. The Employment Committee was attended by:  
  
Councillor Carl Smith                      Councillor Emma Flaxman-Taylor  
Councillor Penny Carpenter              Councillor Paula Waters-Bunn  
  
Councillor Trevor Wainwright
- 1.6. Due to the difficult recruitment market and the seniority of this post the Council were supported by Penna during the process. The post was advertised internally and externally through relevant media channels, including the MJ, Penna, various recruitment websites,

social media, LinkedIn and a bespoke microsite on the Council’s web pages. Penna undertook a head-hunting exercise and contacted over 100 potential candidates, 24 applications were received, 6 candidates were longlisted and attended a technical interview and 3 applicants were taken through to the final stages of the process.

- 1.7. The whole assessment process included CV and covering letter, a technical interview using a Technical Assessor who has extensive experience in a range of place shaping services including regeneration, planning, economic development and recovery, assets, commercialisation as well delivering housing service and experience of Coastal and Urban issues and has worked in Borough, District and Unitary Authorities. Following this there was an assessment centre which included a stakeholder session, chairing of an ELT meeting and a meeting with heads of service. Insights profiles were also undertaken for each candidate. The Employment Committee were provided with feedback from the technical interviews and the assessment centre. The Employment Committee undertook the final interview process which included a presentation on a set topic and a series of interview questions.
- 1.8. Following the conclusion of the whole process the committee considered the candidate and it was agreed that Natasha Hayes should be recommended for the role of Executive Director – Place.

## **2. Financial Implications**

- 2.1. The salary range and market supplement applicable to this role with within budgeted salary range and contained within the Councils approved Pay Policy Statement. There are no additional financial implications.

## **3. Risk Implications**

- 3.1. There are no identified risk implications identified from the recommendation contained within this report.

## **4. Conclusion**

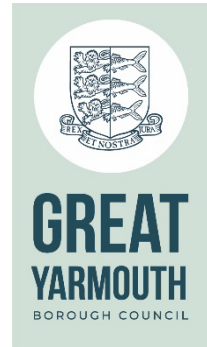
- 4.1. An extensive and thorough recruitment process was undertaken to enable the appointment of the new Executive Director – Place.

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

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	ELT
Section 151 Officer Consultation:	ELT
Existing Council Policies:	Constitution



Financial Implications (including VAT and tax):	Identified within report
Legal Implications (including human rights):	N/A
Risk Implications:	Identified within report
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A



**URN:** 22/120  
**Subject:** Pay Policy Statement 2023-24  
**Report to:** Full Council – 21 February 2023  
**Report by:** Sarah Tate, Head Organisational Development

#### **SUBJECT MATTER**

Pay Policy Statement 2023-24

#### **RECOMMENDATION**

That Council :

Adopt the attached Pay Policy Statement for 2022-23 which shall be published on the Council's website.

### **1. Introduction / Background**

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

### **2. Pay Policy Statement**

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

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

2.2 With regard to the process for approving the Statement, it must:

- a) Be approved formally by Council and cannot be delegated to any subcommittee. This includes any amendments in each financial year

- b) Be approved by the end of March each year
- c) Be published on the Council’s website and in any other manner that the Council thinks appropriate as soon as it is reasonably practicable after it is approved or amended
- d) Be complied with when the Council sets the terms and conditions for a Chief Officer

2.3 For the purpose of the Statement the term ‘Chief Officer’ in a local authority context is defined as set out in section 43 of the Localism Act 2011.

### 3. Financial and risk implications

3.1 There are no increased risk implications as a result of setting and publishing the pay policy statement. The financial implications have been factored into the budget setting process for the 2023/24 budget.

### 4. Risk Implications

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

### 5. Background Papers

5.1 Current pay structure

*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:	Pay policy Statement
Financial Implications (including VAT and tax):	Considered
Legal Implications (including human rights):	Section 38 of the Localism Act 2011, Local Government Transparency Code 2015
Risk Implications:	Considered
Equality Issues/EQIA assessment:	Considered
Crime & Disorder:	N/a

## **PAY POLICY STATEMENT 2023/24**

This Pay Policy Statement is produced in accordance with Chapter 8 of the Localism Act 2011 and the Local Government Transparency Code 2015. It was approved by a meeting of Great Yarmouth Borough Council (GYBC) on 21 February 2023 and is made available on the Council's website. The Council's website also includes separately published data on salary information relating to Chief Officers and this can be accessed at [Senior Salary Information](#).

### **1. Remuneration of Employees**

- 1.1 For employees subject to the 'National Agreement on Pay and Conditions of Service of the National Joint Council (NJC) for Local Government Services' (commonly known as the 'Green Book'), the Council uses a pay spine that commences at national Spinal Column Point (SCP) 1 and ends at local SCP 45. This pay spine is divided into 10 pay bands, which each contain between three and six incremental points. Band 1 is the lowest and Band 10 is the highest of these pay grades. Posts are allocated to a pay band through a process of job evaluation. See Appendix A for the current pay bands.
- 1.2 For the purpose of this Policy Statement, employees on Band 1 are defined as our lowest-paid employees. These are the lowest paid employees other than apprentices who are paid in line with national standards to reflect the nature of the training and development role.
- 1.3 The values of the SCPs in these pay grades are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services.
- 1.4 The minimum (pro rata) salary paid by the Council to employees in established posts should not be less than the Real Living Wage which is currently £10.90 per hour. This rate is reviewed and updated annually by the Living Wage Foundation and the new rate is announced in November of each year. Where an employee's contractual (pro-rata) pay is less than the Real Living Wage they receive a supplement to raise their pay to the Foundation Living Wage level (excluding apprentices).
- 1.5 The Council uses the National Job Evaluation Scheme to establish the relative 'sizes' of jobs within the Council. An evaluation results in an overall job evaluation score which is used to rank jobs within the organisation. The overall job evaluation score for a job is used to allocate that job to the appropriate pay grade of the Council's pay structure.

### **2. Remuneration of Senior Managers**

#### **2.1 Chief Executive**

- 2.1.1 The Council's Chief Executive is the Council's Head of Paid Service. As at 31 March 2023, the FTE salary range for this post is £119,907 - £135,750. There are five incremental points in the grade.
- 2.1.2 It is the Council's policy that the FTE salary range for the post of Chief Executive will normally be no greater than 8.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not being exceeded. The current pay levels within the Council define the pay multiple between the median full time equivalent (FTE) earnings and the Chief Executive as 1:5.03.

- 2.1.3 Notwithstanding 2.1.2, the value of the spinal column points in the Chief Executive's grade will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.
- 2.1.4 The Chief Executive also receives a (Deputy) Returning Officer fee in respect of County, District and Parish Council Elections. The fee for undertaking this role in Norfolk is calculated in accordance with a formula approved annually by the Norfolk Chief Executives' Group, based on a recommendation by the County Electoral Officers' Group. Fees for conducting Parliamentary Elections are determined by way of a Statutory Instrument.
- 2.2 **Directors**
- 2.2.1 The Directors report to the Chief Executive. As at 31 March 2023, the annual FTE range for the grade of the Director posts is currently £75,312 – £89,814.
- 2.2.2 It is the Council's policy that the FTE salary range for the posts of Director will normally be no greater than 6x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not being exceeded. The current pay levels within the Council define the multiple between the median employee full time equivalent (FTE) earnings and the median Chief Officers' earnings as 1:3.29.
- 2.2.3 Notwithstanding 2.2.2, the value of the SCPs in the Director grades will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Officers of Local Authorities.
- 2.2.4 The Council's Monitoring Officer is employed by Norfolk County Council (through a secondment agreement). This Policy Statement does not, therefore, concern the remuneration of the post whose holder undertakes that role.
- 2.2.5 The Council's S151 Officer and Deputy, where employed directly by the Council, also receive a supplement of up to £5,000 for undertaking their statutory duties.
- 2.3 **Heads of Service**
- 2.3.1 The Heads of Service report to the Executive Leadership Team (ELT). ELT is comprised of the Chief Executive and the Directors. As at 31 March 2023, the annual FTE salary range for the Heads of Service posts is £64,779 - £69,346. There are five incremental points in the grade.
- 2.3.2 It is the Council's policy that the FTE salary range for Head of Service posts will normally be no greater than 4.5x the FTE salary range of a Band 1 'Green Book' employee. This maximum is not being exceeded.
- 2.3.3 The values of the SCPs in this pay grade are updated by the pay awards notified from time to time by the National Joint Council for Local Government Services.
- 2.4 **Senior Managers (MGR-11)**
- 2.4.1 As at 31 March 2023, the annual FTE salary range for the Senior Managers post is £51,960 - £55,224. There are five incremental points in the grade.
- 2.4.2 The values of the SCPs in this pay grade is updated by the pay awards notified from time to time by the National Joint Council for Local Government Services.
3. **General Principles**
- 3.1 On recruitment, individuals will be placed on the appropriate SCP within the pay grade for the post that they are appointed to. This would normally be the minimum of the scale; however, appointment may be at a higher point where necessary to appoint the best candidate. Access to appropriate elements of the Council's Relocation Scheme may also be granted in certain cases, when new starters need to move to the area.
- 3.2 Where the Council is unable to recruit to a post at its designated grade, it will consider the use of temporary market supplements or a 'recruitment incentive payment'. Recruitment incentive payments are re-payable in whole or in part in certain circumstances should the officer leave

before an agreed period has been served. These payments are subject to tax and national insurance under the Council's PAYE scheme.

- 3.3 In areas of skills shortages (locally or nationally) the Council will consider the use of retention payments.
- 3.4 Individuals will normally receive an annual increment, subject to the top of their grade not being exceeded. In exceptional circumstances (e.g., examination success), individuals will receive accelerated increments. Again, this is subject to the top of their grade not being exceeded.
- 3.5 The Council does not apply performance-related pay, with the exception of the Directors and Heads of Service whose progression through the increments of the pay grade is subject to performance management. The Council does not apply any bonuses.
- 3.6 On ceasing to be employed by the Council, individuals will only receive compensation:
  - a) in circumstances that are relevant (e.g., redundancy), and
  - b) that is in accordance with our published Policy Statement on how the Council will exercise the various employer discretions provided by the Local Government Pension Scheme (LGPS), and/or
  - c) that complies with the specific term(s) of a settlement agreement used to avoid or settle a potential legal claim.
- 3.7 The Policy Statement on how the Council will exercise the various employer discretions provided by the LGPS also summarises how Flexible Retirement might be allowed. This is where an individual aged 55 or over who reduces their grade or hours of work (or both) may receive their LGPS benefits immediately, even though they haven't left the Council's employment. This will be allowed only in circumstances where it is demonstrated to be in the Council's long-term interests.
- 3.8 Any decision to re-employ an individual who was previously employed by the Council and, on ceasing to be employed, was in receipt of a severance or redundancy payment, will be made on merit. The Council will not, however, normally engage such an individual under a contract for services.
- 3.9 Any Market Supplement that is paid will be in accordance with our Protocol for Payment of Market Supplements.
- 3.10 If it is appropriate for an honorarium to be paid, this will be in accordance with our Principles for Payment of Honoraria.
- 3.11 The Council pays Essential and Casual Car User allowances in appropriate circumstances. These allowances are in accordance with 'Green Book' rates, although the Council does not recognise the 1200cc to 1450cc (i.e., the top) band and mileage may only be claimed at a reduced local rate. There are also local rates in force for individuals who use their motorcycles or bicycles on official business.
- 3.12 Any excess travelling allowance that is paid will be in accordance with the Change in Place of Employment – Scheme for Payment of Allowance.
- 3.13 Any subsistence allowance that is paid will normally be no higher than the rates notified from time to time by the East of England Local Government Association.
- 3.14 Professional subscriptions are payable where they are required for the post.
- 3.15 The Council operates the Local Government Pension Scheme (LGPS) for employees within scope of this statement.
- 3.16 Where severance payments over £100,000 are considered, this matter must be referred to Full Council.

#### **4. Consultants and Agency Workers**

- 4.1 Consultants and agency workers are not deemed to be employees and therefore their remuneration is not covered by this Pay Policy Statement. Contracts covering the engagement of consultants and agency workers will be agreed under the rules of Great Yarmouth Borough

Council's Contract Standing Orders. Where the Council is unable to recruit officers or there is a need for interim support, the Council will put in place the most effective arrangements to engage individuals. These arrangements will comply with HMRC IR35 requirements, relevant procurement processes and ensure the Council is able to demonstrate maximum value for money.

5. **Tax Avoidance**

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

6. **Review**

- 6.1 The Localism Act 2011 requires relevant authorities to prepare a Pay Policy Statement for each subsequent financial year. Our next Statement is scheduled to be for 2024/25 and will be submitted to Full Council for approval by 31 March 2024.
- 6.2 If it should be necessary to amend this 2023/24 Statement during the year that it applies, an appropriate resolution will be made by Full Council.

<b>GYBC PAY STRUCTURE - April 2022</b>			
<b>Spinal Column Point</b>	<b>Annual FT Rate April 2022</b>	<b>Pay Bands</b>	<b>2022 Hourly Rate</b>
1	£20,258	Band 1	£10.50
2	£20,441	Band 1	£10.60
3	£20,812	Band 1      Band 2	£10.79
4	£21,189	Band 2	£10.98
5	£21,575	Band 3      Band 2	£11.18
6	£21,968	Band 3	£11.39
7	£22,369	Band 3      Band 4	£11.59
8	£22,777	Band 4	£11.81
9	£23,194	Band 4	£12.02
10	£23,620	Band 4	£12.24
11	£24,054	Band 4	£12.47
12	£24,496	Band 4	£12.70
13	£24,948	not used	£12.93
14	£25,409	Band 5	£13.17
15	£25,878	Band 5	£13.41
16	£26,357	Band 5	£13.66
17	£26,845	Band 5	£13.91
18	£27,344	Band 5	£14.17
19	£27,852	Band 5	£14.44
20	£28,371	Band 6	£14.71
21	£28,900	Band 6	£14.98
22	£29,439	Band 6	£15.26
23	£30,151	Band 6	£15.63
24	£31,099	Band 6	£16.12
25	£32,020	Band 6	£16.60
26	£32,909	Band 7	£17.06
27	£33,820	Band 7	£17.53
28	£34,723	Band 7	£18.00
29	£35,411	Band 7	£18.35
30	£36,298	Band 7	£18.81
31	£37,261	Band 8	£19.31
32	£38,296	Band 8	£19.85
33	£39,493	Band 8	£20.47
34	£40,478	Band 8	£20.98
35	£41,496	Band 8	£21.51
36	£42,503	Band 9	£22.03
37	£43,516	Band 9	£22.56
38	£44,539	Band 9	£23.09
39	£45,495	Band 9	£23.58
40	£46,549	Band 9	£24.13
41	£47,573	Band 10	£24.66
42	£48,587	Band 10	£25.18
43	£49,590	Band 10	£25.70
44	£50,469	Band 10	£26.16
45	£51,395	Band 10	£26.64

SCP's correct as at 22 February 2023 when approved by Full Council. The pay claim for 2023-24 is yet to be agreed.



**Subject** INVESTMENT STRATEGY 2022/23  
**Report to** POLICY AND RESOURCES COMMITTEE – 13 February  
2023 COUNCIL – 21 February 2023  
**Report by:** FINANCIAL SERVICES MANAGER



## **SUBJECT MATTER/RECOMMENDATIONS**

This report and document present for approval the Council's Investment Strategy for 2023/24. The document provides a framework that informs decisions in relation to the council's investments and supports other strategies including the treasury management strategy.

### **Recommendations:**

Council are recommended to agree and approve the 2023/24 Investment Strategy.

## **1. INTRODUCTION AND BACKGROUND**

- 1.1. In accordance with statutory guidance, the Council is required to have an Investment Strategy. The investment strategy is informed by and also informs a number of the Council's other strategy documents, including the following:
- Treasury Management Strategy
  - Capital Strategy
  - Asset Management Strategy
  - Medium Term Financial Strategy.
- 1.2. There may be some cross over between the investment strategy and some of the above, but essentially the investment strategy covers the Council's approach to the service and commercial investments as opposed to treasury management investments which are covered with the annual treasury management strategy as approved by Council.

## **2. INVESTMENT STRATEGY 2023/24**

- 2.1. The Investment Strategy for 2023/24 is attached at appendix A, and covers capital expenditure and financing, treasury management and commercial activities. It reflects how previous capital investment decisions and those taken as part of the 2023/24 budget setting have ongoing implications for the Council and its financial position in the future.

## **3. FINANCIAL IMPLICATIONS**

- 3.1. The strategy sets out the framework for investments made in respect of service and commercial investments, decisions in relation to specific investments will be presented for approval through the decision making process as per the constitution and the financial implications would be determined for the investments as part of the business case for approval.

3.2. The strategy as presented is line with the approved 2023/24 budget as agreed in February 2022. As decisions are made in the year, this may impact on the investment strategy and the respective decision making and recommendations will take into account the investment strategy and recommend changes to the strategy as applicable.

**4. RISK IMPLICATIONS**

4.1. These are detailed within the Strategy document.

**5. BACKGROUND PAPERS**

- 5.1. Capital Strategy 2023/24
- 5.2. Treasury Management Strategy 2023/24
- 5.3. Asset Management Strategy

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



# Investment Strategy Statement 2023/24

<b>Author</b>	<b>Finance</b>
<b>Version No.</b>	<b>2023/24</b>
<b>Updated by</b>	<b>Financial Services Manager</b>
<b>Date of update</b>	<b>February 2023</b>
<b>Description of changes to this version</b>	<b>Annual update in line with budget</b>
<b>Document Status</b>	<b>To be approved</b>

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## INVESTMENT STRATEGY 2023/24

### 1. INTRODUCTION

- 1.1 The Authority invests its money for three broad purposes:
- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments),
  - to support local public services by lending to or buying shares in other organisations (service investments), and
  - to earn investment income (known as commercial investments where this is the main purpose).
- 1.2 This investment strategy meets the requirements of statutory guidance issued by the government and focuses on the second and third of the above categories.

### 2. TREASURY MANAGEMENT INVESTMENTS

- 2.1 The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate during 2023/24, with an average investment of £12m anticipated for the financial year.
- 2.2 **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
- 2.3 **Further details:** Full details of the Authority's policies and its plan for 2023/24 for treasury management investments are covered in a separate document, the treasury management strategy, available here: <https://www.great-yarmouth.gov.uk/policies>

### 3. SERVICE INVESTMENT LOANS

- 3.1 **Contribution:** The Council lends money to its subsidiaries (GYS Limited, Equinox Enterprises Limited and Equinox Property Holdings), local charities, local businesses, and local residents (in the form of home improvement loans), to support local public services and stimulate local economic growth.
- 3.2 The loans made to Equinox Enterprises Limited and Equinox Property Holdings, as the subsidiaries of the Council, form part of investment in the company to provide an initial cash injection to enable the company to become established. The purpose of Equinox Enterprises Limited is to develop housing for sale (including affordable homes) and the purpose of Equinox Property Holdings is to provide quality rental housing in the borough. This supports the Council's objective within the Corporate Plan 2020-2025 to provide a mix of attractive good quality housing for all sectors of the workforce and community that is fit for purpose for all and meet both the borough's existing and future needs.
- 3.3 The Council is providing asset to its other subsidiary, GYS Limited, via finance leases to provide it with the fleet (e.g. refuse vehicles) and other equipment to require to deliver its service to Council. The company delivers grounds maintenance, cleaning services including public toilets, streets, and beaches, and waste and recycling collection services.
- 3.4 Discretionary loans are granted to local charities and businesses, this will be following a decision by the Policy and Resources Committee and /or Council as applicable. In line with the Corporate Plan 2020-2025 these loans are granted to support the local charities and

businesses that assist in improving the communities and facilities in the borough. The rates for service loans will be set at appropriate rates that reflect counterparty risks and duration.

3.5 The Council has a responsibility to address private sector housing that is in poor condition or needs adaptations to meet the needs of those with disabilities. The Council also has an objective within the Corporate Plan 2020-2025 to provide help early, when people need public health and care, to prevent avoidable problems and to help more people to help themselves as well as tackling challenges within communities. Home improvement loans help residents to redress housing issues that impact on their health. The home improvement loans are made from a recycling pot following repayment of loans made as part of prior year capital programme allocations.

3.6 **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31/3/22 Actuals			2023/24
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries: GYS Limited, Equinox Enterprises Limited and Equinox Property Holdings	0.00	0.00	0.00	14.00
Local Charities	0.68	0.00	0.68	0.70
Local Businesses	0.00	0.00	0.00	0.20
Local Residents (Home Improvement Loans)	2.14	0.00	2.14	2.90
<b>TOTAL</b>	<b>2.82</b>	<b>0.00</b>	<b>2.82</b>	<b>17.80</b>

\*loans, except for those to local residents, granted in 2023/24 will be subject to Council/Committee approval during the year.

3.7 Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments. It should be noted that both the loans to local charities and local residents are equity loan agreements, so the Council obtains a share of the equity of the borrower's property as collateral. This reduces the risk of the Council not recovering the loan amount from the borrower and occasionally generates a small surplus depending on the agreement type used. On occasions where a loan to a local business would clearly meet the service objectives of the council, loans would be given on market terms. These loans will be made with due attention to the risk to the council, and the rate of interest charged on the loan will be commensurate with the security provided, the duration of the loan and the risk of default (i.e., non-repayment).

3.8 **Risk assessment:** The Authority assesses the risk of loss before entering, and whilst holding service loans by undertaking due diligence proportionate to the level of the loan being granted to mitigate as far as possible any risks of non-recovery. This will also include taking external advice as applicable, such as discussion with NP Law as part of the loan agreement process.

#### 4. SERVICE INVESTMENTS: SHARES

4.1 **Contribution:** The Council has shares in Equinox Enterprises Limited and will have shares in Equinox Property Holdings as its subsidiaries. The Council invests in its subsidiaries to enable them to develop affordable and quality housing within the borough and with the aim of them providing a return on the investment. For information GYS Limited is a company limited by guarantee, so will have Members rather than shareholders and will therefore hold no share capital.

4.2 company.

4.3 **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

	31/3/22 Actuals			2023/24
Category of company	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Equinox Enterprises Limited (Subsidiary)	2.23	0.00	2.23	5.0
Equinox Property Holdings (Subsidiary)	0.00	0.00	0.00	1.0

4.4 **Risk assessment:** The Authority assesses the risk of loss before entering into and whilst holding shares by undertaking the appropriate due diligence. As further contracts and opportunities are considered, the company's performance will inform the risk assessment.

4.5 **Liquidity:** Any new investment proposal will be considered for approval via the appropriate decision-making route in line with the council's Constitution.

4.6 **Non-specified Investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

#### 5. COMMERCIAL INVESTMENTS: PROPERTY

5.1 **Contribution:** The council owns a varied portfolio of commercial properties including seafront concessions, warehouses, workshops, offices and industrial units across the borough. These form a significant element of the council's asset management plan which is available here: <https://www.great-yarmouth.gov.uk/article/3222/Plans-and-performance>

Table 3: Property held for investment purposes in £ millions

Property	31/3/22 Actual		31/3/23 Expected	
	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Offices	(1.0)	4.7	0.2	4.9
Corporate Estates	(0.2)	39.2	0.2	39.4
Seafront Concessions	0.0	4.7	0	4.7
<b>TOTAL</b>	<b>(1.3)</b>	<b>48.6</b>	<b>0.4</b>	<b>49.0</b>

5.2 **Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

5.3 A fair value assessment of the Authority's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. Should the 2022/23 year end accounts preparation and audit process value these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

5.4 **Risk assessment:** The Council's internal Property and Asset Management team includes members of the Royal Institution of Chartered Surveyors (MRICS) and they assess the risk of continuing to hold the current property investments. They do this in a number of ways including engaging external advisors, agents and reference to quality financial/property press when required. In doing this they assess the market that the investment is competing in, the nature and level of competition, along with expectations on how the market/customer needs will evolve over time, barriers to exit, and any ongoing investment requirements. The strategic objectives are designed to mitigate risk by:

- The Council's fundamental aim of revenue income or a capital return;
- Having a portfolio approach to avoid concentration of risk in any one property, tenant or risk type.

The Council has not invested in commercial properties outside of the borough and does not intend to make any further investment in additional commercial property with the primary purpose of generating a yield. Changes within the prudential code have imposed restrictions on the Council's ability to borrow for capital expenditure on developing or purchasing investment properties (i.e. primarily for yield) which have influenced this decision.

5.5 **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Authority do not rely on capital receipts to finance the capital programme. Any capital receipts received will be used to reduce the borrowing requirement within the financial year they are received.



## 6. LOAN COMMITMENTS AND FINANCIAL GUARANTEES

- 6.1 Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.
- 6.2 The Authority has committed to make up to £10.5m of loans to its subsidiaries Equinox Enterprises Limited (£7.5m – approved by Council 21/07/22) & Equinox Property Holdings (£3m – approved by Council 23/06/22). These loans will be drawn down over the next three financial years in line with the companies’ business plans. The Council does not have any financial guarantees, nor does it intend to make any.

## 7. PROPORTIONALITY

- 7.1 The Authority achieves a balanced revenue budget incorporating surpluses generated from investment activity. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or the level that the Authority is dependent on achieving the expected net profit from investments over the lifecycle of the Medium-Term Financial Plan. Should it fail to achieve the expected net profit, the Authority’s contingency plans for continuing to provide these services would be to undertake further review of the delivery and potential savings or to use reserves in the short-term.

Table 4: Proportionality of Investments

	2021/22 Actual	2022/23 Forecast	2023/24 Budget	2024/25 Budget	2025/26 Budget
Gross service expenditure	68.16	67.39	68.79	70.10	70.10
Investment income	4.41	3.78	4.09	4.08	4.08
Proportion	6.47%	5.60%	5.94%	5.81%	5.81%

## 8. BORROWING IN ADVANCE OF NEED

- 8.1 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority would not follow this guidance if it was financial advantageous and only after undertaking due diligence to consider risks involved. Currently the Council has not borrowed in advance of need.

## 9. CAPACITY, SKILLS AND CULTURE

- 9.1 **Elected members:** Elected members are provided with annual training by our external advisors, Arlingclose. The Treasury Management Strategy and the Mid-year Treasury Management Strategy are presented to members during the financial year and should any queries arise these would be responded to by officers or advisors as applicable.
- 9.2 **Statutory officers:** Regular meetings are held throughout the year with our external advisors, Arlingclose. Officers working on a daily basis with investment decisions attend courses offered by both Arlingclose and CIPFA throughout the year. Arlingclose provide daily updates of changes in the market as well as providing staff with a contact for queries that arise.
- 9.3 **Commercial decisions:** Future decisions on historic commercial investments, including potential disposals, will be made following consideration of robust business cases for approval in line with the current decision-making governance arrangements. Future spend on historic

commercial investments will be capital expenditure and will therefore also be approved as part of the capital programme. Where applicable the Council would seek to engage external professional advisors, for example financial, property and legal advice.

- 9.4 **Corporate governance:** The Asset Working Group is made up of both finance and, property and asset management officers, who initially consider the future of current investment commercial properties, such as disposals or additional spend required. Regular progress reports on decisions taken are also reviewed by the group.
- 9.5 After initial consideration business cases are completed for the disposal or improvements to property investments, including undertaking due diligence and considering risks, and these form the basis for reports presented to the Policy and Resources Committee for approval.
- 9.6 Other investment decisions are based on the Treasury Management Strategy, with any changes reported for approval as required to Policy and Resources Committee.

## 10. INVESTMENT INDICATORS

- 10.1 The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority’s total risk exposure as a result of its investment decisions.
- 10.2 Total risk exposure: The first indicator shows the Authority’s total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down and guarantees the Authority has issued over third-party loans.

Table 5: Total investment exposure in £millions

Total investment exposure	31.03.2022 Actual	31.03.2023 Forecast	31.03.2024 Forecast
Treasury management investments	49.78	13.00	13.00
Service investments: Loans	2.82	3.82	10.90
Service investments: Shares	2.22	2.70	5.47
Commercial investments: Property*	48.58	49.00	49.50
<b>TOTAL INVESTMENTS</b>	<b>103.40</b>	<b>68.52</b>	<b>78.87</b>
Commitments to lend	0.00	0.00	0.00
<b>TOTAL EXPOSURE</b>	<b>103.10</b>	<b>68.52</b>	<b>78.87</b>

\* Through its significant asset base, the Council has invested historically in commercial property for financial gain and to support regeneration.

- 10.3 **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Authority’s investments are funded by usable reserves and income received in advance of expenditure.

Table 6: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2022 Actual	31.03.2023 Forecast	31.03.2024 Forecast
Treasury management investments	0.00	0.00	0.00
Service investments: Loans	-	1.42	9.75
Service investments: Shares	2.23	2.71	4.98
Commercial investments: Property *	17.76	17.60	17.43
<b>TOTAL FUNDED BY BORROWING</b>	<b>19.99</b>	<b>21.73</b>	<b>32.16</b>

\* Commercial Investments – The portfolio of commercial investment properties are historic assets which the Council owns or has an interest in for which it is not possible to quantify the level of funding by borrowing. The figures quoted relate to the investments made since 2008/09.

10.4 **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2021/22 Actual	2022/23 Forecast	2023/24 Forecast
Treasury management investments	0.16%	0.90%	1.54%
Service investments: Loans	4.35%	3.76%	5.17%
Service investments: Shares	16.84%	N/A	N/A
Commercial investments: Property	5.25%	4.40%	4.25%
<b>ALL INVESTMENTS</b>	<b>26.60%</b>	<b>9.05%</b>	<b>10.97%</b>

10.5 The treasury management investments returns above reflects the increase in interest rates that are expected to continue in the short to medium term. The loan return is anticipated to increase in line with new loans being provided to Equinox Enterprises Limited and Equinox Property Holdings by the end of the 2022/23 financial year, resulting in interest being paid. 2021/22 share return reflects the dividend paid by Equinox Enterprises Limited but no dividends are due to be paid by any of the Council's subsidiaries in either 2022/23 or 2023/24. fall seen in the loan return in the table reflects the repayment of the £6.2m loan to Equinox Enterprises Limited during 2020/21. Commercial returns are expected due to no significant changes in the Council's portfolio of properties in the coming financial years.

Table 8: Other investment indicators

<b>Indicator</b>	<b>2021/22 Actual</b>	<b>2022/23 Forecast</b>	<b>2023/24 Forecast</b>
Debt to net service expenditure ratio	4.91%	6.74%	10.05%
Commercial income to net service expenditure ratio	40.59%	33.63%	27.53%

**Subject** CAPITAL STRATEGY 2022/23

**Report to** POLICY AND RESOURCES COMMITTEE – 13 February  
2023 COUNCIL – 21 February 2023

**Report by:** FINANCIAL SERVICES MANAGER



## **SUBJECT MATTER/RECOMMENDATIONS**

This report and document presents for approval the Council's Capital Strategy for 2023/24.

The strategy provides a framework that gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.

It highlights how the Council's decisions on capital spend has financial implications for the future and the financial planning of the Council.

### **Recommendations:**

Council are recommended to agree and approve the 2023/24 Capital Strategy.

## **1. INTRODUCTION AND BACKGROUND**

1.1. In accordance with statutory guidance, the Council is required to have a Capital Strategy. The capital strategy is informed by and also informs a number of the Council's other strategy documents, including the following:

- Treasury Management Strategy
- Investment Strategy
- Asset Management Strategy
- Medium Term Financial Strategy.

1.2. There may be some cross over between the capital strategy and some of the above, but essentially the capital strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local services. It highlights that decisions made this year on capital spending, as decided within the 2023/24 budget setting in February, have financial consequences for the Council for many years in the future.

## **2. CAPITAL STRATEGY 2023/24**

2.1. The Capital Strategy for 2023/24 is attached at appendix A, and covers capital expenditure and financing, treasury management and commercial activities. It reflects how previous capital

investment decisions and those taken as part of the 2023/24 budget setting have ongoing implications for the Council and its financial position in the future.

### 3. FINANCIAL IMPLICATIONS

- 3.1. The strategy sets out the framework for capital investments made in respect of service and commercial investment, decisions in relation to specific capital investments will be presented for approval through the decision-making process as per the constitution and the financial implications would be determined for the capital investments as part of the business case for approval.
- 3.2. The strategy as presented is in line with the approved 2023/24 budget as presented for approval in February 2023. As decisions are made in the year, this may impact on the capital strategy and the respective decision making and recommendations will take into account the capital strategy and recommend changes to the strategy as applicable.

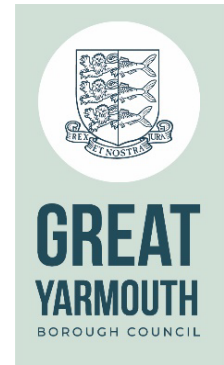
### 4. RISK IMPLICATIONS

- 4.1. These are detailed within the Strategy document.

### 5. BACKGROUND PAPERS

- 5.1. Investment Strategy
- 5.2. Treasury Management Strategy
- 5.3. Asset Management Strategy

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



# Capital Strategy 2023/24

<b>Author</b>	<b>Finance</b>
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# CAPITAL STRATEGY 2023/24

## 1. INTRODUCTION

- 1.1. This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
- 1.2. Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

## 2. CAPITAL EXPENDITURE AND FINANCING

- 2.1. Capital expenditure is where the Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Authority has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year. Further details of the capital accounting policies of the Council are provided as part of the Statement of Accounts which are available at <https://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>
- 2.2. In 2023/24, the Authority is planning capital expenditure of £57.6m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
General Fund services	25.5	24.3	35.8	23.4	12.3
Council housing (HRA)	7.8	14.6	10.6	9.5	9.3
Capital investments	-	3.3	11.1	1.0	0.0
<b>TOTAL</b>	<b>33.3</b>	<b>42.2</b>	<b>57.5</b>	<b>33.9</b>	<b>21.6</b>

- 2.3. The main General Fund capital projects include:
  - Share purchase in Council's company, Equinox Property Holdings
  - North Quay Redevelopment
  - 6 Day Market & Market Realm Redevelopment
  - Wintergardens Restoration
  - Conversion of former Palmers Department store to Learning Hub
- 2.4. The Council has developed Town Deal and Future High Street Funding proposals looking to regenerate the Great Yarmouth town centre. Funding of £34m from Future High Streets and

Town Deal has been confirmed and initial project budgets have been included in the programme. Final details on costs, plans and timing of the projects within the funding envelope available have not yet been fully finalised for all projects. The capital programme will therefore be updated during the year as these projects develop further. The Authority also plans to incur £0.5m of capital expenditure on investments, which are detailed elsewhere in this report.

- 2.5. The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building and acquisition of new homes over the forecast period to replace sales under Right to Buy in line with government guidance. Programmed capital expenditure is also driven to maintaining and improve the overall stock currently held by the HRA, this is prepared over the medium term and reviewed and updated annually.
- 2.6. Capital investments include loans and shares made for service purposes and property to be held primarily for financial return in line with the definition in the *CIPFA Treasury Management Code*.
- 2.7. **Governance:** Heads of Service bid annually in October to include projects in the Council’s capital programme. Bids are collated by finance who calculate the financing cost (which can be nil if the project is fully externally financed). The Council’s Executive Leadership Team appraises all bids based on a comparison of service priorities against financing costs and identifies projects to be put forwards as part of the annual budget setting and those that will be considered separately via a subsequent business case. The final capital programme is then presented to the Policy and Resources Committee and Council in February each year as part of the approval of the budget for the coming financial year.
- 2.8. For full details of the Authority’s capital programme, including the project appraisals undertaken, see: <https://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>.
- 2.9. It should be noted that other capital projects may be brought forward during the financial year as business cases which are initially appraised by Executive Leadership Team before being passed for approval to the Policy and Resource Committee. Those capital projects costing over £100,000 would then go onto to Council for final approval. The business cases put forward to Executive Leadership Team have been considered for affordability by Finance and, if relating to an IT project, the IT Investment Group.
- 2.10. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

General Fund	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
External sources	8.6	14.7	15.7	20.6	9.7
Own resources	2.0	2.4	7.2	0.4	0.0
Debt	14.9	10.5	24.0	3.4	2.6
<b>Total</b>	<b>25.5</b>	<b>27.6</b>	<b>46.9</b>	<b>24.4</b>	<b>12.3</b>

Housing Revenue Account	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
External sources	0.1	3.2	0.3	0.0	0.0
Own resources	6.7	9.7	8.5	8.6	8.5
Debt	1.0	1.8	1.8	0.9	0.9
<b>Total</b>	<b>7.8</b>	<b>14.6</b>	<b>10.6</b>	<b>9.5</b>	<b>9.3</b>
<b>TOTAL</b>	<b>33.3</b>	<b>42.2</b>	<b>57.5</b>	<b>33.9</b>	<b>21.6</b>

2.11. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

*Table 3: Replacement of debt finance in £ millions*

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Own resources	1.46	1.56	2.13	2.37	2.53

2.12. The Authority's full minimum revenue provision statement is available here as part of the budget for the year: <https://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>

2.13. The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £23.7m during 2023/24. Based on the above figures for expenditure and financing, the Authority's estimated CFR is as follows:

*Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions*

	31.3.2022 actual	31.3.2023 forecast	31.3.2024 budget	31.3.2025 budget	31.3.2026 budget
General Fund services	72.3	77.7	92.3	103.00	104.1
Council housing (HRA)	89.2	91.2	93	93.9	94.7
Capital investments	0	3.3	10.6	1.0	0.0
<b>TOTAL CFR</b>	<b>161.5</b>	<b>172.2</b>	<b>195.9</b>	<b>197.9</b>	<b>198.8</b>

2.14. **Asset management:** To ensure that capital assets continue to be of long-term use, the Authority has an asset management strategy in place. The primary aim of the asset management strategy is to support the corporate priorities, achieve service requirements and comply with statutory

duties by setting out the vision to improve the management and utilisation of the Council’s land and buildings. The strategy provides the basis for developing a more robust and integrated approach to asset management across the Council.

- 2.15. The asset management strategy promotes collaboration and visibility of resources as well as embedding a culture of scrutiny that will challenge the use, effectiveness and retention of the land and building assets of the council. The strategy outlines the vision and long-term approach to improve the recognition, management and utilisation of land and buildings.
- 2.16. The Council’s asset management strategy can be found here: [Corporate Asset Management Strategy 2018-2022](#)
- 2.17. **Asset Management Working group:** The purpose of the group is to monitor and manage asset projects for the Council. The group meets on a monthly basis. The group undertakes to review assets in relation to opportunities, developments and disposal ensuring the assets of the Council are used to the best effect. Any recommendations from the group are then formulated into report or business cases for the Consideration by the Executive Leadership team and then by the appropriate Committee.
- 2.18. **Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £10.5m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts receivable in £ millions

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
General Fund Asset sales	2.9	1.1	9.9	1.0	7.3
General Fund Loans etc repaid	0.3	0.1	0.1	0.1	0.1
Housing revenue Account Asset sales	1.2	2.9	0.5	0.6	0.6
<b>TOTAL</b>	<b>4.3</b>	<b>4.1</b>	<b>10.5</b>	<b>1.7</b>	<b>8.0</b>

### 3. TREASURY MANAGEMENT

- 3.1. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

- 3.2. Due to decisions taken in the past in relation to capital and financing decisions with the General Fund and the Housing Revenue Account, the Council currently has £102.5m borrowing at an average interest rate between 0.09% to 4.95% of and £12.9m treasury investments at an average rate of 2.36%.
- 3.3. **Borrowing strategy:** The Authority’s main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheaper short-term loans (currently available at around 0.09% to 0.28%) and long-term fixed rate loans where the future cost is known but higher (currently 3.15 to 4.44%).
- 3.4. The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board
- 3.5. Projected levels of the Authority’s total outstanding debt (which comprises borrowing, leases and transferred from local government reorganisation) are shown below, compared with the capital financing requirement (see above).

*Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions*

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Debt (incl. leases)	136.7	103.1	82.8	82.6	82.4
Capital Financing Requirement	161.5	172.2	195.9	197.9	198.8

- 3.6. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Authority expects to comply with this in the medium term.
- 3.7. **Liability benchmark:** To compare the Authority’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £12m at each year-end plus any plans the Council has for any longer-term investments. This benchmark is currently £143.1m and is forecast to decrease by £0.6m over the next four years.

*Table 7: Borrowing and the Liability Benchmark in £ millions*

	31.3.2022 actual	31.3.2023 forecast	31.3.2024 budget	31.3.2025 budget	31.3.2026 budget
Outstanding borrowing	136.1	102.5	82.4	82.3	82.2
Liability benchmark	143.1	109.5	136.3	145.5	142.5

- 3.8. The table shows that the Authority expects to be within its liability benchmark in 2022/23 and future years.

- 3.9. **Affordable borrowing limit:** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.
- 3.10. These affordable borrowing limits and operational boundaries and further details on borrowing are included within the treasury management strategy at: <https://www.great-yarmouth.gov.uk/policies>
- 3.11. **Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 3.12. The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which investments to buy and the Authority may request its money back at short notice.

Table 8: Treasury management investments in £millions

		31.3.2022 actual	31.3.2023 forecast	31.3.2024 budget	31.3.2025 budget	31.3.2026 budget
Near-term investments		48.89	12.00	12.00	12.00	12.00
Longer-term investments		3.26	5.12	16.22	17.22	17.22
<b>TOTAL</b>		<b>52.15</b>	<b>17.12</b>	<b>28.22</b>	<b>29.22</b>	<b>29.22</b>

- 3.13. Further details on treasury investments are in the treasury management strategy <https://www.great-yarmouth.gov.uk/policies>.
- 3.14. The near-term investment balance incorporates the £10m investment balance that needs to be held to ensure the Council maintains its professional client status under the Markets in Financial Instruments Directive (MiFID II) requirements.
- 3.15. **Risk management:** The effective management and control of risk are prime objectives of the Authority’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.
- 3.16. **Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by Council. The Section 151 Officer assesses our investment levels to ensure we retain our status as a professional client under MiFID II in order to provide security of capital, access to better investment returns and borrowing rates.

- 3.17. Quarterly reports on treasury management activity will be presented to Members during 2023/24. The Policy and Resource Committee is responsible for scrutinising treasury management decisions.

#### **4. INVESTMENTS FOR SERVICE PURPOSES**

- 4.1. The Council makes investments by providing discretionary loans to local charities and home improvement loans.
- 4.2. Details of the Council's discretionary Home Improvement loans are given with the Private Sector Housing Adaptation and Improvement (2019) policy which is available at [Private Sector Housing Adaptation and Improvement \(2019\) policy](#)
- 4.3. Home Improvement loans made are equity loan agreements, so the Council obtains a share of the equity of the borrower's home as collateral. This reduces the risk of the Council not recovering the loan amount from the borrower.
- 4.4. Discretionary loans to charities are decided by the Policy and Resources Committee if the spend is below £100,000 or Council if over this amount. These loans incur interest charges which are set at a market rate to reflect the costs and the level of risks. These loans are equity loans to again to reduce the risk of a borrower defaulting on payment in line with the loan agreement.
- 4.5. Total investments for service purposes are currently valued at £2.9m with the largest being the loans to Great Yarmouth Preservation Trust totalling £0.7m providing a net return after all costs of in the region of 3.85%.

#### **5. COMMERCIAL ACTIVITIES**

- 5.1. The Council has invested historically in commercial property and holds a significant asset base for financial gain and to support regeneration. Total commercial property investments are currently valued at £51.7m which provide a net return after all direct costs of £3.1m (as reported in the draft 2020/21 statement of accounts Note 15).
- 5.2. The Council can accept a higher risk on its historic commercial investment than with treasury investments. The principal risk exposures include:
- vacancies;
  - fall in capital value;
  - lessee not complying with repairs and maintenance terms of lease agreement;
  - changes in demand for property types (e.g. offices, industrial)
- 5.3. These risks are managed by the Councils Property and Asset Management service and finance.
- 5.4. **Governance:** Future decisions on historic commercial investments, including potential disposals, will be made following consideration of robust business cases for approval in line with the current decision-making governance arrangements. Future spend on historic commercial investments will be capital expenditure and will therefore also be approved as part of the capital programme.
- 5.5. The Authority also has commercial activities in its subsidiary companies Equinox Enterprises Limited (EEL) and Equinox Property Holdings Limited (EPH). The companies aim is to increase, regenerate and improve the standard of housing across the borough, whilst at the same time aiming to generate a return to at least break even. The Council receives a margin of earned debt interest from the loan facilities with EPH and EEL. All loans for EPH are secured against the

properties purchased by the company. The Council will also receive a return on equity invested which reflects profits back from the company’s operation of property sales and market rental income from housing acquired. This return is through dividends paid to the Council once profits and reserves of the companies allows.

- 5.6. Both Equinox companies regularly review risk using Corporate and Project Risk Registers. The company boards hold bi-monthly meetings throughout the financial year.
- 5.7. Equinox Enterprises Limited and Equinox Property Holdings Limited are required to agree their respective Business Plans annually. They also provide the Council as shareholder’s quarterly update reports as presented to the Policy & Resources Committee.
- 5.8. The authority does not intend to make any future investment in commercial property assets for the primary purpose of generating a yield.

## 6. LIABILITIES

- 6.1. In addition to debt of £82.4m detailed above, the Authority is committed to making future payments to cover its pension fund deficit (valued at £55.4m as at 31st March 2022). It has also set aside £1.1m to cover risks of Non-domestic Rate appeals (as at 31st March 2022). The Council currently has no contingent liabilities.
- 6.2. **Governance:** Decisions on incurring new discretionary liabilities are taken by Head of Service in consultation with the S151 Officer. The risk of liabilities crystallising and requiring payment is monitored by Finance and where significant would be reported as part of budget monitoring reports present quarterly to Policy and Resource Committee, if relating to General Fund, and Housing and Neighbourhoods Committee if in relation to the Housing Revenue Account. New liabilities exceeding £1m are reported to full council for approval/notification as appropriate.
- 6.3. Further details on liabilities and guarantees are included within the draft 2020/21 statement of accounts at <https://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>

## 7. REVENUE BUDGET IMPLICATIONS

- 7.1. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Financing costs (£m)	£2.0	£2.6	£4.0	£4.6	£4.7
Net Revenue Stream (£m)	£8.9	£13.8	£15.2	£15.6	£13.3
Proportion of net revenue stream	22.6%	18.5%	26.0%	29.2%	35.5%



- 7.2. Further details on the revenue implications of capital expenditure are included in the 2022/23 revenue budget at <https://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>
- 7.3. **Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because current and new capital funding decisions have been made in the context of the associated revenue implications.

## 8. KNOWLEDGE AND SKILLS

- 8.1. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Section 151 Officer is a qualified accountant with over 15 years' experience and the Finance Manager is a qualified accountant with over 10 years' experience. The Council's Property and Asset Management team includes 3 Charter Surveyors (MRICS) who are also registered valuers each with over 10 years' experience. The Council pays for relevant staff to study towards relevant professional qualifications including MRICS, ACCA and AAT.
- 8.2. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and PS Tax as VAT and tax advisors. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

**URN:**

**Subject:** Treasury Management Strategy Statement 2023/24

**Report to:** Policy and Resources Committee- 13<sup>th</sup> February  
2023 Council – 21<sup>st</sup> February 2023

**Report by:** Financial Services Manager

#### **SUBJECT MATTER/RECOMMENDATIONS**

To consider and recommend to Council the 2023/24 Treasury Management Strategy and Annual Investment Strategy.

#### **RECOMMENDATIONS**

- 1) Council are recommended to agree and approve:
  - a. The Treasury Management Strategy for 2023/24
  - b. The Treasury Investment Strategy (section 4)
  - c. Prudential Indications (section 5)
  - d. Operational Boundary and Authorised Limits (Appendix C)

#### **1. Introduction/background**

- 1.1 The Council is required to determine annually its Treasury Management Strategy (TMS). The TMS for 2023/24 financial year is attached and includes the following:
  - Annual Investment Strategy
  - Operational Boundary and Authorised Limits
- 1.2 The Council continues to maintain an under-borrowed position, which means the capital borrowing need (the Capital Financing Requirement) has not been fully funded with external loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. The strategy is prudent as investment returns are low and counterparty risk is relatively high. An under- borrowing position is forecast to continue.
- 1.3 The Council is required to operate a balanced budget, whereby cash raised during the year will meet the cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk appetite, providing adequate liquidity initially before considering investment return.
- 1.4 The second main function of the treasury management service is the funding of the Council's planned capital plans. These capital plans provide a guide to the borrowing need of the Council,

informing the longer-term cash flow planning, to ensure the Council can meet its capital spending obligations.

- 1.5 The management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet the Council risk or cost objectives.
- 1.6 The treasury strategy has been informed by the current capital programme and updates to the programme as included within the budget report which is being recommended elsewhere on the agenda.
- 1.7 The revenue implications of the strategy have been included in the General Fund and HRA budgets for 2023/24.

## **2. Financial and Risk Implications**

- 2.1 Detailed within the Strategy Document.

## **3. Conclusions**

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

## **4. Background papers**

- Arlingclose updates and reports
- Current and future cashflows and loan registers
- Capital Financing Reports for GF/HRA

## Treasury Management Strategy Statement 2023/24

### 1. INTRODUCTION

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council 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 financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy: <https://great-yarmouth.gov.uk/policies>

### 2. CURRENT POSITION AND PROJECTION

- 2.1 On 31st December 2022, the Council held £102.511m of borrowing and £12.9m of treasury investments. Table 1 below provides a summary of the Council's treasury portfolio as at the end of December 2022.

<b>Table 1 - Existing Investment &amp; Debt Portfolio Position</b>	<b>31/12/2022 Actual portfolio £m</b>	<b>31/12/2022 Average rate %</b>
<b>External borrowing:</b>		
Public Works Loan Board	£71.386	3.15-3.40%
Local authorities (long-term)	£1.214	4.44%
Local authorities (short-term)	£20.00	0.09-0.28%
LOBO loans from banks	£3.00	4.95%
Other loans	£7.00	3.35-3.98%
<b>Total external borrowing</b>	<b>£102.511</b>	
<b>Treasury investments:</b>		
Local authorities	£9.000	0.30-0.40%
Banks (unsecured)	£0.740	0.85%
Money market funds	£2.160	3.11-3.30%
Strategic pooled	£1.000	3.46%
<b>Total treasury investments</b>	<b>£12.900</b>	
<b>Net debt</b>	<b>£89.611</b>	

2.2 Future borrowing is shown below in the balance sheet analysis in table 2. The forecast changes in these sums have been informed by future housing revenue account and the general fund capital programmes and are detailed in the Capital Strategy.

<b>Table 2: Balance sheet summary and forecast</b>	<b>31.3.22 Actual £m</b>	<b>31.3.23 Estimate £m</b>	<b>31.3.24 Forecast £m</b>	<b>31.3.25 Forecast £m</b>	<b>31.3.26 Forecast £m</b>
General Fund CFR	£72.3	£81.0	£102.9	£104.0	£104.1
HRA CFR	£89.2	£91.3	£93.0	£93.9	£94.7
<b>Total CFR</b>	<b>£161.5</b>	<b>£172.3</b>	<b>£195.9</b>	<b>£197.9</b>	<b>£198.8</b>
Less: Other debt liabilities *	(£0.7)	(£0.6)	(£0.5)	(£0.5)	(£0.2)
<b>Loans CFR</b>	<b>£160.8</b>	<b>£171.7</b>	<b>£195.4</b>	<b>£197.4</b>	<b>£198.6</b>
Less: External borrowing **	(£136.1)	(£102.5)	(£82.4)	(£82.3)	(£82.2)
<b>Internal (over) borrowing</b>	<b>£24.7</b>	<b>£69.2</b>	<b>£113.0</b>	<b>£115.1</b>	<b>£116.4</b>
Less: Balance sheet resources	(£73.4)	(£69.2)	(£66.1)	(£58.9)	(£63.1)
<b>(Treasury investments) /or New borrowing</b>	<b>(£48.7)</b>	<b>£0.0</b>	<b>£46.9</b>	<b>£56.2</b>	<b>£53.3</b>

\* leases liabilities that form part of the Council's total debt

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

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

2.4 The Council has an increasing CFR due to the timings of the approved capital programme, but minimal investments and will therefore be required to borrow up to £53.2m over the forecast period.

2.5 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 2 shows that the Council expects to comply with this recommendation during 2023/24, and Appendix C illustrates the Operational Boundary and Authorised Limits.

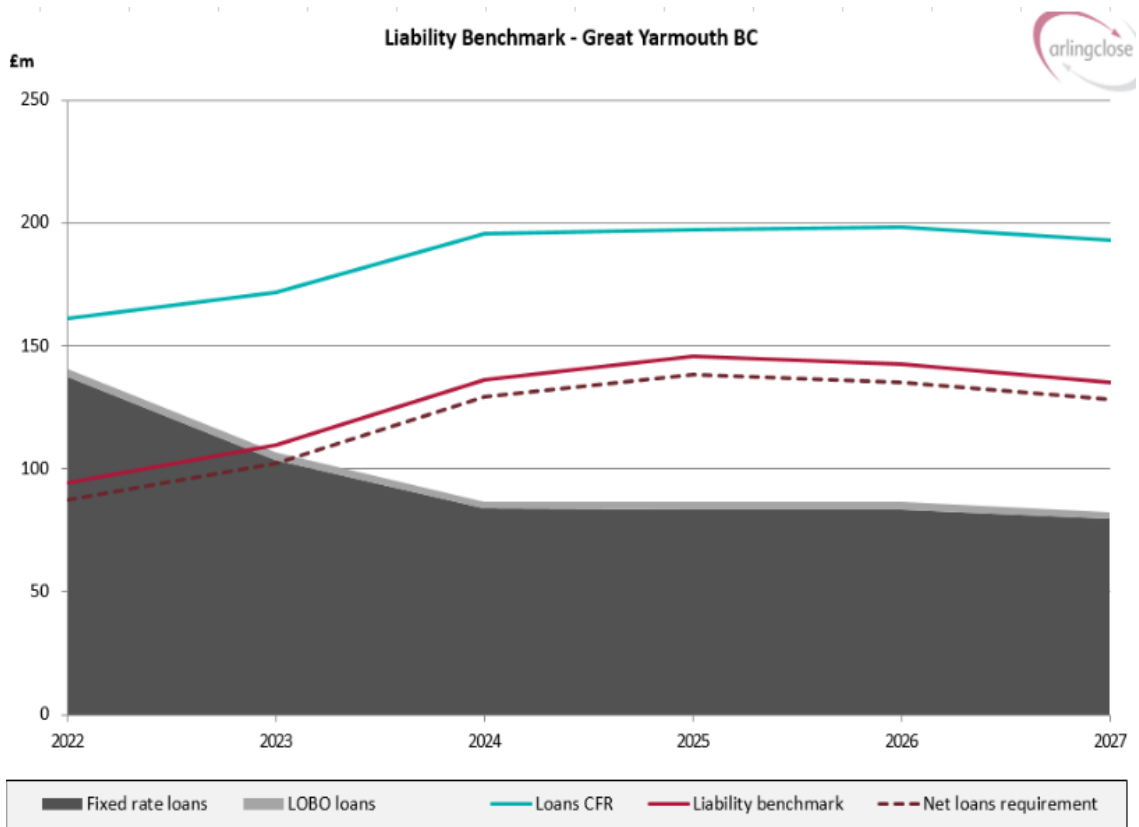
2.6 **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 2 above, but that cash and investment balances are kept to a minimum level of £7m at each year-end to maintain sufficient liquidity but minimise credit risk.

2.7 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

<b>Table 3: Prudential Indicator Liability benchmark</b>	<b>31.3.22 Actual £m</b>	<b>31.3.23 Estimate £m</b>	<b>31.3.24 Forecast £m</b>	<b>31.3.25 Forecast £m</b>	<b>31.3.26 Forecast £m</b>
Loans/CFR*	£160.8	£171.7	£195.4	£197.4	£198.6
External Borrowing	(£136.1)	(£102.5)	(£82.4)	(£82.3)	(£82.2)
Less: Balance sheet resources (including working capital)	(£73.4)	(£69.2)	(£66.1)	(£58.9)	(£63.1)
<b>Investments (New Borrowing)</b>	<b>£48.7</b>	<b>£0.0</b>	<b>£46.9</b>	<b>£56.2</b>	<b>£53.3</b>
Plus: Liquidity allowance	£7.000	£7.000	£7.000	£7.000	£7.000
<b>Liability benchmark</b>	<b>£143.1</b>	<b>£109.5</b>	<b>£136.3</b>	<b>£145.5</b>	<b>£142.5</b>

\*CFR above includes adjustments for long term liabilities.

2.8 Following on from the medium-term forecasts in table 3 above, the long-term liability benchmark assumes capital expenditure funded by borrowing in line with the current forecast capital programme, minimum revenue provision and income, expenditure and reserves all in line with the 2023/24 budget and forecasts. This is shown in the chart below together with the maturity profile of the Authority’s existing borrowing:



2.9 The chart above allows a comparison of current borrowing against the need to borrow, looking at both the amount (on the y axis) and the term (on the x axis). Where actual loans exceed the liability benchmark, the authority can make long-term investments for cash flow management or repay loans early; where the liability benchmark exceeds loans, the authority can take long-term borrowing or sell investments.

### **3 Borrowing Strategy**

- 3.1 The Council currently holds £102.5 million of loans (table 1), a decrease of £41.1 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 2 shows that the Council expects to borrow up to £47.1m in 2023/24 if it used all of its internal resources (i.e. usable reserves and working capital shown in table 2). This net borrowing requirement will rise to £56.4m by 2024/25.
- 3.2 **Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 3.3 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 3.4 By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
- 3.5 The Council has previously raised the majority of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.
- 3.6 Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 3.7 In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.
- 3.8 Sources of borrowing: The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
  - any institution approved for investments (see below)
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (except Norfolk Pension Fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- 3.9 Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:
- leasing

- hire purchase
- Private Finance Initiative
- sale and leaseback

- 3.10 **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Council.
- 3.11 **LOBOs:** The Council holds £3m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost and with interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Council will take the option to repay LOBO loans to reduce refinancing risk in later years. The next date for this option is 2 November 2024.
- 3.12 **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.
- 3.13 **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

#### 4 **TREASURY INVESTMENT STRATEGY**

- 4.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's treasury investment balance average has been £33.5m. This was because the Council held increased cash balances in 2020/21, 2021/22 and 2022/23 as the Government had provided funds in advance of spend to support Councils cashflows during the COVID response including business grants. Similar levels are not expected to be maintained in the forthcoming year.
- 4.2 **Objectives:** The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.



- 4.3 **Strategy:** As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
- 4.4 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 4.5 **Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 4.6 **Approved Counterparties:** The Council may invest its surplus funds with any of the counterparty types in table 4 below, subject to the limits shown.

<b>Table 4: Treasury investment counterparties and limits</b>			
<b>Sector</b>	<b>Time Limit</b>	<b>Counterparty limit</b>	<b>Sector limit</b>
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	2 years	£3m (per Council)	Unlimited
Secured investments *	5 years	£3m	Unlimited
Banks (unsecured) *	1 year	£1.6m	Unlimited
Building societies (unsecured) *	1 year	£1.5m	£1.5m
Registered providers (unsecured) *	5 years	£1.5m	£3m
Money market funds *	n/a	£5m	Unlimited
Strategic pooled funds	n/a	£3m	£6m
Other investments *	2 years	£1m	£2m

This table must be read in conjunction with the notes below

\* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £1.5m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

- 4.7 **Government:** Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 4.8 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 4.9 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
- 4.10 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 4.11 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 4.12 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
- 4.13 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- 4.14 **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept as low as possible without affecting operations. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

- 4.15 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled or sold at no cost will be, and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 4.16 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
- 4.17 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- 4.18 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 4.19 **Investment limits:** The Council's revenue reserves available to cover investment losses are forecast to be £25 million on 31<sup>st</sup> March 2023 and £20 million on 31<sup>st</sup> March 2024. In order to reduce the risk of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £3 million, other than Money Market Funds which the limit set is £5 million, strategic pooled funds which the limit per fund is £3 million and for UK central government where there is no limit. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 4.20 Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £1.5 million in operational bank accounts count against the relevant investment limits, allowing £100,000 retained for operational purposes. Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

<b>Table 5: Additional investment limits</b>	<b>Cash limit</b>
Any group of pooled funds under the same management	£8m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£1.5m per country

- 4.21 **Cash Flow/Liquidity management:** The Council's officers maintain a detailed cash flow forecast for each coming year revising it as more information becomes available. This informs the short-term investments such as those to pay precept payments. The forecast is compiled on a prudent basis with receipts being under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. The long-term investment strategy is based on the Council's medium term strategy.
- 4.22 The Council will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

## 5 Treasury Management Prudential Indicators

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

<b>Credit risk indicator</b>	<b>Target</b>
Portfolio average credit rating	A

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

<b>Liquidity risk indicator</b>	<b>Target £m</b>
Total cash available within 3 months	£7.000

- 5.4 **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

<b>Interest rate risk indicator</b>	<b>Limit £000</b>
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£50
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	(£50)

- 5.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

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

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	80%	0%
10 years and above	100%	0%

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

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

Price risk indicator	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£10m	£10m	£10m	£1m

## 6. OTHER TREASURY MANAGEMENT ISSUES

- 6.1 The CIPFA Code requires the Council to include the following in its treasury management strategy.

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

- 6.3 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 6.4 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

- 6.5 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

- 6.6 Policy on apportioning interest for HRA: On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Annually a calculation is performed to allocate interest between the General Fund and HRA.

- 6.7 Markets in Financial Instruments Directive (MiFID II): The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but with the greater regulatory

protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

## 7. Financial Implications

7.1 The budget for investment income in 2023/24 is £475k, £201k relating to treasury investments based on an average investment portfolio of £12m. The majority of which is invested in low risk short term investments with an average interest rate of 1.1%. A further £1m is invested in a long-term pooled investment fund where the value changes with market prices and have a notice period. The budget for debt interest paid for the General Fund is £1.8m and HRA is £3.9m in 2023/24. Actual levels of investments and borrowing, and actual interest rates are monitored during the year as part of the budget monitoring process.

## 7.2 Other Options Considered

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

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

## Appendix A

### **Economic background and interest rate forecast**

The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key

interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

Credit outlook: Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (December 2022): The Council's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix B.



## **Appendix B**

### **Economic & Interest Rate Forecast**

- The influence of the mini-budget on rates and yields continues to wane.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power – recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

#### **Forecast:**

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.
- The MPC will cut rates in the medium term to stimulate a stuttering UK economy, but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
<b>Official Bank Rate</b>													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlinglose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
<b>3-month money market rate</b>													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlinglose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
<b>5yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlinglose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>10yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlinglose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>20yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlinglose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>50yr gilt yield</b>													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlinglose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB certainty rate = relevant gilt yield + 0.80%

## Appendix C

### Operational Boundary and Authorised limits

Operational boundary	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Debt	£176.000	£200.000	£202.000	£203.000
Other long-term liabilities	£2.000	£2.000	£2.000	£2.000
<b>Total</b>	<b>£178.000</b>	<b>£202.000</b>	<b>£204.000</b>	<b>£205.000</b>

Authorised limit	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Debt	£181.000	£205.000	£207.000	£208.000
Other long-term liabilities	£2.000	£2.000	£2.000	£2.000
<b>Total</b>	<b>£183.000</b>	<b>£207.000</b>	<b>£209.000</b>	<b>£210.000</b>



**Subject:** Housing Revenue Account Budget 2023/24

**Report to:** ELT - 18 January 2023  
Housing and Neighbourhood Committee - 26 January 2023  
Council – 21 February 2023

**Report by:** Senior Accountant

## SUBJECT MATTER/RECOMMENDATIONS

This report presents for approval the 2023/24 Housing Revenue Account Budget, the Rent and Service Charge proposals for the 2023/24, along with the HRA Capital Programme 2023/24 to 2027/28. At the same time it presents the latest revenue and capital forecasts for the current financial year and projections for the HRA covering the period 2023/24 to 2027/28. The budget and forecasts have been informed by a number of workstreams

## RECOMMENDATIONS

That Council:

1. Approve a capped increase to rents of 7%, as set out in the New Direction on the Rent Standard and Policy Statement for 2023/24;
2. Approve the revenue budget for 2023/24, along with the forecast projections for the period up until 2027/28, including the extended borrowing to support the provision of additional HRA homes;
3. Approve the Capital budget for the period 2023/24 to 2027/28;
4. Approve the HRA Service charges for 2023/24;
5. Approve an increase to the Repairs and maintenance budget of £584,000 for immediate Fire Risk Assessment and remedial works in 2022/23.

## 1. Introduction

1.1. The Housing Revenue Account (HRA) is the ring-fenced rent account that funds the Council's activity as a landlord. The HRA records all the income and expenditure associated with the provision and management of Council owned homes in the borough. This account funds a significant range of services to 5,741 homes for Great Yarmouth Borough tenants and their families and to 377 homes for leaseholders. This includes housing management, repairs and improvements, sheltered housing services, caretaking and capital investment on housing.

- 1.2. The Council is required by law to avoid budgeting for a deficit on the HRA (Local Government and Housing Act 1989, section 76). This means that the budget must not be based on total HRA revenue reserves falling below zero. In practice the Council is expected to maintain a reasonable balance of reserves, and this provides a contingency against unforeseen events and known risks. Great Yarmouth Borough Council's HRA currently maintains a minimum balance of £2 million.
- 1.3. Originally, in April 2012, the HRA moved to a Self-financing model which accompanied a limit on the amount of housing debt that an authority could hold within an HRA. The limit was based on a calculation of the level of debt that a landlord/council could support, based primarily on the valuation of each authority's current housing stock, along with income and expenditure assumptions. A total borrowing limit was set for each landlord, which for Great Yarmouth Borough Council was £89 million. As of October 2018, the Government removed the debt cap limitations on how much councils can borrow against their HRA Assets. Such borrowing, must however, be affordable within the HRA.
- 1.4. Following the above changes, the self-financing arrangements have led to the development of a 30-year business plan supporting the delivery of the HRA. The 30-year business plan makes assumptions regarding the level of income available based on the expected levels of rent, along with the key risks facing housing service delivery within this timeframe. The main areas of this are the management and timing of debt use, affordability and the impact of changes as Government policies are enacted. This results in a rolling 30-year HRA Business Plan covering both capital and revenue expenditure projections.
- 1.5. The budget process for 2023/24 has taken due consideration of the HRA 's 2017/18 stock condition survey results. Implications highlighted by the stock condition survey have been reflected within the capital programme going forward alongside additional works required by changes in legislation.
- 1.6. Working in conjunction with the Regulator for Social Housing, following our self-referral over non-compliance with the Homes Standard, Great Yarmouth Borough Council has brought in a property compliance team and is working to deliver compliance functions for Great Yarmouth Borough Council residents, with the team funded with budgets deducted from Great Yarmouth Norse.
- 1.7. Following on from this, this report is recommending that a revenue budget of £584k is approved and funded from savings in budgets in 2022/23, to address immediate Fire Risk Assessment Remedial works identified following the completion of new Fire Risk Assessments across the housing stock to be completed in 2022/23.
- 1.8. The budget and forecasts presented do assume additional borrowing in the medium term to support the affordable homes delivery. The later includes borrowing to support match funding of Retained Right to Buy receipts as well as the additional borrowing approved in July 2020. Due to reductions in day-to-day revenue repairs, the HRA business plan has budgeted for further additional borrowing to support the wider Council Home Programme.

## 2. Rent setting policy changes – 7% capped increase.

- 2.1. Each year local housing landlords must set rents and budgets for the forthcoming financial year and provide each individual tenant with statutory notice of any proposed rent change. This report sets out proposals regarding the budget, rents, service charges and other charges to tenants for the 2023/24 rental year.
- 2.2. The self-financing HRA remains governed by guidelines on rent setting for tenants. The council no longer has flexibility on the approach to rent setting due to the policy announced as part of the Welfare Reform and Work Act 2016.
- 2.3. The government launched a consultation on limiting rent increases in 2023/24 to help tenants with the cost of living. Without a cap, social landlords would have been permitted to increase rents by CPI + 1%, allowing a maximum increase of 11.1%. It has now been announced that rents for 2023/24 will be capped at 7%. As a result, this will be the recommended rent increase within this report, reflecting the level of capital expenditure required to meet regulatory requirements for the housing stock.
- 2.4. There will be a reversion to the previous arrangements of CPI + 1% from 2024/25.
- 2.5. The average rent for 2023/24 will be £104.75 per week over a 50-week period. Future rent increases have been factored into budgets within Appendix B.
- 2.6. Estimated rent charges for 2023/24 on average:

Property Type	Average weekly Rent 2022/23 £ (50 wk.)	Average weekly Rent 2023/24 £ (50 wk.)
<b>Bedsit</b>	64.01	68.49
<b>1 Bedroom</b>	73.85	79.02
<b>2 Bedroom</b>	81.32	87.01
<b>3 Bedroom</b>	88.04	94.21
<b>4 Bedroom</b>	97.17	103.97
<b>5 Bedroom</b>	139.23	148.97
<b>&gt;5 Bedroom</b>	141.65	151.57
<b>Average for all properties</b>	<b>97.90</b>	<b>104.75</b>

## 3. Proposed Rent Service Charges 2023/24

- 3.1. The proposals in relation to service and agreement charges are set out in Appendix A. The increases proposed and applied are in line with the cap of 7% within the 2023/24 New Direction on the Rent standard.
- 3.2. Service charges for 2023/24 have been reviewed to ensure that each individual service charge element is recharged on a cost recovery basis. The only service not to increase in 2023/24, is the garden maintenance service charge which is currently already set at a cost recovery.

## 4. Housing Revenue Account Budget 2023/24 – 2027/28 and Revised Forecast 2022/23

- 4.1 The approach to HRA budget setting focuses on three separate areas for 2023/24:
- Expected income and proposals on rent and service charge levels;
  - Expenditure plans that reflect local priorities and the impact of the self-financing business model on service delivery; and,
  - The reserves and provisions needed to ensure that the HRA is delivering strong financial performance over a longer period of time
- 4.2. The HRA receives income from tenant rents and service charges levied on tenants and leaseholders. The self-financing HRA remains governed by guidelines on rent setting for tenants. Income from rents is a key driver of the total income available to the HRA, making up approximately 90% of the total income. The approach and policy for rent therefore affects the resources available to re-invest in expenditure plans across the HRA to deliver the outcomes outlined in the HRA business plan for all tenants.
- 4.3. Expectations for income, and therefore the rent budget, are driven by three key elements:
- Expected stock levels for 2023/24.
  - The CPI +1% (4.1%) increase on the 2022/23 actual rents charged and 2023/24 the proposed 7% cap: and,
  - The resourcing needs outlined in the HRA Business Plan.
- 4.4. For 2023/24, the average stock level across Great Yarmouth Borough Council is expected to be approx. 5,729 properties. This is based on known changes to the current stock profile of 5,769, including adjustments for projected Right to Buy sales, acquisitions and new builds.
- 4.5. The assets, capital and revenue programmes include elemental capital replacements, planned cyclical decorations to the stock and the compliance programme of testing and remedials of heating, lighting, lifts, smoke alarms. It also relates to day to day repairs for tenants and refurbishment of void properties in between tenant occupancy. The £1.5m repairs and maintenance planned cyclical budget in 2023/24 includes budgeted works of £300k for Damp and Mould and £768k for cyclical decoration and maintenance works.
- 4.6. In 2023/24 there is a one off budget of £1m for Fire Risk Assessment (FRA) works., As previously stated, the borough has undertaken a programme of new FRA's to required standards. This has led to an unforeseen emerging budget need of £1m to resolve outstanding issues to maintain resident safety. This is one off budget to bring the stock to the correct level fire safety compliance but there will be an ongoing need to complete remedial actions to a lesser extent in future years from further FRA works.
- 4.7. An additional budgeted income of £750k has been built into the repairs and maintenance budgets in 2023/24, setting Great Yarmouth Norse an efficiency savings target on repairs and maintenance costs in year. The savings will be generated through increasing the

productivity of the in-house work force and reducing the dependency on external subcontractors, increasing the first time fix rate and reducing service failure and waste in GYN

- 4.8. Leasehold service charges are required to be transparent and reflect the actual cost of the services incurred. It is recommended to set leaseholder service charges in line with actual expenditure plans as per the approach in previous years.
- 4.9. The HRA currently holds a forecast 2022/23 opening reserve balance of £9.4 million. The HRA reserve is higher than previously forecast, this is due to prior year savings and underspends of estimated budgets, specific planned budgets being carried forward to future years and programmes not being completed at the original time anticipated.
- 4.10. The HRA 30-year business plan demonstrates how reserves are reduced and managed over the next five years within the housing major works capital programme. Capital works were significantly increased from 2018/19 to ensure that both homes identified as part of the 2017/18 Stock Condition Survey as non decent and future homes, which become non decent, are addressed over a five year period. A further stock condition survey will be undertaken, starting in March 2023 and continuing into the 2023/24 financial year and will inform the future capital programme.

#### 4.11. Revised 2022/23 position

- 4.12. The original 2022/23 budget reported a forecast deficit of £1.675 million. Monitoring year to date has identified that this needs to be revised, resulting in a reduction to the original 2022/23 forecast deficit by £0.275m, to an estimated £1.400m deficit at year end.

2022/23	Revised budget	Variance	Reason	Financed from
	£000	£000		
Capital Expenditure funded by Revenue (including grants)	6,072	3,041	Increases to capital programme in 2022/23, funded from capital grants in year.	HRA Revenue
Rents, Rates, Taxes and Other Charges	379	49	Increased insurance premiums as a result of the COVID-19 and increased perils and forecast increase in cost of livings costs on utilities.	HRA Revenue
Dwelling Rents	(23,003)	(20)	Rent received from HRA Dwellings. Increase in forecast rental income, following increased acquisitions being added to the stock and properties relet in year at formula rent in year.	N/A



2022/23	Revised budget	Variance	Reason	Financed from
<b>Interest &amp; Investment Income</b>	(39)	(23)	Interest rate increases in year have increased interest receivable estimations. Current market interest rates continue to rise and will be monitored to reflect any further changes.	<b>N/A</b>
<b>Repairs &amp; Maintenance</b>	9,407	(210)	£110k was carried forward from 2021/22 to cover adaptations major works in 2022/23. R&M budgets originally included the cost of the whole GYN Asset team, however now part of the team is in house the budget of (£664k) has moved to the Supervision & management staff cost budget. (£78k) savings forecast for voids works, covering the forecast £35k overspend on Responsive repairs. (£205k) saving forecast by GYN on asset staff mitigates part of the £584k increase to additional compliance works for Fire Risk Assessments and remedials work in 2223.	<b>N/A</b>
<b>Supervision and Management</b>	3,254	180	Utility charges forecast to increase by an estimated £20k. Increased temporary staff costs of £199k to maintain & improve service operation while the housing structure is reviewed. GYN will contribute £39k to the asset service costs in year.	<b>HRA Revenue</b>
<b>Supervision and Management (Staff Pay)</b>	3,446	596	Asset team has moved in house from GYN in 2022/23 showing a reduction repairs & maintenance budget in year of £664k. GYN will contribute (£68k) in year to the compliance team in 2022/23 reducing this cost.	<b>HRA Revenue</b>
<b>Interest Payable and Similar Charges</b>	2,895	50	Interest rate increases in year have increased interest payable on current and future borrowing estimates by a forecast £50k.	<b>HRA Revenue</b>
<b>Capital Grants &amp; contributions</b>	(20)	(3,164)	(£3.1m) in capital grants and contributions added in year for capital projects.	<b>N/A</b>

#### 4.13. Proposed growth/savings in HRA Revenue 2023/24 budget

4.14. The following table summarises the more significant movements in the 2023/24 budget.

Income/ Expenditure	2023/24 Revised Budgets	2023/24 Growth (Saving)	Details	Financed from
<b>Dwelling Rent</b>	(24,739)	(2,015)	Increased dwelling rent of £2m following the New Rent Policy for 2023/24. Capped increase at 7%.	N/A
<b>Charges for Services and Facilities</b>	(1,395)	46	Sheltered housing support income reduced to reflect service income, which is completed on a cost recovery basis.	HRA Revenue
<b>Supervision and Management (Staff Pay)</b>	3,811	1,183	Increased employee costs following pay increase in prior year. Asset Team is now in house after being moved from GYN.	HRA Revenue
<b>Supervision and Management</b>	3,150	310	Increased supervision and management charges due to the cost of living crisis and continued temporary staff costs.	HRA Revenue
<b>Rents, Rates, Taxes and Other Charges</b>	458	237	Increased insurance premiums due to the COVID-19 pandemic and additional perils being included within the policy.	HRA Revenue
<b>Repairs &amp; Maintenance</b>	9,674	383	£819k Reduction for the movement for asset team now in house and target efficiency savings for GYN set at £750k in year. Planned cyclical and compliance works (including £1m on Fire Risk assessment works as a one off) increased by £1.6m. Major works adaptations budget increased by £190k in line with prior year spend.	HRA Revenue
<b>Capital Expenditure funded by Revenue (including grants)</b>	4,344	3,738	Revised capital programme for 2023/24 includes £1.2m increase to capital improvements, carried forward grant funding and a forecast reduction in capital receipts available in year.	HRA Revenue
<b>Interest Payable and Similar Charges</b>	3,156	50	Interest rate increases in year have increased interest payable on current and future borrowing estimates by a forecast £50k	N/A

4.15. The next table summarises the revised forecast for 2022/23 and the draft 2023/24 budget for the Housing Revenue Account. Further detail is shown in appendix B.

	<b>2022/23 Original Budget</b>	<b>2022/23 Revised Forecast</b>	<b>Variance</b>	<b>2023/24 Draft Budget</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Dwellings Rents</b>	(22,983)	(23,003)	(20)	(24,739)
<b>Non Dwelling rents</b>	(276)	(276)	0	(295)
<b>Interest &amp; Investment income</b>	(16)	(39)	(23)	(40)
<b>Charges for services and facilities</b>	(1,284)	(1,284)	0	(1,395)
<b>Total Income</b>	<b>(24,559)</b>	<b>(24,602)</b>	<b>(43)</b>	<b>(26,470)</b>
<b>Repairs &amp; Maintenance</b>	9,617	9,407	(210)	9,674
<b>Supervision and Management (Direct Employee)</b>	2,850	3,446	596	3,811
<b>Supervision and Management</b>	3,074	3,254	180	3,150
<b>Rents, Rates, Taxes and Other Charges</b>	330	379	49	458
<b>Depreciation</b>	3,848	3,848	0	3,927
<b>Capital Expenditure funded by the HRA</b>	3,031	6,072	3,041	4,344
<b>HRA Interest Payable</b>	2,846	2,896	50	3,156
<b>Provision for bad and doubtful debts</b>	150	150	0	150
<b>Employer's Pension Adjustment</b>	568	(201)	(769)	80
<b>Total Expenditure</b>	<b>26,314</b>	<b>29,252</b>	<b>2,937</b>	<b>28,751</b>
<b>Transfers (from)/to Earmarked Reserve</b>	(60)	(60)	0	0
<b>Capital Grants &amp; Contribution receivable</b>	(20)	(3,189)	(3,169)	(336)
<b>Net (surplus)/Deficit for the year</b>	<b>1,675</b>	<b>1,400</b>	<b>(275)</b>	<b>1,945</b>
<b>HRA Reserves Balance B/Fwd.</b>	<b>(9,412)</b>	<b>(9,412)</b>		<b>(8,007)</b>
<b>Deficit/(Surplus) in year</b>	<b>1,675</b>	<b>1,405</b>		<b>1,945</b>
<b>HRA Reserves Balance C/Fwd.</b>	<b>(7,737)</b>	<b>(8,007)</b>		<b>(6,062)</b>

## 5. Housing Major Works Capital Programme (HMWCP) 2023/24 to 2027/28

5.1. This section of the report sets out the new housing capital investment requests for the five-year period covering 2023/24 to 2027/28.

5.2. The HMWCP is subject to ongoing review and continues to take into account: -

- the priorities and objectives which have been derived from our understanding of the investment need of the housing stock
- the changing demands on the service

- the recently implement changes in legislation and regulation
  - the anticipated changes in legislation and regulation
  - opportunities to innovate the service through digitalization and new methods of working
  - opportunities available through external funding streams and options for procurement and delivery of our investment plans.
- 5.3. Over the coming months, there are a number of ongoing projects which will influence and impact on the HRA Capital Programme
- Development of Housing Investment Plan setting out the HRA Capital Investment Priorities for the next 5 years
  - Stock Condition Surveys across the Council housing stock
  - Review of the Sheltered Housing Assets and required investment to deliver a modern, fit for purpose accommodation
  - Clearing the backlog of Compliance Works in particular Fire Safety works
  - Sustainable Warmth project with the associated funding streams
  - Understanding the costs of the Middlegate Regeneration scheme
  - Efficiencies and savings resulting from the GYN business plan.
- 5.4. As the above work is completed the capital programme will be reviewed and updated accordingly and a revised programme presented to Members for approval as part of the budget monitoring process.
- 5.5. All of the above projects are ongoing and will have a significant impact on the Housing HRA Capital Programme and the HRA Revenue Budget. At the time of writing this report, it is still not clear what the cost of each will be, but this will become clearer over the next 12 months and the Capital Programme and/or revenue budget will be revised accordingly.
- 5.6. The HRA is still part of a retention agreement, meaning the HRA could, under the original regulations, retain receipts to support up to 30% of the cost of replacement homes if incurred in a 3-year period. Any receipts not spent in this period where required to be paid to Central Government.
- 5.7. With effect from 1 April 2021, the regulations around the use of Retained Right to Buy receipts have changed, allowing 1-4-1 receipts to be used to fund 40% of the cost of building/acquiring new Council homes. The time restrictions of which receipts must be spent has also been revised. Receipts are now required to be spent within five years from the sale of the dwelling, not three years.
- 5.8. The HRA proposes to increase the availability of affordable housing with a combination of direct new build, grant contributions to Housing Association developments and

purchasing the appropriate empty and suitable homes on the open market, to maintain the level of spending required to meet the retained receipt demand.

5.9. A total of 20 sales have predicted as part of the 2023/24 budget, in line with prior year totals.

5.10. An additional Affordable housing provision has been provided using revenue funding totaling £1.5 million, which was released in 2021/22 and the following three financial years. Additional funds have been made available following the reduction of spend on revenue day to day repairs and because of reductions in demand. This funding will support prudential borrowing to provide an increased capital programme for the delivery of additional homes in the HRA. Over the period to 2025/6, this has been increased by £500k to fund the current expected pipeline of affordable housing deliver. The HRA is continuing to borrow specifically for the Affordable Housing Programme and the new Council Home Programme, so the HRA reserves balances can be used on investment on the current stock.

#### 5.11. Revised 2022/23 forecast position for HRA Major works Capital Programme

5.12. The following table summarises the in-year 2022/23 virements within the capital budget.

	<b>2022/23 Revised Budget</b>	<b>Variance to original budget</b>	<b>Reason</b>	<b>Financed from</b>
	<b>£000</b>	<b>£000</b>		
<b>Boiler upgrade programme</b>	973	(200)	Heating budgets have been reduced by £200k. This budget is forecast to be used to cover overspends in year within the capital programme.	n/a
<b>Estate Improvements</b>	20	(71)	Savings in year to support Capital Improvements works	n/a
<b>Decarb/Energy Efficiency</b>	3,446	2,654	Expenditure relating to grant & Non grant external wall installation funded works included in budget.	Grant funding and HRA Revenue
<b>Capital Improvements works</b>	3,096	300	Increase in new kitchens and concrete structural works identified in year.	Savings in year and HRA Revenue
<b>Specific Planned Projects</b>	50	(250)	Stock condition Survey delayed due to tender process, starting March 2023 and continuing into 2023/24. Budget to be carried forward.	n/a
<b>Voids</b>	2,289	360	Increase to long term voids budget in year.	Savings in year and

	<b>2022/23 Revised Budget</b>	<b>Variance to original budget</b>	<b>Reason</b>	<b>Financed from</b>
				HRA Revenue
<b>Improvement windows &amp; doors</b>	222	(233)	Carry forward into 23/24 decent homes programme.	n/a
<b>Planned Maintenance</b>	387	127	Additional works to replace key safes within Housing. Programme continuation from works started in 2020/21.	Savings in year and HRA Revenue
<b>Additional Housing</b>	0	(500)	Cfwd budget to 2023/24 in line with planned spend	n/a

### 5.13. Proposed growth/savings in HRA Capital Programme 2023/24

5.14. The following table summarises the more significant movements compared to the previous business plan as approved in February 2022.

	<b>2023/24 Revised Budgets</b>	<b>2023/24 Growth/ (Saving)</b>	<b>Details</b>	<b>Financed from</b>
	<b>£000</b>	<b>£000</b>		
<b>Boiler upgrade programme</b>	120	(1,053)	Budgets moved to Decent home yearly programme of works. Remaining budget to cover adhoc boiler replacements.	n/a
<b>Decent home yearly programme</b>	3,900	3,900	Budgets moved from other programmes such as estate improvements, Boiler & heating and capital programme works to new programme of decent home capital works.	HRA Revenue
<b>Fire door installation programme</b>	453	453	New budget in year.	HRA Revenue
<b>Capital Improvements works</b>	1,000	(2,248)	Budgets moved to Decent home yearly programme. Budget includes general property improvements.	n/a
<b>Specific Planned Projects</b>	250	250	Carried forward budget from 2022/23 to complete the stock condition survey.	HRA Revenue

	2023/24 Revised Budgets	2023/24 Growth/ (Saving)	Details	Financed from
<b>Voids</b>	1,341	318	Increase to costs and estimate of works in year.	HRA Revenue
<b>Improvement windows &amp; doors</b>	0	(455)	Budgets moved to Decent home yearly programme.	n/a
<b>Additional Housing</b>	1,485	985	Carried forward budget from 2022/23.	Borrowing

5.15. The table below summarises the revised forecast for 2022/23 along with the draft 2023/24 Capital programme for the Housing Revenue Account. Further detail is shown in Appendix C.

HRA Capital programme	Original Budget 2022/23	Revised Forecast 2022/23	Variance	Revised Draft Budget 2023/24
<b>Expenditure:</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Boiler upgrade programme	1,173	973	(200)	120
Decent home yearly programme	0	0	0	3,900
Fire door installation programme	0	0	0	453
Decarb/Energy Efficiency	792	3,446	2,654	792
Capital Improvements Works	2,796	3,096	300	1,000
Specific planned projects	300	50	(250)	250
Voids (capital works)	1,929	2,289	360	1,341
Improvement windows & doors	455	222	(233)	0
Planned Maintenance (major adaptations)	259	387	127	225
New Affordable Housing - Right to Buy receipts	600	3,571	2,125	1,000
New Affordable Housing – Additional Non-1-4-1 Provision	500	0	(500)	1,485
<b>Total Expenditure</b>	<b>8,896</b>	<b>14,617</b>	<b>5,722</b>	<b>10,566</b>
<b>Financing:</b>				
Borrowing	1,100	1,769		1,850
Capital Receipts	896	896		526
Revenue	3,031	5,158		3,926
Depreciation	3,849	3,849		3,927
Leasehold & Capital Grant Contribution	20	3,164		336
<b>Total Financing</b>	<b>8,896</b>	<b>14,617</b>		<b>10,566</b>

## 6. Other implications to the Housing Revenue Account

- 6.1. Since the introduction of self-financing in 2012, the 30-year HRA business plan has continued to be challenged by a number of changes.
- 6.2. In response to these changes the Council has, in the short term, previously kept the HRA reserves levels high in order to mitigate this loss of revenue. The Council still needs to prepare for further reductions in resources available to manage, maintain, improve and add to its housing stock and manage the implications from the stock condition survey.
- 6.3. The HRA is continually reviewed to ensure the budgets accurately reflect service demands and to challenge where savings could be achieved. The capital programme, which is funded in large part by contributions from revenue, is monitored regularly during the year and has been reviewed in detail to inform the 2023/24 budget reflecting the outcomes of the 2017/18 stock condition survey. The overall capital programmes in prior years have significantly increased, due to additional works needed, careful consideration has been taken to the deliver these works and to manage the financial impact.

## **7. Financial Implications**

- 7.1. The detail within the report highlights the significant variances for the current year to date, including a full year impact to the HRA revenue and Capital budgets for future years.
- 7.2. The income and expenditure will continue to be monitored in detail during the current year, including the ongoing impacts of the Covid-19 pandemic, including additional reviews of the HRA 30-year business plan.
- 7.3. The HRA is dependent mainly on the rental income stream of the social housing rents, and the Council have a dedicated team monitoring tenant arrears on a regular basis and supporting tenants to pay their rent and other charges.
- 7.4. The removal of the previous debt cap has allowed the Council to increase the amount it can borrow on a prudential basis, to extend the affordable housing programme beyond the requirements of spending retained Right to Buy receipts as set out in the report. Commitments, value for money and spend will be closely monitored and subject to regular budget monitoring and reporting.

## **8. Risk Implications**

- 8.1. It is recognised that since the results of the 2017/18 stock condition survey, a significantly increased Major Works Capital programme has been maintained. This is due to changes In legislative requirements requiring the Council meet's its statutory and regulatory requirement to ensure residents safety in their homes and to ensure that Council homes meet both the fitness standard and the Decent Homes Standard.
- 8.2. Where service delivery plans have changed, the budget setting process must reflect the subsequent impact on resources and also recognise known risks for the HRA and ensure there are adequate balances in place to these as they materialise.
- 8.3. Further review of the detail of the HRA budget for both capital and revenue spend will be carried out, in preparation for the longer-term investment requirements in the stock, new



affordable housing programme and to inform future budget setting decisions to identify efficiencies within the program of works.

- 8.4. There continues to be an ongoing risk to the HRA of non-collection of tenant rental arrears and maintaining budgeted collection rates. This continues to be monitored and managed.

## 9. Background Papers

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

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

## Appendix A – Fees and charge proposals 2023/24

2023/24 Rent increase and Service Charges (Exclusive of VAT where applicable)	2022/23	2023/24	2023/24	VAT Chargeable
	Average Charge 50 Wks	Average Charge 50 Wks	Increase/ decrease per wk	
Tenant Rent	£97.90	£104.75	£6.85	
Garages Basic - Tenants	£12.13	£12.98	£0.85	Y
Garages Premium - Tenants plus Town Centre Surcharge	£16.18	£17.32	£1.13	Y
Caretaking charge - Basic	£1.11	£1.19	£0.08	
Caretaking charge - Enhanced	£1.11	£1.19	£0.08	
Maintenance of Aged Persons gardens				
Up to 30 minutes maintenance	£4.46	£4.46	£0.00	Y
Over 30 minutes maintenance	£7.13	£7.13	£0.00	Y
Communal Heating	£5.73	£6.13	£0.40	
Communal Water	£5.01	£5.37	£0.35	
Digital Communal TV Aerials	£0.97	£1.04	£0.07	
Sewerage charge	£7.65	£8.18	£0.54	

2023/24 Sheltered Housing Support Charges	2022/23 Average charge 50 wk	2023/24 Average Charge 50 wk
Standard tenancies plus Alarm Charge	9.47	10.15

2023/24 Yare Care Charges	Weekly Charge	
	2022/23 Inc VAT	2023/24 Inc VAT
<i>52 Week Calculation for Private users</i>		
Private - Rental + Monitoring	£4.06	£4.06
Private - Monitoring	£1.87	£1.87
<i>50 week calculation for Community Housing Tenants</i>		
Council - Rental + Monitoring	£4.22	£4.22
Council - Monitoring	£1.93	£1.93

2023/24 Yarecare Installation Charge	2022/23	2023/24	2023/24
	Average Charge Inc VAT	Average Charge Inc VAT	% Average Increase
Yarecare Installation Charge			
Charge within Borough	£57.57	£57.57	£0.00
Charge outside of Borough	£65.47	£65.47	£0.00
Community Alarm Set-up & Postage Fee	£54.00	£54.00	£0.00

## Appendix B – Revenue Income and Expenditure 2022/23 – 2027/28

	Original HRA Budget 2022/23	Forecast Budget 2022/23	HRA Budget 2223/24	HRA Budget 2224/25	HRA Budget 2025/26	HRA Budget 2026/27	HRA Budget 2027/28
Dwelling Rents	(£22,983,353)	(£23,002,871)	(£24,738,951)	(£26,787,328)	(£27,104,821)	(£27,960,923)	(£28,815,519)
Non Dwelling Rents	(£276,173)	(£276,173)	(£295,498)	(£307,314)	(£319,603)	(£332,383)	(£345,674)
Charges for Services and Facilities	(£1,283,763)	(£1,283,763)	(£1,395,078)	(£1,440,960)	(£1,503,378)	(£1,569,272)	(£1,638,863)
Interest and Investment Income	(£15,852)	(£39,680)	(£40,000)	(£40,000)	(£40,000)	(£40,000)	(£40,000)
<b>Total Income</b>	<b>(£24,559,141)</b>	<b>(£24,602,487)</b>	<b>(£26,469,527)</b>	<b>(£28,575,602)</b>	<b>(£28,967,802)</b>	<b>(£29,902,578)</b>	<b>(£30,840,056)</b>
Capital Expenditure funded by Revenue (Including grants)	£3,031,056	£6,072,063	£4,343,981	£4,076,799	£3,776,574	£2,865,945	£2,798,473
Depreciation and Impairment of Fixed Assets: Dwellings	£3,674,163	£3,674,163	£3,747,646	£3,822,599	£3,899,051	£3,977,032	£4,056,573
Depreciation and Impairment of Fixed Assets: Non - Dwellings	£174,491	£174,491	£179,415	£184,488	£189,712	£195,093	£200,635
Interest Payable and Similar Charges	£2,845,815	£2,895,816	£3,156,251	£3,206,251	£3,256,251	£3,306,251	£3,356,251
Provision for bad and doubtful debts	£150,000	£150,000	£150,000	£150,000	£150,000	£150,000	£150,000
Rents, Rates, Taxes and Other Charges	£330,049	£378,873	£457,501	£471,549	£485,236	£499,283	£513,747
Repairs & Maintenance Planned Cyclical	£840,295	£846,500	£1,568,259	£1,630,989	£1,696,229	£1,764,078	£1,834,641
Repairs & Maintenance Compliance	£1,519,704	£2,103,504	£2,282,009	£2,369,424	£2,460,750	£2,555,626	£2,654,190
Repairs & Maintenance RR & voids	£6,092,524	£5,181,871	£5,324,595	£5,509,736	£5,701,447	£5,899,966	£6,105,539
Repairs & Maintenance Efficiency Savings GYN	£0	£0	(£750,000)	(£772,500)	(£795,675)	(£819,545)	(£844,132)
Repairs & Maintenance Other	£1,164,128	£1,275,127	£1,248,529	£1,289,274	£1,331,494	£1,375,241	£1,420,573
Supervision and Management	£3,074,022	£3,253,850	£3,150,053	£3,336,324	£3,516,782	£3,704,059	£3,908,563
Supervision and Management (Staff Pay)	£2,850,249	£3,445,801	£3,811,417	£3,970,016	£4,123,510	£4,268,656	£4,412,768
<b>Total Expenditure</b>	<b>£25,746,497</b>	<b>£29,452,059</b>	<b>£28,669,657</b>	<b>£29,244,948</b>	<b>£29,791,360</b>	<b>£29,741,683</b>	<b>£30,567,822</b>
HRA Earmarked reserves	(£60,000)	(£60,000)	£0	£0	£0	£0	£0
Impairment of Fixed Assets	£0	£0	£0	£0	£0	£0	£0
(Gain) / Loss on Sale of HRA non-current Assets	£0	£0	£0	£0	£0	£0	£0
Capital Grants & Contributions receivable	(£20,000)	(£3,189,000)	(£336,000)	(£20,000)	(£20,000)	(£20,000)	(£20,000)
Revenue Grants & Contributions receivable	£0	£0	£0	£0	£0	£0	£0
Employer's Contributions Payable to or from Norfolk County.	£703,975	£703,975	£703,975	£703,975	£703,975	£703,975	£703,975
Net Charges made for Retirement Benefits in accordance with IAS 19	(£642,681)	(£945,000)	(£642,681)	(£642,681)	(£642,681)	(£642,681)	(£642,681)
Pension Backfunding	£494,632	£40,632	£4,312	£494,632	(£34,914)	£494,632	(£77,278)
In Year Pension Adjustments	£12,266	£0	£15,266	£15,266	£15,266	£15,266	£15,266
<b>Below the line movements</b>	<b>£488,191</b>	<b>(£3,440,393)</b>	<b>(£255,129)</b>	<b>£551,191</b>	<b>£21,646</b>	<b>£551,191</b>	<b>(£20,718)</b>
<b>Grand Total</b>	<b>£1,675,547</b>	<b>£1,400,179</b>	<b>£1,945,001</b>	<b>£1,220,537</b>	<b>£845,204</b>	<b>£390,297</b>	<b>(£292,951)</b>
<b>Housing Revenue Account Reserves Summary</b>							
Brought Forward reserves from prior year (01 April)	(£9,412)	(£9,412)	(£8,012)	(£6,067)	(£4,846)	(£4,001)	(£3,611)
Reserves used in year	£1,676	£1,400	£1,945	£1,221	£845	£390	(£293)
Carried forward to next year (31 March)	(£7,736)	(£8,012)	(£6,067)	(£4,846)	(£4,001)	(£3,611)	(£3,904)

Appendix C – HRA Major Works Capital Programme 2022/23 – 2027/28

HRA Capital Programme	2223 Original Budget	2223 Forecast Budget	Revised 2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
<b>CAPITAL ASSETS PROGRAMME</b>							
Boiler Service and Maintenance	£ 1,173,000	£ 973,500	£ 120,000	£ 123,600	£ 127,308	£ 131,027	£ 135,061
Decent Home Yearly Programme	£ -	£ -	£ 3,900,000	£ 4,000,000	£ 4,000,000	£ 3,500,000	£ 3,500,000
Fire Door Installation Programme	£ -	£ -	£ 450,000	£ 450,000	£ 470,000	£ 400,000	£ 400,000
Estate Improvements	£ 31,000	£ 20,000	£ -	£ -	£ -	£ -	£ -
Decarb / Energy Efficiency	£ 791,700	£ 3,445,885	£ 791,700	£ 800,000	£ 800,000	£ 800,000	£ 800,000
Capital Improvements Works	£ 2,736,200	£ 3,036,200	£ 1,000,000	£ 1,030,000	£ 1,080,500	£ 1,092,727	£ 1,125,508
Specific Planned Projects	£ 300,000	£ 50,000	£ 250,000	£ 257,500	£ -	£ -	£ -
Voids (Capital works)	£ 1,328,042	£ 2,288,042	£ 1,341,000	£ 1,382,850	£ 1,581,235	£ 1,113,082	£ 1,119,474
Energy & Efficiency Improvements	£ -	£ -	£ -	£ -	£ -	£ -	£ -
Improvement windows & doors	£ 495,000	£ 222,000	£ -	£ -	£ -	£ -	£ -
Planned Maintenance	£ 239,500	£ 336,500	£ 225,000	£ 229,500	£ 234,705	£ 239,509	£ 243,026
<b>AFFORDABLE HOUSING PROGRAMME</b>							
Additional Housing	£ 500,000	£ -	£ 1,485,000	£ 250,000	£ 250,000	£ -	£ -
New Affordable Housing	£ 800,000	£ 2,725,000	£ 1,000,000	£ 1,000,000	£ 1,000,000	£ 1,000,000	£ 1,000,000
<b>OTHER HRA CAPITAL PROGRAMMES</b>							
Non Dwelling	£ -	£ 848,000	£ -	£ -	£ -	£ -	£ -
Housing Transformation Budget	£ -	£ 533,000	£ -	£ -	£ -	£ -	£ -
<b>Capital Programme Total</b>	<b>£ 8,895,442</b>	<b>£ 14,617,107</b>	<b>£ 10,565,700</b>	<b>£ 9,513,450</b>	<b>£ 9,323,579</b>	<b>£ 8,275,845</b>	<b>£ 8,323,870</b>

**Subject** 2023/24 GENERAL FUND BUDGET REPORT

**Report to** ELT - 25 January 2023  
Policy and Resources Committee – 13 February 2023  
Council 21 February 2023

**Report by:** Finance Director



#### **SUBJECT MATTER/RECOMMENDATIONS**

This report presents for approval the general fund revenue and capital budget for 2023/24.

It is recommended that the Policy and Resources Committee consider and recommend the following to Council:

- 1) The general fund revenue budget as detailed at Appendix A;
- 2) The Council Tax for 2023/24 for the Borough Council tax be £181.48 (for an average Band D);
- 3) That the demand on the Collection Fund for 2023/24 be:
  - a. £5,417,359 for the Borough Council purposes;
  - b. £671,572 for Parish Precepts;
- 4) The new fees and charges as outlined at Appendix D1 and 3.5 be approved;
- 5) The reserves statement and movement on the reserves as detailed at Appendix E and within section 4 of the report;
- 6) The Policy framework for reserves as detailed at Appendix F;
- 7) The updated Capital Programme and financing for 2022/23 to 2023/24 as detailed at Appendix G;
- 8) An additional £328,314 be added to the capital programme for the asset purchase as outlined at 5.7;
- 9) The new capital bid proposals at Appendix H;
- 10) The Minimum Revenue Provision Statement 2023/24 as included at Appendix I.

#### **1. INTRODUCTION / BACKGROUND**

- 1.1. This report presents for consideration and recommendation the detail of the 2023/24 revenue and capital budgets for the General Fund. The report also presents an updated Capital programme covering the period 2022/23 to 2024/25. Recommendations from this report will be made to Council on 21 February 2023 to inform the setting of the council tax for 2023/24.
- 1.2. The 2023/24 medium term financial strategy was presented to the Policy and Resources committee in November 2022. At the time there was a forecast gap for the 2023/24 financial year of in the region of £2.4 million before allowing for any transfer from general reserves. The position in the MTFS assumed a use of reserves in the current financial year of £543k and for 2023/24 of £1.085m, this was largely in response to the increased pay costs due to the 2022/23 pay award and the increased inflationary pressures impacting on utilities and contract prices as well as interest rates.
- 1.3. Since then, the provisional Local Government Finance settlement has been announced and this has been used to update the funding for the budget for 2023/24, further detail on the

funding is included at section 2 of the report. Furthermore the detail of the budget has been pulled together by joint working between the service areas and the finance team to co-ordinate the detailed service budgets which are presented in more detail at Appendix A (summary statement) and Appendix B for the detailed service budgets.

## **2. PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2023/24**

- 2.1. The provisional Local Government Financial Settlement for 2023/24 was announced on 19 December 2022, whilst the announcement provided some information for 2024/25, it did not provide the detailed funding and certainty that a multi settlement would announce. The final settlement is due to be confirmed in late January/early February and Members will be updated verbally or as part of the report to Council later in February 2023 if there are significant changes that will impact on the budget setting for 2023/24.
- 2.2. The headlines from the announcement are summarised below, along with the impact to the Council's funding:
- 2.3. **Core Spending Power (CSP)** – This includes funding resources available to the sector and includes income from Council Tax, Business Rates, New Homes Bonus, Revenue Support Grant and other specific grants. The headline announcements are increases of over 9.2% for the sector for 2023/24, for GYBC, it is an increase of 4.2% the position for GYBC is included in the table 1;
- 2.4. **Revenue Support Grant (RSG)** – In cash terms the year-on-year allocation has increased by £400,905 however this includes grants that have been rolled into the RSG (Family Annex Council Tax Discount Grant and LCTS Administration Subsidy Grant). Therefore, excluding the rolled in grant the comparative figure to the 2022/23 RSH is an increase of approximately £216,000 an increase of 10.1%.
- 2.5. **New Homes Bonus (NHB)** – A total of £291 million for NHB has been allocated nationally (compared to £554 million in 2022/23. The allocation to the Council is £187,081 based on an award of 105 properties plus 76 affordable units. There is no legacy payments and the threshold over which the bonus remains payable remains at 0.4%. The allocation for 2023/24 marks a further allocation under the current system which has been due a review over many years due to the significant disparity and inequity of the current NHB scheme which does not benefit those authorities that have a higher-than-average number of lower banded properties and also where they face challenges to deliver housing growth.
- 2.6. Other Grants:
  - **Services grant** – the settlement has included £464 million for 2023/24 (compared to £822 million last year) funding nationally, the reduction is in part due to the fact there is no longer an increase in the National Insurance Contributions. The allocation to the Council is £149,192;
  - **Funding Guarantee** – A total of £136m has been allocated nationally to ensure that all councils will see at least a 3 percent increase in the Core Spending Power before any decisions about organisational efficiencies, use of reserve or council tax levels, the allocation for the Council is £269,304.
- 2.7. **Council Tax** – Core Spending Power assumes increases in Council tax funding from tax base growth and increases in Council tax to the capped limit, for shire districts this is the higher of 3% or £5 for a band D equivalent property. The CSP assumed additional resources compared to 2022/23 of £215,000, in cash terms the budget as presented shows a comparable increase in resources from Council Tax of £331,667. This is based on the tax base for 2023/24 of 29,851, an increase of 507 and the increase of £5 to a band D to £181.48 and also due to no longer assuming a collection fund deficit.

2.8. **Business Rates** – As announced in the 2022 Autumn Statement the business rates multiplier will be frozen for 2023/24 at 49.9p (small business multiplier) and 51.2p (national business multiplier). The Government will compensate local authorities for the loss of income upto the level of the September 2022 Consumer Price Index (CPI) (10.1%).

2.9. The following table provides a summary of the Core Spending Power as announced in the provisional settlement.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Settlement Funding Assessment*	8,135	7,255	6,593	6,239	5,808	5,903	5,914	5,978	6,522
Compensation for under-indexing the business rates multiplier	51	51	54	85	123	154	200	393	679
Council Tax Requirement excluding parish precepts	3,831	3,914	4,142	4,391	4,612	4,836	4,957	5,179	5,394
New Homes Bonus	1,157	1,377	1,063	628	427	373	39	495	187
New Homes Bonus returned funding	11	8	9	-	-	-	-	-	-
Lower Tier Services Grant	-	-	-	-	-	-	164	176	-
Services Grant	-	-	-	-	-	-	-	265	149
Grants rolled in	172	239	188	184	178	178	186	184	-
Funding Guarantee	-	-	-	-	-	-	-	-	269
<b>Core Spending Power</b>	<b>13,357</b>	<b>12,843</b>	<b>12,049</b>	<b>11,527</b>	<b>11,148</b>	<b>11,444</b>	<b>11,460</b>	<b>12,669</b>	<b>13,200</b>

\*Includes Revenue Support Grant and Business Rates baseline Funding

2.10. **Fair Funding Review** – The announcement on the provisional settlement confirmed that the review of relative needs and resources (also known as the Fair Funding Review) and the business rates reset would not be implemented in the current Spending Review Period (2022/23 to 2024/25). There remains continued uncertainty around the future funding and in particular transitional funding for

2.11. **Business Rates Pool funding** - The Norfolk Business rates pool has been operating since the start of the business rates retention system was introduced 2013/14 and except for 2021/22 a pool has existed. It is being recommended that the pool continue again for 2023/24 with the sharing arrangement of the gain for 2023/24 being the same as that for the current financial year where the funds are shared across the members (all seven boroughs, districts and the city along with the County) as opposed to a bidding process.

### 3. REVENUE ACCOUNT BASE BUDGET

- 3.1. The high-level summary of the general fund revenue budget is included in Appendix A. Appendix B provides more detail of the service budgets and also provides commentary on the more significant movements compared to the 2022/23 base budget. The following provides a commentary on some of the key assumptions that have been used to inform the 2023/24 budgets.
- 3.2. **Council Tax** – The budget assumes an increase in the tax base of 507 band D properties and an increase in the Band D Council Tax of £5 to £181.48, this is within the permitted referendum limit for GYBC which would be to £181.77. The forecasts for the following two years assume similar growth in tax base and annual increases of £5 for a band D.
- 3.3. **Funding** – The budget assumes the funding allocation from the provisional local government finance settlement and the utilisation of the grants allocated in the year.
- 3.4. **Fees and Charges** – The fees and charges for 2023/24 are included as a separate report on the agenda, all fees and charges have been reviewed and recommendations made within the parameters of the fees and charges policy. The fees and charges policy allows for increase of RPI upto 2%. Due to the increased inflationary pressures facing the Authority all charges have been reviewed and increased where appropriate to mitigate the increased costs in the provision of the cost of services.
- 3.5. There is the addition of two new charges for 2023/24 for the charging of confirming compliance with S106 and Planning conditions as outlined below:
  - Confirming compliance with an imposed planning condition £100
  - Confirming compliance with a section 106 agreement (additional fee for legal advice if required) £150.
- 3.6. There are also a number of changes to the pay and display charges that are outside of the fees and charges policy due to being new charging structures:
- 3.7. A change to the tariff structure for Town Centre Car Parks short stay and long stay is proposed to incorporate a new 30-minute tariff for Market Place Car Park and Howard Street Car Park and a change to the removal of the first hour tariff on all Town Centre Car Parks (including Blackfriars Car Park) to a new 90 minute tariff with hourly/daily charges thereafter. The new tariff structure has been recommended to take account the Market Place development and to provide more options of dwell time for users of the car parks. These are included in Appendix D1.
- 3.8. A new overnight tariff has been recommended for the Marina Leisure Centre Car Park to align with the Seafront Short Stay Car Parks. A new tariff for the Seafront Long Stay Car Parks has been recommended as a daily fee between November and February to give the flexibility of operating the Long Stay Car Parks through the winter period for specific events where appropriate. The Seafront Long Stay Car Parks have historically been in operation between the start of BST and the end of October. A further change recommended is to bring forward the operation of these car parks to the 1<sup>st</sup> March in each year. These proposals are all outlined within appendix D1 for recommendation to council for 2023/24.
- 3.9. In addition to the fees and charges proposals for 2023/24 savings have been included totalling £1.1m in 2023/24.
- 3.10. **Savings** – The 2023/24 budget assumes the continuation of previously approved savings and additional income, in addition a number of new savings and additional income are being recommended as part of approval of the budget for 2023/24. Management team were tasked to identify savings and additional income for consideration as part of the budget process that are in line with the key themes of the Councils financial and business strategy as included in the Medium term Financial Strategy. The key themes are:



- Strategic Asset Management
  - Economic and Housing Growth
  - Property Investment and Commercialisation
  - Technological Investment
  - GYBC Operating Model – including Digital Strategy, Organisational Strategy and Procurement and Contract Management
  - Sustainability Strategy
- 3.11. The detail of the savings that are reflected in the budget are included at Appendix D, this is made up of £944k savings that have been factored into the budget and a further in year savings target of £163,600 has been included in the budget but not allocated to services, these will be subject to more detailed business cases to be brought forward in the year to deliver savings/additional income.
- 3.12. The savings will be delivered across all services and largely focus on the themes strategic assets and GYBC operating model on how services are delivered and opportunities to deliver services differently, for example making use of our assets and opportunities to generate additional income from car parks and also looking more strategically at our administrative asset base for example our offices and utilisation our office space in a more efficient way, this can include renting space out and rationalising space. This is a project that will deliver longer term savings in later years with some savings profiled for year one.
- 3.13. **Employee Budgets** – The budget for 2023/24 assumes a 5% pay award, although this is subject to a local agreement. The impact of the 2022/23 pay award of the £1,925 as opposed to a percentage increase has resulted in significant growth in the current year and knock on impact into 2023/24 future years. In comparison the base budget for 2022/23 assumed a 2% pay award but once all pay awards were finalised this resulted in an average increase across all pay bands of 5.28% ranging from 1.44% to 10.50%. As a guide a 0.5% sensitivity to the pay award equates to approximately £73,000 per annum for the Council budget. It is current practice to allow for a turnover/vacancy element within the employee budgets for the year, for 2023/24 this equates to approximately 3.0% (£452k)
- 3.14. **Contract and Other Inflation** – Where applicable contract inflation has been factored into the budget reflecting the CPI /RPI as applicable up to 11.6%. Other areas for example where we have known inflationary pressures include insurance costs which have increased by 25% for the year and the external audit fees following the national re-procurement by the Public Sector Audit Appointments (PSAA) which has resulted in an increase of 150% (£54k) for 2023/24 audit fees.
- 3.15. **Utilities** – As is being experienced across all sectors and households, the increase in energy prices is having a significant impact on the Councils budgets and for some facilities the 2023/24 electricity budgets compared to the 2022/23 base budget have increased by 100% and for gas as much as 200%. Further work on energy usage and options available to the Council are ongoing and these have informed some of the savings priorities for delivery in 2023/24 and future years.
- 3.16. Non-Service Income and Expenditure:
- 3.17. **Interest and Minimum Revenue Provision (MRP)** – The budget for 2023/24 includes £1.825 million for interest payable which has been informed by the current level of interest rates and planned borrowing requirements in line with the capital programme and the treasury management strategy. The MRP for the year has been updated to reflect a revision to the delivery of the capital programme schemes, currently forecast to be £2.129 million for the year.

- 3.18. **Pension** – The three-year triennial review of the Local Government Pension Scheme commencing 2023/24 has been completed which has shown a slight improved situation which has meant that there has been a small reduction in the annual fixed sum contribution over the next three years, this has been reflected in the 2023/24 and future forecasts.

#### **4. RESERVES**

- 4.1. The statement of general and earmarked reserves is attached at Appendix D, this details the planned use of reserves in the current and future financial years. Reserves are held and utilised in accordance with the policy framework for reserves which is attached at Appendix E.
- 4.2. The balance in the general reserve at 1 April 2022 was £4.02million and is expected to be £3.3million at the end of the current year after allowing for the forecast movements in the current year, the final balance will be informed by the 2022/23 outturn position to be reported later in the year. The policy framework for reserves has been reviewed and this includes the methodology for the recommended level of general reserve which is recommended to remain at £3.5 million.
- 4.3. The budget for 2023/24 is reliant on a transfer from the general reserve of £1,143,503, in order to maintain the general fund minimum balance there will need to be a re-allocation from earmarked reserves to re-establish the balance in the general reserve. This is recommended to be re-allocated from the collection fund reserve and this is detailed below.
- 4.4. The Council continues to hold a number of earmarked reserve of which the more significant are summarised below along with the current forecast balance at 31 March 2023:
- Invest to Save (£1.219million) – This reserve provides a source of funding that can be utilised for up front, one-off funding for invest to save proposals that will deliver future budget efficiencies and savings;
  - Asset Management Reserve (£521k) – This reserve is held to mitigate the impact of fluctuations between financial years from income received from council assets and properties and is being used to smooth the impact to the revenue account of the costs of the new leisure centre until it delivers the returns to the revenue account as included in the business case.
  - Homelessness Reserve (£747k) – This reserve holds the balance of prior year funding received to address the demand for the service and the use of the reserve in the year is being matched by spending commitments.
  - Collection Fund Reserve (£1.884million) - This reserve was established originally to mitigate the significant variations between years and to reduce the impact of appeals from previous years of business rates. It is recommended that £1.6m of this reserve is transferred to the general reserve to mitigate the planned use of the reserve over current and next financial year, in addition the remaining balance within the Collection fund income compensation reserve has been re-allocated to the Collection fund reserve, leaving a forecast balance of £908k in this reserve.
- 4.5. The Council continues to hold a number of other earmarked reserves for specific committed purposes for which the timing of their use has not yet been identified. The current virement rules allow for the use of reserves to be approved within the overall virement limits.
- 4.6. The 2023/24 budget requires a use of reserves of £1,143,503 in the year to produce a balanced budget, this is not a sustainable position and will require early review of spending plans and income in 2023/24 in preparation for the 2024/25 budget. Whilst there are still earmarked reserves remaining there is not sufficient capacity within the remaining general fund balance and earmarked reserves to place such heavy reliance on balancing the budget from reserves in the medium term.

4.7. A comprehensive statement on the adequacy of the reserves and recommended balance will be included with the Chief Financial Officer's report which forms part of the Council Tax and Budget report to Council in February 2023.

## 5. CAPITAL

5.1. This section of the report presents the capital budgets for consideration along with the recommended capital bids for 2023/24.

5.2. **Current 2022/23 Capital Programme** - Appendix G includes a summary of the 2022/23 capital programme, which has been updated for known slippage on the 2022/23 capital programme, capital projects approved as part of prior year budget setting and also where there has been approved in-year amendments to the capital programme. This results in a current capital budget of £27.6million, which includes £5.964million in relation to the Future High Street fund and £2.173million for the Town deal projects.

5.3. Before new capital schemes are taken into account, the current capital projects for 2023/24 total £46.897m, this includes £6.474million for Town Deal projects and £10.254 million for Future High Street projects. The table below provides a summary of the current capital programme along with the financing.

£000	2022/23	2023/24	2024/25	2025/26
<b>Capital Spend</b>	<b>27,604</b>	<b>46,897</b>	<b>24,437</b>	<b>12,272</b>
Financing:				
Borrowing	10,539	24,036	3,430	2,580
Grants and Contributions	14,690	15,709	20,607	9,692
Revenue/Earmarked Reserves	20	620	400	0
Capital receipts	2,354	6,532	0	0
<b>Total Financing</b>	<b>27,604</b>	<b>46,897</b>	<b>24,437</b>	<b>12,272</b>

5.4. **New Capital Schemes** - In addition to the update of the 2023/24 capital programme, approval is being sought for a number of new capital projects for 2023/24, and subsequent years as identified within the Capital Appendix H.

5.5. The appendix provides the detail of the bids summarised in the table below:

£000	2023/24	2024/25
Schemes recommended to be included in the 2023/24 programme – annual provisions	1,400	1,400
Schemes recommended to be included in the 2023/24 programme	902	0
<b>Subtotal – Additions to Capital Programme</b>	<b>2,302</b>	<b>285</b>
Play works – subject to the S106 approval route	305	0
Further Business cases required	1,196	0
<b>Total Capital Bids</b>	<b>3,803</b>	<b>1,685</b>
Financing:		
Borrowing	1,790	265
Grants and Contributions	2,013	1,420
<b>Total Financing</b>	<b>3,803</b>	<b>1,685</b>

5.6. **Levelling Up** – Confirmation was received on 19 January 2023 that the Levelling Up Fund application for Great Yarmouth Riverside Gateway had been successful and would be awarded £20m. Council approved in July 2022 the co-investment of £2.2m for the 10% local

contribution to the project. As further information is confirmed on the drawdown of the funding the capital programme will be updated for the project spend.

- 5.7. An addition to the capital programme is also being recommended in respect of the asset purchase for the establishment of GYS. On the 23rd June 2022 Full Council approved a capital budget to purchase assets currently used by GYBS, either owned or leased by Norse, to include items such as Refuse Collection Vehicles, Mechanical sweepers, lawn mowers, gardening equipment, vans and so forth.
- 5.8. Since this decision Officers have continued to negotiate the cost of these items with Norse, which included the Council obtaining its own independent valuation of these items, which Norse have since agreed is the price they will accept for these assets. Unfortunately, due to nationwide supply issues in relation to much of these assets, the second-hand market is particularly buoyant meaning that these assets are retaining a higher value than originally estimated.
- 5.9. The total value of these assets has subsequently been agreed at £978,314, which is an additional £328,314 over the original estimation presented to Members in June, and therefore Members are requested to approve a further capital budget of £328,314 to enable to purchase of these assets prior to GYS's operational start date of the 1st April 2023. The cost of the asset purchases will be fully recharged to GYS.
- 5.10. Capital Programme Funding** - There are a number of sources of funding available to fund the capital expenditure. The following outlines those which are available to the Council:
- External Contributions or Grants – e.g. from third party organisations often used to part fund capital projects, for example the future high streets fund, town deal funding.
  - Reserves – Available capital and revenue reserves can be used to fund capital expenditure.
  - Capital Receipts – Capital receipts are generated from asset disposals and can only be used to fund capital expenditure or repay debt.
  - Borrowing – Under the Prudential Framework, the Council is able to fund expenditure from borrowing provided that they can demonstrate affordability and need. Borrowing (internal or external) to finance capital spend will attract charges to the revenue account in the form of interest and Minimum Revenue Provision (MRP) charges. The Councils capital programme is heavily reliant on borrowing as a source of funding. Where the capital programme is financed by borrowing, the revenue impact of the borrowing is taken into account and including ways to mitigate the borrowing costs for example where the capital investment will deliver a revenue income or a saving. This report is presenting for approval the Minimum Revenue Provision Statement for 2023/24 which outlines the method for calculation of the MRP, this is included at Appendix I.

## 6. FUTURE FINANCIAL FORECASTS

- 6.1. At the same time as producing the budget for 2023/24, high level forecasts have been produced for 2023/24. The table below provides a summary of the three-year position for 2023/24 to 2025/26 based on known spending pressures and assumptions of future grant and income levels.

£000	2023/24	2024/25	2025/26
Net Cost of Service	14,798	14,752	15,222
Non-Service Expenditure/(Income)	2,819	3,596	3,718
Planned Contributions to/(from) reserves	(1,178)	(197)	(20)
Income from Grant and Taxpayers	(15,296)	(15,638)	(15,880)
Deficit/(Surplus)	1,144	2,513	3,039

£000	2023/24	2024/25	2025/26
Future Business Strategy Savings and Income targets	n/a	(480)	(620)
<b>Updated Forecast</b>	<b>1,144</b>	<b>2,033</b>	<b>2,419</b>

- 6.2. At this time the impact of the fair funding review and business rates reset is not known although the timing will not be until after the current spending review period, i.e., after 2024/25, therefore some funding assumptions have been made for 2024/25, but here there is greater uncertainty for 2025/26.
- 6.3. At this time there is a forecast funding gap of £2.5 million in 2024/25 increasing by a further £527k in 2025/26. This is before any new savings or additional income streams are factored into the budget and assumes inflationary increases to government grant and business rates, pending the wider review of funding reforms. As part of the MTFs this identified future savings and income targets that could be allocated against priorities in progress that would seek to deliver additional income and savings in future years, for example generating capital receipts that could be used to finance the capital programme to reduce the reliance on borrowing to finance capital spend, the introduction of the second homes premium, growth opportunities for income from the operations and maintenance development. The impact of some of these have already been factored into the future financial forecasts, some are yet to be delivered, updating the targets for these reduces the gap in 2024/25 to £2.033million.
- 6.4. The current business strategy themes as mentioned earlier remain the priorities for identifying opportunities to deliver growth and ensuring that the Council's resources and assets are utilised in the most efficient way to deliver future savings and income to the Council. This will include identifying opportunities to general capital receipts to reduce future borrowing costs for funding the capital programme.
- 6.5. The timing of the announcements of the reviews of local government funding is not yet known and once further detail is announced, the Medium-Term Financial Strategy will be updated accordingly. However early work on the budget for 2024/25 will need to commence to determine expenditure priorities and deliver additional income to deliver a balanced budget moving forward without the reliance on reserves as is necessary in 2023/24.

## 7. FINANCIAL IMPLICATIONS

- 7.1. The body of the report and appendices present the overall general fund budget for revenue and capital for 2023/24. For the revenue account there is a reliance on the use of reserves in the year of £1.1m and this is being funded from a re-allocation of the collection fund earmarked reserve to the general reserve.
- 7.2. The Council continues to face significant financial challenges due to the uncertainty of future funding for local government and the increase inflationary pressures that are not matched by inflationary income levels.

## 8. RISKS

- 8.1. The Council budget has been informed by a number of assumptions and based on information that is available, for example funding allocations. The following outlines the more significant risks that the Council continues to face in relation to its financial position.
- 8.2. **Future Funding** – The continued uncertainty of funding for local government and the lack of multi-year settlements does not support the longer-term financial planning for local services. The budget for 2023/24 is based on a one-year finance settlement and the 2024/25 forecast has been informed by announcements made in the settlement for future grant allocations.

and assumptions. As a source of funding the New Homes Bonus current scheme is heavily skewed against those authorities with a higher than average number of properties in the lower council tax bands and also where there is lower levels of housing growth. Delivery of new homes growth is still important in response to demand and also the ability to grow the council tax base as a source of income.

- 8.3. **Business Rates** - Funding fluctuations from business rate income continues to be a prevalent feature of Local Government funding. The impact of appeals only exacerbates this risk and applies to current and new appeals. Other factors that will lead to reductions in income include for example, business closures, successful rateable value appeals (which reduce the RV and consequently the rates payable), including the impact of back dated appeals. The NNDR provision within the system only reflects the potential impact of appeals currently in the appeals system. The budget does assume continued growth from the business rates income. The Council does hold an earmarked reserve which can mitigate the timing of fluctuations in the level of income from business rates, although there has been a transfer from this reserve in the year to increase the general reserve to fund the deficit for the 2023/24 budget. The further delays to the implementation of the new business rates retention scheme seeks to exacerbate the risks of funding uncertainty for local government.
- 8.4. **General Economic Climate** – The impact of the rates of inflation and interest rates are detailed within the report. Where increased costs for contracts, utilities or pay result in levels above those budgeted, corrective in-year action will need to be taken to manage the overall in-year financial position. The budget monitoring reports will proactively be flagging the overall position to the revenue account.
- 8.5. **Capital Projects** – The Council has a number of significant capital projects at various stages of delivery. With the increases to inflation these projects are under increased pressure to deliver the outputs within the resources available. Council approved a centralised capital projects contingency budget in 2022 to ensure the continued delivery of the capital programme. Use of this contingency is not without financial impact, these implications will be taken as part of any approval for use of the contingency. In the meantime, all capital projects remain under close monitoring as part of the capital programme and the individual officer and member working groups as applicable. Each project faces a number of risks in terms of their delivery and also where they are subject to external funding it is essential that the funding conditions are met. The Council has a strong governance framework in place which can mitigate some of the project risks as well as ensuring adequate project contingency is held within project budgets. However, there will always be risks that are outside of the control of the council when managing these budgets. Reserves, both general and earmarked reserves can be used to mitigate the financial impact of this. If required, the scope of capital projects can be reviewed to reduce call on budget and minimise request for additional contingency.
- 8.6. Where capital projects are financed by capital receipts until the receipts are received there is always a risk that the risk will either not come into fruition or be lower than anticipated. The current and future capital receipts continue to be monitored as part of the capital financing arrangements.
- 8.7. **Interest Payable and Minimum Revenue Provision (MRP)** - The budget reflects the revenue costs of the planned borrowing and financing of the current and future capital programmes based on the forecast for interest rates. The impact of interest rate changes will have a direct impact to the revenue account for the financing of capital schemes.
- 8.8. Slippage of capital schemes will impact on the level of borrowing required along with the associated financing costs. The capital programmes have been reviewed to accurately reflect the timing of the projects, to ensure an accurate provision for MRP and interest can be made

which reflects the timing of the capital spend. In addition, as new schemes and projects are approved outside of the budget this too will have an impact on the associated financing costs and will need to be considered as part of the options appraisal and business cases presented for approval. Furthermore future increases to MRP can be mitigated by the use of capital receipts to fund capital expenditure to reduce the need to borrow.

- 8.9. **Budgeted Income** – The revenue budget is reliant upon achieving significant levels of income from a number of demand led service from sales, fees and charges, for example car parking, planning and building control and crematorium. The budgets have been informed by actuals and knowledge of current service delivery. Whilst a prudent approach has been taken for the setting of income budgets the actual performance will need to be monitored closely to allow any corrective actions to be taken in year if required. In addition, the fees and charges have been reviewed in the year in line with the policy which has allowed for increases in charges to mitigate some of the increased costs in the provision of services, if there is an impact on demand, then these may require further review.
- 8.10. Achievement of service income still remains a financial risk that cannot be fully influenced by the Council. It is for reasons such as this that a factor in determining the recommended general reserve balance includes an amount for the sensitivity in delivery of the more significant demand-led income budgets.
- 8.11. **Commercial Property Rentals** – The Council holds a number of commercial assets for which it receives an income from licences and rentals. The budget has made some assumptions on future rentals, however the risk of vacancies continue to be prevalent and therefore will continue to be managed by the service.
- 8.12. **Reserves** - The Council currently holds a number of earmarked reserves for which some are allocated for specific purposes, although the profile of spend is not yet agreed and commitments not currently made. Use of reserves only provides a short-term solution to mitigate the forecast deficits and can also be used to mitigate the impact, if for example savings and income are not achieved as budgeted. As part of approving the annual budget Members are reminded that reserves do not provide a long-term solution for a sustainable budget position and early action in.
- 8.13. **Cost of Living - Universal Credit and Housing Benefit Subsidy** – At a time when households are faced with increased financial pressures, there is likely to be an increased demand for support and potential impact on collection of income for example council tax. The budget reflects the funding from the Department for Work and Pensions for housing benefit administration. The Council is responsible for paying out in the region of £22 million of housing benefit and rent rebates which the budget assumes is recoverable through the subsidy system. The subsidy returns are audited annually at which point any under or over recovery will be determined and adjusted for. Any under recovery that is not eligible for subsidy would result in a financial implication to the Council which can be mitigate through the use of the earmarked reserve.
- 8.14. **Local Council Tax Support** – The LCTS scheme continues to support those households on low income or in receipt of benefit. The impact of a greater demand for LCTS would reduce the council tax collectable in the year and consequentially increase the deficit on the collection fund which will then need to be recovered in future years.

## 9. CONCLUSIONS

- 9.1. The Council is required to recommend a budget for approval each year. The budget report is presented to Policy and Resources Committee for recommendation to Full Council as part of

the budget and council tax setting process. The report presents the detailed budget considerations for 2023/24.

- 9.2. The report provides an overview of the risks that are facing the Council in the short to medium term, whilst the report presents a balanced position for 2023/24 it is reliant on the use of reserves in the year which is not sustainable. Early decisions on the base budget spend priorities for 2024/25 will need to be taken in the 2023/24 to inform an update to the medium-term financial plan.

## 10. BACKGROUND PAPERS

10.1. The following reports and announcements have been used to inform the budget report as presented:

- 2021/22 Outturn report
- 2022/23 in year financial monitoring reports
- Provisional Local Government Finance Settlement
- Medium Term Financial Strategy
- National Non-Domestic Rates Return
- Financial monitoring.

Area for consideration Comment	Comment
Monitoring Officer Consultation	As part of ELT consultation
Section 151 Officer Consultation	Report author
Existing Council Policies See background papers	
Financial Implications Within existing budgets	Included in the report
Legal Implications (including human rights)	n/a
Risk Implications	Included in the report
Equality Issues/EQIA assessment	As part of making decisions on the budget the Council must have regard for the Public Sector Equality Duty. A Equality Impact Assessment has been completed for the savings proposals and these are referenced at Appendix D.
Details contained in strategy	
Crime & Disorder	
Every Child Matters	



<u>General Fund Summary</u>	Original 2022/23 Budget	2022/23 updated Forecast	2023/24 Budget
	£	£	£
<b>Services:</b>			
Executive and Resources	5,165,040	5,503,950	5,268,983
Inward Investment	1,457,768	1,327,095	1,005,905
Housing	1,046,111	992,436	943,323
Planning and Growth	434,019	486,887	655,600
Customer Services	(695,176)	(775,095)	(286,675)
Property and Asset Management	(85,890)	(13,445)	424,967
Communications and Marketing	753,578	763,742	660,056
Environmental Services	5,321,436	5,282,556	6,256,528
Savings/Costs to be allocated to service	0	0	(163,600)
<b>Net Cost of Service</b>	<b>13,396,886</b>	<b>13,568,126</b>	<b>14,765,087</b>
<b>Non Service Exp/(Income):</b>			
Recharges to HRA	(2,036,804)	(2,036,804)	(1,701,263)
Parish Precepts	596,030	596,030	671,572
Parish CTSS Grant	25,003	25,003	0
Capital Charges	(1,655,375)	(1,655,375)	(1,506,384)
Revenue Financing for Capital	0	50,000	50,000
Interest Receivable	(82,086)	(118,258)	(474,906)
Interest Payable	902,592	1,002,592	1,821,000
Minimum Revenue Provision	1,730,112	1,560,214	2,129,843
Pension Back Funding	2,270,129	2,270,129	2,224,021
Vacancy Management	(382,000)	0	(452,000)
Apprenticeship Levy	51,767	51,767	58,539
<b>Sub total - Non Service Exp/Inc</b>	<b>1,419,367</b>	<b>1,745,298</b>	<b>2,820,422</b>
<b>Net Operating Expenditure</b>	<b>14,816,254</b>	<b>15,313,424</b>	<b>17,585,508</b>
<b>Contributions to/(from) Reserves:</b>			
Restricted use grant	(54,000)	(54,000)	(52,000)
Invest to Save	0	(50,255)	(49,747)
Specific budget	(59,142)	(59,142)	(62,967)
Waste management	(11,375)	(11,375)	(2,420)
Collection Fund	(93,000)	(93,000)	0
Collection fund pooling	0	(50,000)	0
Community Housing	(10,000)	(10,000)	(30,000)
Coastal Protection	0	37,566	0
Planning Delivery	0	(25,000)	0
Special Projects Reserve	(182,978)	(182,978)	(35,000)
Homelessness	(95,000)	(95,000)	(642,323)
Asset Management	(230,825)	(236,621)	(247,745)
COVID reserve	0	(431,054)	0
Other Reserves	(24,724)	(247,288)	(22,472)
<b>Sub Total Earmarked Reserves</b>	<b>(761,062)</b>	<b>(1,508,147)</b>	<b>(1,144,674)</b>
<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>14,055,192</b>	<b>13,805,277</b>	<b>16,440,834</b>
Collection Fund - Parishes	(596,030)	(596,030)	(671,572)
Collection Fund - Borough	(5,085,693)	(5,085,693)	(5,417,359)
Retained Business Rates	(5,092,629)	(5,092,629)	(6,065,000)
Revenue Support Grant	(2,136,919)	(2,136,919)	(2,537,824)
New Homes Bonus	(495,249)	(495,249)	(187,081)
Other Grants	(440,467)	(440,467)	(418,496)
<b>Income from Grant and Taxpayers</b>	<b>(13,846,987)</b>	<b>(13,846,987)</b>	<b>(15,297,331)</b>
<b>(Surplus)/Deficit</b>	<b>208,205</b>	<b>(41,710)</b>	<b>1,143,503</b>

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Executive and Resources:</b>					
<b>Equinox</b>					
Employee	58,370	58,370	64,708	6,338	
Transport	0	0	963	963	
Supplies & Services	25,000	25,000	20,076	(4,924)	
Income	(129,000)	(129,000)	(132,000)	(3,000)	
	(45,630)	(45,630)	(46,253)	(623)	
<b>GYS Company</b>					
Employee	68,384	67,236	0	(68,384)	One off costs in 2022/23 for the establishment of the new GYS company.
Supplies & Services	34,616	34,616	30,636	(3,980)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	0	0	16,340	16,340	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	(470,000)	(470,000)	This covers the SLA for the provision of support services to the company (includes finance, HR, ICT and systems provision) and the estimated lease payments for assets leased to the company. This is offset by costs within services and non service expenditure.
	103,000	101,852	(423,024)	(526,024)	
<b>Corporate Costs</b>					
Transport	6,500	500	500	(6,000)	
Supplies & Services	141,607	194,108	195,650	54,042	150% increase in External Audit fees from 22/23 to 23/24. RPI only has been factored in for the following financial years.
Support Services - Recharges Out	(445,730)	(445,730)	(196,130)	249,600	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	297,650	297,650	134,170	(163,480)	
Income	0	0	0	0	
	27	46,528	134,190	134,162	
<b>North Quay and Conge</b>					
Supplies & Services	0	10,250	0	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	0	0	0	0	
Income	0	0	0	0	
	0	10,250	0	0	
<b>Executive Team</b>					
Employee	709,650	739,904	776,225	66,575	Increases due to pay awards and increments.
Transport	5,000	6,000	5,000	0	
Supplies & Services	8,241	11,442	7,869	(373)	
Support Services - Recharges Out	(1,350,700)	(1,350,700)	(789,080)	561,620	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	627,820	627,820	301,380	(326,440)	
Income	0	(1,600)	0	0	
	11	32,866	301,394	301,382	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Finance</b>					
Employee	650,075	643,028	842,575	192,500	Increases due to pay awards and increments, roles created to be recharged to GYS and overlap of systems manager roles (one role is funded from reserves).
Transport	250	250	0	(250)	
Supplies & Services	272,728	275,948	269,409	(3,319)	
Support Services	115,000	115,000	115,000	0	
Support Services - Recharges Out	(1,494,280)	(1,494,280)	(1,219,490)	274,790	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	461,220	461,220	432,930	(28,290)	basis year on year.
Income	(5,000)	(6,000)	(7,500)	(2,500)	
	<u>(7)</u>	<u>(4,834)</u>	<u>432,924</u>	<u>432,931</u>	
<b>ICT</b>					
Employee	458,850	366,442	495,618	36,768	Increases due to pay awards and increments.
Premises	4,951	4,951	6,079	1,128	
Transport	1,000	1,000	0	(1,000)	
Supplies & Services	358,958	383,958	398,505	39,547	Inflationary increase on annual software maintenance costs.
Third Party Payments	474,593	455,593	456,956	(17,637)	Shared service contract renegotiated with Norfolk CC.
Capital Charges	107,504	107,504	107,504	0	
Support Services - Recharges Out	(1,553,710)	(1,553,710)	(1,464,660)	89,050	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	147,860	147,860	124,990	(22,870)	basis year on year.
Income	0	0	0	0	
	<u>6</u>	<u>(86,402)</u>	<u>124,992</u>	<u>124,985</u>	
<b>Corporate Strategy</b>					
Employee	92,700	73,905	104,369	11,669	Increases due to pay awards and increments.
Transport	200	200	200	0	
Supplies & Services	3,752	3,752	4,333	581	
Support Services - Recharges Out	(143,950)	(143,950)	(108,900)	35,050	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	47,290	47,290	30,700	(16,590)	basis year on year.
Income	0	0	0	0	
	<u>(8)</u>	<u>(18,803)</u>	<u>30,702</u>	<u>30,710</u>	
<b>Member Services</b>					
Employee	188,379	143,041	188,125	(254)	
Premises	0	0	0	0	
Transport	2,100	1,100	2,100	0	
Supplies & Services	371,944	362,144	343,666	(28,278)	Removal of ward budgets as one off only approved for 2022/23.
Support Services	0	0	0	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(684,760)	(684,760)	(577,360)	107,400	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	161,340	161,340	103,510	(57,830)	basis year on year.
Income	0	0	0	0	
	<u>39,003</u>	<u>(17,135)</u>	<u>60,041</u>	<u>21,038</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Elections</b>					
Employee	116,492	103,197	171,807	55,315	
Premises	0	0	0	0	
Transport	1,000	0	500	(500)	
Supplies & Services	73,472	76,972	143,294	69,822	Costs for holding the Borough elections in 2023/24.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	38,310	38,310	43,950	5,640	
Income	(700)	(700)	(25,211)	(24,511)	New Burdens Funding 2023/24 for voter ID, accessibility and training.
	<u>228,574</u>	<u>217,779</u>	<u>334,340</u>	<u>105,766</u>	
<b>Human Resources</b>					
Employee	417,894	393,298	508,273	90,379	Increases due to inflation and increments and roles created to be recharged to GYS
Premises	0	0	0	0	
Transport	1,000	1,000	1,000	0	
Supplies & Services	74,684	94,809	130,937	56,253	New HR System and Payroll Managed Service
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(653,230)	(653,230)	(640,210)	13,020	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	159,660	159,660	121,190	(38,470)	
Income	0	(9,168)	0	0	
	<u>8</u>	<u>(13,631)</u>	<u>121,190</u>	<u>121,182</u>	
<b>Legal</b>					
Supplies & Services	82,223	84,223	91,912	9,689	
Third Party Payments	407,623	408,623	454,907	47,284	Legal costs increase to the benchmark hours for core services.
Support Services - Recharges Out	(479,640)	(479,640)	(511,820)	(32,180)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	24,800	24,800	16,430	(8,370)	
Income	(35,000)	(28,000)	(35,000)	0	
	<u>6</u>	<u>10,006</u>	<u>16,429</u>	<u>16,423</u>	
<b>COVID-19 costs</b>					
Employee	0	1,086,384	0	0	
Premises	0	0	0	0	
Transport	0	11,120	0	0	
Supplies & Services	0	305,234	0	0	
Income	0	(971,684)	0	0	
	<u>0</u>	<u>431,054</u>	<u>0</u>	<u>0</u>	

Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
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<b>Total Executive and Resources:</b>	<b>324,990</b>	<b>663,900</b>	<b>1,086,923</b>	<b>761,933</b>
<b>Total Executive and Resources excluding capital charges &amp; recharges:</b>	<b>5,057,536</b>	<b>5,396,446</b>	<b>5,161,479</b>	<b>103,943</b>
<b>Total Executive and Resources excluding recharges:</b>	<b>5,165,040</b>	<b>5,503,950</b>	<b>5,268,983</b>	<b>103,943</b>

### Inward Investment

#### **Projects and Programmes**

Employee	155,554	79,195	110,523	(45,031) Reduction in budget due to staff post offered as savings in year and movement of Project manager into this service area from the project management office.
Premises	0	0	0	0
Transport	886	886	886	0
Supplies & Services	2,154	2,154	2,206	52
Support Services - Recharges Out	(77,200)	(77,200)	(74,550)	2,650
Support Services - Recharges In	514,260	514,260	262,230	(252,030) Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0
	<u>595,654</u>	<u>519,295</u>	<u>301,295</u>	<u>(294,359)</u>

#### **Project Management Office**

Employee	128,778	109,118	82,361	(46,417) Reduction in budget due to staff post offered as savings in year and movement of Project manager to Projects and Programmes team.
Premises	0	0	0	0
Transport	614	614	614	0
Supplies & Services	1,188	1,188	1,188	0
Support Services - Recharges Out	0	0	0	0
Support Services - Recharges In	45,200	45,200	64,760	19,560 Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0
	<u>175,780</u>	<u>156,120</u>	<u>148,923</u>	<u>(26,857)</u>

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Towns Fund</b>					
Supplies & Services	0	248,054	0	0	
Income	0	(248,054)	0	0	
	0	0	0	0	
<b>Levelling Up Fund</b>					
Supplies & Services	0	125,000	0	0	
Income	0	(125,000)	0	0	
	0	0	0	0	
<b>Offshore Wind Project</b>					
Employee	50,416	49,268	55,081	4,665	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	155,000	155,000	44,919	(110,081)	Reduction to budget in line with grant funding received in year, project has been extended by 1 year.
Income	(205,416)	(205,416)	(100,000)	105,416	Remaining grant funds for Offshore project from Pot B, project extended for 1 year covers staff and events costs.
	0	(1,148)	0	0	
<b>Winter Programme</b>					
Employee	0	0	0	0	
Premises	0	33,000	45,000	45,000	Increase to budget for maintenance budget to lighting installations from the different light project, fully funded from grant funding.
Transport	0	0	0	0	
Supplies & Services	0	430	0	0	
Income	0	(33,430)	(45,000)	(45,000)	Increase to budget for funding provided to support maintenance of lighting installations made in the borough from the different light project.
	0	0	0	0	
<b>CCTV</b>					
Employee	0	0	0	0	
Premises	4,000	4,000	4,000	0	
Transport	0	0	0	0	
Supplies & Services	97,022	99,021	110,476	13,455	Increase to Gorleston and Great Yarmouth CCTV Maintenance Grants
Capital Charges	35,967	35,967	35,967	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	31,340	31,340	21,470	(9,870)	
Income	(4,000)	(4,000)	(4,000)	0	
	164,329	166,328	167,913	3,585	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Culture and Leisure</b>					
Supplies & Services	69,044	69,044	242,159	173,115	Budget increased with the UK Shared Prosperity Fund (UKSPF) project, which is fully funded.
Third Party Payments	61,900	61,900	59,761	(2,139)	
Support Services - Recharges In	30,750	30,750	47,840	17,090	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	(173,115)	(173,115)	UKSPF Funding received, offset by planned spend in the year.
	<u>161,694</u>	<u>161,694</u>	<u>176,645</u>	<u>14,951</u>	
<b>Conservation</b>					
Employee	153,543	175,100	169,937	16,394	Budget has increased with one staff post fully funded for 6 months in 2023/24 from grant funding & also ongoing impact from the increase in pay award in 2022/23.
Premises	158,934	199,326	87,590	(71,343)	End of trees for cities project in 2022/23.
Transport	200	200	200	0	
Supplies & Services	490,532	852,457	47,936	(442,597)	Decrease in project expenditure in line with project spend and project end dates.
Third Party Payments	0	0	0	0	
Transfer Payments	33,490	33,490	75,536	42,046	Increase in project expenditure in line with project spend and funded from grant funding included below.
Support Services	0	0	0	0	
Capital Charges	25,408	25,408	25,408	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	41,960	41,960	32,840	(9,120)	
Income	(625,740)	(1,008,337)	(106,718)	519,022	Decrease in grant funding for projects, in line with project spend and project end dates.
	<u>278,327</u>	<u>319,604</u>	<u>332,729</u>	<u>54,402</u>	
<b>Indoor Leisure - Phoenix Pool and Marina Centre</b>					
Employee	57,031	55,883	61,941	4,910	Increase to budget due to impact from pay award and increment.
Premises	24,988	50,988	41,013	16,025	Increase to budgets due to increased insurance premiums.
Transport	0	0	0	0	
Supplies & Services	7,425	7,425	6,372	(1,052)	
Third Party Payments	56,696	56,696	56,696	0	
Transfer Payments	118,861	118,861	0	(118,861)	Decrease to expenditure budget due to new contract with new leisure provider.
Support Services	0	0	0	0	
Capital Charges	86,348	86,348	86,348	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	83,450	83,450	77,390	(6,060)	
Income	0	0	(211,780)	(211,780)	Increase to budget due to new leisure contract with Freedom Leisure and estimated income to be received in line within new contact.
	<u>434,799</u>	<u>459,651</u>	<u>117,980</u>	<u>(316,819)</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Neighbourhood Management</b>					
Employee	307,996	214,315	439,322	131,326	Two additional volunteer roles funded from Spirit of 2012 Grant (reflected below), Head of Service role 50% funded by Integrated Care Board (again below).
Premises	9,873	9,873	10,508	635	
Transport	800	800	500	(300)	
Supplies & Services	85,346	85,096	76,023	(9,323)	
Third Party Payments	0	0	0	0	
Transfer Payments	200,000	14,591	112,937	(87,063)	Lower costs for delivering Spirit of 2012 compared to Community Champions Programme.
Support Services	0	0	0	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(387,310)	(387,310)	0	387,310	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	343,400	343,400	47,080	(296,320)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(236,000)	(56,000)	(316,675)	(80,675)	Establishment focused activities achieving pots of grant funding.
	<u>324,105</u>	<u>224,765</u>	<u>369,695</u>	<u>45,590</u>	
<b>Enterprise Zone</b>					
Supplies & Services	1,140,612	1,140,612	648,180	(492,432)	Allocation of available funding for EZ projects of both GYBC and NCC
Income	(1,261,791)	(1,261,791)	(780,000)	481,791	Updated forecast for projecting of Enterprise zone income
	<u>(121,179)</u>	<u>(121,179)</u>	<u>(131,820)</u>	<u>(10,641)</u>	
<b>Economic Development</b>					
Employee	68,608	131,476	117,022	48,414	One staff post extended for two years from UK Shared Prosperity Fund grant funding.
Premises	0	30,000	0	0	
Transport	0	0	0	0	
Supplies & Services	1,502	4,502	1,604	102	
Support Services - Recharges In	111,990	111,990	106,040	(5,950)	
Income	0	(98,163)	(117,022)	(117,022)	Grant funding received from UK Shared Prosperity Fund to fund staff posts above.
	<u>182,100</u>	<u>179,805</u>	<u>107,644</u>	<u>(74,456)</u>	
<b>Total Inward Investment:</b>	<b><u>2,195,608</u></b>	<b><u>2,064,935</u></b>	<b><u>1,591,005</u></b>	<b><u>(604,604)</u></b>	
<b>Total Inward Investment excluding capital charges &amp; recharges:</b>	<b><u>1,310,045</u></b>	<b><u>1,179,372</u></b>	<b><u>858,182</u></b>	<b><u>(451,864)</u></b>	
<b>Total Inward Investment excluding recharges:</b>	<b><u>1,457,768</u></b>	<b><u>1,327,095</u></b>	<b><u>1,005,905</u></b>	<b><u>(451,864)</u></b>	



Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
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**Housing:****Housing Needs**

Employee	967,016	1,080,435	1,429,858	462,842	Increases in establishment costs due pay award estimated for 23/24. Also increased posts in line iwth funding included for projects such as Rough Sleep Drug & Treatment funding, Domestic Abuse New Burdens and Rough Sleepers Initiative funding as reflected in the increase in the income below.
Premises	203,105	278,105	285,924	82,818	£67k of the increase relates to costs for Somewhere Safe to Stay temporary accommodation. This is funded by the increase in income noted below. The remainder relates to inflationary increases on utilities etc
Transport	1,000	1,000	1,000	0	
Supplies & Services	261,888	440,700	266,714	4,826	Inflationary cost increases and costs from projects in line with increased pay costs above to be met from funding, per below.
Capital Charges	18,137	18,137	18,137	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	420,790	420,790	334,790	(86,000)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(744,103)	(1,076,466)	(1,441,172)	(697,069)	Increased funding for costs noted above.
	<u>1,127,833</u>	<u>1,162,701</u>	<u>895,250</u>	<u>(232,583)</u>	

**Gapton Hall Site**

Employee	62,539	60,244	71,435	8,896	
Premises	49,969	76,969	125,632	75,663	Increase in utility costs for the site due to anticipated inflationary rises (£35k). Also significant impact of ongoing maintenance costs linked to issues on the site (£34k). Works are planned in 2324 to address this as part of the capital programme.
Transport	0	0	50	50	
Supplies & Services	20,000	20,000	13,050	(6,950)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	50,310	50,310	62,980	12,670	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(87,250)	(131,500)	(123,483)	(36,233)	Increases in service charges due to inflationary increases in utility costs as noted above. As well as increased site rental income.
	<u>95,568</u>	<u>76,023</u>	<u>149,664</u>	<u>54,095</u>	

**Better Care Fund**

Employee	102,988	97,937	132,813	29,825	Increase for estimated impact of a pay award in 2023/24.
Transport	2,500	2,500	1,500	(1,000)	
Supplies & Services	21,744	9,244	20,864	(880)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	59,690	59,690	39,370	(20,320)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(145,216)	(145,216)	(157,019)	(11,803)	Increased funding anticipated to cover increased costs noted above.
	<u>41,706</u>	<u>24,155</u>	<u>37,528</u>	<u>(4,178)</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Housing Strategy</b>					
Employee	139,896	124,775	190,073	50,177	Increase in budget is for the pay award increases and the creation of a review of the establishment since the 2022/23 budget was set.
Premises	808	808	(0)	(808)	
Transport	365	365	250	(115)	
Supplies & Services	30,340	31,465	4,450	(25,891)	Mainly due to costs being reallocated to other housing areas but also reduction in budgets required identified.
Capital Charges	23,859	23,859	23,859	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	83,740	83,740	62,720	(21,020)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	(19,176)	0	0	
	<u>279,008</u>	<u>245,836</u>	<u>281,351</u>	<u>2,343</u>	
<b>Safe at Home</b>					
Employee	282,473	245,299	283,988	1,515	
Premises	0	0	0	0	
Transport	7,000	7,000	6,000	(1,000)	
Supplies & Services	42,859	46,759	41,649	(1,210)	
Third Party Payments	0	0	0	0	
Transfer Payments	5,440	5,440	6,000	560	
Support Services	0	0	0	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	89,210	89,210	63,600	(25,610)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(221,247)	(206,247)	(258,247)	(37,000)	
	<u>205,735</u>	<u>187,461</u>	<u>142,990</u>	<u>(62,745)</u>	
<b>Total Housing:</b>	<b><u>1,749,851</u></b>	<b><u>1,696,176</u></b>	<b><u>1,506,783</u></b>	<b><u>(243,068)</u></b>	
<b>Total Housing excluding capital charges &amp; recharges:</b>	<b><u>1,004,115</u></b>	<b><u>950,440</u></b>	<b><u>901,327</u></b>	<b><u>(102,788)</u></b>	
<b>Total Housing excluding recharges:</b>	<b><u>1,046,111</u></b>	<b><u>992,436</u></b>	<b><u>943,323</u></b>	<b><u>(102,788)</u></b>	

Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Planning and Growth:</b>				
<b>Building Control</b>				
Employee	255,082	222,810	267,184	12,103 Increases due to pay awards and increments.
Premises	1,500	1,500	1,677	177
Transport	10,000	10,000	10,000	0
Supplies & Services	18,166	18,166	29,950	11,784 New subscriptions and contractual inflation increases.
Support Services - Recharges Out	0	0	0	0
Support Services - Recharges In	88,740	88,740	69,290	(19,450) Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(308,377)	(278,377)	(248,100)	60,277 Inflationary pressures and downturn in the construction industry has lead to reduced inspections. There is also stiff competition form external organisations offering similar services which is impacting income.
	<u>65,110</u>	<u>62,839</u>	<u>130,001</u>	<u>64,891</u>
<b>Planning Business Support</b>				
Employee	0	144,125	153,344	153,344 Posts transferred from other planning areas to create a central support cost centre.
Support Services - Recharges In	0	0	51,420	51,420 Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0
	<u>0</u>	<u>144,125</u>	<u>204,764</u>	<u>204,764</u>
<b>Development Control</b>				
Employee	672,649	621,321	677,512	4,864
Premises	0	0	0	0
Transport	7,500	7,500	7,500	0
Supplies & Services	32,219	32,219	32,175	(44)
Support Services - Recharges Out	(62,910)	(62,910)	(70,320)	(7,410)
Support Services - Recharges In	331,700	331,700	237,900	(93,800) Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(591,597)	(571,597)	(597,450)	(5,853)
	<u>389,561</u>	<u>358,233</u>	<u>287,317</u>	<u>(102,243)</u>
<b>Land Charges</b>				
Employee	50,771	(1)	0	(50,771) Posts transferred to the new planning business support cost centre.
Premises	0	0	0	0
Transport	0	0	0	0
Supplies & Services	12,382	12,382	13,198	816
Third Party Payments	32,519	32,519	36,291	3,772
Support Services - Recharges Out	0	0	0	0
Support Services - Recharges In	48,230	48,230	29,250	(18,980) Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(144,923)	(144,923)	(148,126)	(3,203)
	<u>(1,021)</u>	<u>(51,793)</u>	<u>(69,387)</u>	<u>(68,366)</u>

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Strategic Planning</b>					
Employee	286,507	279,621	321,518	35,011	Increases due to pay awards and increments.
Premises	0	0	0	0	
Transport	1,000	1,000	1,000	0	
Supplies & Services	113,390	113,390	112,144	(1,246)	
Third Party Payments	0	0	0	0	
Transfer Payments	6,500	6,500	6,500	0	
Support Services	0	0	0	0	
Capital Charges	1,582	1,582	1,582	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	89,820	89,820	72,190	(17,630)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(22,850)	(22,850)	(22,300)	550	
	<u>475,949</u>	<u>469,063</u>	<u>492,633</u>	<u>16,685</u>	
<b>Total Planning and Growth:</b>	<b>929,599</b>	<b>982,467</b>	<b>1,045,330</b>	<b>115,730</b>	
<b>Total Planning and Growth excluding capital charges &amp; recharges:</b>	<b>432,437</b>	<b>485,305</b>	<b>654,018</b>	<b>221,580</b>	
<b>Total Planning and Growth excluding recharges:</b>	<b>434,019</b>	<b>486,887</b>	<b>655,600</b>	<b>221,580</b>	
<b>Customer Services:</b>					
<b>Benefits</b>					
Employee	613,252	596,108	629,349	16,097	Increases due to pay awards and increments.
Premises	0	0	0	0	
Transport	1,200	1,200	1,200	0	
Supplies & Services	97,286	97,285	131,316	34,030	Open Revenues contract and addition of E-benefits program
Transfer Payments	20,410,200	20,219,700	19,890,200	(520,000)	Forecast based on current year actuals offset with reduction in income
Support Services	0	0	0	0	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(257,414)	(257,414)	(265,153)	(7,739)	
Support Services - Recharges In	429,990	429,990	349,120	(80,870)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(21,243,980)	(21,143,394)	(20,577,086)	666,894	£175k LCTS Administration Subsidy grant included in RSG from 23/24
	<u>50,534</u>	<u>(56,525)</u>	<u>158,947</u>	<u>108,413</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Crematorium and Cemeteries</b>					
Employee	207,812	208,979	238,620	30,808	Increases due to pay awards and increments - and inclusion of £15k casual staff budget based on actuals to date
Premises	485,183	521,997	648,323	163,141	Significant increases in gas and electricity prices essential for Crematorium running
Transport	750	750	750	0	
Supplies & Services	143,889	137,477	139,306	(4,583)	
Third Party Payments	34,074	34,074	34,074	0	
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	70,543	70,543	70,543	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	231,420	231,420	161,370	(70,050)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(1,620,151)	(1,559,000)	(1,643,501)	(23,350)	Income increased in line with current demand and fee levels
	(446,480)	(353,760)	(350,514)	95,966	
<b>Crematorium tearoom</b>					
Employee	49,311	34,298	67,531	18,220	
Premises	8,180	8,310	14,783	6,603	
Supplies & Services	25,898	19,898	31,569	5,671	Reflection of true costs - prior year based on forecasts from business case.
Capital Charges	9,060	9,060	31,336	22,276	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	0	0	49,290	49,290	
Income	(101,857)	(51,857)	(113,882)	(12,025)	
	(9,408)	19,709	80,627	90,035	
<b>Customer Services</b>					
Employee	639,269	591,244	684,073	44,804	Increases due to pay awards and increments.
Premises	0	0	0	0	
Transport	250	250	250	0	
Supplies & Services	11,979	4,797	11,930	(50)	
Support Services - Recharges Out	(1,210,670)	(1,210,670)	(705,190)	505,480	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	559,170	559,170	482,510	(76,660)	
Income	0	0	0	0	
	(2)	(55,209)	473,573	473,574	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Support Services</b>					
Employee	159,927	153,429	174,303	14,376	Increases due to pay awards and increments.
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	44,257	45,257	36,652	(7,606)	
Capital Charges	2,985	2,985	2,985	0	
Support Services - Recharges Out	(279,360)	(279,360)	(222,880)	56,480	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Support Services - Recharges In	72,190	72,190	77,610	5,420	
Income	0	0	0	0	
	(1)	(5,499)	68,670	68,670	

<b>Car Parks</b>					
Employee	446,943	430,404	460,118	13,175	Increases due to pay awards and increments.
Premises	348,188	344,501	355,526	7,338	
Transport	17,355	17,355	21,651	4,295	
Supplies & Services	124,760	113,460	121,081	(3,679)	
Third Party Payments	0	0	0	0	
Transfer Payments	399,701	394,951	339,186	(60,515)	Profit Share Payments reduced inline with expected reduction in income (primarily on-street parking)
Support Services	0	0	0	0	
Capital Charges	46,827	46,827	46,827	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	356,060	356,060	219,120	(136,940)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(2,501,475)	(2,464,723)	(2,631,843)	(130,368)	Increased income forecast from revisions to the fees and charges for 2023/24.
	(761,640)	(761,165)	(1,068,334)	(306,694)	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Revenues</b>					
Employee	745,170	751,501	849,251	104,081	Increases due to pay awards and increments - one role covered by external funding
Premises	0	0	0	0	
Transport	2,000	2,000	2,000	0	
Supplies & Services	197,688	214,688	221,212	23,523	Open Revenues Contract and addition of E-benefits program
Third Party Payments	0	0	0	0	
Transfer Payments	100	100	100	0	
Support Services	25,000	18,000	20,000	(5,000)	
Capital Charges	0	0	0	0	
Support Services - Recharges Out	(381,900)	(381,900)	(505,100)	(123,200)	
Support Services - Recharges In	829,510	829,510	576,910	(252,600)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(596,752)	(647,549)	(596,408)	344	
	<u>820,816</u>	<u>786,350</u>	<u>567,965</u>	<u>(252,852)</u>	
<b>Total Customer Services:</b>	<b><u>(346,180)</u></b>	<b><u>(426,099)</u></b>	<b><u>(69,067)</u></b>	<b><u>277,113</u></b>	
<b>Total Customer Services excluding capital charges &amp; recharges:</b>	<b><u>(824,591)</u></b>	<b><u>(904,510)</u></b>	<b><u>(438,366)</u></b>	<b><u>386,226</u></b>	
<b>Total Customer Services excluding recharges:</b>	<b><u>(695,176)</u></b>	<b><u>(775,095)</u></b>	<b><u>(286,675)</u></b>	<b><u>408,502</u></b>	

**Property and Asset Management:****Property Building Services**

Employee	0	0	0	0	
Premises	473,541	473,541	493,081	19,540	Increase in contract costs for maintenance of play equipment.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	0	0	0	0	
Income	0	0	0	0	
	<u>473,541</u>	<u>473,541</u>	<u>493,081</u>	<u>19,540</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Town Hall</b>					
Employee	0	0	0	0	
Premises	167,916	181,666	247,945	80,029	Significant increases in gas and electricity prices, and other utilities/cleaning contracts
Transport	0	0	0	0	
Supplies & Services	1,049	1,050	4,512	3,463	
Capital Charges	15,821	15,821	15,821	0	
Support Services - Recharges Out	(291,230)	(291,230)	(270,680)	20,550	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	106,440	106,440	61,390	(45,050)	basis year on year.
Income	0	0	0	0	
	<u>(4)</u>	<u>13,747</u>	<u>58,987</u>	<u>58,991</u>	
<b>Greyfriars House</b>					
Employee	0	0	0	0	
Premises	112,303	112,303	157,708	45,405	Significant increases in gas and electricity prices, and other utilities/cleaning contracts
Capital Charges	7,710	7,710	7,710	0	
Support Services - Recharges Out	(189,390)	(189,390)	(167,820)	21,570	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	69,380	69,380	50,010	(19,370)	basis year on year.
Income	0	0	0	0	
	<u>3</u>	<u>3</u>	<u>47,608</u>	<u>47,605</u>	
<b>Maritime House</b>					
Employee	0	0	0	0	
Premises	21,897	29,897	24,205	2,308	
Supplies & Services	1,842	1,842	2,559	717	
Capital Charges	4,560	4,560	4,560	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	14,470	14,470	10,430	(4,040)	
Income	0	(8,000)	(4,000)	(4,000)	
	<u>42,769</u>	<u>42,769</u>	<u>37,754</u>	<u>(5,015)</u>	
<b>Catalyst Centre</b>					
Employee	0	0	0	0	
Premises	49,185	49,185	83,229	34,045	Significant increases in gas and electricity prices, and other utilities/cleaning contracts.
Transport	0	0	0	0	
Supplies & Services	749	749	836	87	
Capital Charges	3,797	3,797	3,797	0	
Support Services - Recharges Out	(124,550)	(124,550)	(90,260)	34,290	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	70,820	70,820	53,580	(17,240)	basis year on year.
Income	0	0	0	0	
	<u>1</u>	<u>1</u>	<u>51,182</u>	<u>51,182</u>	



	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Public Toilets</b>					
Employee	0	0	0	0	
Premises	189,675	189,675	240,208	50,534	Significant increases in gas and electricity prices, and other utilities/cleaning contracts.
Transport	0	0	0	0	
Supplies & Services	11,103	11,103	8,886	(2,217)	
Capital Charges	153,447	153,447	153,447	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	25,740	25,740	27,110	1,370	
Income	0	0	0	0	
	<u>379,965</u>	<u>379,965</u>	<u>429,652</u>	<u>49,687</u>	
<b>Repairs and Maintenance</b>					
Employee	0	0	0	0	
Premises	129	129	133	4	
Transport	0	0	0	0	
Supplies & Services	16,231	16,231	10,456	(5,775)	
Third Party Payments	8,714	8,714	0	(8,714)	
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	205,389	205,389	205,389	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	61,530	61,530	58,200	(3,330)	
Income	(97,572)	(97,572)	(97,572)	0	
	<u>194,421</u>	<u>194,421</u>	<u>176,606</u>	<u>(17,815)</u>	
<b>Footway Lighting</b>					
Employee	0	0	0	0	
Premises	169,230	169,229	130,459	(38,771)	Reduction in electricity costs re: Roll out of energy efficient lightbulbs.
Transport	0	0	0	0	
Supplies & Services	14,091	14,092	13,390	(701)	
Capital Charges	69,718	69,718	69,718	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	64,400	64,400	63,120	(1,280)	
Income	0	0	0	0	
	<u>317,439</u>	<u>317,439</u>	<u>276,687</u>	<u>(40,752)</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Coast Protection</b>					
Employee	183,025	111,035	209,383	26,358	Three posts recovered from external income.
Premises	44,689	60,649	44,689	0	
Transport	3,250	3,250	3,250	0	
Supplies & Services	64,385	64,385	67,943	3,558	
Capital Charges	362,693	362,693	362,693	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	60,040	60,040	56,480	(3,560)	
Income	(135,309)	(121,435)	(154,853)	(19,544)	Increase covering posts funded by the CPE.
	<u>582,773</u>	<u>540,617</u>	<u>589,585</u>	<u>6,812</u>	
<b>Beach Huts</b>					
Employee	30,604	29,456	28,374	(2,230)	
Premises	9,962	9,962	8,153	(1,809)	
Transport	0	0	0	0	
Supplies & Services	5,396	5,396	5,558	162	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	29,960	29,960	29,860	(100)	
Income	(63,438)	(47,259)	(79,335)	(15,897)	Income schedule + 5% increase
	<u>12,484</u>	<u>27,515</u>	<u>(7,390)</u>	<u>(19,874)</u>	
<b>Community Centres</b>					
Employee	0	0	0	0	
Premises	2,056	2,056	5,442	3,386	
Capital Charges	25,213	25,213	25,213	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	35,390	35,390	20,400	(14,990)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(3,774)	(3,774)	(1,774)	2,000	
	<u>58,885</u>	<u>58,885</u>	<u>49,281</u>	<u>(9,604)</u>	
<b>Easter Fayre</b>					
Employee	2,000	2,000	0	(2,000)	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	20,686	20,686	20,371	(315)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	0	0	4,410	4,410	
Income	(15,265)	(15,265)	(20,371)	(5,106)	
	<u>7,421</u>	<u>7,421</u>	<u>4,410</u>	<u>(3,011)</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Go Trade - Markets</b>					
Supplies & Services	0	5,736	0	0	
	0	5,736	0	0	
<b>Markets</b>					
Employee	71,706	69,411	80,374	8,668	
Premises	195,154	195,154	212,166	17,012	Budget reviewed based upon current levels of expenditure, mitigates some of the reduced income.
Transport	250	250	250	0	
Supplies & Services	29,636	29,637	23,317	(6,319)	
Capital Charges	4,820	4,820	4,820	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	64,400	64,400	57,580	(6,820)	
Income	(157,974)	(116,299)	(185,769)	(27,795)	Review of the income budget following the redevelopment of the market area and the reduction in the number of permanent six day stalls from 36 to 26 units with a further four 'pop-up' stalls.
	207,992	247,373	192,738	(15,254)	
<b>37-39 Market Place (Palmers)</b>					
Employee	0	0	0	0	
Premises	0	29,500	42,992	42,992	Premises costs pending the occupation of the building, initial costs to be funded from reserves
Support Services - Recharges In	0	0	5,960	5,960	
Income	0	0	0	0	
	0	29,500	48,952	48,952	
<b>Brett's</b>					
Employee	0	0	0	0	
Premises	139,117	139,117	49,549	(89,568)	Reduction in Repairs and Maintenance budget
Transport	0	0	0	0	
Supplies & Services	6,576	6,576	6,576	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	12,330	12,330	8,700	(3,630)	
Income	(131,387)	(131,387)	(52,101)	79,286	
	26,636	26,636	12,724	(13,912)	
<b>Courts</b>					
Employee	0	0	0	0	
Premises	6,090	6,090	20,093	14,003	Significant increases in gas and electricity prices, and other utilities/cleaning contracts
Transport	0	0	0	0	
Supplies & Services	1,200	1,200	0	(1,200)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	11,500	11,500	11,080	(420)	
Income	(14,670)	(14,670)	(14,300)	370	
	4,120	4,120	16,873	12,753	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>South Denes Energy Park</b>					
Employee	0	0	0	0	
Premises	2,878	2,878	5,455	2,577	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	24,110	24,110	24,970	860	
Income	(8,004)	(8,004)	(8,004)	0	
	<u>18,984</u>	<u>18,984</u>	<u>22,421</u>	<u>3,437</u>	
<b>Factory Units</b>					
Employee	0	0	0	0	
Premises	10,248	10,249	17,774	7,526	
Transport	0	0	0	0	
Supplies & Services	3,409	3,409	2,190	(1,220)	
Support Services - Recharges In	28,410	28,410	23,470	(4,940)	
Income	(100,651)	(100,651)	(113,337)	(12,686)	
	<u>(58,584)</u>	<u>(58,583)</u>	<u>(69,903)</u>	<u>(11,319)</u>	
<b>Corporate Estates</b>					
Employee	20	20	10	(11)	
Premises	405,292	409,693	450,726	45,433	Significant increases in gas and electricity prices, and other utilities/cleaning contracts
Transport	0	0	0	0	
Supplies & Services	34,097	34,097	32,263	(1,833)	
Capital Charges	34,945	34,945	34,945	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	401,660	401,660	493,510	91,850	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Income	(2,481,633)	(2,428,133)	(2,500,903)	(19,270)	basis year on year.
	<u>(1,605,618)</u>	<u>(1,547,718)</u>	<u>(1,489,449)</u>	<u>116,169</u>	
<b>Waterways</b>					
Employee	0	35,967	0	0	
Premises	9,400	9,400	13,480	4,080	
Transport	0	0	0	0	
Supplies & Services	19,610	34,410	2,669	(16,941)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	15,340	15,340	18,040	2,700	
Income	(1,000)	(46,067)	(1,000)	0	
	<u>43,350</u>	<u>49,050</u>	<u>33,189</u>	<u>(10,161)</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Minerva House</b>					
Employee	0	0	0	0	
Premises	8,451	8,451	9,730	1,279	
Transport	0	0	0	0	
Supplies & Services	0	0	1,364	1,364	
Support Services - Recharges In	9,870	9,870	5,970	(3,900)	
Income	(65,626)	(79,905)	(66,118)	(492)	
	<u>(47,305)</u>	<u>(61,584)</u>	<u>(49,054)</u>	<u>(1,749)</u>	
<b>Onians</b>					
Employee	0	0	0	0	
Premises	272	273	481	208	
Transport	0	0	0	0	
Supplies & Services	1,000	1,000	1,000	0	
Support Services - Recharges In	10,160	10,160	8,960	(1,200)	
Income	(9,900)	(9,900)	(9,900)	0	
	<u>1,532</u>	<u>1,533</u>	<u>541</u>	<u>(992)</u>	
<b>Property Services</b>					
Employee	895,056	806,817	980,796	85,740	
Premises	6,179	6,179	6,179	0	
Transport	6,100	6,100	6,100	0	
Supplies & Services	39,680	39,680	39,782	103	
Support Services - Recharges Out	(935,180)	(935,180)	(739,540)	195,640	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	275,770	275,770	245,060	(30,710)	basis year on year.
Income	(287,605)	(212,605)	(293,317)	(5,712)	
	<u>(0)</u>	<u>(13,239)</u>	<u>245,060</u>	<u>245,061</u>	
<b>Housing Asset Team</b>					
Employee	641,021	560,404	0	(641,021)	Employee costs are now charges direct to the HRA
Supplies & Services	30,000	88,000	0	(30,000)	
Support Services - Recharges Out	(119,700)	(119,700)	0	119,700	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	284,900	284,900	0	(284,900)	basis year on year.
Income	(836,221)	(829,221)	0	836,221	Reduction in pay budgets will result in lower recharges to the HRA and savings identified in supplies & services
	<u>0</u>	<u>(15,617)</u>	<u>0</u>	<u>0</u>	
<b>Preliminary Densification Costs</b>					
Employee	0	0	0	0	
Premises	0	0	81,000	81,000	Estimated costs for property related costs assumed to be offset by income.
Transport	0	0	0	0	
Supplies & Services	0	0	5,000	5,000	
Support Services - Recharges In	0	0	2,400	2,400	
Income	0	0	(86,000)	(86,000)	Estimated income for the rental of properties.
	<u>0</u>	<u>0</u>	<u>2,400</u>	<u>2,400</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Novus centre</b>					
Employee	0	0	0	0	
Premises	0	0	44,761	44,761	Budget now updated to reflected the costs of this admin building.
Support Services - Recharges In	0	0	2,400	2,400	
Income	0	0	(41,867)	(41,867)	Recovery of increased costs from tenants.
	<u>0</u>	<u>0</u>	<u>5,294</u>	<u>5,294</u>	
<b>Gorleston Splash Pad</b>					
Employee	0	0	14,183	14,183	Costs now reported separately for the facility.
Premises	0	0	13,337	13,337	Costs now reported separately for the facility.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	0	0	8,730	8,730	
Income	0	0	0	0	
	<u>0</u>	<u>0</u>	<u>36,250</u>	<u>36,250</u>	
<b>Beacon Park</b>					
Employee	0	0	0	0	
Premises	143,187	95,187	177,451	34,263	Increase in business rates, utilities and insurance costs.
Transport	0	0	0	0	
Supplies & Services	59,450	59,450	59,450	0	
Capital Charges	167,469	167,469	167,469	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	51,820	51,820	40,580	(11,240)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(1,100,232)	(1,061,496)	(1,111,362)	(11,130)	
	<u>(678,306)</u>	<u>(687,570)</u>	<u>(666,412)</u>	<u>11,893</u>	
<b>Total Property and Asset Management:</b>					
	<u>(17,500)</u>	<u>54,945</u>	<u>549,067</u>	<u>566,567</u>	
<b>Total Property and Asset Management excluding capital charges &amp; recharges:</b>					
	<u>(1,141,472)</u>	<u>(1,069,027)</u>	<u>(630,615)</u>	<u>510,857</u>	
<b>Total Property and Asset Management excluding recharges:</b>					
	<u>(85,890)</u>	<u>(13,445)</u>	<u>424,967</u>	<u>510,857</u>	

Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
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**Communications and Marketing:****Communications**

Employee	169,713	182,223	185,898	16,185	Increases due to pay award and increments.
Premises	0	0	0	0	
Transport	1,500	1,500	1,500	0	
Supplies & Services	14,693	13,524	13,670	(1,023)	
Support Services - Recharges Out	(240,070)	(240,070)	(175,550)	64,520	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	59,520	59,520	27,560	(31,960)	basis year on year.
Income	(5,345)	(5,345)	(25,520)	(20,175)	Advertising pillar income transferred from tourism
	<u>11</u>	<u>11,352</u>	<u>27,558</u>	<u>27,547</u>	

**Events**

Employee	43,898	40,220	36,133	(7,765)	
Premises	2,000	2,000	1,500	(500)	
Transport	0	0	0	0	
Supplies & Services	8,226	23,674	77,022	68,796	Wheels and Bowls festival costs transferred from tourism cost centre.
Support Services - Recharges In	106,210	106,210	78,720	(27,490)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
					basis year on year.
Income	(35,920)	(58,420)	(117,973)	(82,053)	Wheels and Bowls festival costs transferred from tourism cost centre.
	<u>124,414</u>	<u>113,684</u>	<u>75,402</u>	<u>(49,012)</u>	

**Mayor**

Supplies & Services	7,973	7,974	11,075	3,102	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	16,020	16,020	14,390	(1,630)	
Income	0	0	0	0	
	<u>23,993</u>	<u>23,994</u>	<u>25,465</u>	<u>1,472</u>	

**Tourism**

Employee	71,876	45,727	38,712	(33,164)	TIC permanently closed.
Premises	2,115	2,115	2,360	245	
Transport	100	100	0	(100)	
Supplies & Services	171,121	195,917	12,005	(159,116)	Wheels and Bowls festival costs transferred to Events cost centre. Website to be taken over by external business. What's On guide no longer produced as most visitors use online.
Third Party Payments	560	560	0	(560)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	217,380	217,380	264,510	47,130	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
					basis year on year.
Income	(117,255)	(112,993)	1	117,256	Wheels and Bowls festival income transferred to Events cost centre.
	<u>345,897</u>	<u>348,806</u>	<u>317,588</u>	<u>(28,309)</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Civic and Portering</b>					
Employee	163,151	157,754	179,508	16,357	Increases due to inflation and increments.
Premises	0	1,500	1,500	1,500	
Transport	12,746	12,746	12,593	(154)	
Supplies & Services	18,931	37,876	18,458	(473)	
Support Services - Recharges Out	(329,070)	(329,070)	(221,840)	107,230	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	137,240	137,240	154,980	17,740	basis year on year.
Income	(3,000)	(8,233)	(3,000)	0	
	(2)	9,813	142,199	142,201	
<b>Print and Design</b>					
Employee	194,372	188,014	191,998	(2,374)	
Premises	0	0	0	0	
Transport	200	200	200	0	
Supplies & Services	57,043	60,231	57,815	772	
Support Services - Recharges Out	(291,390)	(291,390)	(227,390)	64,000	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment
Support Services - Recharges In	64,900	64,900	87,540	22,640	basis year on year.
Income	(25,122)	(25,122)	(35,400)	(10,278)	More external printing work will be undertaken due to new equipment available.
	4	(3,167)	74,764	74,760	
<b>Total Communications and Marketing:</b>	<b>494,318</b>	<b>504,482</b>	<b>662,976</b>	<b>168,658</b>	
<b>Total Communications and Marketing excluding capital charges &amp; recharges:</b>	<b>753,578</b>	<b>763,742</b>	<b>660,056</b>	<b>(93,522)</b>	
<b>Total Communications and Marketing excluding recharges:</b>	<b>753,578</b>	<b>763,742</b>	<b>660,056</b>	<b>(93,522)</b>	
<b>Environmental Services:</b>					
<b>Environmental Health</b>					
Employee	1,193,881	1,230,625	1,418,211	224,330	Increases due to pay award and increments. The total includes 2 fixed term posts funded by earmarked reserves.
Premises	268,119	267,017	265,862	(2,257)	
Transport	39,956	37,956	40,542	586	
Supplies & Services	226,865	240,454	228,952	2,088	
Third Party Payments	10,000	10,000	10,000	0	
Transfer Payments	289,528	274,677	303,908	14,379	Inflation increase on drainage board levy.
Support Services	0	0	0	0	
Capital Charges	10,168	10,168	10,168	0	
Support Services - Recharges Out	(66,430)	(66,430)	(69,580)	(3,150)	
Support Services - Recharges In	376,070	376,070	335,490	(40,580)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(116,013)	(117,610)	(106,851)	9,162	
	2,232,144	2,262,927	2,436,702	204,558	



	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Selective Licensing</b>					
Employee	60,392	59,244	57,502	(2,891)	
Premises	0	0	0	0	
Transport	0	0	0	0	
Supplies & Services	8,799	8,799	5,821	(2,978)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	6,480	6,480	0	(6,480)	
Income	(10,000)	(10,000)	0	10,000	
	<u>65,671</u>	<u>64,523</u>	<u>63,323</u>	<u>(2,349)</u>	
<b>Grounds Maintenance</b>					
Employee	0	0	0	0	
Premises	578,059	577,308	636,739	58,680	Inflation increase on contracts.
Transport	0	0	0	0	
Supplies & Services	38,389	30,632	32,468	(5,921)	
Third Party Payments	9,240	9,240	9,240	0	
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	75,485	75,485	75,485	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	27,550	27,550	18,990	(8,560)	
Income	(54,450)	(55,909)	(54,945)	(495)	
	<u>674,273</u>	<u>664,306</u>	<u>717,977</u>	<u>43,704</u>	
<b>Street Cleansing</b>					
Employee	0	0	0	0	
Premises	664,117	693,741	690,685	26,568	Inflation increase on contracts.
Transport	0	0	0	0	
Supplies & Services	0	0	0	0	
Third Party Payments	417	417	378	(38)	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	14,710	14,710	14,290	(420)	
Income	0	0	0	0	
	<u>679,243</u>	<u>708,868</u>	<u>705,353</u>	<u>26,110</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Grounds and Parks</b>					
Employee	0	0	0	0	
Premises	100,795	100,374	114,278	13,483	Inflation increase on contracts.
Transport	0	0	0	0	
Supplies & Services	11,338	5,927	7,408	(3,929)	
Third Party Payments	90,285	83,810	90,285	0	
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	3,411	3,411	3,411	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	35,940	35,940	26,900	(9,040)	
Income	0	0	0	0	
	<u>241,768</u>	<u>229,462</u>	<u>242,282</u>	<u>514</u>	
<b>Outdoor Sports</b>					
Employee	0	0	0	0	
Premises	417,670	416,608	475,317	57,647	Inflation increase on contracts.
Transport	0	0	0	0	
Supplies & Services	11,999	6,815	8,202	(3,797)	
Capital Charges	62,458	62,458	62,458	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	38,230	38,230	36,740	(1,490)	
Income	(95,590)	(100,090)	(102,166)	(6,576)	
	<u>434,767</u>	<u>424,021</u>	<u>480,551</u>	<u>45,784</u>	
<b>Licensing</b>					
Employee	188,571	183,128	210,526	21,955	Increases due to pay award and increments.
Premises	3,408	3,407	3,859	451	
Transport	400	2,400	400	0	
Supplies & Services	28,067	33,810	38,477	10,411	Increase due to 3 yearly DBS checks, which are fully recharged and inflation on contracts.
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	129,380	129,380	182,150	52,770	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(270,941)	(280,668)	(311,229)	(40,288)	Increase due to inflation on fee income, some licenses have been transferred from Environmental Health and 3 yearly DBS checks fully recharged.
	<u>78,884</u>	<u>71,457</u>	<u>124,183</u>	<u>45,299</u>	

	Original 2022/23 Budget	2022/23 Forecast	2023/24 Budget	Variance 22/23 Base Budget to 23/24 Base Budget	Comments
<b>Waste Management</b>					
Employee	102,308	101,160	108,649	6,341	
Premises	47,310	67,049	(0)	(47,310)	Cleaning hit squad is now part of the GYS contract.
Transport	0	0	1,100	1,100	
Supplies & Services	763,670	716,624	762,205	(1,465)	
Third Party Payments	2,285,272	2,286,033	2,631,379	346,107	Inflation increase on contracts.
Transfer Payments	0	0	0	0	
Support Services	0	0	0	0	
Capital Charges	20,050	20,050	20,050	0	
Support Services - Recharges Out	0	0	0	0	
Support Services - Recharges In	146,030	146,030	122,900	(23,130)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(1,741,994)	(1,771,994)	(1,492,246)	249,749	Reduction in income mainly due to current market value of recycling sales.
	<u>1,622,645</u>	<u>1,564,952</u>	<u>2,154,037</u>	<u>531,392</u>	
<b>Total Environmental Services:</b>	<b>6,029,396</b>	<b>5,990,516</b>	<b>6,924,408</b>	<b>895,012</b>	
<b>Total Environmental Services excluding capital charges &amp; recharges:</b>	<b>5,149,864</b>	<b>5,110,984</b>	<b>6,084,956</b>	<b>935,092</b>	
<b>Total Environmental Services excluding recharges:</b>	<b>5,321,436</b>	<b>5,282,556</b>	<b>6,256,528</b>	<b>935,092</b>	
<b>Total for Services:</b>	<b>11,360,082</b>	<b>11,531,322</b>	<b>13,297,424</b>	<b>1,937,341</b>	
<b>Total for Services excluding capital charges &amp; recharges:</b>	<b>11,741,512</b>	<b>11,912,752</b>	<b>13,191,963</b>	<b>1,509,524</b>	
<b>Total for Services excluding recharges:</b>	<b>13,396,886</b>	<b>13,568,126</b>	<b>14,928,687</b>	<b>1,531,800</b>	

Council Tax Summary 2023/24

	2022/23	Actual 2023/24		
	Actual	£5 Council Tax Increase		
			Movement £	Movement %
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 5,085,693	£ 5,417,359	£331,666	6.52%
Borough Council Tax at Band D	£ 176.48	£ 181.48	£5.00	
<b>Net Borough Council Tax at Band D</b>	<b>£ 176.48</b>	<b>£ 181.48</b>	<b>£ 5.00</b>	<b>2.83%</b>
Value of Precepts*	£ 596,030	£671,572	£75,542	12.67%
Effect of Parish/Town Precepts	£ 20.31	22.50	£2.19	10.77%
<b>Billed Borough Council Tax at Band D</b>	<b>£ 196.79</b>	<b>£ 203.98</b>	<b>£ 7.19</b>	<b>3.65%</b>

\* At the time of reporting two parish precepts outstanding, 2022/23 amounts included.

Tax Base	29,344	29,851
Tax Base Movement (from 2022/23)	434	507 Increase

Note: The Tax Base for 2023/24 is 29,851 (2022/23 29,344) so each £29,851 change in net expenditure has £1.00 effect on Council Tax at Band D.

## 2023/24 Budget Process - Additional income and savings proposals

Service Area	Description	2023/24	2024/25	2025/26	Equality Impact Assessment Comments
<b>THEME - Strategic Asset Management</b>					
Property and Asset Mgt	Review of building usage and occupancy and options for disposal, to deliver income and savings will require a project plan and options.	(70,000)	(272,420)	(272,420)	We have noted that there could be an impact and a full EQIA will be undertaken as part of the review.
Housing	Reduction to ongoing costs at Gapton hall site pending wider capital works	(8,500)	(26,000)	(26,000)	None identified
<b>THEME - Sustainability Strategy</b>					
Property and Asset Mgt	Partial night switch off of footway lighting, would reduce carbon emissions also.	(94,000)	(94,000)	(94,000)	The partial switch off between 1am to 5am may impact on people using the footways in the early hours.
<b>THEME - Economic and Housing Growth</b>					
Planning	Proactively charging for planning performance agreements and using own Building Control Service.	(40,000)	(40,000)	(40,000)	None identified
<b>THEME - GYBC Operating Model</b>					
Finance/IT	Reduction to the Annual Internal Audit Plan	(9,000)	(9,000)	(9,000)	None identified
Housing	Home Improvement Agency income	(37,000)	(37,000)	(37,000)	None identified
Housing	Temporary accommodation reduction in costs	(45,000)	(53,120)	(69,360)	A full EQIA will be completed as part of the associated capital works
Inward Investment	Updating the budget for the UKSPF	(89,757)	(64,000)	0	None identified
Environmental Services	Removal of the GY in Bloom dedicated budget for the provision to become self funding.	(15,000)	(15,000)	(15,000)	None identified
Environmental Services	Review of the communal bin rounds which in some residential centres is now collecting waste from locations 3-4 times per week.	(5,000)	(185,000)	(185,000)	As the work for this review progresses a full EQIA will be produced.
Environmental Services	Review of the pest control service and contribution paid.	(30,000)	(30,000)	(30,000)	None identified
Neighbourhoods & Communities	Utilisation of external grant	(54,000)	0	0	None identified
Customer Services - Revenues	Removal of 30 day council tax empty and unoccupied exemption	(19,327)	(44,034)	(44,034)	None identified
Environmental Services	Review of the recycling gate fee.	(45,000)	0	0	None identified (review of GYBC income levels only)
<b>THEME - GYBC Operating Model - Contracts</b>					
Finance/IT	Review of the desktop printer provision	(15,000)	(5,000)	(5,000)	None identified
Finance/IT	Review provision of mobile device/sim cards no longer used/required where wifi provision available	(15,000)	(15,000)	(15,000)	None identified
<b>THEME - GYBC Operating Model - Efficiencies</b>					

**2023/24 Budget Process - Additional income and savings proposals**

Service Area	Description	2023/24	2024/25	2025/26	Equality Impact Assessment Comments
Finance/IT	Review various corporate budget lines in line with prior years spend	(37,000)	(37,000)	(37,000)	None identified
Environmental Services	Removal of the recycling promotion budget to be funded via invest to save.	(20,000)	(20,000)	(20,000)	None identified
Various	Various smaller savings to be delivered across services.	(20,879)	(20,879)	(20,879)	None identified
Various	Vacant posts across a number of service areas to be reviewed	(164,053)	(166,933)	(169,921)	None identified
<b>THEME - GYBC Operating Model - Fees and Charges</b>					
Customer Services - Revenues	Extended opening of Great Yarmouth Long Stay Car Parks operating times	(11,400)	(11,400)	(11,400)	None identified
Customer Services - Revenues	Review of the car parking enforcement provision	(17,630)	(29,725)	(30,200)	None identified
Customer Services - Revenues	Increases to the Seafront Long Stay fees and charges	(81,591)	(81,591)	(81,591)	Fee increases for non statutory services ie parking may not impact on specific protected characteristics, but will impact on those who have a low income, however those people will be directly affected by any increased cost of living.
		<b>(944,137)</b>	<b>(1,257,102)</b>	<b>(1,212,805)</b>	
Various	Savings/Costs to be allocated to services, subject to business cases to be delivered in the year	(163,600)	(169,000)	(174,900)	None identified
		<b>(163,600)</b>	<b>(169,000)</b>	<b>(174,900)</b>	
<b>TOTAL SAVINGS/INCOME</b>		<b>(1,107,737)</b>	<b>(1,426,102)</b>	<b>(1,387,705)</b>	

Savings and additional income have been identified for the 2023/24 financial year, as part of the consideration of the savings EQI assessments have been carried out to support the decision making. The financial challenges facing local government require the Council to make decisions around funding services which has meant decisions needing to be made on savings. In considering the impact of the savings, the impact on those with protected characteristics has been taken into account and informed the EQIA detailed above.

General Fund Reserves Statement 2023/24 Budget		Opening Balance 01/04/22	Budgeted Movement 2022/23	Committed Expenditure 2022/23	Actual Movement (inc forecast) 2022/23	Updated Closing Balance 31/03/23	Budgeted Movement 2023/24	Updated Closing Balance 31/03/24	Budgeted Movement 2024/25	Updated Closing Balance 31/03/25	Budgeted Movement 2025/26	Updated Closing Balance 31/03/26
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£	£	£
<b>Planning Delivery Grant</b>	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Plan.	136,389	0	0	(25,000)	111,389	0	111,389	0	111,389	0	111,389
<b>Insurance Fund</b>	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.	382,990	0	0	0	382,990	0	382,990	0	382,990	0	382,990
<b>DFG top-up capital loans and grant fund</b>	The Council will utilise this funding for capital expenditure incurred in the Wellesley Rd, Sandown Rd, Euston Rd & Paget Rd areas.	400,000	0	0	0	400,000	0	400,000	0	400,000	0	400,000
<b>Restricted use grant</b>	This reserve holds unspent grants received for specific purposes for which the spend has not yet been incurred.	564,981	(54,000)	(205,965)	(54,000)	305,016	(52,000)	253,016	(22,000)	231,016	(20,000)	211,016
<b>Invest to Save</b>	To be used to fund one-off costs associated with projects that will deliver future efficiencies and savings including costs associated with restructures.	1,553,339	0	(292,960)	(50,255)	1,210,124	(49,747)	1,160,377	(25,047)	1,135,330	0	1,135,330
<b>Specific budget</b>	This reserve is utilised as expenditure is incurred.	264,722	(59,142)	(30,453)	(59,142)	175,127	(62,967)	112,160	0	112,160	0	112,160
<b>Repairs and Maintenance</b>	This reserve is utilised as expenditure is incurred.	317,638	0	0	0	317,638	0	317,638	0	317,638	0	317,638
<b>Waste Management</b>	This reserve is utilised as expenditure is incurred in relation to the service.	13,795	(11,375)	170	(11,375)	2,590	(2,420)	170	0	170	0	170
<b>Collection Fund (Business Rates)</b>	Earmarked to mitigate the fluctuations in business rate income between years.	1,976,810	(93,000)	0	(93,000)	1,883,810	0	1,883,810	0	1,883,810	0	1,883,810
<b>Community Housing Fund</b>	This represents grants previously received to assist with the delivery of Community Housing.	551,242	(10,000)	0	(10,000)	541,242	(30,000)	511,242	(30,000)	481,242	0	481,242
<b>Enforcement</b>	Earmarked for enforcement related works to address issues and bring properties back into use.	33,302	0	(4,822)	0	28,480	0	28,480	0	28,480	0	28,480
<b>Special Project Reserve</b>	Earmarked for projects and for use as matched funding as appropriate to access external funding, Includes capital and revenue projects.	429,043	(182,978)	(175,000)	(182,978)	71,065	(35,000)	36,065	0	36,065	0	36,065
<b>Benefits/ Revenues Reserve</b>	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.	267,895	0	0	0	267,895	0	267,895	0	267,895	0	267,895
<b>Homelessness</b>	Utilised for service expenditure from previous grant allocations	842,451	(95,000)	0	(95,000)	747,451	(642,323)	105,128	0	105,128	0	105,128
<b>Treasury Management Reserve</b>	Used to mitigate fluctuations in investment income received.	200,000	0	0	0	200,000	0	200,000	0	200,000	0	200,000
<b>Asset Management Reserve</b>	This reserve is held to mitigate the impact of fluctuations between financial years from income received from Council assets and properties, in addition it includes re-allocation from other reserves to be used for investments in Council assets including current and future asset enhancements.	1,872,198	(230,825)	(1,147,086)	(236,621)	488,491	(247,745)	240,746	0	240,746	0	240,746

General Fund Reserves Statement 2023/24 Budget		Opening Balance 01/04/22	Budgeted Movement 2022/23	Committed Expenditure 2022/23	Actual Movement (inc forecast) 2022/23	Updated Closing Balance 31/03/23	Budgeted Movement 2023/24	Updated Closing Balance 31/03/24	Budgeted Movement 2024/25	Updated Closing Balance 31/03/25	Budgeted Movement 2025/26	Updated Closing Balance 31/03/26
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£	£	£
<b>Coast Protection</b>	Held for match funding and mitigate one-off costs in relation to coast protection.	104,275	0	(34,275)	37,566	107,566	0	107,566	0	107,566	0	107,566
<b>Empty Business Property Incentive Fund</b>	Earmarking of funds to be used for incentivising bringing properties back into use.	100,000	0	0	0	100,000	0	100,000	0	100,000	0	100,000
<b>COVID</b>	Balance of covid funding held prior to draw down against spend areas.	543,218	0	(112,164)	(431,054)	0	0	0	0	0	0	0
<b>Collection Fund income compensation</b>	To be utilised to fund deficit in collection fund. Significant movement in 2020/21 reflects the collection fund adjustment account in respect of Covid to be utilised in 2021/22.	5,911,969	0	(5,237,311)	(50,000)	624,658	0	624,658	0	624,658	0	624,658
<b>Other Reserves</b>	These Reserves are budget carry forwards to be used in future years.	2,461,682	(24,742)	(82,768)	(226,002)	2,152,912	(22,472)	2,130,440	(15,083)	2,115,357	0	2,115,357
<b>Total GF Earmarked Reserves</b>		<b>18,927,939</b>	<b>(761,062)</b>	<b>(7,322,634)</b>	<b>(1,486,861)</b>	<b>10,118,444</b>	<b>(1,144,674)</b>	<b>8,973,770</b>	<b>(92,130)</b>	<b>8,881,640</b>	<b>(20,000)</b>	<b>8,861,640</b>
<b>General Fund Reserve</b>	Current recommended balance of £3.5 million	<b>4,020,411</b>	<b>(751,205)</b>	<b>0</b>	<b>(2,591)</b>	<b>3,269,206</b>	<b>(1,143,503)</b>	<b>2,125,703</b>	<b>0</b>	<b>2,125,703</b>	<b>0</b>	<b>2,125,703</b>
<b>Total GF Reserves</b>		<b>22,948,350</b>	<b>(1,512,267)</b>	<b>(7,322,634)</b>	<b>(1,489,452)</b>	<b>13,387,650</b>	<b>(2,288,177)</b>	<b>11,099,473</b>	<b>(92,130)</b>	<b>11,007,343</b>	<b>(20,000)</b>	<b>10,987,343</b>

**Note 1:** The above Reserve balance at 1st April 2022 includes funds in relation to an Earmarked Reserve for the Business Rates Adjustment of £5.9m without this the balance of reserves is £13m.

**Note 2:** The balance of £2.1m on the General Fund is before the recommendation to Council to approve the reallocation of £1.6m from the Collection Fund (Business Rates) and £0.6m Collection fund income compensation earmarked reserves above to replenish the General Fund balance to the recommended balance of £3.5m at the end of 2023/24.



## 2023/24 Fees And Charges – Recommendation to Council

## New Charging Structure – Town Centre Car Parks

Fees & Charges	2022/23	2023/24	VAT Status	Change in year	% Change
<b>Pay &amp; Display Car Parks</b>					
<b>Town Centre Car Parks</b>					
<b>Market Place &amp; Howard Street Car Park</b>					
Monday to Saturday					
Up to 30 mins		£0.80	S	NEW	NEW
Up to 90 mins		£1.50	S	NEW	NEW
Up to 2 hrs		£2.20	S	NEW	NEW
Up to 3 hrs		£3.20	S	NEW	NEW
Up to 4 hrs		£4.20	S	NEW	NEW
Over 4 hrs		£8.00	S	NEW	NEW
Free after 4pm					
Sunday					
Up to 30 mins		£0.80	S	NEW	NEW
Up to 90 mins		£1.50	S	NEW	NEW
Up to 2 hrs		£2.50	S	NEW	NEW
Up to 3 hrs		£3.50	S	NEW	NEW
Up to 4 hrs & over		£4.00	S	NEW	NEW
<b>King Street, Stonecutters, George Street, Brewery Plain, Greyfriars</b>					
Monday to Saturday					
Up to 90 mins		£1.50	S	NEW	NEW
Up to 2 hrs		£2.20	S	NEW	NEW
Up to 3 hrs		£3.20	S	NEW	NEW
Up to 4 hrs		£4.20	S	NEW	NEW
Over 4 hrs		£8.00	S	NEW	NEW
Free after 4pm					
Wednesday 12pm to 8am (King Street, George Street & Brewery Plain.		Free			
Sunday					
Up to 90 mins		£1.50	S	NEW	NEW
Up to 2 hrs		£2.50	S	NEW	NEW
Up to 3 hrs		£3.50	S	NEW	NEW
Up to 4 hrs & over		£4.00	S	NEW	NEW
<b>Fullers Hill Car Park</b>					
Monday to Saturday					
Up to 90 mins		£1.50	S	NEW	NEW
Up to 2 hrs		£2.20	S	NEW	NEW
Up to 3 hrs		£3.20	S	NEW	NEW
Up to 4 hrs		£4.20	S	NEW	NEW
Over 4 hrs		£6.00	S	NEW	NEW
Free after 4pm					
Sunday					
Up to 90 mins		£1.50	S	NEW	NEW
Up to 2 hrs		£2.50	S	NEW	NEW
Up to 3 hrs		£3.50	S	NEW	NEW
Up to 4 hrs & over		£4.00	S	NEW	NEW
<b>Blackfriars Car Park</b>					
Monday to Sunday (8am to 9pm)					
Up to 90 mins		£1.50	S	NEW	NEW
Up to 2 hrs		£2.20	S	NEW	NEW
Up to 3 hrs		£3.20	S	NEW	NEW
Up to 4 hrs		£4.20	S	NEW	NEW
Cost per hr thereafter		£1.00	S	NEW	NEW
Overnight (9pm to 8am)	Free	Free	S		

	2022/23	2023/24	VAT Status	Change in Year	% Change
Leisure Centre - Overnight (10pm to 6am) free from 9pm to 6am when EV charge point in use	£0.00	£1.50	S	NEW	NEW
Seafront – Long Stay St Nicholas & North Drive Daily Rate 1 <sup>st</sup> November to end February (special events)	£0.00	£5.00	S	NEW	NEW

## Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2023/24 to 2025/26

### **1 Background**

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

### **2 Earmarked Reserves**

#### **2.1 Purpose**

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

#### **2.2 Earmarked Reserves Protocol**

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

#### **2.3 Review of Earmarked Reserves**

- 2.3.1 The Reserves Statement is included as part of the Budget Report to Policy and Resources Committee and gives full details of the earmarked reserves and current planned use.

2.3.2 Due to the requirement to use just over £1million to balance the budget for 2023/24 there has been a re-allocation from the earmarked reserves to facilitate this. All earmarked reserves and commitments remain under review including those where commitments fall into future years.

2.3.3 Where in-year expenditure is being funded by earmarked reserves and general reserves, the relevant transfers from the reserves have been allowed for within the reserve balances and revenue account budgets as detailed in the budget report.

### **3 The General Reserve**

#### **3.1 Purpose**

3.1.1 The general reserve is held for two main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- a contingency to help cushion the impact of unexpected events or emergencies.

#### **3.2 The Optimum Level of the General Reserve**

3.2.1 There are two recommended approaches for deciding the optimum level of the general reserve:

- A risk assessment of the budget which takes full account of the context within which the budget has been prepared. The budget report itself provides this contextual information.
- To set the reserve at a percentage of expenditure. Too low a level puts the council at unacceptable risk of failing to meet its obligations, too high a level unnecessarily ties up resources.

3.2.2 This framework provides a risk assessment approach and validating the result against a percentage calculation, the level of reserves is a matter of opinion informed by the judgement of the Council's Chief Financial Officer.

#### **3.3 Assessment Framework**

3.3.1 The issues to be considered include the following:

- The Council continues to operate on an ongoing basis.
- The robustness of the budget process including recognition of the linkages with the corporate plan, the strategic risks and the financial plan update.
- Internal financial control mechanisms and adequacy of the budget monitoring processes.
- The adequacy of earmarked reserves and the movements on the general reserves both in the past and planned.
- The extent to which savings and planned service reductions are required and can be relied upon to support corporate plan targets.
- The risk of major litigation and legal claims, both currently and in the future.
- The impact of future Government funding reductions.
- Implications of the Local Council Tax Support Scheme and increase in the demand for support.
- Fluctuations in retained business rate income and funding from the government for the extensions to reliefs for example small business rates.
- Fluctuations around certain income streams and grants, for example demand led services such as planning, building control income, land charges, car parking and recycling.

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

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

### 3.4 The Assessment of the General Fund Reserve

3.4.1 When undertaking the assessment, it must be remembered that the items considered are merely guides to assessing the overall level of the reserve. In no way is it a budget for any of the items being created since by its nature a general reserve is designed to protect against the unexpected and unquantifiable for whatever reason.

3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2023/24 to assess the recommended level of reserves:

<i>Item</i>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
<b>1 Pay and Price Inflation</b> (0.5% sensitivity to budget assumption)	175,000	175,000	175,000
<b>2 Interest Rates &amp; MRP</b> (0.5% sensitivity to short term borrowing and profiling of capital spend and MRP impact)	125,000	125,000	125,000
<b>3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets</b> (to ensure core services are maintained)	200,000	150,000	150,000
<b>4 Legal Issues</b> (to provide additional comfort above earmarked reserves to mitigate any legal claims)	200,000	200,000	200,000
<b>5 Emergencies and Other Unknowns</b> (to recognise the risks associated with unpredictable events)	400,000	400,000	400,000
<b>6 Treatment of Demand Led Pressures</b> (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income)	800,000	800,000	800,000
<b>7 Project Risks</b> (To recognise the risks the Authority is facing in terms of partnership work and significant projects)	700,000	700,000	700,000

<i>Item</i>	<i>2023/24</i>	<i>2024/25</i>	<i>2025/26</i>
<b>8 Cash Flow</b> (the impact of timing of cash flow, including the profiling of expenditure)	100,000	100,000	100,000
<b>9 Future Funding Fluctuations</b> (an allowance to reflect the increased risk around local funding, ie business rates and new homes bonus, to mitigate the impact within and between financial years)	800,000	900,000	900,000
<b>Total Indicated General Fund Reserve Recommended</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>3,500,000</b>
% of Net Budgeted Operating Expenditure (excluding parish precepts)	<b>22.2%</b>	<b>22.2%</b>	<b>22.2%</b>

3.4.3 The allowance in the general reserve in respect of project risks has increased, this is due to the increased inflationary pressures facing a number of the significant capital projects. Overall there has been no change to the total level of recommended balance in the general reserve compared to the previous year as despite there being increased risk facing the council in terms of the level of inflationary pressures, for example due to pay, utilities and interest costs, the base budgets for 2023/24 have been updated to reflect these. There does however remain continued risk in respect of the ability to produce a sustainable budget for the medium term without the reliance on reserves and therefore this will need early work in 2023/24.

#### **4 Chief Financial Officer's Opinion**

4.1 The Earmarked Reserves detailed within the reserves statement are proper and appropriate with regard to purpose, level and proposed use, although the future timing of their use will be reported within the budget monitoring reports and the statement updated accordingly.

4.2 Based on the assessment detailed above **the recommended level of the general reserve for 2023/24 would be £3.5 million**. After allowing for the transfer from the general reserve in the year necessary to balance the budget for 2023/24, the balance would be less than the recommended minimum balance, however the report is recommending re-allocations from ear-marked reserves to ensure the general reserve balance is maintained. The overall balances will be reviewed further as part of the outturn process for 2022/23 later in the year.

## Appendix G - General Fund Capital Programme - Detail - 2022/23 onwards

Services & Projects	2022/23 Expenditure £000		Total Estimated 23-24 Budget	Total Estimated 24-25 Budget	Total Estimated 25-26 Budget
	Actuals to 31-12-22	Forecast 22/23			
Capital Loans & Company Financing	120	3,494	11,106	1,000	-
<b>Total: Executive</b>	<b>120</b>	<b>3,494</b>	<b>11,106</b>	<b>1,000</b>	<b>-</b>
Wellesley 3G Pitch & Tennis Pavilion	350	1,002	-	-	-
Gorleston Tennis Courts Refurbishment	-	116	-	-	-
Refurbishment of Park at Diana Way, Caister	-	142	-	-	-
UK Prosperity Fund	-	15	40	160	-
Safer Streets 4	21	128	-	-	-
<b>Total: Communities</b>	<b>371</b>	<b>1,403</b>	<b>40</b>	<b>160</b>	<b>-</b>
St Nicholas Minster West Boundary Wall	13	85	-	-	-
St Nicholas car park north Boundary Wall	0	25	-	-	-
Height Barriers for Seafront Short Stay Car Parks	-	-	13	-	-
Crematorium Main Roof Works	-	-	60	-	-
Crematorium Tearooms	168	217	-	-	-
<b>Total: Customer Services</b>	<b>181</b>	<b>327</b>	<b>73</b>	<b>-</b>	<b>-</b>
Health and Leisure (Marina) Centre	3,520	3,814	-	-	-
Health and Fitness Centre - South Car Park	290	290	-	-	-
The Waterways	-	4	-	-	-
Phoenix Pool & Gym car park extension	-	-	94	-	-
Town Deal - O&M	-	1,500	-	-	-
Town Deal - Incubator Units	85	180	440	3,716	-
Town Deal - North Quay	29	250	1,551	1,850	1,300

## Appendix G - General Fund Capital Programme - Detail - 2022/23 onwards

Services & Projects	2022/23 Expenditure £000		Total Estimated 23-24 Budget	Total Estimated 24-25 Budget	Total Estimated 25-26 Budget
	Actuals to 31-12-22	Forecast 22/23			
Town Deal - Learning Hub	-	-	3,159	7,805	-
Town Deal - Wintergardens	-	-	300	5,000	8,857
Town Deal - Restoration of Vacant Historic Buildings	20	50	250	346	-
Town Deal - Restoration & Adaptation of the Ice House	-	110	390	-	-
Town Deal - Connectivity & Public Wayfinding	24	83	5	-	554
Town Deal - Train Station Improvements	-	-	202	-	-
Town Deal - Digital Connectivity	-	-	177	-	-
Future High Street Fund - Market Place - 6 Day	1,651	2,100	1,677	-	-
Future High Street Fund - Market Place - Realm	69	216	4,099	-	-
Future High Streets - Library Relocation	974	1,300	814	2,475	-
Future High Streets - Low Carbon & Digital	-	-	251	-	-
Future High Streets - Conge	12	576	308	-	-
Future High Streets - Densification	5	1,772	3,105	-	-
Heritage Action Zone (HAZ)	64	96	51	-	-
Different Light	17	43	-	-	-
<b>Total: Inward Investment</b>	<b>6,751</b>	<b>12,385</b>	<b>16,873</b>	<b>21,192</b>	<b>10,711</b>
Disabled Facilities Grants	890	1,300	2,652	1,300	1,300
Better Care Fund Projects	3	4	-	-	-
Empty Homes	-	-	510	-	-
DFG Top-up Grants	-	-	-	250	-
DFG Top-up Loans	-	-	-	150	-

**Appendix G - General Fund Capital Programme - Detail - 2022/23 onwards**

Services & Projects	2022/23 Expenditure £000		Total Estimated 23-24 Budget	Total Estimated 24-25 Budget	Total Estimated 25-26 Budget
	Actuals to 31-12-22	Forecast 22/23			
Norfolk & Waveney Equity Loan Scheme	-	50	114	-	-
Equity Home Improvement Loans	14	50	569	-	-
HMOs /Guesthouse Purchase & Repair Scheme	20	100	1,093	-	-
Housing First Scheme	254	284	-	-	-
Temporary Accommodation Decent Homes			50	-	-
Acquisition of property for transitional housing	5	350	799	-	-
Sustainable Warmth - LAD funding	5	1,655	-	-	-
Homes Upgrade Grants (HUG)	-	2,577	-	-	-
Community Housing Fund	-	-	540	-	-
<b>Total: Housing</b>	<b>1,191</b>	<b>6,369</b>	<b>6,327</b>	<b>1,700</b>	<b>1,300</b>
ICT Investment to deliver GYBC ICT Strategy	202	600	647	-	-
Print Room Equipment	54	37	-	-	-
<b>Total: IT, Communications &amp; Marketing</b>	<b>256</b>	<b>637</b>	<b>647</b>	<b>-</b>	<b>-</b>
Euston Rd Public Toilet Refurbishment	-	88	-	-	-
Footway Lighting	154	300	315	100	100
External Redecoration & Repair of the Wellesley Grandstand	33	60	14	-	-
Esplanade Resurfacing	-	70	176	-	-
Gorleston Beach Huts	124	172	-	-	-
Great Yarmouth Beach Huts	5	450	-	-	-
Council Chamber relocation	42	60	-	-	-
Claydon Pavilion	301	289	-	-	-



## Appendix G - General Fund Capital Programme - Detail - 2022/23 onwards

Services & Projects	2022/23 Expenditure £000		Total Estimated 23-24 Budget	Total Estimated 24-25 Budget	Total Estimated 25-26 Budget
	Actuals to 31-12-22	Forecast 22/23			
Phoenix Pool Solar Panels	22	44	-	-	-
Changing Places	0	40	-	-	-
Aspire Building & Mkt Row Boiler Replacement	-	-	46	-	-
Peggotty Rd Community Centre Flooring	-	34	-	-	-
Seafront Shelters Landau Station & Britannia Bowls refurb	30	44	-	-	-
Replacement Lighting in the Assembly Rooms	-	-	-	-	-
Cemetery Flint Walls and Gates	-	-	77	-	-
Hemsby Rock Provision	-	-	735	-	-
Gorleston Seafront Improvements	-	-	77	-	-
Beacon Park Projects	3	100	700	-	-
Energy Park - South Denes	-	-	1,845	-	-
<b>Total: Property &amp; Asset Management</b>	<b>715</b>	<b>1,751</b>	<b>3,985</b>	<b>100</b>	<b>100</b>
Mobile CCTV	15	15	-	-	-
Refuse Vehicle Purchases	-	1,223	1,713	-	-
<b>Total: Environmental Health</b>	<b>15</b>	<b>1,238</b>	<b>1,713</b>	<b>-</b>	<b>-</b>
<b>Capital Contingency</b>		-	<b>2,500</b>	-	-
<b>Match Funding Capital Allocation</b>		-	<b>2,200</b>	-	-
<b>22-23 Projects requiring further approval before commencement</b>		-	<b>1,128</b>	-	-

**Appendix G - General Fund Capital Programme - Detail - 2022/23 onwards**

Services & Projects	2022/23 Expenditure £000		Total Estimated 23-24 Budget	Total Estimated 24-25 Budget	Total Estimated 25-26 Budget
	Actuals to 31-12-22	Forecast 22/23			
Children's Playgrounds - subject to further approval before commencement			305	285	161
<b>Overall Total</b>	<b>9,601</b>	<b>27,604</b>	<b>46,897</b>	<b>24,437</b>	<b>12,272</b>

Financed by:					
Borrowing		10,539	24,036	3,430	2,580
Grants & Contributions		14,690	15,709	20,607	9,692
Revenue/Earmarked Reserves		20	620	400	-
Capital Receipts		2,354	6,532	-	-
<b>Total Financing</b>		<b>27,604</b>	<b>46,897</b>	<b>24,437</b>	<b>12,272</b>

**2023/24 Capital Bids**

Project	Service	Approval Process	Whole Project Budget £	Proposed Funding 2023-24			Proposed Funding 2024-25		
				Budget 2023-24	Borrowing	External	Budget 2024-25	Borrowing	External
Disabled Facilities Grants - Annual programme	Housing	Capital Programme		£1,300,000		£1,300,000	£1,300,000	£0	£1,300,000
Footway Lighting Column Replacement / LED Upgrade - annual programme to deliver efficiency savings (maintenance and utility)	Property Asset Management	Capital Programme	£100k annual	£100,000	£100,000		£100,000	£100,000	
Cemetery Flint Walls and access gate replacement	Property Asset Management	Capital Programme	77,000	£77,000	£77,000				
Hemsby Rock Provision	Property Asset Management	Capital Programme	735,000	£735,000	£235,000	£500,000			
Gorleston Seafront Improvements	Property Asset Management	Capital Programme	77,000	£77,000	£77,000				
Height Barriers for Seafront Short Stay Car Parks	Customer Services	Capital Programme	12,600	£12,600	£12,600				
Childrens Play (Blackfriars, Mill Lane, Mia Lucy Gorleston, Southtown, Hemsby, Martham and Caister. Timesclaes to be determined.	Property Asset Management	Include in Programme but to be considered through S106 approval process and utilise S106 where eligible.	831,250	£304,750	£164,750	£140,000	£285,000	£165,000	£120,000
Purchase of 5 homes for use as Temporary Accommodation	Housing	Business Case required to combine all proposals (not included in Capital Programme for now)	800,290	£800,290	800,290				
Acquisition of wheelchair accessible Temporary Accommodation	Housing		327,294	£327,294	254,725	£72,569			
Temporary Accommodation Improvement Works	Housing		68,480	£68,480	68,480				
				<b>£3,802,414</b>	<b>£1,789,845</b>	<b>£2,012,569</b>	<b>£1,685,000</b>	<b>£265,000</b>	<b>£1,420,000</b>

	2023-24	2024-25
Bids Included in Capital Programme	£2,301,600	£1,400,000
Bids Included in Capital Programme but subject to further approvals	£304,750	£285,000
Bids not yet included in Programme	£1,196,064	
	<b>£3,802,414</b>	<b>£1,685,000</b>

## Minimum Revenue Provision Statement 2023/24

### Annual Minimum Revenue Provision Statement 2023/24

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

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

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance:

- **Post-2008 Expenditure** - For capital expenditure financed by borrowing after 31st March 2008, the annuity MRP method is applied. This provides a lower annual charge in the earlier years which gradually increases. The approach is both prudent and a recommended method as per the CLG guidance. This method allows for a reduction in the interest costs chargeable (as the CFR is repaid) over time and is offset by a rise in the MRP over the same period, thereby resulting in a consistent revenue charge of the cost of capital.
- **Pre 2008 Expenditure** - MRP on all General Fund capital expenditure incurred before 1<sup>st</sup> April 2008 is equal to 4% of the opening CFR less a fixed sum known as "Adjustment A".
- **For assets acquired by leases** - MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- **For capital expenditure loans to third parties** - In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred on the loan is fully funded over the life of the assets.
- No MRP will be charged in respect of assets held within the Housing Revenue Account.

This methodology is consistent with previous years.

Capital expenditure incurred during 2023/24 will not be subject to a MRP charge until 2024/25 or later.

Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31<sup>st</sup> March 2023, the budget for MRP has been set as follows:

	<b>31.03.2023 Estimated CFR £m</b>	<b>2023/24 Estimated MRP £</b>
Capital expenditure before 01.04.2008	12.0	0.4
Supported capital expenditure after 31.03.2008	69.0	1.7
<b>Total General Fund</b>	<b>81.0</b>	<b>2.1</b>
<b>Housing Revenue Account</b>	<b>91.3</b>	<b>N/A</b>
<b>Total</b>	<b>172.3</b>	<b>2.1</b>

**Subject** COUNCIL TAX SETTING 2023/24

**Report to** Council - 21 February 2022

**Report by:** Finance Director



#### **SUBJECT MATTER/RECOMMENDATIONS**

This report presents for resolution the statutory calculations for the Council Tax Setting for 2023/24 in accordance with the Local Government Finance Act 1992. The report also includes the Chief Finance Officer's report on the robustness of the estimates and adequacy of reserves.

This report should be considered alongside the budget report as presented to Policy and Resources Committee on 7 February 2023 (for which the recommendations are included on this agenda).

#### **Recommendations:**

**It is recommended that having approved the Budget for 2023/24 as detailed in the earlier agenda item (Policy and Resources Committee Budget Report as outlined at Appendix A) and considered the Chief Financial Officer's report on the robustness of the estimates and the adequacy of reserves, Members resolve to:**

- 1) Undertake the Council Tax and statutory calculations as set out in section 4 of the report and set the Council Tax for 2023/24;**
- 2) Approve the demand on the Collection Fund for 2023/24 be:**
  - a) £5,417,359 for the Borough Council purposes;**
  - b) £671,572 for Parishes**

## **1. INTRODUCTION AND BACKGROUND**

- 1.1. This report presents for approval the statutory calculations for the determination of the Council tax for 2023/24. This report should be considered alongside the budget report to the Policy and Resources Committee dated 13 February 2023 as amended for the final settlement announcement.

## **2. 2023/24 BUDGET**

- 2.1. The General Fund and Housing Revenue Account budgets for 2023/24 were reported to the Policy and Resources Committee on 13 February 2023 and Housing and Neighbourhoods Committee on 26 January 2023 respectively. The reports were both accompanied by a suite of appendices supporting the budget providing details on the content of the budget for the year, reserves and the capital programme.
- 2.2. The capital programmes for the Housing Revenue Account and the General Fund continue to be significant in the short to medium term with a focus on both Council assets and regeneration priorities for the borough, largely due to the Future High Streets and Town Deal

funding and also lottery funding for the redevelopment of the Wintergardens. A number of these projects are at various stages of delivery and continue to be monitored within the agreed governance framework. The capital programmes for both the general fund and HRA will remain under review and updated in the current year for re-profiling of project spend and also updating for the Levelling Up projects once further details are confirmed of the phasing.

### 3. CHIEF FINANCIAL OFFICER'S REPORT

3.1. When making decisions in relation to setting the Council Tax, section 25 of the Local Government Act 2003 requires the Chief Financial Officer of the Council to report on the robustness of the estimates and the adequacy of the reserves. Members must have regard to these comments when making a decision on the budget for the coming year.

3.2. This is outlined below.

#### 3.3. The Robustness of the Estimates

3.4. This section of the report provides a commentary on the robustness of the estimates presented and provides an analysis of the risks facing the Council in relation to the control of income and expenditure flows compared to the budgets that are recommended for 2023/24.

3.5. The framework within which the budget for 2023/24 has been constructed includes the following:

- Previous financial out-turn position as reported to Members (3.3);
- In-year budget monitoring and associated reports that have been made to date in the current financial year (3.4 - 3.6);
- The Medium-Term Financial Strategy as reported to Members in November 2022 (3.7);
- The 2023/24 Local Government Finance Settlement (3.8);
- Consideration of risks facing the Authority in the short to medium term (3.9).

3.6. **Previous years financial position** - The outturn position informs the update to the financial projections for the coming year by reflecting significant movements against the current position and those which will have an on-going impact to the Council.

3.7. **In Year Budget Monitoring and Financial Control** – It is best practice to ensure a system of regular financial monitoring exists, including reports being presented to officers and members during the year to ensure transparency of decision making and financial control. The budget monitoring process is carried out during the year between finance and service areas and is fundamental to ensuring strong financial control and governance to inform decision making and to support the longer-term delivery of local services. Monitoring also ensures relevant and timely information can be used to inform budget and future projections to reflect local demand and spending pressures in order that the overall financial position of the Council can be managed.

3.8. During the year budget monitoring reports have been presented to Members via the relevant committees. The reports have highlighted some significant in-year variances within services, including, the impact of inflationary pressures from increased utility costs and the impact of the in year pay award being finalized at a level higher than that budgeted.

3.9. Budgets are prepared using the best information that is available to the Council from its own sources i.e. budget holders, Heads of Service and members of Executive Leadership Team and from external advisors for example the Council's treasury management advisors, Arlingclose. However, many budgets are influenced by factors outside the control of the Council, for example, demand led income. Furthermore, inflation and interest rates, all can have a

significant impact on the Council's overall budget and financial position both in the current and future years. Forecasting for these areas requires an examination of recent trends as well as assimilating future projections from known factors

- 3.10. **Medium Term Financial Strategy (MTFS)** - The setting of the budget for the coming year is part of the overall financial planning process which includes financial monitoring and the Medium-Term Financial Strategy. The updated MTFS was presented to Members in November 2022. The process of coordinating the MTFS and budget includes the thorough review and challenge of current expenditure and income and seeks to ensure these are in line with the Councils Plan and in response to local and national factors, including legislative changes, local economic factors and changes in demand for statutory and non-statutory services.
- 3.11. **Local Government Finance Settlement** – The budget for 2023/24 reflects the one-year finance settlement. Despite a call from the sector for greater certainty on funding allocations covering more than one year the finance settlement announced funding for one year only, with some indications for funding for 2024/25 but no values attached. However, without the certainty of grant allocations for future years, it limits the longer-term financial planning ability for local services and forecasting the size of future funding gaps to determine the extent either service reductions or growth opportunities required to necessary to respond to deliver a balanced budget in future years.
- 3.12. **Risks** - There are a number of financial risks facing the authority which are relevant at both service and corporate levels. In order that these risks are managed, key areas within the budget need to be closely monitored in the coming financial year and in particular where the income levels have been impacted by Covid, include:
- a) **Car Park Income** – This area generates income for the Council which in turn supports the delivery of other services across the Council. As a demand led service which is influenced by external factors such as the weather and visitors, this service is regularly monitored. The 2023/24 budget assumes gross income of in the region of £2.6 million from all car parking related fees and charges.
  - b) **Planning and Building Control Fees** – The 2023/24 base budget includes income totalling approximately £850k from planning and building control fees, this too is subject to external demands and is monitored regularly to highlight any significant fluctuations against the budget.
  - c) **Waste and Recycling Credits** – This is a significant source of income to the Council and reflects the activity across the borough in recycling domestic refuse and providing a garden waste service. A total of £1.5 million is included in the 2023/24 base budget.
  - d) **Crematorium Income** – The 2023/24 budget assumes gross income from the crematorium of £1.6 million. This is an income source that has fluctuated significantly in previous years and therefore remains under close review. The budget does allow for a small increase in income, although this does mitigate the significant increase in the price of gas which has been reflected in the budget.
  - e) **Planned Savings and Additional Income** – The Council is continuing to deliver savings and additional income from a number of work streams which have been factored into the base budget as part of previous budget approvals. New savings and additional income of £1.1 million has been factored into the general fund budget for 2023/24, these will continue to be monitored as part of the in-year monitoring processes.
  - f) **Local Council Tax Support and Council Tax** – The Local Council Tax Support Scheme (LCTSS) was implemented from April 2013; whilst there have been no changes to the Council's scheme for 2023/24, there still remains a risk of increase to the number of those eligible for Council Tax Support as individuals circumstances change. Furthermore with the increased cost of



living and the greater pressure on households the ability to collect Council Tax is an area that will continue to be monitored including the impact on collection rate.

- g) **Business Rates Income** – The current system of funding Local Authorities means that income from the Council’s retained share of business rates will fluctuate in-year and between years. Other factors that will have an impact on the level of rates retained are current and backdated appeals.
- 3.13. The capital programme continues to be funded from external and internal resources. For example, capital receipts from the sale of assets, borrowing and grant funding, such as Future High Street Fund and Town Deal funding. In both cases prudent estimates are made of the timing of such receipts and the expenditure profiles within the overall capital programme. The impact of the borrowing on the revenue account is taken account of as part of the consideration of the business cases for the capital investment.
- 3.14. Budget monitoring throughout the financial year is critical to the robustness of the estimates and maintaining a sound financial position. It is through the ability to manage and control the spending within the approved budgets and respond to the impact of the pandemic where appropriate by identifying and recommending appropriate actions, to mitigate the Council’s level of financial risk.
- 3.15. The Council also takes advice from third party organisations concerning more technical factors that impact on the budget process, for example external advice in relation to treasury management, VAT and insurance. By doing so the Council can monitor the wider implications of changes in interest rates, inflation and employment and take remedial action to mitigate financial risk.

#### **Summary**

- 3.16. In the opinion of the Chief Financial Officer the overall budgeted level of both the general reserve and the earmarked reserves as included in the budget report are considered adequate for 2023/24. The general reserve balance is forecast to be below the recommended balance (£3.5 million) at the end of 2023/24 after allowing for the use of £1.143m in 2023/24, although the budget is recommending a re-allocation from earmarked reserves to re-establish the general reserve to the recommended balance. All reserves will be subject to further annual review in 2023/24 as part of the early work on the updated financial strategy.
- 3.17. When considering the robustness of the estimates and adequacy of reserves a holistic approach is taken, which considers the general reserve, earmarked reserves and also the identified risks in relation to the revenue and capital budgets presented for approval.
- 3.18. The future funding for Local Government continues to remain uncertain until. The outcome of changes to the current funding regime for example Business Rates and New Homes Bonus are not known although we now know that the review of relative needs and resources (also known as the Fair Funding Review) and the business rates reset would not be implemented in the current Spending Review Period (2022/23 to 2024/25). As announcements are made, the implications will be considered used to inform future financial projections and the medium-term financial strategy.

#### **4. COUNCIL TAX SETTING RESOLUTION – 2023/24**

- 4.1. The following sections of the report and applicable appendices (appendices A and F) set out the information required for Members to set the Council Tax for the 2023/24 financial year commencing 1 April 2023.
- 4.2. Norfolk County will meet on 21 February 2023 to set its Council Tax, and the recommendation is to increase the Council Tax by 4.99%.

- 4.3. The Norfolk Police and Crime Panel agreed the Norfolk Police and Crime Commissioner’s proposals for the Council Tax of an increase of 5.19%. The Great Yarmouth Borough Council (excluding parish council precepts) council tax is expected to be increased by 2.92%, to be approved within this report. These increases have been used for the council tax setting within this report.
- 4.4. Under section 52ZB of the Local Government Finance Act 1992 (“the 1992 Act”) each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year (“the year under consideration”) is excessive. If an authority’s relevant basic amount of council tax is excessive a referendum must be held in relation to that amount. The excessiveness principles are set out each year and for 2023/24 the principles outline that an increase above the amount for 2022/23 will be excessive, and a referendum must be held for Great Yarmouth Borough Council if the increase is 3% or more and more than £5.00 on a Band D property (i.e. an increase of more than 3% is permitted as long as it does not exceed £5.00 on a Band D property. Local precepting authorities (parish and town councils) are not subject to Council Tax referendums in 2023/24.

**Recommendations in relation to the setting of the Council Tax 2023/24:**

The following sets out the statutory calculations:

- 4.5. That it **be noted** at its meeting on 15 December 2022, Council calculated the following Council Tax bases for the year 2023/24 in accordance with (Calculation of Council Tax Base) Regulations 1992 and Local Authority (Calculation of Council Tax Base) Regulations 2012 as amended: -
- (a) the **Council Tax Base 2023/24 for the whole Council area as 29,851** [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and,
  - (b) for dwellings in those parts of its area to which a Parish precept relates as in the Revenue Budget and Council Tax 2023/24 Report the amounts in **Appendix B** (Parish Tax Base 2023/24) being the amounts calculated by the Council, in accordance with Regulation 6 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the amount of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items (parish precepts).
- 4.6. That the following amounts be calculated for the Council for the year 2023/24 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 and the relevant regulations and directions as follows:

(a)	<b>£57,011,042</b>	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
(b)	<b>£50,922,111</b>	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
(c)	<b>£ 6,088,931</b>	Being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year. (Item

		R in the formula in Section 31A (4) of the Act).
(d)	<b>£203.98</b>	Being the amount at (c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
(e)	<b>£671,572</b>	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34 (1) of the Act.
(f)	<b>£181.48</b>	Being the amount at (d) above less the result given by dividing the amount at (e) above by Item T (4.5 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
(g)	<b>Appendix B</b>	Being the amounts given by adding to the amount at (f) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (4.5 b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.
(h)	<b>Appendix C</b>	Being the amounts given by multiplying (as appropriate) the amounts at (f) or (g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4.7. **That it be noted** that for the year 2023/24 the main precepting authorities have stated the following amounts in precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings shown below:

Band	A	B	C	D	E	F	G	H
Norfolk County Council £	1,061.76	1,238.72	1,415.68	1,592.64	1,946.56	2,300.48	2,654.40	3,185.28
Office of the Police and Crime Commissioner £	201.96	235.62	269.28	302.94	370.26	437.58	504.90	605.88
Total Preceptors £	1,263.72	1,474.34	1,684.96	1,895.58	2,316.82	2,738.06	3,159.30	3,791.16

4.8. That, having calculated the aggregate in each case of the amounts at 4.6(h) and 4.7 above, the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, **hereby sets** the amounts at **Appendix D** as the amounts of Council Tax for the year 2023/24 for each of the categories of dwellings shown.

- 4.9. **Excessiveness Determination** - The Council's basic amount of council tax as calculated above has increased by £5 of that calculated for 2022/23, and therefore within the £5 or 3.0% increase limit at which a referendum would be required.
- 4.10. The Council has determined that its relevant basic amount of Council Tax for 2023/24 is **not excessive** in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2023/24 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.
- 4.11. If the formal Council Tax Resolution is approved, the total Band D Council Tax for 2023/24 will be as follows:

<b>Total Band D Council Tax</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Increase</b>	<b>Increase %</b>
Great Yarmouth Borough Council	£176.48	£181.48	£5.00	2.83%
Norfolk County Council	£1,516.95	£1,592.64	£75.69	4.99%
Office of the Police and Crime Commissioner for Norfolk	£288.00	£302.94	£14.94	5.19%
Sub Total	£1,981.43	£2,077.06	£95.63	4.83%
Parish (Average)	£20.31	£22.50	£2.19	10.78%
<b>Total Including (Average) Parish</b>	<b>£2,001.74</b>	<b>£2,099.56</b>	<b>97.82</b>	<b>4.89%</b>

## 5. Equality Impact

- 5.1. The Equality impact assessment has been taken account of as part of considering the savings proposals that have been put forward for as part of the 2023/24 budget. Overall the impact of these are included in the appendix to the Policy and Resources report.
- 5.2. The proposed increase of £5 for a band D will deliver annual income of £149k to support council spend which otherwise may need to be delivered from reductions to services. As the Council Tax is levied on all properties it is not considered that the increase targets one group. Furthermore, the majority of homes within the Borough are in Bands A and B and therefore the charge will be lower than £5. There is mitigation in place in that the Council has a Council Tax Support scheme in place that provides support and assistance for Council Tax and in addition has discretionary hardship policies in place to support those on low income.

## 6. BACKGROUND PAPERS

- 6.1. The following reports and announcements have been used to inform the budget report as presented:
- 6.1.1.2021/22 Outturn report
  - 6.1.2.2022/23 in year financial monitoring reports
  - 6.1.3.Local Government Finance Settlement 2023/24
  - 6.1.4.2023/24 Budget Report
  - 6.1.5.Medium Term Financial Strategy
  - 6.1.6.National Non-Domestic Rates Return

### 6.1.7.Financial monitoring.

#### Appendices:

A – GF Summary

B – Parish Precepts and Band D Council Tax (tax base, parish precept and band D)

C – Borough and Parish Council Tax Amounts (by band)

D – Council Tax for Borough and Precepting (by band)

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

<u>General Fund Summary</u>	Original 2022/23 Budget	2022/23 updated Forecast	2023/24 Budget
	£	£	£
<b>Services:</b>			
Executive and Resources	5,165,040	5,503,950	5,268,983
Inward Investment	1,457,768	1,327,095	1,005,905
Housing	1,046,111	992,436	943,323
Planning and Growth	434,019	486,887	655,600
Customer Services	(695,176)	(775,095)	(286,675)
Property and Asset Management	(85,890)	(13,445)	424,967
Communications and Marketing	753,578	763,742	660,056
Environmental Services	5,321,436	5,282,556	6,256,528
Savings/Costs to be allocated to service	0	0	(163,600)
<b>Net Cost of Service</b>	<b>13,396,886</b>	<b>13,568,126</b>	<b>14,765,087</b>
<b>Non Service Exp/(Income):</b>			
Recharges to HRA	(2,036,804)	(2,036,804)	(1,701,263)
Parish Precepts	596,030	596,030	671,572
Parish CTSS Grant	25,003	25,003	0
Capital Charges	(1,655,375)	(1,655,375)	(1,506,384)
Revenue Financing for Capital	0	50,000	50,000
Interest Receivable	(82,086)	(118,258)	(474,906)
Interest Payable	902,592	1,002,592	1,821,000
Minimum Revenue Provision	1,730,112	1,560,214	2,129,843
Pension Back Funding	2,270,129	2,270,129	2,224,021
Vacancy Management	(382,000)	0	(452,000)
Apprenticeship Levy	51,767	51,767	58,539
<b>Sub total - Non Service Exp/Inc</b>	<b>1,419,367</b>	<b>1,745,298</b>	<b>2,820,422</b>
<b>Net Operating Expenditure</b>	<b>14,816,254</b>	<b>15,313,424</b>	<b>17,585,508</b>
<b>Contributions to/(from) Reserves:</b>			
Restricted use grant	(54,000)	(54,000)	(52,000)
Invest to Save	0	(50,255)	(49,747)
Specific budget	(59,142)	(59,142)	(62,967)
Waste management	(11,375)	(11,375)	(2,420)
Collection Fund	(93,000)	(93,000)	0
Collection fund pooling	0	(50,000)	0
Community Housing	(10,000)	(10,000)	(30,000)
Coastal Protection	0	37,566	0
Planning Delivery	0	(25,000)	0
Special Projects Reserve	(182,978)	(182,978)	(35,000)
Homelessness	(95,000)	(95,000)	(642,323)
Asset Management	(230,825)	(236,621)	(247,745)
COVID reserve	0	(431,054)	0
Other Reserves	(24,724)	(247,288)	(22,472)
<b>Sub Total Earmarked Reserves</b>	<b>(761,062)</b>	<b>(1,508,147)</b>	<b>(1,144,674)</b>
<b>Amount to be met from Government Grant and Local Taxpayers</b>	<b>14,055,192</b>	<b>13,805,277</b>	<b>16,440,834</b>
Collection Fund - Parishes	(596,030)	(596,030)	(671,572)
Collection Fund - Borough	(5,085,693)	(5,085,693)	(5,417,359)
Retained Business Rates	(5,092,629)	(5,092,629)	(6,065,000)
Revenue Support Grant	(2,136,919)	(2,136,919)	(2,537,824)
New Homes Bonus	(495,249)	(495,249)	(187,081)
Other Grants	(440,467)	(440,467)	(418,496)
<b>Income from Grant and Taxpayers</b>	<b>(13,846,987)</b>	<b>(13,846,987)</b>	<b>(15,297,331)</b>
<b>(Surplus)/Deficit</b>	<b>208,205</b>	<b>(41,710)</b>	<b>1,143,503</b>

## Parish Precepts and Band D Council Tax

Parishes	2022/23			2023/24			Parish Band D Movement	2023/24 Band D including Parish & Borough Charge
	Parish Tax Base	Parish Precept	Parish Council Tax Band D	Parish Tax Base	Parish Precept	Parish Council Tax Band D		
Ashby with Oby	23	£0	£0.00	22	£0	£0.00	0.00%	£181.48
Belton with Browston	1,128	£44,797	£39.71	1,137	£57,338	£50.43	27.00%	£231.91
Bradwell	3,836	£51,142	£13.33	3,982	£76,175	£19.13	43.51%	£200.61
Burgh Castle	452	£10,506	£23.24	484	£11,080	£22.89	-1.51%	£204.37
Caister on Sea	2,814	£136,013	£48.33	2,823	£133,500	£47.29	-2.15%	£228.77
Filby	342	£10,857	£31.75	348	£10,000	£28.72	-9.54%	£210.20
Fleggburgh	408	£7,320	£17.94	415	£7,600	£18.31	2.06%	£199.79
Fritton with St Olaves	261	£7,685	£29.44	265	£8,351	£31.51	7.03%	£212.99
Hemsby	1,461	£91,048	£62.32	1,440	£92,000	£63.89	2.52%	£245.37
Hopton	1,068	£30,131	£28.21	1,080	£34,651	£32.08	13.72%	£213.56
Martham	1,239	£59,869	£48.32	1,270	£71,326	£56.16	16.23%	£237.64
Mautby	143	£4,143	£28.97	144	£12,994	£90.24	211.49%	£271.72
Ormesby St Margaret w Scratby	1,734	£75,285	£43.42	1,752	£76,285	£43.54	0.28%	£225.02
Ormesby St Michael	115	£4,915	£42.74	117	£5,161	£44.11	3.21%	£225.59
Repps with Bastwick	155	£6,149	£39.67	155	£9,494	£61.25	54.40%	£242.73
Rollesby	351	£10,000	£28.49	360	£12,700	£35.28	23.83%	£216.76
Somerton	114	£2,086	£18.30	117	£9,199	£78.62	329.62%	£260.10
Stokesby	119	£5,447	£45.77	117	£5,598	£47.85	4.54%	£229.33
Thurne	52	£1,120	£21.54	52	£1,120	£21.54	0.00%	£203.02
West Caister	74	£0	£0.00	77	£0	£0.00	0.00%	£181.48
Winterton	579	£37,517	£64.80	581	£37,000	£63.68	-1.73%	£245.16
Great Yarmouth & Gorleston	12,876	£0	£0.00	13,113	£0	£0	0.00%	£181.48
<b>TOTAL</b>	<b>29,344</b>	<b>£596,030</b>		<b>29,851</b>	<b>£671,572</b>			

## Borough &amp; Parish Council Tax Amounts

Parish	Borough & Parish Council Tax amounts by band							
	A	B	C	D	E	F	G	H
Ashby with Oby	£120.99	£141.15	£161.32	£181.48	£221.81	£262.14	£302.47	£362.96
Belton with Browston	£154.61	£180.37	£206.15	£231.91	£283.45	£334.98	£386.52	£463.82
Bradwell	£133.74	£156.03	£178.32	£200.61	£245.19	£289.77	£334.35	£401.22
Burgh Castle	£136.25	£158.95	£181.67	£204.37	£249.79	£295.20	£340.62	£408.74
Caister on Sea	£152.52	£177.93	£203.36	£228.77	£279.61	£330.45	£381.29	£457.54
Filby	£140.14	£163.49	£186.85	£210.20	£256.91	£303.62	£350.34	£420.40
Fleggburgh	£133.20	£155.39	£177.60	£199.79	£244.19	£288.59	£332.99	£399.58
Fritton with St Olaves	£142.00	£165.66	£189.33	£212.99	£260.32	£307.65	£354.99	£425.98
Hemsby	£163.58	£190.84	£218.11	£245.37	£299.90	£354.43	£408.95	£490.74
Hopton	£142.38	£166.10	£189.84	£213.56	£261.02	£308.48	£355.94	£427.12
Martham	£158.43	£184.83	£211.24	£237.64	£290.45	£343.26	£396.07	£475.28
Mautby	£181.15	£211.34	£241.53	£271.72	£332.10	£392.49	£452.87	£543.44
Ormesby St Margaret w Scratby	£150.02	£175.01	£200.02	£225.02	£275.03	£325.03	£375.04	£450.04
Ormesby St Michael	£150.40	£175.46	£200.53	£225.59	£275.72	£325.85	£375.99	£451.18
Repps with Bastwick	£161.82	£188.79	£215.76	£242.73	£296.67	£350.61	£404.55	£485.46
Rollesby	£144.51	£168.59	£192.68	£216.76	£264.93	£313.10	£361.27	£433.52
Somerton	£173.40	£202.30	£231.20	£260.10	£317.90	£375.70	£433.50	£520.20
Stokesby	£152.89	£178.37	£203.85	£229.33	£280.29	£331.26	£382.22	£458.66
Thurne	£135.35	£157.90	£180.47	£203.02	£248.14	£293.25	£338.37	£406.04
West Caister	£120.99	£141.15	£161.32	£181.48	£221.81	£262.14	£302.47	£362.96
Winterton	£163.44	£190.68	£217.92	£245.16	£299.64	£354.12	£408.60	£490.32
Great Yarmouth & Gorleston	£120.99	£141.15	£161.32	£181.48	£221.81	£262.14	£302.47	£362.96



**2023/24 COUNCIL TAX FOR BOROUGH & PARISH PURPOSES**

	Precept	Council Tax Band D
Great Yarmouth Borough Council		
Borough purposes	£5,417,359	£181.48
Parish purposes	£671,572	£22.50
Total Borough & Parish Precept	<b>£6,088,931</b>	<b>£203.98</b>
Norfolk County Council	£41,679,757	£1,396.26
Adult Social Care (ASC)	£5,862,139	£196.38
Total County Precept	<b>£47,541,897</b>	<b>£1,592.64</b>
Office of the Police and Crime Commissioner for Norfolk	<b>£9,043,062</b>	<b>£302.94</b>
<b>Average council tax (Band D)</b>	<b>£62,673,890</b>	<b>£2,099.56</b>
<b>Overall Taxbase</b>	<b>29,851</b>	

Council Tax Schedule	Valuation Bands							
	A	B	C	D	E	F	G	H
Great Yarmouth Borough Council	£120.99	£141.15	£161.32	£181.48	£221.81	£262.14	£302.47	£362.96
Parish	£15.00	£17.50	£20.00	£22.50	£27.50	£32.50	£37.50	£45.00
Parish and Borough	£135.99	£158.65	£181.32	£203.98	£249.31	£294.64	£339.97	£407.96
Norfolk County Council	£930.84	£1,085.98	£1,241.12	£1,396.26	£1,706.54	£2,016.82	£2,327.10	£2,792.52
Adult Social Care (ASC)	£130.92	£152.74	£174.56	£196.38	£240.02	£283.66	£327.30	£392.76
Norfolk County Council	£1,061.76	£1,238.72	£1,415.68	£1,592.64	£1,946.56	£2,300.48	£2,654.40	£3,185.28
Office of the Police and Crime Commissioner for Norfolk	£201.96	£235.62	£269.28	£302.94	£370.26	£437.58	£504.90	£605.88
<b>Total</b>	<b>£1,399.71</b>	<b>£1,632.99</b>	<b>£1,866.28</b>	<b>£2,099.56</b>	<b>£2,566.13</b>	<b>£3,032.70</b>	<b>£3,499.27</b>	<b>£4,199.12</b>

Parishes	A	B	C	D	E	F	G	H
Ashby with Oby	£1,384.71	£1,615.49	£1,846.28	£2,077.06	£2,538.63	£3,000.20	£3,461.77	£4,154.12
Belton with Browston	£1,418.33	£1,654.71	£1,891.11	£2,127.49	£2,600.27	£3,073.04	£3,545.82	£4,254.98
Bradwell	£1,397.46	£1,630.37	£1,863.28	£2,096.19	£2,562.01	£3,027.83	£3,493.65	£4,192.38
Burgh Castle	£1,399.97	£1,633.29	£1,866.63	£2,099.95	£2,566.61	£3,033.26	£3,499.92	£4,199.90
Caister on Sea	£1,416.24	£1,652.27	£1,888.32	£2,124.35	£2,596.43	£3,068.51	£3,540.59	£4,248.70
Filby	£1,403.86	£1,637.83	£1,871.81	£2,105.78	£2,573.73	£3,041.68	£3,509.64	£4,211.56
Fleggburgh	£1,396.92	£1,629.73	£1,862.56	£2,095.37	£2,561.01	£3,026.65	£3,492.29	£4,190.74
Fritton with St Olaves	£1,405.72	£1,640.00	£1,874.29	£2,108.57	£2,577.14	£3,045.71	£3,514.29	£4,217.14
Hemsby	£1,427.30	£1,665.18	£1,903.07	£2,140.95	£2,616.72	£3,092.49	£3,568.25	£4,281.90
Hopton	£1,406.10	£1,640.44	£1,874.80	£2,109.14	£2,577.84	£3,046.54	£3,515.24	£4,218.28
Martham	£1,422.15	£1,659.17	£1,896.20	£2,133.22	£2,607.27	£3,081.32	£3,555.37	£4,266.44
Mautby	£1,444.87	£1,685.68	£1,926.49	£2,167.30	£2,648.92	£3,130.55	£3,612.17	£4,334.60
Ormesby St Margaret w Scratby	£1,413.74	£1,649.35	£1,884.98	£2,120.60	£2,591.85	£3,063.09	£3,534.34	£4,241.20
Ormesby St Michael	£1,414.12	£1,649.80	£1,885.49	£2,121.17	£2,592.54	£3,063.91	£3,535.29	£4,242.34
Repps with Bastwick	£1,425.54	£1,663.13	£1,900.72	£2,138.31	£2,613.49	£3,088.67	£3,563.85	£4,276.62
Rollsby	£1,408.23	£1,642.93	£1,877.64	£2,112.34	£2,581.75	£3,051.16	£3,520.57	£4,224.68
Somerton	£1,437.12	£1,676.64	£1,916.16	£2,155.68	£2,634.72	£3,113.76	£3,592.80	£4,311.36
Stokesby	£1,416.61	£1,652.71	£1,888.81	£2,124.91	£2,597.11	£3,069.32	£3,541.52	£4,249.82
Thurne	£1,399.07	£1,632.24	£1,865.43	£2,098.60	£2,564.96	£3,031.31	£3,497.67	£4,197.20
West Caister	£1,384.71	£1,615.49	£1,846.28	£2,077.06	£2,538.63	£3,000.20	£3,461.77	£4,154.12
Winterton	£1,427.16	£1,665.02	£1,902.88	£2,140.74	£2,616.46	£3,092.18	£3,567.90	£4,281.48
Great Yarmouth & Gorleston	£1,384.71	£1,615.49	£1,846.28	£2,077.06	£2,538.63	£3,000.20	£3,461.77	£4,154.12