

Subject: 2019/20 BUDGET REPORT

Report to: Management Team 21 January 2018
Policy and Resources Committee - 5 February 2019
Full Council - 19 February 2019

Report by: Finance Director

SUBJECT MATTER AND RECOMMENDATIONS

This report presents for consideration and recommendation to Full Council the 2019/20 budget along with the latest financial projections for the following three years to 2021/22. The report includes details of the provisional finance settlement along with the key assumptions that have been made within the budget.

The position shows a balanced position for 2019/20 after allowing for a transfer from general reserves of £87,135.

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

The budget has been produced based on a number of assumptions as detailed within the main body of the report and also reflects the provisional finance settlement announced on 13 December 2018. The final settlement is due to be announced early February and any amendments to the figures included in the report will be updated at the meeting as applicable and reflected in the Council Tax setting report to Full Council in February 2019.

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

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

Recommendations:

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

- 1) The 2019/20 general fund revenue budget as outlined at Appendix A;**
- 2) The fees and charges as detailed at Appendix D (in addition to those previously agreed in December 2018);**
- 3) The Council Tax for 2019/20 for the Borough Council tax be £161.48 (for an average Band D);**
- 4) That the demand on the Collection Fund for 2019/20 be:**
 - a. £4,611,869 for the Borough Council purposes;**
 - b. £429,723 for Parish Precepts;**
- 5) The statement of and movement on the reserves as detailed at Appendix F and within section 8 of the report;**
- 6) The Policy framework for reserves as detailed at Appendix G;**

- 7) The updated Capital Programme and financing for 2018/19 to 2019/20 as detailed at Appendix H;
- 8) The additional capital budget of £75,000 for the Venetian Waterways project as detailed within the report;
- 9) The Capital Strategy for 2019/20 as set out in Appendix J
- 10) The prudential indicators and minimum revenue provision policy as detailed at Appendix J;
- 11) That members note the current financial projections for the period 2020/21 to 2021/22.

1. Introduction and Background

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

Table 1 - Background - Funding Gaps			
	2019/20	2020/21	2021/22
	£000	£000	£000
February 2018	373	2,586	3,260
November 2018	859	2,472	3,146

* Nov 2018 Figures included in the MTFS assumed targets for savings and additional income would be delivered.

- 1.4 The forecast in November 2018 reflected in-year budget monitoring variances previously reported for service and non-service areas. In addition a reduction in the level of New Homes Bonus (NHB) payable for 2019/20 was assumed due to forecast growth in new homes not being as previously anticipated and below the growth baseline that exists in the method of allocation of NHB. The projections as summarised above were based on a number of assumptions around future spending plans, income and delivery of new and ongoing savings and efficiencies.
- 1.5 The budget for 2019/20 and future financial projections as included in this report and accompanying appendices is the culmination of work carried out to produce the budget to be presented for approval. The position has been informed by the confirmation of year four of the multi-year settlement and provisional allocations of new homes bonus funding

for 2019/20 as announced in December 2018. The final settlement is expected early February and the final budget presented for approval on 19 February 2019 will be updated where applicable to reflect any changes.

- 1.6 Appendix A provides a general fund summary for 2019/20 and future financial projections with more detail within Appendix B which also provides commentary on the more significant movements from the 2018/19 base budget.

2. Provisional Local Government Finance Settlement

- 2.1 The provisional finance settlement (year four of the multi-year settlement which the Council accepted) was announced by the Ministry for Housing Communities and Local Government on 13 December 2018. The final settlement figures are due to be announced in early February and where applicable any changes resulting from the final settlement will be reflected in the budget report to Full Council on 19 February 2019.

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

- a) Council Tax Referendum Limit – This has been increased from 1.99% to 2.99% for 2018/19 and 2019/20. For shire districts the limit for 2018/19 would be the greater of £5 or 3% and under the changes 88 shire districts (including Great Yarmouth) would not see any additional resource from this greater flexibility. The social care precept as announced under previous settlements of 3% for 2018/19 and 2019/20 is still in place. No limits have been introduced for town and parish councils for three years;
- b) New Homes Bonus - The 0.4% threshold for growth is still used in the allocation of NHB for 2019/2020;
- c) Business Rate Pilots – 16 areas for piloting 75% of business rates for 2019/20 were announced including Norfolk;
- d) Core Spending Power – The figures announced indicate that the Core Spending Power will rise by an average of 2.8% in 2019/20, on the basis that Council's will raise council tax by the maximum amount permitted without a referendum. For GYBC CSP for 2019/20 has reduced by 3.1%, this is due to no 'new' New Homes Bonus Payment being payable for 2019/20.

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

- Revenue Support Grant*
- Retained Business Rates*
- Section 31 grants to compensate for historic caps on business rates multiplier increases and uprating of the multiplier by Consumer Price Index (CPI) instead of by Retail Price Index (RPI) from April 2018;
- New Homes Bonus*
- Improved Better Care Fund Income
- Rural Services Delivery Grant
- Assumed income from Council Tax – allowing for tax base growth, annual increases to the council tax to the referendum limits, and adult social care precept.

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

	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
Settlement Funding Assessment (1)	8,135	7,255	6,593	6,239	5,808
Compensation for under-indexing the business rates multiplier	51	51	54	85	123
Council Tax of which;	3,831	3,914	4,142	4,391	4,630
Council Tax Requirement excluding parish precepts (including base and levels growth)	3,831	3,914	4,085	4,319	4,630
Potential additional Council Tax from £5 referendum principle for all Districts	-	-	57	73	85
New Homes Bonus	1,157	1,377	1,063	628	427
New Homes Bonus returned funding	11	8	9	-	-
Core Spending Power	13,185	12,605	11,861	11,343	10,988
Change over the Spending Review period (£ millions)					(2,197)
Change over the Spending Review period (% change)					-16.7%

2.5 The Core Spending power for 2019/20 assumes growth in the tax base and increases of Council Tax up to the referendum limit. The actual amount for 2019/20 will be £4,611,869, slightly below the level assumed in the core spending power assumptions.

2.6 The settlement funding assessment represents the Council's share of local government's overall control total and is made up of revenue support grant and baseline funding (from retained business rates). For 2019/20, as Norfolk has been successful in being awarded a pilot for 75% rates retention, the RSG has been rolled into the baseline funding level and will be payable via the rates retention. The additional business rates retained across the Norfolk through the pilot will be allocated to ensure that no authority is at a detriment of being in the pilot and the level of growth generated allocated in line with growth and also for economic development projects.

2.7 Table 3 below provides a breakdown of the Settlement Funding Assessment which consists of RSG and Business Rates Baseline funding although the payments for 2019/20 RSG will not be received separately.

Table 3 Settlement Funding Assessment	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000
Settlement Funding Assessment:					
Revenue Support Grant		3,740	3,007	2,545	2,029
Baseline Funding Level		3,515	3,587	3,694	3,779
Total Settlement Funding Assessment *	8,135	7,255	6,593	6,239	5,808
Movement - Year on Year					
Revenue Support Grant £ (Reduction)			(733)	(462)	(516)
Revenue Support Grant % Reduction			-19.6%	-15.4%	-20.3%
Baseline Funding Level £ Increase			72	108	85
Baseline Funding Level % Increase			2.0%	3.0%	2.3%
Total Settlement Funding Assessment (Reduction) £		(880)	(661)	(354)	(431)
Total Settlement Funding Assessment (Reduction) %		-10.8%	-9.1%	-5.4%	-6.9%

* Pilot for 2019/20 means that RSG payment that would have been paid will be allocated from business rates.

3. New Homes Bonus

- 3.1 The New Homes Bonus was introduced in 2011/12 to incentivise and reward Councils and Communities that build new homes in their area. The bonus is paid as an un-ring fenced grant and prior to 2016/17 was paid for six years. Following on it was reduced to a four year payment. The bonus is based on the net additional homes (net of new homes and changes in long term empty properties) plus an additional supplement of £350 per affordable dwelling. The payment allocated between local authority tiers: 80% to the lower tier (GYBC) and 20% to the upper tier (Norfolk County Council).
- 3.2 A threshold baseline of 0.4% growth was introduced to the system of allocation of NHB funding from 2017/18. This means that a Local Authority will need to achieve total housing growth of higher than 0.4% to receive a payment of NHB. The baseline remained at 0.4% within the provisional settlement.
- 3.3 The total provisional allocation of NHB for 2019/20 for GYBC is £7,000 which represents the amount for delivery of 25 affordable homes (18 for 2018/19).
- 3.4 As flagged previously in the Medium Term Financial Strategy the financial projections had been revised to remove any new bonus from 2019/20 and legacy payments only remaining from 2020/21 onwards, although this will need to be revised as outcomes of the 2019 spending review are published.
- 3.5 After allowing for the previous years' allocations, the total amount payable for 2019/20 is £426,641.
- 3.6 Table 4 provides details of the Council's allocations of NHB for 2019/20 including previous years' payments.
- 3.7 From 2020/21 onwards the projections assume only the legacy payments are received with no new NHB grants awarded.

Table 4 – New Homes Bonus – Allocations to date									
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2011/12	274	274	274	274	274	274			
2012/13		234	234	234	234	234			
2013/14			321	321	321	321	321		
2014/15				119	119	119	119		
2015/16					208	208	208	208	
2016/17						220	220	220	220
2017/18							194	194	194
2018/19								5	5
2019/20									7
Total	274	508	829	949	1,157	1,377	1,063	628	427

4. Business Rates Retention

- 4.1 The current scheme of Business Rates retention came into operation in April 2013 which introduced the allocation of business rates in the following shares - 50% central government; 40% GYBC and 10% Norfolk County Council.
- 4.2 Previous budget announcements confirmed the intention to move to a greater share of business rates retention locally from 2020. Primary legislation would be required to move to 100% rates retention and therefore the intention is to move to 75% rates retention from 2020/21.
- 4.3 The impact of moving to 75% business rates retention in 2020/21 for all authorities will mean the rolling in of a number of grants to the funding system, including the Revenue Support Grant.
- 4.4 In order to inform the implementation of a great share of rates retention, pilots for 100% retention were agreed for some areas in 2017/18 and 2018/19 with further opportunities to become pilots for 75% retention for 2019/20. Norfolk authorities applied to become a pilot in 2018/19 for which they were not successful. A further application was made to become a pilot in 2019/20 which was confirmed in the provisional settlement.

5. Savings and Additional Income

- 5.1 The 2019/20 budget assumes the continuation of savings and additional income identified and approved as part of previous budget setting processes which are now included in the base budget. The current financial business strategy identifies the following themes that are priorities for the Council in delivering future efficiencies and savings to reduce the forecast budget gap.
 - a) **Strategic Asset Management** – To ensure that income streams from all of the Council's asset holdings are maximised and costs minimised. Identify development opportunities from new investment or assets which are underperforming for potential disposal; adding value to strategic assets; the key aim is to identify the most efficient way to utilise the Council's assets and maximise the return that the Council receives from them.
 - b) **Economic Growth** – To enhance and protect the funding from business rates and identify opportunities to encourage new growth in the Borough, including the enterprise zones and other areas and to support new housing growth.
 - c) **Housing Growth** – To maximise income from the New Homes Bonus and collection of Council Tax, increasing the Council Tax base, ensuring a strategy to support housing

development in line with planning policy, whilst minimising empty homes across the Borough.

- d) **Property Investment and Commercialisation** - Identify opportunities for investment in properties, whether direct or indirect, to achieve an income stream or improved returns on investment.
- e) **Technological Investment** - Enhancement and development of IT including the website to aid flexible working and access to services, ensuring linkages to the digital strategy.
- f) **Shared Services, Selling Services and Partnership** - Identifying opportunities for sharing services at a local level to allow a strengthened approach to working with communities and partners in the voluntary sector to drive better outcomes for local residents; reduce avoidable demand on council services and secure investment to drive new partnerships with partners and communities to deliver corporate ambitions.
- g) **GYBC Operating Model** - Making sure the Council operates as effectively and efficiently as possible through:
 - Digital by Design - Provision of on-line services for residents, businesses and visitors, allowing the ability to work remotely using a range of devices which automate processes and support joined-up working, and mobile solutions.
 - Procurement and Contract Management - To review current contracts in place and the arrangements for managing these contracts i.e. through a joint venture or formal contract management.
 - Enforcement Strategy - Co-ordinated approach to issues such as tackling homes and properties which blight areas and may contribute to anti-social behaviour, including a programme of work to bring empty homes back into use and to deliver new housing developments to grow the Council's tax base.
 - Efficiencies – ensuring the council operates in an efficient and effective manner, reviewing provision of services in a proactive way.

5.2 As part of the budget process savings and additional income proposals were invited from Heads of Service for consideration over the short to medium term. A schedule of the savings proposals from this process are detailed in Appendix C for approval as part of the 2019/20 budget process. As part of the budget review and savings process a number of income and expenditure budgets have been updated to more accurately reflect current plans, these have been included as part of the proposals at Appendix C. In addition, where restructures have been completed the budget has been updated to reflect any savings as a result. Where applicable the timing of delivery of the proposal has been updated to reflect part year savings where lead in time is required for implementation. In addition some proposals require upfront one-off funding, where applicable the reserves statement allows for allocations from reserves.

5.3 Full Council in December approved the Fees and Charges for 2019/20, the majority of which have been set in line with the current policy which essentially recommends annual increases of RPI of 3.2% plus 2%. Details are provided at section 6.3 (c) for final fees and charges that were not confirmed at the time of reporting to December 2018 Council or have since been updated as part of further work on the budget.

6. Revenue Account Base Budget – 2019/20

6.1 The detail of the general fund revenue account budget now presented for approval is included within Appendices A and B to the report. Appendix A shows a high level summary of the revenue budget for 2019/20 along with projections for the following two

financial years. Further details on the individual service budgets is included at Appendix B which shows the movement compared to the 2018/19 base budget

6.2 The capital programme is presented in more detail at section 8 which includes both an update to the current capital programme along with new capital schemes and the financing of the programme. The revenue implications of the capital programme have been allowed for within the budget now presented for approval.

6.3 The revenue budget for 2019/20 makes a number of assumptions, the more significant ones are as follows:

a) **Council Tax** – The budget assumes an increase in the Borough element of Council Tax in 2019/20 of £5 for a band D property, based on the tax base of 28,560 (an increase of 496 compared to 2018/19) as approved in December 2018. This means that the borough element for a band D Council Tax for 2019/20 would be £161.48 (an increase of £5, 3.2% compared to 2018/19). Further details on the profile and level of council tax for the individual bandings is included at section 6. After allowing for tax base growth and £5 increase the budget assumes an additional £220,400 funding compared to 2018/19.

b) **Employee budgets** – The budget assumes a 2% pay award for 2019/20, although a local agreement on pay has yet to be agreed. As a guide a 0.5% sensitivity to the pay award equates to approximately £45k per annum. An allowance has been made to reflect vacancy/turnover savings of £200,000 which equates to turnover of approximately 2.0%. Where annual increments are due these have continued to be factored into the budget. The agreement reached in 2018 at NJC for a two year pay settlement included a commitment that local authorities using the NJC pay spine would move to the updated version from April 2019. The 2019/20 budget makes allowance for the implementation of changes to the relevant changes to the pay grade. Further work is still to be completed and the budgets will be updated accordingly for this work.

The apprenticeship levy is payable at a rate of 0.5% by all employers where the pay bill is over £3 million. From 2019/20 onwards £35,000 has continued to be factored into the budget.

c) **Fees and Charges** – The fees and charges for 2019/20 were approved by Full Council in December 2018. In the main the fees and charges for 2019/20 were increased in line with the policy as previously agreed by the Council. The policy allows for annual increases to those fees and charges which are set locally of RPI plus 2% to 2020. For 2019/20 this equates to 5.2%. At the time of reporting to Policy and Resources and Full Council in December 2018, further work was still required in respect of market and crematorium and cemeteries fees and charges.

A schedule is now attached at Appendix D detailing the charges now being recommended for approval and includes:

- The fees and charges for two day markets to be set at a rate of £1.00 per foot and to maintain current fees in relation to the six day market, following a report to Economic Development for recommendation to Policy and Resources committee for approval in January 2019.
- Crematorium and cemeteries fees and charges have three adjustments to the preliminary fees and charges provided earlier.
- Further review of the fees and charges since December flagged an oversight in respect of the fees for the garden bins, these have now been corrected and include at Appendix D for recommendation.

- d) **Contract inflation** – Where applicable contract inflation has been factored into the budget and forecasts.
- e) **Interest and Minimum Revenue Provision (MRP)** – A total of £859,000 interest payable is included in the budget for 2019/20 which reflects the current long-term debt portfolio and new temporary borrowing in line with the capital financing requirement as per the current treasury management strategy. The MRP budget of £1.3 million reflects the current programme of capital budgets along with planned expenditure in the current year. The new schemes that have been put forward for 2019/20 for approval have been allowed for within the future MRP forecasts. Some of the capital proposals will be subject to further detailed business cases ahead of works commencing. No provision has been allowed for within the interest and MRP projections for future years for additional capital budget for the planned new water and leisure complex above the level currently approved. When the decision and funding for the new facility is approved the projections will be updated accordingly to reflect the amount and timing of the project.
- 6.4 The General Fund Summary presented at Appendix A shows a budget for 2019/20 which is summarised in Table 5 with the equivalent figures from the 2018/19 base budget.

Table 5 – Variance of 2017/18 to 2018/19 Base Budget	2018/19 Base Budget	2019/20 Base Budget	Variance
	£000	£000	£000
Net cost of services (incl. Parishes)	12,350	12,684	334
Non service expenditure/ income	(227)	(752)	(525)
Net budget requirement	12,122	11,932	(191)
Funded by:			
Local Taxpayers - Parishes	(354)	(429)	(75)
Local Taxpayers - District Council	(4,391)	(4,612)	(220)
Revenue Support Grant & Retained Business Rates	(6,762)	(6,377)	386
New Homes Bonus	(628)	(427)	201
Total Income	(12,136)	(11,844)	292
(Surplus)/ Deficit	(14)	87	101

7. Council Tax

- 7.1 As detailed in section 2, the core spending figures as included in the provisional finance settlement reflects increases to council tax annually by the higher of 3% or £5 per annum. The budget for 2019/20 assumes a band D council tax increase of £5. This is line with the previous financial projections and the 2019/20 MTFS as presented in November 2018.
- 7.2 The Council Tax Base of 28,560 Band D equivalent properties for 2019/20 (28,064 for 2018/19) was approved by Full Council in December 2018. The summary below shows the equivalent charge for the council tax bandings for the 2019/20 charge compared to the current charges for the Borough Council element only. The profile of property bandings across the borough is weighted towards the lower property banding, approximately 68% of properties are within bands A and B.

Table 6– Council Tax Summary 2019/20		£
Total District amount to be met from Government Grant & Local Taxation		11,518,145
Less:		
Funding (Business Rates Pilot)		(6,336,580)
New Homes Bonus		(426,641)
District call on Collection Fund – excluding Parish Precepts		(4,611,869)
Deficit (to be funded from reserves)		143,055

Council Tax Per Annum	Banding							
	A	B	C	D	E	F	G	H
2018/19	£104.32	£121.71	£139.09	£156.48	£191.25	£226.03	£260.80	£312.96
2019/20	£107.65	£125.60	£143.53	£161.48	£197.36	£233.25	£269.13	£322.96
Increase	£3.33	£3.89	£4.44	£5.00	£6.11	£7.22	£8.33	£10.00

8. Reserves

- 8.1 The statement for the current and future forecast on the General and Earmarked Reserves is attached at Appendix D. This details the latest proposals for use of reserves in the current financial year along with the budgeted movements in 2019/20, and proposed movements where known in the following three financial years.
- 8.2 There are three main reasons for holding reserves:
- To provide a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the General Fund Reserve;
 - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of the General Reserve;
 - As a means of building up funds, referred to as earmarked reserves, to meet known or predicted requirements. Earmarked reserves are accounted for separately but remain legally part of the General Fund. The title of the earmarked reserve generally reflects the purpose for which the balance is being maintained.
- 8.3 The Council also maintains a Housing Revenue Account reserve which was detailed in the HRA budget report to Housing and Neighbourhoods on 24 January 2019.
- 8.4 As part of considering the budget for 2019/20 the balance in the general and earmarked reserves should be taken into account. The level of reserves and unallocated balances provide a cushion as referred to above and to mitigate against unforeseen fluctuations in income and where for example savings do not come into fruition as planned in terms of the timing or amount.
- 8.5 The updated recommended balance in the general reserve is £2.75 million and has been informed by the policy framework for reserves and is included at Appendix G to this report. The framework takes into account a number of factors and sensitivities to budgets included in the base budget for 2019/20.

- 8.6 The balance in the general reserve at 1 April 2018 was £2.89 million. The Council holds a number of more significant reserves including:
- a) **Invest to Save** – An invest to save reserve was established during 2016/17 and provides a source of funding to fund one-off costs on an invest to save basis that will deliver future efficiencies and savings to the Council. The forecast balance at March 2020 is £1.068 million.
 - b) **Collection Fund (Business Rates)** – As mentioned earlier in the report the level of funding that is received from retained business rates is subject to fluctuations between years and also influenced by factors outside of the direct control of the Council. This reserve serves to provide a fund to mitigate the significant variations between years and to reduce the impact of appeals from previous years and also as funding that can be directed to increase the Council's business rate base in preparation for the implementation of a greater share of retained business rates income from 2020.
- 8.7 The reserve statement at Appendix F shows the current position after allowing for the recommended movements as detailed above. It should be recognised that funding the budget from the use of reserves is not a long term sustainable position.
- 8.8 The Council continues to hold a number of earmarked reserves for specific purposes for which the timing of their use has not yet been identified. The current virement rules allow for the use of reserves to be approved within the overall virement limits, and as allocations are made the overall reserves position and financial position will be updated as part of the in-year budget monitoring reports.
- 8.9 Following a review of the current level and balances within earmarked reserves this report is recommending a number of re-allocations of reserve balances. This is largely where previously earmarked reserve balances are no longer required for the original purposes, due to the ending of schemes and projects and where there are no current planned commitments. It is therefore recommended that the following re-allocations be made as part of the budget report and new reserves established as detailed below:
- a) **LEGI** – Transfer £400,000 from the reserve, leaving a remaining balance for continuing commitments;
 - b) **Second Homes Council Tax** – Transfer the remaining balance of £155,962 from this reserve as there are no remaining commitments;
 - c) **Coast Protection** – It is recommended that a new reserve be established from £150,000 re-allocated of the above for coast protection to mitigate one-off impacts of coastal work and to allow for matched funding where applicable for coastal protection schemes;
 - d) **Empty Business Property Initiative Fund** – It is recommended that £100,000 be allocated to a new earmarked reserve to be used a business rate relief initiative aimed at incentivising empty properties to be brought back into use. The relief would be aimed at those properties that have remained empty for a prolonged period. A separate report on eligibility for the relief will be presented for approval to a later meeting of the Policy and Resources Committee, at this stage the funding is only being earmarked.
- 8.10 The total re-allocations would leave £305,962 to be re-allocated. It is recommended that £150,000 is transferred to the restructuring and invest to save reserve and the remaining amount allocated to the general reserve.
- 8.11 The above re-allocations will ensure that resources remain available for current and future projects in addition in response to current priorities.

- 8.12 A comprehensive statement about the adequacy of the reserves and recommended balance will be included within the Chief Financial Officer's report, which forms part of the annual Council Tax and Budget report to Full Council in February.

9. Capital

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

Current 2019/20 Capital Programme

- 9.2 Appendix H includes a summary of the 2019/20 capital programme, excluding new bids, slippage on the 2018/19 capital programme and capital projects approved as part of prior year budget setting. This results in a 2019/20 capital budget of £17.6m, of which £3.3m is financed from capital funding sources and the remainder is to be financed by borrowing.

New Capital Schemes

- 9.3 In addition to the existing 2019/20 capital programme, approval is also being sought for a number of new capital projects for 2019/20, and subsequent years as identified within the Capital Appendix I.
- 9.4 The total of the estimated project costs for 2019/20 associated with these capital bids is £0.6m to be funded by unsupported borrowing. New capital receipts will be monitored as part of the on-going budget monitoring process, and where applicable recommendations will be made to amend the capital programme and its financing.
- 9.5 From 2019/20 local authorities are required to have a capital strategy in place for consideration of capital proposals. This section of the report is also presenting for the capital strategy for 2019/20 which is included at Appendix I. This strategy 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. Further review of the capital strategy will be undertaken during 2019/20 and updates provided where applicable as part of future financial strategy and budget reports.

Capital Programme Funding

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

(internal or external) to finance capital spend will attract charges to the revenue account in the form of interest and Minimum Revenue Provision (MRP) charges.

9.7 Venetian Waterways and Boating Lake

- 9.8 Members will be aware that the Venetian Waterways and Boating Lake is a key corporate project restoring a park of significant historical importance in partnership with the Heritage Lottery Fund (HLF). The total budget for the project was set at £2,755,564, of which 64% of this has been awarded as a grant by the HLF. The remaining £880,000 has been funded by the Council. The budget for the project has been split between a capital budget to undertake the physical restoration works on the site and a revenue budget to support a number of areas of work, including managing volunteers and developing interpretation for the site.
- 9.9 Within the project there has been some movement within the overall budget, totalling £199,661. This was reported to the Council's Policy and Resources Committee on 16th October 2018. As part of the project a contingency budget was set for the capital project totalling £172,000. With support from the HLF this was increased but within the overall project costs to £248,000 as it became apparent that a number elements of the site required extensive repairs, more than originally budgeted for.
- 9.10 Unfortunately it is now likely that this contingency budget will be exceeded as more costs have come into the project, such as additional repairs to the boating lake floor which were only identified as the restoration work in this area commenced and the requirement for the installation of new irrigation of both the Waterways and Boating lake as the old irrigation system was found to be in such a condition that it could not be repaired as previously budgeted for.
- 9.11 Therefore working with the quantity surveyor on the project a worst case financial forecast has been developed which requires the Council to identify an additional £75,000 of funding for the site. Whilst we are hopeful this full amount will not be required it is prudent to earmark this amount to this project as part of the budget setting process.

10. Future Financial Forecasts

- 10.1 As flagged earlier in the report the future funding for Local Government from 2020/21 onwards will be subject to the outcome of three significant pieces of work underway nationally, namely, Fair Funding Review, Business Rates Retention and Spending Review 2019. The detailed impact of these three reviews will not be known until later in 2019 and therefore the financial forecasts presented in the budget report for the period beyond 2019/20 are very high level and will be subject to revisions and updates as the outcomes of the fair funding review and implications of a greater share of business rates retention are announced.
- 10.2 Spending Review – A spending review will take place in 2019 which will inform future funding allocations. The timing of the review has not been confirmed, only that it will be during 2019. The review will outline the government's spending plans for the medium term and this will in turn inform the fair funding review and resetting of baseline funding levels from 2020/21.
- 10.3 Fair Funding Review – The fair funding review is due to be finalised during 2019 and will set the new funding baselines for all Local Authorities. It will take into account a number of factors and assessments of individual authorities' relative needs and resources.
- 10.4 Business Rates Retention – The government previously announced the shift to a greater proportion of rates being retained locally from 2020/21. The current system of 50% rates

retention will become 75% from 2020/21. Again, the implications for this will not be known until later in the 2019/20 financial year.

- 10.5 The forecast funding available from 2020/21 has therefore been updated to reflect assumptions around removal of the revenue support grant allowing for an element of transitional protection funding, although the length of timing of transitional protection is not yet known it has been assumed that the RSG would be rolled into the baseline funding albeit at a reduced level. RPI increases have been applied to the level of retained business rates and the removal of 'new' New Homes Bonus but with the continuation of legacy NHB payments and continued increases to council tax along the lines of previous finance settlement, i.e. £5 per annum (band D) and local council tax base growth of 500 per annum¹.
- 10.6 After allowing for these assumptions the overall position shows a current forecast budget gap of £1.6m in 2020/21, increasing to £2.4 million in 2021/22. As announcements and modelling becomes available for the 2020/21 funding position the forward financial projections will be updated.
- 10.7 The report (section 4) details a number of workstreams and projects that are being delivered over the short to medium term that will help to deliver future savings and additional income to reduce the forecast funding gap. These workstreams will be continuing and monitoring of the savings and income will be factored into the regular budget monitoring reports during 2019/20. Once the outcome of the fair funding review and business rates retention system has been confirmed the Medium Term Financial Strategy will be updated to reflect the new level of baseline funding available to the Council.

11. Financial Implications and Risks

- 11.1 The overall budget for the general fund as presented within this report shows a balanced position after allowing for a transfer from reserves of £87,135. The actual general fund reserve balance is forecast to be just under £3 million at the end of 2019/20 which is slightly above the current recommended balance of £2.75 million for the year. The budget as presented allows for the use of reserves to fund upfront costs which will enable the delivery of ongoing savings. Use of reserves is not a long term solution for setting a sustainable budget.
- 11.2 The Council faces and will continue to face significant financial challenges with increased risks around funding streams. Work will be ongoing during 2019/20 to understand and model the outcomes of the spending review, fair funding review and the implementation of 75% business rates.
- 11.3 The following outlines the more significant risks faced by the Council in the short to medium term and in particular those that could have an impact on delivery of the 2019/20 budget.
- 11.4 **Future Funding** – 2019/20 is the final year of the multi-year settlement, future funding allocations will not be known until later in the 2019 year. The financial projections for 2020/21 onwards will be updated as announcement and modelling is carried out. However the future funding gaps still remain a risk with the significant reduction in 2020/21 when there will be no RSG and funding will be from a greater share of business rates and council tax.
- 11.5 **New Homes Bonus** – The provisional settlement has confirmed the allocation of NHB for 2019/20 for which a payment for the affordable homes is due but no further addition

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

linked to growth as the baseline was not met. The baseline of 0.4% significantly reduces the ability of the Council to benefit from the scheme to access funding for the delivery of new homes in the borough. Whilst there have been no further changes to the scheme, there still remains a significant risk in terms of future funding for the Borough.

- 11.6 **Business Rates** - Funding fluctuations from business rate income continues to be a prevalent feature of the funding of local authorities. The impact of appeals only exacerbates this risk and this applies to current appeals and new appeals.
- 11.7 Other factors that will lead to reductions in income include for example, business closures, successful rateable value appeals (which reduce the RV and consequently the rates payable), including the impact of back dated appeals, reduced income as schools transfer to academy status, the national impact of the risk around hospital and NHS trust properties is still prevalent. The NNDR provision within the system only reflects the potential impact of appeals currently in the appeals system.
- 11.8 **Savings and Additional Income** – The Council has continued to deliver savings and efficiencies from a number of projects in line with themes within the business strategy. Savings and additional income have been included in the budgets in previous years and are now part of the overall base budget position. New savings and income from services totalling £361k have been factored into the 2019/20 budget increasing to £482k from 2020/21. This is in addition to the savings from previous budget processes that continue to be monitored. It is critical that the delivery of these savings is closely monitored by Officers and Members, for example through the various monitoring reports.
- 11.9 **Interest Payable and MRP** - The budget reflects the revenue costs of the planned borrowing and financing of the current and future capital programmes. Slippage of capital schemes will impact on the level of borrowing required along with the associated financing costs. The capital programmes have been reviewed to accurately reflect the timing of the projects, to ensure an accurate provision for MRP can be made which reflects the timing of the capital spend. In addition as new schemes and projects are approved outside of the budget this too will have an impact on the associated financing costs and will need to be considered as part of the options appraisal and business cases presented for approval.
- 11.10 **Budgeted Income** – The budget presented for approval includes a number of significant service income areas which are reliant on external demand. These include car parking, planning and building control, crematorium and property rentals from council assets. Whilst budgets have been based on previous actuals and knowledge of the service delivery, income levels need to be monitored closely to allow any corrective actions to be taken in year if required. 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.
- 11.11 **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. The report is recommending some re-allocations from reserves that are no longer required to allow greater flexibility for funding one-off projects and up-front costs to deliver future efficiencies. Use of reserves provide a short-term solution to mitigate the forecast deficits and can also be used to mitigate the impact if for example savings and income are not achieved as budgeted, but reserves do not provide a long term solution for a sustainable budget.
- 11.12 **Universal Credit and Housing Benefit Subsidy** – The budget reflects the reducing funding from the Department for Work and Pensions for housing benefit administration. The Council is responsible for paying out in the region of £40 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. As a significant expenditure and income line in the budget this area is closely monitored.

- 11.13 **Partnerships and Outsourced Service Provision** – The Council has some significant partnership/joint ventures that are essential for the delivery of services internally and externally, namely GYBS, GYN and provision of ICT services by Norfolk County Council. It is essential that these arrangements are closely monitored to support the delivery of services and also to ensure that the impact of local decisions on these arrangements are considered as part of the decision making process.

12. Conclusions

- 12.1 The 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 2019/20 along with high level financial forecast for the following three financial years. The budget has been informed by the multi-year settlement for the period 2016/17 to 2019/20 for which the year for recommendation is the final year. The provisional finance settlement for 2019/20 and a number of key assumptions around future savings and income are detailed within the report and appendices.
- 12.2 The report provides an overview of the risks that are facing the Council in the short to medium term, the most significant being the future funding for local government and the move towards a greater share of rates retention from 2020.

13. Background Papers

- 13.1 The budget report has been informed in the main by the following:
- a) 2017/18 Outturn Report
 - b) In year budget monitoring reports
 - c) Medium Term Financial Strategy
 - d) National Non Domestic Rates returns
 - e) Provisional Local Government Finance Settlement 2019/20.

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

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

Crime & Disorder:	
Every Child Matters:	

Appendices:

A – General Fund Summary

B – Detailed Service Appendices

C – Savings

D – Fees and Charges (additions to those previously agreed)

E – Council Tax Summary 2019/20

F – Reserves Statement

G – Policy Framework for Reserves

H – Capital Programme

I – New Capital Bids

J – Capital Strategy 2019/20

K – Prudential Indicators and Annual Minimum Revenue Provision Statement

General Fund Summary

	Original 2018/19 Budget	2018/19 updated Forecast	2019/20 Budget	2020/21 Forecast	2021/22 Forecast
	£	£			£
Services:					
Executive	928,915	1,187,066	1,026,461	1,052,623	1,120,993
Inward Investment	2,777,334	2,548,233	2,119,077	2,171,255	2,167,282
Housing	914,319	909,512	682,156	709,862	748,231
Organisational Development	957,387	1,074,776	994,731	913,418	1,046,449
Planning and Growth	323,709	470,969	559,679	517,689	503,367
Customer Services	(926,604)	(853,821)	(890,180)	(1,211,382)	(1,354,213)
Property and Asset Management	563,200	689,447	506,770	302,148	281,139
IT, Communications and Marketing	2,034,428	2,068,765	2,239,935	2,129,161	2,151,750
Environmental Services	3,677,947	4,492,975	4,368,755	4,371,187	4,302,308
Finance	843,177	870,313	963,870	976,034	998,992
Savings/Costs to be allocated to service	(200,000)	(200,000)	(148,000)	(50,000)	(50,000)
Net Cost of Service	11,893,812	13,258,235	12,423,254	11,881,995	11,916,298
Non Service Exp/(Income):					
Recharges to HRA	(1,506,252)	(1,455,341)	(1,769,638)	(1,769,638)	(1,769,638)
Parish Precepts	377,953	377,953	429,323	429,323	429,323
Parish CTSS Grant	33,710	33,710	30,080	12,608	12,608
Capital Charges	(1,830,134)	(1,530,134)	(1,931,389)	(1,931,389)	(1,931,389)
Revenue Contribution to Capital Outturn	600,000	600,000	0	0	0
Interest Receivable	(64,315)	(100,389)	(401,013)	(130,027)	(102,056)
Interest Payable	809,113	809,113	859,299	972,207	1,111,068
Minimum Revenue Provision	1,432,906	1,170,906	1,296,495	1,614,237	1,835,197
IAS19 Pension Adjustment	1,403,000	1,489,975	1,690,232	1,798,701	1,915,001
Vacancy Management	(150,050)	0	(204,867)	(152,949)	(152,949)
Apprenticeship Levy	35,500	35,500	35,500	35,500	35,500
Sub total - Non Service Exp/Inc	1,141,431	1,431,293	34,021	878,572	1,382,664
Net Operating Expenditure	13,035,243	14,689,528	12,457,276	12,760,567	13,298,962
Contributions to/(from) Reserves:					
Town Centre	(25,175)	(240,728)	0	0	0
Enforcement	0	(1,568)	0	0	0
Restricted Use Grant	(24,000)	(151,910)	(169,195)	(37,802)	(20,815)
Specific Budget	0	94,750	(27,230)	(1,370)	(1,770)
LEGI	0	0	(400,000)	0	0
Repairs and Maintenance		(42,895)	0	0	0
Second Homes Council Tax	0	0	(155,962)	0	0
Invest To Save	(175,341)	(628,887)	140,471	0	0
Benefits	0	(10,379)	0	0	0
Collection Fund Reserve	0		(180,000)	80,201	0
Special Project Reserve	(696,742)	(575,864)	(139,774)	(6,455)	0
Other Reserves	0	(277,600)	0	0	0
Coast Protection	0	0	150,000	0	0
Empty Business Property Initiative Reserve	0	0	100,000	0	0
General Reserve	0	0	155,962	0	0
Sub Total Reserves	(921,258)	(1,835,081)	(525,728)	34,574	(22,585)
Amount to be met from Government Grant and Local Taxpayers	12,113,985	12,854,447	11,931,548	12,795,141	13,276,377
Collection Fund - Parishes	(377,953)	(377,953)	(429,323)	(429,323)	(429,323)
Collection Fund - Borough	(4,391,455)	(4,391,455)	(4,611,869)	(4,786,539)	(5,017,579)
Retained Business Rates (net)	(4,145,833)	(4,145,833)	(4,347,457)	(4,358,165)	(4,445,329)
Transitional Funding (estimate of assumptions for future funding)	0	0	0	(1,500,000)	(1,000,000)
Revenue Support Grant	(2,544,905)	(2,544,905)	(2,029,123)	0	0
New Homes Bonus	(627,700)	(627,700)	(426,641)	(213,240)	(19,040)
Other Grants	(31,199)	(31,199)	0	0	0
Income from Grant and Taxpayers	(12,119,045)	(12,119,045)	(11,844,413)	(11,287,267)	(10,911,270)
(Surplus)/Deficit (before general reserve transfer)	(5,060)	735,402	87,135	1,507,874	2,365,107

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
Executive:							
EQUX	Equinox						
	Supplies & Services	0	0	0	30,177	30,177	Anticipated Property and Asset Management Services surveyors costs for work undertaken on behalf of Equinox Enterprise Ltd. 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	0	0	0	79,040	79,040	
	Income	0	0	0	(39,862)	(39,862)	
		0	0	0	69,355	69,355	Expected income from Equinox Enterprises Ltd to cover management & administration fees undertaken by the Council on behalf of the Company.
ETCI	Town Centre Initiative						
	Employee	0	9,986	9,986	0	0	
	Premises	0	1,074	1,074	0	0	
	Supplies & Services	0	170,099	170,099	0	0	
	Income	0	6,957	6,957	0	0	
		0	188,116	188,116	0	0	
EXCC	Corporate costs						
	Transport	5,400	5,400	5,400	6,000	600	
	Supplies & Services	108,726	115,726	115,726	123,564	14,838	External Audit cost transferred from other departments to create one central budget.
	Support Services - Recharges Out	0	0	0	(300,280)	(300,280)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
	Support Services - Recharges In	0	0	0	303,330	303,330	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
		114,126	121,126	121,126	132,614	18,488	
EXTE	Executive Team						
	Employee	637,603	633,792	655,092	673,300	35,697	Increase in budget reflects increases in increments & pay awards.
	Premises	0	0	0	0	0	
	Transport	5,000	5,000	5,000	5,000	0	
	Supplies & Services	12,186	12,186	12,186	17,522	5,336	
	Support Services - Recharges Out	(1,053,020)	(1,053,020)	(1,053,020)	(970,550)	82,470	Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out.
	Support Services - Recharges In	448,230	448,230	448,230	329,170	(119,060)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	(50,000)	(50,000)	(50,000)	0	50,000	Funding ceased from Norfolk County Council in 2019/20.
		(1)	(3,812)	17,488	54,442	54,443	

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
ROLE	Legal						
	Third Party Payments	240,000	240,000	258,124	245,760	5,760	
	Support Services - Recharges Out	(211,410)	(211,410)	(211,410)	(223,550)	(12,140)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
	Support Services - Recharges In	1,400	1,400	1,400	18,750	17,350	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	(30,000)	(30,000)	(48,300)	(35,000)	(5,000)	
		(10)	(10)	(186)	5,960	5,970	
	Total Executive:	114,115	305,420	326,544	262,371	148,256	
	Total Executive excluding recharges:	928,915	1,120,220	1,141,344	1,026,461	148,256	
Inward Investment							
EXPP	Projects and Programmes						
	Employee	175,857	144,698	152,093	191,122	15,265	Increase in staff costs due to increase in funding from the European Social Fund as part of the 'Inclusion project' (recognised under Transfer costs below).
	Premises	0	0	0	0	0	
	Transport	1,500	1,500	1,500	1,500	0	
	Supplies & Services	3,100	3,100	3,100	3,100	0	
	Transfer Payments	0	0	0	(48,807)	(48,807)	As above - increased funding from the European Social Fund.
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	36,760	36,760	36,760	192,790	156,030	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
		217,217	186,058	193,453	339,705	122,488	
CGGP	Grounds & Parks						
	Employee	0	0	0	0	0	
	Premises	427,729	83,114	84,860	84,828	(342,901)	Reallocation of GYBS Partnership contract fee budget between cost centres.
	Supplies & Services	8,318	8,318	8,318	8,318	0	
	Third Party Payments	90,285	90,285	90,285	90,285	0	
	Capital Charges	3,367	3,367	3,367	3,522	155	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	27,720	27,720	27,720	14,200	(13,520)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	0	0	0	0	0	
		557,419	212,804	214,550	201,153	(356,266)	

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
CGOS	Outdoor Sports						
	Employee	0	0	0	0	0	
	Premises	238,390	265,854	267,968	271,399	33,009	Reallocation of GYBS Partnership contract fee budget between cost centres.
	Transport	0	0	0	0	0	
	Supplies & Services	7,831	33,831	33,831	8,043	212	
	Third Party Payments	42,953	42,953	42,953	42,379	(574)	
	Capital Charges	33,434	33,434	33,434	36,997	3,563	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	38,490	38,490	38,490	26,380	(12,110)	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	(112,726)	(112,726)	(112,726)	(122,755)	(10,029)	
		248,372	301,836	303,950	262,443	14,071	
GNCC	CCTV						
	Employee	0	0	0	0	0	
	Premises	4,000	4,000	4,000	4,000	0	
	Transport	0	0	0	0	0	
	Supplies & Services	143,153	143,153	143,153	143,153	0	
	Support Services	0	0	0	0	0	
	Capital Charges	1,500	1,500	1,500	0	(1,500)	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	22,410	22,410	22,410	16,550	(5,860)	
	Income	(4,000)	(4,000)	(4,000)	(4,000)	0	
		167,063	167,063	167,063	159,703	(7,360)	
GNCL	Culture & Leisure						
	Employee	21,984	21,001	21,001	0	(21,984)	Changes in temporary staff costs.
	Premises	0	0	0	0	0	
	Transport	500	500	500	0	(500)	
	Supplies & Services	69,344	94,344	94,344	68,944	(400)	
	Third Party Payments	61,900	61,900	61,900	59,761	(2,139)	
	Capital Charges	0	0	0	0	0	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	42,290	42,290	42,290	50,420	8,130	
	Income	0	0	0	0	0	
		196,018	220,035	220,035	179,125	(16,893)	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
RPCO Conservation						
Employee	111,125	109,930	104,930	112,420	1,295	
Premises	30,234	30,234	62,015	60,363	30,129	Additional £30k spend on Town Wall repairs funded by a grant from English Heritage .
Transport	200	200	200	200	0	
Supplies & Services	66,411	66,411	66,411	46,477	(19,934)	£20k reduction in grant to external organisation.
Support Services	0	0	0	0	0	
Capital Charges	26,129	26,129	26,129	26,904	775	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	63,580	63,580	63,580	47,570	(16,010)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
Income	0	0	(30,000)	(30,000)	(30,000)	Additional £30k funding for Town Wall repairs (as reflected above) from English Heritage.
	297,679	296,484	293,265	263,934	(33,745)	
RPPW Waterways						
Employee	155,979	155,979	191,946	153,682	(2,297)	
Premises	12,062	12,062	12,062	24,000	11,938	During 2018/19 no maintenance costs were required as major capital works were being undertaken as part of the Waterways Regeneration project. In 2019/20 ground maintenance fees will be incurred and therefore the increase in the budget reflects this.
Transport	0	0	0	0	0	
Supplies & Services	112,800	112,800	113,600	55,488	(57,312)	The 2019/20 budget does not include set up costs as these are one-off costs in 2018/19 as part of the main on-site and planning phase of the Waterways Regeneration project.
Support Services - Recharges In	0	0	0	62,760	62,760	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	(235,109)	(235,109)	(271,876)	(184,124)	50,985	Funding reflects timing change in expenditure
	45,732	45,732	45,732	111,806	66,074	
GNGV Voluntary sector grants						
Employee	0	0	0	0	0	
Premises	0	0	0	0	0	
Transport	0	0	0	0	0	
Supplies & Services	93,500	93,500	93,500	93,500	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	22,760	22,760	22,760	17,580	(5,180)	
Income	(53,000)	(53,000)	(53,000)	(53,000)	0	
	63,260	63,260	63,260	58,080	(5,180)	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
GNMP Indoor Leisure - Phoenix Pool & Marina Centre						
Employee	0	0	0	0	0	
Premises	22,408	22,408	22,408	22,961	553	
Transport	0	0	0	0	0	
Supplies & Services	7,043	7,043	7,043	7,149	106	
Third Party Payments	143,358	143,358	218,358	157,611	14,253	Increase in management fee to reflect changes in the living wage as part of the service agreement.
Capital Charges	392,415	392,415	392,415	386,500	(5,915)	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	26,460	26,460	26,460	35,800	9,340	
Income	0	0	0	0	0	
	<u>591,684</u>	<u>591,684</u>	<u>666,684</u>	<u>610,022</u>	<u>18,338</u>	
GNNM Neighbourhood management						
Employee	412,561	360,942	346,682	323,991	(88,570)	Staff restructure has resulted in overall savings within this service.
Premises	28,355	28,355	28,355	26,163	(2,192)	
Transport	1,800	1,800	1,800	1,800	0	
Supplies & Services	32,873	32,873	33,131	32,413	(460)	
Third Party Payments	0	0	0	0	0	
Transfer Payments	842,898	842,898	842,898	705,730	(137,168)	Mainly a reduction in the anticipated spend in relation to Neighbourhoods that Work project. This is offset by a reduction in funding for the project as per the fall in income below.
Support Services - Recharges Out	(430,450)	(430,450)	(430,450)	(313,580)	116,870	Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out.
Support Services - Recharges In	308,090	308,090	308,090	222,950	(85,140)	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	(868,583)	(868,583)	(868,583)	(776,518)	92,065	Reduction in Neighbourhoods that Work funding (corresponding to anticipated fall in the expenditure on this project above) partially offset by Norfolk County Council funding for Early Help Hub staff costs to be received in 2019/20.
	<u>327,544</u>	<u>275,925</u>	<u>261,923</u>	<u>222,949</u>	<u>(104,595)</u>	
RGED Economic development						
Employee	186,157	143,988	143,988	80,628	(105,529)	Review of service including a restructure resulting in a saving in staff costs.
Premises	0	0	0	0	0	
Transport	4,000	4,000	4,000	0	(4,000)	
Supplies & Services	34,799	34,799	34,799	2,881	(31,918)	Review of service delivery reducing costs of the service.
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	90,920	90,920	90,920	128,750	37,830	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	(1,500)	(1,500)	(1,500)	0	1,500	
	<u>314,376</u>	<u>272,207</u>	<u>272,207</u>	<u>212,259</u>	<u>(102,117)</u>	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
RGEG Enterprise GY						
Employee	0	46,823	46,823	0	0	
Premises	0	16,058	16,058	68	68	
Transport	0	0	0	0	0	
Supplies & Services	0	5,660	5,660	0	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	0	0	0	0	0	
Income	0	(13,400)	(13,400)	0	0	
	0	55,141	55,141	68	68	
Total Inward Investment:	3,026,364	2,688,229	2,757,263	2,621,247	(405,117)	
Total Inward Investment excluding recharges:	2,777,334	2,439,199	2,508,233	2,119,077	(658,257)	
Housing:						
GHHN Housing Needs						
Employee	487,150	479,779	479,779	693,787	206,637	This increase is due to a combination of (a) reallocation of budgets to reflect the management restructure and (b) employment of additional staff funded from Homelessness grant funding.
Premises	146,962	146,962	146,962	141,576	(5,386)	
Transport	3,152	3,152	3,152	3,152	0	
Supplies & Services	151,078	151,078	151,078	169,486	18,408	Reflects additional grant funded computer contract works on Locata.
Capital Charges	18,515	18,515	18,515	11,806	(6,709)	
Support Services - Recharges Out	(4,730)	(4,730)	(4,730)	(33,000)	(28,270)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
Support Services - Recharges In	316,160	316,160	316,160	249,840	(66,320)	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	(227,669)	(227,669)	(227,669)	(452,879)	(225,210)	Reflects additional funding towards computer contract works on Locata & Homelessness scheme. This corresponds to the increased costs noted above.
	890,618	883,247	883,247	783,767	(106,851)	
GHGH Gapton Hall site						
Supplies & Services	0	0	0	18,000	18,000	Budget funded by income
Capital Charges	0	0	0	0	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	0	0	0	14,940	14,940	Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out.
Income	0	0	0	(20,000)	(20,000)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	0	0	0	12,940	12,940	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
GWBC Better Care Fund						
Employee	0	0	0	60,630	60,630	New cost centre set up to monitor spend & income in relation to the Better Care Fund (including Disabled Facilities Grant). Previously included under Private Sector Housing.
Premises	0	0	0	0	0	
Transport	0	0	0	2,500	2,500	
Supplies & Services	0	0	0	23,950	23,950	New cost centre set up to monitor spend & income in relation to the Better Care Fund (including Disabled Facilities Grant). Previously included under Private Sector Housing.
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	0	0	0	28,400	28,400	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	(87,080)	(87,080)	New cost centre set up to monitor spend & income in relation to the Better Care Fund (including Disabled Facilities Grant). Previously included under Private Sector Housing.
	0	0	0	28,400	28,400	
GHHS Housing Strategy						
Employee	74,606	73,869	73,869	82,163	7,557	Increase due to reallocation of budgets to reflect the Housing management restructure.
Premises	668	668	668	688	20	
Transport	525	525	525	525	0	
Supplies & Services	48,080	48,080	48,080	37,815	(10,265)	Budget split and transferred to (GHSR) and Gapton Hall site (GHGH).
Capital Charges	24,437	24,437	24,437	23,215	(1,222)	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	73,400	73,400	73,400	76,070	2,670	
Income	0	0	0	(15,000)	(15,000)	Self Build Grant Funding received on an annual basis.
	221,716	220,979	220,979	205,476	(16,240)	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
GWPS Private Sector Housing						
Employee	81,573	80,590	80,590	0	(81,573)	Employee costs reallocated to Safe at Home (GWSH) and Better Care Fund (GWBC) as part of Housing restructure to improve monitoring.
Premises	0	0	0	0	0	
Transport	650	650	650	0	(650)	
Supplies & Services	55,369	61,237	61,271	0	(55,369)	Non-pay costs reallocated to Safe at Home (GWSH) and Better Care Fund (GWBC) as part of Housing restructure to improve monitoring.
Third Party Payments	0	0	0	0	0	
Transfer Payments	5,740	5,740	5,740	0	(5,740)	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	94,320	94,320	94,320	80	(94,240)	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	(37,400)	(37,400)	(37,400)	0	37,400	Employee costs transferred to Safe at Home (GWSH) and Better Care Fund (GWBC) as part of Housing restructure and subsequent reallocation of income in line with the costs transferred.
	<u>200,252</u>	<u>205,137</u>	<u>205,171</u>	<u>80</u>	<u>(200,172)</u>	
GWSH Safe at Home						
Employee	312,687	307,952	307,952	231,430	(81,257)	This saving is due to a combination of (a) reallocation of budgets to reflect Housing management restructure and (b) employee costs transferred following new cost centre set up to improve monitor spend & income in relation to the Better Care Fund (including Disabled Facilities Grant).
Premises	0	0	0	0	0	
Transport	9,500	9,500	9,500	8,000	(1,500)	
Supplies & Services	35,423	35,783	38,540	61,971	26,548	Expenditure budget variance due to a combination of (a) budget transferred from Private Sector Housing (GWPS) as part of code merge and (b) budget transferred to Better Care Fund (GWBC) as part of the code seperation.
Third Party Payments	0	0	0	0	0	
Transfer Payments	0	0	0	5,740	5,740	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	118,250	118,250	118,250	116,480	(1,770)	
Income	(276,727)	(276,727)	(276,727)	(319,319)	(42,592)	Income budget transferred from Private Sector Housing (GWPS) as part of code merge.
	<u>199,133</u>	<u>194,758</u>	<u>197,515</u>	<u>104,303</u>	<u>(94,830)</u>	
Total Housing:	<u>1,511,719</u>	<u>1,504,121</u>	<u>1,506,912</u>	<u>1,139,966</u>	<u>(371,753)</u>	
Total Housing excluding recharges:	<u>914,319</u>	<u>906,721</u>	<u>909,512</u>	<u>687,156</u>	<u>(227,163)</u>	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
Organisational Development:						
ROCS	Corporate strategy					
	Employee	81,022	80,039	80,039	82,770	1,748
	Premises	0	0	0	0	0
	Transport	400	400	400	400	0
	Supplies & Services	850	850	850	850	0
	Capital Charges	0	0	0	0	0
	Support Services - Recharges Out	(210,270)	(210,270)	(210,270)	(126,140)	84,130
	Support Services - Recharges In	128,010	128,010	128,010	51,360	(76,650)
	Income	0	0	0	0	0
		12	(971)	(971)	9,240	9,228
ROEL	Elections					
	Employee	149,260	148,344	148,344	170,710	21,450
	Premises	0	0	0	0	0
	Transport	1,000	1,000	1,000	1,000	0
	Supplies & Services	104,401	104,401	104,401	121,854	17,453
	Support Services - Recharges Out	0	0	0	0	0
	Support Services - Recharges In	220,690	220,690	220,690	184,770	(35,920)
	Income	(19,700)	(19,700)	(32,200)	(19,700)	0
		455,651	454,735	442,235	458,634	2,983
ROLI	Licensing					
	Employee	69,009	67,953	67,953	71,490	2,481
	Premises	1,761	1,761	1,761	2,152	391
	Transport	600	600	600	600	0
	Supplies & Services	25,135	25,135	25,135	25,871	736
	Support Services - Recharges Out	0	0	0	0	0
	Support Services - Recharges In	69,710	69,710	69,710	90,770	21,060
	Income	(276,013)	(276,013)	(276,013)	(276,013)	0
		(109,798)	(110,854)	(110,854)	(85,130)	24,668

Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out.

Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.

Reinstatement of 18-19 budget saving for casual staff due to the four Borough Election (four year cycle).

Reinstatement of 18-19 budget saving for printing & stationery and postage to due to the Borough Election (four year cycle).

Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.

Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
ROMS						
Member services						
Employee	120,511	124,817	103,817	145,920	25,409	Reinstatement of manager post to full time previously reduced as a saving.
Premises	0	0	0	0	0	
Transport	7,000	7,000	7,000	4,000	(3,000)	
Supplies & Services	291,822	291,822	301,822	292,039	217	
Support Services - Recharges Out	(485,330)	(485,330)	(485,330)	(532,630)	(47,300)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
Support Services - Recharges In	156,720	156,720	156,720	120,120	(36,600)	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	0	0	0	0	0	
	90,723	95,029	84,029	29,449	(61,274)	
RRHR						
Human Resources						
Employee	353,122	437,529	437,529	313,183	(39,939)	Increase in grade for manager post plus increments & pay awards
Premises	0	0	0	0	0	
Transport	1,000	1,000	1,000	1,000	0	
Supplies & Services	46,207	101,338	101,338	56,605	10,398	Transfer of computer contract costs from Environmental Services miscoded in 2018-19 base budgets.
Support Services - Recharges Out	(502,240)	(502,240)	(502,240)	(511,500)	(9,260)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
Support Services - Recharges In	101,920	101,920	101,920	142,830	40,910	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	0	
	9	139,547	139,547	2,118	2,109	
Total Organisational Development:	436,597	577,486	553,986	414,311	(22,286)	
Total Organisational Development excluding recharges:	957,387	1,098,276	1,074,776	994,731	37,344	

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
Planning and Growth:							
CPBC	Building control						
	Employee	236,235	233,286	236,371	244,470	8,235	
	Premises	1,500	1,500	1,500	1,500	0	
	Transport	11,000	11,000	11,000	11,000	0	
	Supplies & Services	29,008	22,780	11,705	29,357	349	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	100,920	100,920	100,920	97,240	(3,680)	
	Income	(249,700)	(249,700)	(249,700)	(268,500)	(18,800)	Increased income following a review of current charging methodology and consistently winning more inspection work.
		128,963	119,786	111,796	115,067	(13,896)	
CPDC	Development control						
	Employee	511,659	534,046	489,642	581,970	70,311	Earmarked reserves funding for two temporary enforcement posts, plus increments and pay awards.
	Premises	0	0	0	0	0	
	Transport	10,000	10,000	9,000	10,000	0	
	Supplies & Services	25,140	27,948	39,186	36,682	11,542	Specialist Ecology advice needed from NCC.
	Support Services - Recharges Out	(60,040)	(60,040)	(60,040)	(56,280)	3,760	
	Support Services - Recharges In	187,410	187,410	187,410	163,860	(23,550)	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	(527,000)	(527,000)	(409,500)	(474,900)	52,100	Reduction in planning income is due to an ongoing decline in the number of applications over the last few years. Pre application fees have now been introduced, but last years budget forecast predictions were overstated.
		147,169	172,364	255,698	261,332	114,163	
CPLC	Land charges						
	Employee	43,541	42,558	44,022	48,310	4,769	
	Premises	0	0	0	0	0	
	Transport	0	0	0	0	0	
	Supplies & Services	7,178	7,178	7,178	7,217	39	
	Third Party Payments	34,000	34,000	34,000	30,000	(4,000)	
	Capital Charges	1,746	1,746	1,746	0	(1,746)	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	62,930	62,930	62,930	45,930	(17,000)	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	(188,100)	(188,100)	(150,000)	(123,000)	65,100	More private search companies are being used, along with a slow down in the housing market, which has resulted in reduced land searches income over the last few years.
		(38,705)	(39,688)	(124)	8,457	47,162	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
RGSP Strategic planning						
Employee	302,986	345,984	296,501	360,830	57,844	Housing Manager post has been created from the deletion of posts in Economic Development.
Premises	0	0	0	0	0	
Transport	2,800	2,800	1,400	1,400	(1,400)	
Supplies & Services	76,061	83,061	78,387	73,337	(2,724)	
Third Party Payments	0	0	0	0	0	
Transfer Payments	5,000	5,000	7,400	6,500	1,500	
Support Services	0	0	0	0	0	
Capital Charges	0	0	0	0	0	
Support Services - Recharges Out	0	0	0	(12,601)	(12,601)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out. 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	109,050	109,050	109,050	136,990	27,940	
Income	(9,345)	(9,345)	(39,345)	(16,495)	(7,150)	
	486,552	536,550	453,393	549,961	63,409	
Total Planning and Growth:	723,979	789,012	820,763	934,818	210,839	
Total Planning and Growth excluding recharges:	323,709	388,742	420,493	559,679	235,970	

Customer Services:

CCBE Benefits						
Employee	584,816	663,015	663,015	621,370	36,554	Temporary post funded by DWP VEP (Verify Earning and Pensions) of £27,672
Premises	0	0	0	0	0	
Transport	500	500	500	500	0	
Supplies & Services	165,844	165,844	170,247	129,853	(35,991)	
Third Party Payments	0	0	0	0	0	Transfer of Internal Audit costs and a reduction of payments to DIAL which are now being paid direct to CAB (Citizens Advice Bureau)
Transfer Payments	27,415,171	27,415,171	27,415,171	27,415,171	0	
Support Services	0	0	0	0	0	
Capital Charges	0	0	0	0	0	
Support Services - Recharges Out	(239,332)	(239,332)	(239,332)	(257,797)	(18,465)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out. 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	619,590	619,590	619,590	728,670	109,080	
Income	(28,454,106)	(28,454,106)	(28,454,106)	(28,394,487)	59,619	Reduction of Grants from DCLG mainly Admin Grant including CAB funding (being paid directly)
	92,483	170,682	175,085	243,280	150,797	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
CCCE/R Crematorium and cemeteries						
Employee	184,550	181,502	181,502	217,361	32,811	Additional post as per Business case for Direct Funerals Reallocation of GYBS Partnership contract fee budget between cost centres.
Premises	611,151	444,329	446,469	447,649	(163,502)	
Transport	2,000	2,000	2,000	2,000	0	
Supplies & Services	102,420	105,420	104,093	105,373	2,953	
Third Party Payments	31,809	31,809	31,809	31,809	0	
Capital Charges	59,248	59,248	59,248	58,540	(708)	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	137,130	137,130	137,130	143,470	6,340	
Income	(1,423,607)	(1,423,607)	(1,423,607)	(1,569,988)	(146,381)	Additional income as per Business case for Direct Funerals & inflationary increase
	(295,299)	(462,169)	(461,356)	(563,785)	(268,486)	
CCCS Customer services						
Employee	629,434	521,237	521,237	673,860	44,426	Additional posts funded by DWP funding from reserves
Premises	0	0	0	0	0	
Transport	351	351	351	351	0	
Supplies & Services	2,960	2,960	5,435	2,572	(388)	
Support Services - Recharges Out	(1,062,020)	(1,062,020)	(1,062,020)	(943,060)	118,960	Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out. 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	429,280	429,280	429,280	441,080	11,800	
Income	0	0	0	0	0	
	5	(108,192)	(105,717)	174,803	174,798	
CCSS Support services						
Employee	163,031	159,538	159,538	183,480	20,449	Additional post as per Business case cashiers
Premises	0	0	0	0	0	
Transport	0	0	0	0	0	
Supplies & Services	5,659	5,659	19,791	5,679	20	
Capital Charges	0	0	0	2,063	2,063	
Support Services - Recharges Out	(303,250)	(303,250)	(303,250)	(292,730)	10,520	Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out. 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	134,560	134,560	134,560	115,160	(19,400)	
Income	0	0	0	0	0	
	0	(3,493)	10,639	13,652	13,652	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
CCCG/L/ Car parks N/P/O/T						
Employee	469,807	458,929	458,929	404,188	(65,619)	Staff numbers reduced due to collaboration with Kings Lynn
Premises	307,305	251,735	271,019	253,870	(53,435)	Reallocation of GYBS Partnership contract fee budget between cost centres.
Transport	14,740	14,740	14,740	14,740	0	
Supplies & Services	160,037	160,037	150,037	172,696	12,659	Recalculation of recharges and expenditure with NCC reflecting the existing NPP (Norfolk Parking Partnership) agreement between GYBC & NCC and reflecting the transfer of some functions to Kings Lynn
Third Party Payments	0	0	0	0	0	
Transfer Payments	754,975	754,975	754,975	821,569	66,594	Recalculation in profit share with NCC reflects the original agreement between GYBC & NCC and transfer to Kings Lynn
Capital Charges	25,036	25,036	25,036	54,325	29,289	Increased depreciation due to prior years capital expenditure in relation to the car park works.
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	396,090	396,090	396,090	271,140	(124,950)	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	(3,041,725)	(3,041,725)	(2,916,725)	(3,022,404)	19,321	Complete review of car park income to reflect changes in usage
	(913,735)	(980,183)	(845,899)	(1,029,876)	(116,141)	
RRRE Revenues						
Employee	531,298	661,518	661,518	698,090	166,792	Transfer of 4 CCIC staff (RST) to Revenues. Business case for rates collection. Part DWP funding
Premises	0	0	0	0	0	
Transport	2,000	2,000	2,000	2,000	0	
Supplies & Services	232,792	232,792	275,678	258,415	25,623	External Audit budget of £8k transferred to EXCC. Postage & mailing business case CM-03 & CM-04 saving £12.5k. Transfer of "Self Service" software costs from CCIC. Costs of Civica software for Business Rates Retail Discount Scheme funded by MHLGC
Transfer Payments	100	100	100	100	0	
Support Services	36,000	36,000	36,000	36,000	0	
Capital Charges	0	0	0	0	0	
Support Services - Recharges Out	(308,810)	(308,810)	(308,810)	(653,260)	(344,450)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
Support Services - Recharges In	751,180	751,180	751,180	682,760	(68,420)	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	(500,200)	(500,200)	(500,200)	(516,925)	(16,725)	MHLGC funding for Business Rates Retail Discount Scheme
	744,360	874,580	917,466	507,180	(237,180)	
Total Customer Services:	(372,186)	(508,775)	(309,782)	(654,747)	(282,561)	
Total Customer Services excluding recharges:	(926,604)	(1,063,193)	(864,200)	(890,180)	36,424	

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
Property and Asset Management:							
RPTH	Town Hall						
	Employee	0	0	0	0	0	
	Premises	0	166,856	166,856	155,820	155,820	New cost centre created by transfers from RPCS Construction services
	Capital Charges	0	0	0	46,342	46,342	New cost centre so depreciation charges for the Town Hall realigned to this service.
	Support Services - Recharges Out	0	0	0	(302,690)	(302,690)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
	Support Services - Recharges In	0	0	0	104,960	104,960	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	0	0	0	0	0	
		0	166,856	166,856	4,432	4,432	
RPGF	Greyfriars						
	Employee	0	0	0	0	0	
	Premises	0	92,696	92,696	115,286	115,286	New cost centre created by transfers from RPCS Construction services
	Supplies & Services	0	0	0	0	0	
	Capital Charges	0	0	0	7,710	7,710	
	Support Services - Recharges Out	0	0	0	(184,170)	(184,170)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
	Support Services - Recharges In	0	0	0	60,010	60,010	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	0	0	0	0	0	
		0	92,696	92,696	(1,164)	(1,164)	
RPMH	Maritime House						
	Employee	0	0	0	0	0	
	Premises	0	42,706	42,706	42,676	42,676	New cost centre created by transfers from RPCS Construction services
	Transport	0	0	0	0	0	
	Supplies & Services	0	3,000	3,000	4,500	4,500	New cost centre created by transfers from RPCS Construction services
	Capital Charges	0	0	0	4,560	4,560	
	Support Services - Recharges Out	0	0	0	(94,420)	(94,420)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
	Support Services - Recharges In	0	0	0	52,350	52,350	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	0	0	0	0	0	
		0	45,706	45,706	9,666	9,666	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
RPCT Catalyst						
Employee	0	0	0	0	0	
Premises	0	11,500	11,500	40,468	40,468	New cost centre created by transfers from RPCS Construction services
Transport	0	0	0	0	0	
Supplies & Services	0	3,000	3,000	0	0	
Capital Charges	0	0	0	4,783	4,783	
Support Services - Recharges Out	0	0	0	(86,370)	(86,370)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
Support Services - Recharges In	0	0	0	50,280	50,280	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	0	
	0	14,500	14,500	9,161	9,161	
CGPC Public toilets						
Employee	0	0	0	0	0	
Premises	312,521	313,266	315,055	296,060	(16,461)	2019/20 budget revised to reflect actual water & electricity charges incurred in prior years.
Transport	0	0	0	0	0	
Supplies & Services	10,278	10,278	10,278	10,718	440	
Capital Charges	89,287	89,287	89,287	99,016	9,729	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	29,620	29,620	29,620	64,570	34,950	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	(4,000)	(4,000)	(4,000)	(4,000)	0	
	437,706	438,451	440,240	466,364	28,658	
CGRM Repairs and maintenance						
Employee	0	0	0	0	0	
Premises	970,259	700,576	706,469	457,149	(513,110)	Reduction in GYBS Partnership contract including saving of £79k as per Business Case (transfer of staff).
Supplies & Services	14,182	14,182	14,182	15,315	1,133	
Third Party Payments	8,714	8,714	8,714	8,714	0	
Support Services	0	0	0	0	0	
Capital Charges	214,735	214,735	214,735	260,003	45,268	Increased depreciation due to charge for prior year capital expenditure on areas, such as playgrounds.
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	18,980	18,980	18,980	60,950	41,970	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	(249,000)	(249,000)	(209,000)	(209,000)	40,000	Removal of GYBS profit sharing income.
	977,870	708,187	754,080	593,131	(384,739)	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
CGSF Footway Lighting						
Employee	0	0	0	0	0	
Premises	430,514	341,967	343,685	302,280	(128,234)	Reduction in GYBS Partnership contract including saving of £26k as per Business Case (transfer of staff).
Transport	0	0	0	0	0	
Supplies & Services	12,943	12,943	8,063	13,325	382	
Capital Charges	61,230	61,230	61,230	66,260	5,030	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	18,000	18,000	18,000	59,890	41,890	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	0	
	<u>522,687</u>	<u>434,140</u>	<u>430,978</u>	<u>441,755</u>	<u>(80,932)</u>	
CPCP Coast Protection						
Employee	56,628	55,645	55,645	79,760	23,132	New post fixed for two years
Premises	42,000	29,500	329,500	0	(42,000)	Reallocation of GYBS Partnership contract fee budget between cost centres.
Transport	2,878	2,878	2,878	2,878	0	
Supplies & Services	27,917	27,917	70,917	28,581	664	
Capital Charges	332,393	332,393	332,393	362,692	30,299	Reflects increase in depreciation charge to this service in 2019/20.
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	23,550	23,550	23,550	60,980	37,430	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(550)	(550)	(343,550)	(550)	0	
	<u>484,816</u>	<u>471,333</u>	<u>471,333</u>	<u>534,341</u>	<u>49,525</u>	
RPBH Beach Huts						
Employee	16,000	16,000	16,000	16,000	0	
Premises	7,000	7,000	7,000	7,000	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	2,370	2,370	2,370	15,730	13,360	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(24,500)	(24,500)	(24,500)	(24,500)	0	
	<u>870</u>	<u>870</u>	<u>870</u>	<u>14,230</u>	<u>13,360</u>	
RPCC Community centres						
Employee	0	0	0	0	0	
Premises	8,788	11,683	11,683	7,020	(1,768)	
Capital Charges	18,932	18,932	18,932	18,932	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	10,700	10,700	10,700	6,800	(3,900)	
Income	(3,152)	(3,152)	(3,152)	(3,152)	0	
	<u>35,268</u>	<u>38,163</u>	<u>38,163</u>	<u>29,600</u>	<u>(5,668)</u>	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
RPCS Construction services						
Employee	87,296	445	445	0	(87,296)	Budget realigned to existing and new costs centres created to improve budget monitoring.
Premises	352,382	9,314	9,314	(1)	(352,383)	As above.
Transport	3,100	0	0	0	(3,100)	
Supplies & Services	54,920	44,452	43,063	0	(54,920)	As above.
Capital Charges	71,555	71,555	71,555	0	(71,555)	As above.
Support Services - Recharges Out	(807,630)	(807,630)	(807,630)	0	807,630	As above.
Support Services - Recharges In	239,230	239,230	239,230	0	(239,230)	As above.
Income	(850)	(850)	(850)	0	850	
	3	(443,484)	(444,873)	(1)	(4)	
RPFA Easter Fayre						
Employee	2,000	2,000	2,695	2,000	0	
Premises	0	0	0	0	0	
Transport	0	0	0	0	0	
Supplies & Services	20,000	20,000	22,584	20,000	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	9,680	9,680	9,680	6,010	(3,670)	
Income	(15,265)	(15,265)	(15,775)	(15,265)	0	
	16,415	16,415	19,184	12,745	(3,670)	
RPGO Go Trade - Markets						
Employee	32,413	32,413	32,413	22,232	(10,181)	Reduction in base budget as per five year agreement
Premises	0	0	0	0	0	
Transport	0	0	0	0	0	
Supplies & Services	40,606	30,606	30,606	29,067	(11,539)	Reduction in base budget as per five year agreement
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	0	0	0	0	0	
Income	(37,995)	(37,995)	(37,995)	(35,396)	2,599	
	35,024	25,024	25,024	15,903	(19,121)	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
RPMA Markets						
Employee	63,035	60,578	60,578	69,411	6,376	
Premises	134,774	160,451	161,025	163,542	28,768	Reallocation of GYBS Partnership contract fee budget between cost centres.
Transport	500	500	500	500	0	
Supplies & Services	49,368	36,783	36,783	45,158	(4,210)	
Capital Charges	4,495	4,495	4,495	4,820	325	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	86,430	86,430	86,430	105,870	19,440	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	(318,621)	(314,321)	(261,621)	(298,361)	20,260	Reduction in income for two day markets to reflect published fees & charges
	19,981	34,916	88,190	90,940	70,959	
RPPB Bretts						
Employee	0	0	0	0	0	
Premises	3,535	3,535	3,535	3,620	85	
Transport	0	0	0	0	0	
Supplies & Services	25,247	25,247	25,247	25,247	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	9,250	9,250	9,250	11,040	1,790	
Income	(43,401)	(43,401)	(43,401)	(43,401)	0	
	(5,369)	(5,369)	(5,369)	(3,494)	1,875	
RPPC Courts						
Employee	0	0	0	0	0	
Premises	11,555	11,555	11,555	11,616	61	
Transport	0	0	0	0	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	12,420	12,420	12,420	12,680	260	
Income	(24,019)	(24,019)	(24,019)	(15,819)	8,200	
	(44)	(44)	(44)	8,477	8,521	
RPPE South Denes Energy Park						
Employee	0	0	0	0	0	
Premises	2,600	2,600	2,600	7,078	4,478	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	9,260	9,260	9,260	80,790	71,530	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	(2,600)	(2,600)	(2,600)	0	2,600	
	9,260	9,260	9,260	87,868	78,608	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
RPPF Factory units						
Employee	0	0	0	0	0	
Premises	49,678	49,678	44,678	41,855	(7,823)	
Transport	0	0	0	0	0	
Supplies & Services	9,704	9,704	9,704	3,200	(6,504)	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	19,920	19,920	19,920	29,550	9,630	
Income	(114,033)	(114,033)	(160,783)	(130,481)	(16,448)	Anticipated increase in rental incomes due to changes in lease agreements and expected occupancy rates.
	<u>(34,731)</u>	<u>(34,731)</u>	<u>(86,481)</u>	<u>(55,876)</u>	<u>(21,145)</u>	
RPPG Corporate estates						
Employee	19	19	19	22	3	
Premises	187,472	346,122	404,918	312,750	125,278	Reallocation of GYBS Partnership contract fee budget between cost centres.
Transport	0	0	0	0	0	
Supplies & Services	28,671	29,171	29,171	30,421	1,750	
Support Services	0	0	0	0	0	
Capital Charges	7,124	7,124	7,124	57,562	50,438	Depreciation charges for corporate estate assets realigned to this cost centre from Construction Services in 2019/20.
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	472,590	472,590	472,590	627,540	154,950	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	(2,426,499)	(2,426,499)	(2,415,299)	(2,486,410)	(59,911)	Increase in lease rental charges less loss of rental income due to current voids
	<u>(1,730,623)</u>	<u>(1,571,473)</u>	<u>(1,501,477)</u>	<u>(1,458,115)</u>	<u>272,508</u>	
RPPM Minerva House						
Employee	0	0	0	0	0	
Premises	70,301	70,301	70,301	67,667	(2,634)	
Transport	0	0	0	0	0	
Supplies & Services	6,562	6,562	6,562	6,712	150	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	22,670	22,670	22,670	20,450	(2,220)	
Income	(36,600)	(36,600)	(36,600)	(36,600)	0	
	<u>62,933</u>	<u>62,933</u>	<u>62,933</u>	<u>58,229</u>	<u>(4,704)</u>	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
RPPO Onians						
Employee	0	0	0	0	0	
Premises	265	265	265	265	0	
Transport	0	0	0	0	0	
Supplies & Services	2,560	2,560	2,560	2,560	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	10,670	10,670	10,670	7,990	(2,680)	
Income	(13,310)	(13,310)	(13,310)	(13,310)	0	
	185	185	185	(2,495)	(2,680)	
RPPP Property services						
Employee	401,050	490,762	490,762	893,236	492,186	The increase is mainly due to the combination of transfers from Construction Services and reallocation of GYBS Partnership contract fee budget between cost centres. These later costs were funded by a reduction in GYBS Partnership contract charges.
Premises	0	0	0	6,179	6,179	
Transport	3,000	6,100	6,100	6,100	3,100	
Supplies & Services	5,675	10,643	10,643	29,810	24,135	Transfers of costs from Construction Services.
Capital Charges	0	0	0	0	0	
Support Services - Recharges Out	(525,360)	(525,360)	(525,360)	(1,111,890)	(586,530)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
Support Services - Recharges In	115,640	115,640	115,640	231,420	115,780	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	(22,060)	(22,060)	0	0	
	5	75,725	75,725	54,855	54,850	
RPPS Beacon Park						
Employee	0	0	0	0	0	
Premises	175,206	200,719	167,030	314,591	139,385	Variance is a result of the reallocation of GYBS Partnership contract fee budget between cost centres, transfers within this cost centre and an increase in expected rates costs from the 2018-19 base budget.
Supplies & Services	127,508	127,508	157,508	64,758	(62,750)	Transfers within the Beacon Park cost centre.
Capital Charges	126,064	126,064	126,064	129,221	3,157	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	28,900	28,900	28,900	83,970	55,070	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	(919,844)	(919,844)	(930,844)	(1,022,033)	(102,189)	Increase in lease rental costs
	(462,166)	(436,653)	(451,342)	(429,493)	32,673	
Total Property and Asset Management:	370,090	143,606	246,337	481,060	110,970	
Total Property and Asset Management excluding recharges:	563,200	336,716	439,447	506,770	(56,430)	

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
IT, Communications and Marketing:							
CCIC	ICT						
	Employee	339,176	291,653	271,653	357,110	17,934	Business case to reorganise IT, Tourism, Communications, Events, Civic and Portering & Print & Design
	Premises	5,094	5,094	5,094	5,247	153	
	Transport	300	300	800	300	0	
	Supplies & Services	268,437	268,437	334,141	405,571	137,134	Microsoft Licenses of £64k are now a revenue item whereas in 18/19 they were treated as a capital item. The 2018/19 software cost was underbudgeted therefore an increase in the 19/20 budget is required to correct the position
	Third Party Payments	575,367	575,367	597,191	597,367	22,000	This is an increase in the charge from NCC for computer systems support.
	Transfer Payments	0	0	0	0	0	
	Support Services	0	0	0	0	0	
	Capital Charges	86,670	86,670	86,670	110,268	23,598	Increased depreciation due to prior year capital expenditure in relation to the ICT projects work completed in 2018/19.
	Support Services - Recharges Out	(1,407,480)	(1,407,480)	(1,407,480)	(1,577,840)	(170,360)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
	Support Services - Recharges In	132,440	132,440	132,440	104,910	(27,530)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	0	0	0	0	0	
		4	(47,519)	20,509	2,933	2,929	
CTCO	Communications						
	Employee	180,013	177,423	159,423	187,640	7,627	
	Premises	0	0	0	0	0	
	Transport	750	750	750	750	0	
	Supplies & Services	21,236	21,236	21,236	5,236	(16,000)	Borough News no longer to be published from 2019/20.
	Support Services - Recharges Out	(310,790)	(310,790)	(310,790)	(273,610)	37,180	Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out.
	Support Services - Recharges In	108,790	108,790	108,790	108,610	(180)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	0	0	0	0	0	
		(1)	(2,591)	(20,591)	28,626	28,627	

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
CTVE	Events						
	Supplies & Services	7,798	7,798	7,798	7,798	(0)	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	101,540	101,540	101,540	77,330	(24,210)	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	(12,000)	(12,000)	(12,000)	(14,500)	(2,500)	
		97,338	97,338	97,338	70,628	(26,710)	
CTMA	Mayor						
	Supplies & Services	0	7,051	7,051	0	0	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	0	0	0	12,910	12,910	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
		0	7,051	7,051	12,910	12,910	
CTTO	Tourism						
	Employee	177,981	175,458	175,458	158,236	(19,745)	Transfer of budget to cost centre CTCF
	Premises	6,004	9,004	9,004	3,506	(2,498)	
	Transport	100	100	100	100	0	
	Supplies & Services	368,710	368,710	368,710	361,462	(7,248)	
	Third Party Payments	1,550	1,550	1,550	1,550	0	
	Support Services	1,400	1,400	1,400	1,400	0	
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	241,190	241,190	241,190	296,500	55,310	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
	Income	(282,963)	(282,963)	(275,963)	(245,962)	37,001	
		513,972	514,449	521,449	576,792	62,820	
CTCF	Civic and Portering						
	Employee	154,960	147,052	147,052	182,940	27,980	Transfer of budget from cost centre CTTO
	Premises	0	0	0	0	0	
	Transport	12,512	12,512	12,512	12,024	(488)	
	Supplies & Services	37,670	36,229	36,229	24,213	(13,457)	Agreed Savings 17/18 (£6.5k) & transfer to reduce income by (£7k)
	Support Services	0	0	0	0	0	
	Capital Charges	0	0	0	0	0	
	Support Services - Recharges Out	(292,680)	(292,680)	(292,680)	(278,110)	14,570	Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out.
	Support Services - Recharges In	103,080	103,080	103,080	130,610	27,530	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	(8,500)	(8,500)	(8,500)	(1,500)	7,000	£7k transferred from supplies & Services
		7,042	(2,307)	(2,307)	70,177	63,135	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
CTRE Print and Design						
Employee	42,216	41,459	41,459	43,980	1,764	
Premises	0	0	0	0	0	
Transport	0	0	0	0	0	
Supplies & Services	62,447	62,447	62,447	60,449	(1,998)	
Capital Charges	0	0	0	0	0	
Support Services - Recharges Out	(188,290)	(188,290)	(188,290)	(142,130)	46,160	Reflects reduction in service cost therefore corresponding reduction in the amount to be recharged out.
Support Services - Recharges In	96,130	96,130	96,130	52,870	(43,260)	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	(12,500)	(12,500)	(12,500)	(15,000)	(2,500)	
	3	(754)	(754)	169	166	
Total IT, Communications and Marketing:	618,358	565,667	622,695	762,235	143,877	
Total IT, Communications and Marketing excluding recharges:	2,034,428	1,981,737	2,038,765	2,250,185	215,757	

Environmental Services:

CEEH Environmental health						
Employee	1,025,496	1,053,728	986,716	1,009,478	(16,018)	Establishment restructure within the department has resulted in a net saving.
Premises	35,902	218,500	311,227	227,393	191,491	Reallocation of GYBS Partnership contract fee budget between cost centres.
Transport	37,811	37,811	37,811	37,981	170	
Supplies & Services	231,139	224,629	224,800	206,487	(24,652)	Reduction in funeral costs reflects the last 3 years trend.
Third Party Payments	10,000	10,000	10,000	10,000	0	
Transfer Payments	245,938	245,938	228,915	253,807	7,869	
Support Services	0	0	0	0	0	
Capital Charges	7,831	7,831	7,831	9,340	1,509	
Support Services - Recharges Out	(56,280)	(56,280)	(56,280)	(60,040)	(3,760)	
Support Services - Recharges In	345,400	345,400	345,400	280,040	(65,360)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	(112,624)	(112,624)	(187,409)	(117,819)	(5,195)	
	1,770,613	1,974,933	1,909,011	1,856,667	86,054	

	Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
CESL Selective Licensing						
Employee	0	76,746	76,746	50,330	50,330	5 year self financing project from license fees received in Jan 19 and held in reserves
Premises	0	0	0	0	0	
Transport	0	1,303	1,303	100	100	
Supplies & Services	0	12,500	12,500	1,800	1,800	
Support Services	0	0	0	0	0	
Capital Charges	0	0	0	0	0	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	0	50,911	50,911	22,750	22,750	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year. (Not financed by licence fees held in reserves.)
Income	0	(141,460)	(141,460)	(25,000)	(25,000)	5 year self financing project from license fees received in Jan 19 and held in reserves
	0	0	0	49,980	49,980	
CGGM Grounds maintenance						
Employee	0	0	0	0	0	
Premises	204,557	536,590	540,909	467,946	263,389	Reallocation of GYBS Partnership contract fee budget between cost centres.
Transport	0	0	0	0	0	
Supplies & Services	52,570	52,570	50,860	48,922	(3,648)	
Third Party Payments	11,540	11,540	11,540	11,540	0	
Support Services	0	0	0	0	0	
Capital Charges	86,092	86,092	86,092	88,142	2,050	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	57,650	57,650	57,650	48,920	(8,730)	
Income	(38,950)	(38,950)	(32,450)	(32,450)	6,500	
	373,459	705,492	714,601	633,020	259,561	
CGSC Street cleansing						
Employee	0	0	0	0	0	
Premises	929,105	875,165	882,527	894,411	(34,694)	Reallocation of GYBS Partnership contract fee budget between cost centres.
Transport	0	0	0	0	0	
Supplies & Services	0	0	0	0	0	
Third Party Payments	381	381	381	381	(0)	
Support Services - Recharges Out	0	0	0	0	0	
Support Services - Recharges In	50,490	50,490	50,490	18,230	(32,260)	Recharges vary due to changes in the net cost of service being recharged and because of changes in the apportionment basis year on year.
Income	0	0	0	0	0	
	979,976	926,036	933,398	913,022	(66,954)	

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
CGWA	Waste management						
	Employee	38,572	37,589	33,745	0	(38,572)	2 year recycling scheme ended in 2018/19.
	Premises	110,000	110,000	110,000	110,000	0	
	Transport	1,722	1,722	7,722	0	(1,722)	
	Supplies & Services	400,460	408,760	453,760	440,335	39,875	NHS no longer provide a clinical waste collection service, so GYBC are now responsible for collection and disposal of medical sharps (can recharge cost of collection, but not disposal). 2 year recycling scheme ended in 2018/19 resulting in a reduction in new bin purchases. The projected NEWS gate fee has increased based on tonnage estimates.
	Third Party Payments	1,622,395	1,951,481	1,967,364	1,985,553	363,158	Reallocation of GYBS Partnership contract fee budget between cost centres.
	Capital Charges	135,900	135,900	135,900	17,669	(118,231)	A number of assets aligned to this service area are fully depreciated in 2019/20 so no charge is required.
	Support Services - Recharges Out	0	0	0	0	0	
	Support Services - Recharges In	83,310	83,310	83,310	91,200	7,890	
	Income	(1,357,890)	(1,357,890)	(1,392,894)	(1,327,592)	30,298	2 year recycling scheme ended in 2018/19 so there is a reduction in bin sales.
		1,034,469	1,370,872	1,398,907	1,317,165	282,696	Projected decrease in recycling credits based on tonnage estimates.
Total Environmental Services:		4,158,517	4,977,333	4,955,917	4,769,855	611,338	
Total Environmental Services excluding recharges:		3,677,947	4,445,852	4,424,436	4,368,755	690,808	

		Original 2018/19 Budget	Current 2018/19 Budget	2018/19 Forecast	2019/20 Budget	Variance 18/19 Base Budget to 19/20 Base Budget	Comments
Finance:							
RRFI	Finance						
	Employee	521,283	515,419	515,419	601,568	80,285	2 posts moved from HRA now within finance
	Premises	0	0	0	0	0	
	Transport	650	650	650	650	0	
	Supplies & Services	240,244	273,244	273,244	279,191	38,947	Increase in internal audit work based on 2019/20 programme and an increase in IT software costs based on current year actuals.
	Third Party Payments	0	0	0	0	0	
	Transfer Payments	0	0	0	0	0	
	Support Services	99,000	99,000	99,000	97,461	(1,539)	
	Capital Charges	2,000	2,000	2,000	0	(2,000)	
	Support Services - Recharges Out	(1,096,000)	(1,096,000)	(1,096,000)	(1,247,090)	(151,090)	Reflects increase in service cost therefore corresponding increase in the amount to be recharged out.
	Support Services - Recharges In	252,830	252,830	252,830	454,060	201,230	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	(20,000)	(20,000)	(20,000)	(15,000)	5,000	
		7	27,143	27,143	170,840	170,833	
Total Finance:		7	27,143	27,143	170,840	170,833	
Total Finance excluding recharges:		843,177	870,313	870,313	963,870	120,693	
Total for Services:		10,587,560	11,069,242	11,507,778	10,901,956	314,396	
Total for Services excluding recharges:		12,093,812	12,524,583	12,963,119	12,586,504	543,402	

2019/20 Budget Process - Additional income and savings proposals						
Service Area	Heading	Summary of Proposal	Savings/ Income	2019/20	2020/21	2021/22
1) OPERATIONAL						
1 a - UPDATING OF THE BUDGET TO REFLECT CURRENT PRACTICE AND IN YEAR DECISIONS						
Environmental Services and Organisational Development	Structural Savings	Employee related savings from service restructurings undertaken during the year.	Savings	(39,384)	(44,500)	(48,300)
Env Services, Housing, Customer Services, Planning and Growth	Review of income levels achievable	Review of a number of smaller service income budgets to reflect more accurate levels of income achievable, including bulky waste, burial and internment, land charges and HMO.	Income	(44,350)	(47,350)	(50,350)
Housing and Inward Investment	Review of expenditure	Review of a number of smaller service expenditure budgets to reflect more accurate levels of spend, including previous underspends. income achievable, including bulky waste, burial and internment and HMO.	Savings	(10,500)	(10,500)	(10,500)
Organisational Development	CMIS application role out	The CMIS application will be rolled out to Members and Officers to reduce the necessity and cost of producing hard copies of agenda's and committee documents. There would be a one off cost of circa £1700 and potential annual savings of £8k from a reduction in the number of hard copy agendas being printed.	Savings	(8,000)	(8,000)	(8,000)
Customer Services	Installation of Rapid Electric Vehicle Charge Point	As part of a consortium of easter region authorities we are due to install a Rapid Electric charge point on Fullers Hill car park funded by Highways England. GYBC will retain the excess fee over and above the suppliers electrical charge.	Income	(10,000)	(10,000)	(10,000)
Customer Services	Direct Funerals	Following the launch of direct funerals - the budget has been updated to reflect the level of demand.	Income	(17,850)	(23,800)	(23,800)
TOTAL 1a				(130,084)	(144,150)	(150,950)

2019/20 Budget Process - Additional income and savings proposals						
Service Area	Heading	Summary of Proposal	Savings/ Income	2019/20	2020/21	2021/22
1b) PROPOSALS TO BE COMPLETED						
Customer Services	Ctax & Business Rates High Level Debt Arrears & Increase in Collection	Additional proactive work over two years to increase the collection of council tax and business rates. This would provide a benefit to the main preceptors as well as the Borough. Collection rates for 2017/18 were 95.7% for Council tax and 97.6% for business rates. As a guide, increases of 0.25% collection for both council tax and NNDR would deliver approximately £40k additional income retained by GYBC.	Income	(19,589)	(57,589)	(38,000)
Customer Services	Ctax Single Person Discount Review	Undertake a review of single person discounts.	Income	0	(21,000)	(21,000)
Housing (General Fund)	Housing Policy	Review of the costs and recharging basis of the Housing Strategy Policy and Performance role by recharging the retained receipts element and any policy work associated with the HRA to the HRA. In addition capitalise the Empty Homes function of the Enabling and Empty Homes Officer to works delivered under the empty homes initiative.	Savings	(21,924)	(22,000)	(25,000)
Inward Investment	Neighbourhoods Administrator/ Receptionist	Consider options for recruitment of an apprentice following an administrator post becoming vacant.	Savings	(7,000)	(7,000)	(7,000)
IT, Communications & Marketing	Commercial Printing, Marketing and Public Events and Contributions	Seek opportunities to increase the income and sponsorship from a number of services including - Proactive marketing of the print services to external organisations e.g. local companies and community organisations from the Print Unit's new office on The Conge. Increase income via commission from sale of outlet tickets at the Tourist Information Centre and Customer Services counters. Prioritise support for public entertainment events that attract income from sponsorship, ticket sales &/or match-funding.	Income	(6,500)	(12,500)	(18,000)
Organisational Development	Structural Savings	Review of Corporate Services following a retirement within the service.	Savings	(40,000)	(40,000)	(40,000)
Planning and Growth	Reduction in Local Plan general expenditure budget	Reduction in Local Plan general expenditure budget (for preparation and consultancy). Greater combined working with other councils on evidence base work, and changes to national legislation requiring less involved evidence base gathering should lead to a reduction of about £5k pa ongoing	Savings	(5,000)	(5,000)	(5,000)
Planning and Growth	Increase Building Control fee income per relevant job	Review of the current charging methodology to seek opportunities to increase the overall fee for multi-component jobs (for example, new internal steelwork plus a new extension).	Income	(5,000)	(7,500)	(10,000)
TOTAL 1b				(105,013)	(172,589)	(164,000)
TOTAL	1 - Operational			(235,097)	(316,739)	(314,950)

2019/20 Budget Process - Additional income and savings proposals						
Service Area	Heading	Summary of Proposal	Savings/ Income	2019/20	2020/21	2021/22
2) CHANGES TO OPERATIONS AND WAYS OF WORKING						
Customer Services	Hybrid Mail Solutions (Corporate mailing)	Introduction of a Hybrid mail solution for corporate use - Hybrid mail is delivered using a combination of electronic and physical delivery. This involves digital data being transformed into physical letter items at distributed print centres located as close as possible to the final delivery addresses. The council already uses bulk, offsite mail solutions for large scale specific mailings such as Elections, Annual Billing/Benefit recalculation and Annual Rents. All other council mail is manually printed by the individual user, enveloped and sent via the council's post room. There are some pick up and drop off mail points throughout the main council offices. This mail is currently collected by Royal Mail.	Savings	(5,000)	(20,000)	(20,000)
Customer Services	Revs & Bens Offsite Daily Mailing solution	The council already uses bulk, offsite mail solutions for large scale specific mailings for Annual Billing/Benefit recalculation exercise as well as Revenues bulk reminders, cancellations and summons runs. This solution can be extended to include daily billing and dailing benefit notifications matching relevant council tax bills with corresponding benefit notifications. Both the Revenues and Benefit Teams have high volumes of daily mail which at the moment is handled manually increasing the risk of error on enclosures, a particularly increased risk due to the recent introduction of GDPR.	Savings	0	(15,000)	(15,000)
IT, Communications & Marketing	Communications - Borough News	Removal of the printed version of the Borough News and replace with online publication only.	Savings	(16,000)	(16,000)	(16,000)
IT, Communications & Marketing	Tourist Information	Increase the online presence and ability to self-serve for visitors across the year. Maintain face-to-face offer during the season March to October.	Savings	(48,000)	(48,000)	(48,000)
Planning and Growth	Review of charging for discretionary elements of Street Naming and Numbering	Some parts of the Street Naming and Numbering process cannot normally be charged for, but others (such as applying to change the name of a property) can be. Some are already charged for, but a review (increase) in these fees alongside new charging areas is proposed. There is good practice from other local councils to draw from, and more detailed work will need to be undertaken to better understand the scale of the potential additional income.	Income	(7,000)	(7,000)	(7,000)
Planning and Growth	Review of various functions and efficiencies within Planning and Growth	Within the service there are a number of processes and charges that can be reviewed to deliver savings and additional income, eg review of advertising requirements including layout to ensure most efficient and deliver saving, charging for formal compliance with Section 106 and condition letters.	Income/ Saving	(5,200)	(5,200)	(5,200)
Planning and Growth	Introduction of chargeable Permitted Development form	Review of charges for permitted development enquiry form to reflect the increased amount of officer time taken to complete.	Income	(5,200)	(5,200)	(5,200)

2019/20 Budget Process - Additional income and savings proposals						
Service Area	Heading	Summary of Proposal	Savings/ Income	2019/20	2020/21	2021/22
Property and Asset Management	Advertising across Borough Assets	Explore opportunities for advertising on some of the council's outside assets.	Income	0	(10,000)	(10,000)
Property and Asset Management	Additional Beach Concessions	To open up lease opportunities for additional concessions on the beach.	Income	(20,000)	(20,000)	(25,000)
Property and Asset Management	Introduction of standard charging for the use of Council Land	To introduce a system of standard charging for the use of Council Land (similar to that of other Authorities). This would be a standard charge as per information which would be available on the website - based on the number of anticipated visitors / type of requester.	Income	(10,000)	(10,000)	(10,000)
Inward Investment	Leisure sites	Promotion of Outdoor Sports & Leisure sites to generate additional income. This represents a 9% increase in income on the 18/19 budget.	Income	(10,000)	(10,000)	(10,000)
2 - Changes to Operations and Ways of working				(126,400)	(166,400)	(171,400)
				(361,497)	(483,139)	(486,350)
	SUMMARY	1) Operational		(235,097)	(316,739)	(314,950)
		2) - Changes to Operations and Ways of working		(126,400)	(166,400)	(171,400)
				(361,497)	(483,139)	(486,350)

Fees & Charges Market 2019-20

	2018/19 Charges		2019/20 Charges	
<u>Two Day Market - charges</u>	per metre	per foot	per metre	per foot
Summer (April to September)	1.64	0.50	3.28	1.00
Winter (October to March)	1.64	0.50	3.28	1.00
Casual - Summer (April to September)	2.13	0.65	4.27	1.30
Casual - Winter (October to March)	2.13	0.65	4.27	1.30

Six Day Market - charges per stall type

Hot Food - 1	685.50	Monthly Charge	685.50	Monthly Charge	No change
Groceries	473.50	Monthly Charge	473.50	Monthly Charge	
Dry Goods	509.50	Monthly Charge	509.50	Monthly Charge	
Hot Food - 2	648.50	Monthly Charge	648.50	Monthly Charge	
From the 1st April 2019 fees paid in advance by direct debit will be subject to a 5% discount:					
Hot Food - 1	652.22	Monthly Charge	652.22	Monthly Charge	No change
Groceries	449.83	Monthly Charge	449.83	Monthly Charge	
Dry Goods	484.02	Monthly Charge	484.02	Monthly Charge	
Hot Food - 2	615.98	Monthly Charge	615.98	Monthly Charge	

Fees & Charges Crematorium and Cemeteries 2019-20

2018/19 Charges	2019/20 Charges
VAT @ 20% (where applicable)	VAT @ 20% (where applicable)

Cremation Charges

NB: From 01 April 2019 the Medical Referee Fee of **£28** is included in the Cremation Fee.
The fee also includes an Environmental Charge of £65
The use of the Wesley Music System is included.

The following charges relate to cremation:

Non-viable foetus or stillborn child	No Charge	No Charge
The body of a child not exceeding four years of age at time of death	No Charge	No Charge
The body of a child of four years, but not exceeding twelve years at the time of death	No Charge	No Charge
The body of a person whose age at the time of death exceeded twelve years	See below:	See below:
For Service times: 08:15, 08:45, 16:00 and 16:30 (30 minutes)	750.00	770.00
For Service times 09:15, 10:00, 10:45, 11:30, 12:15, 13:00, 13:45, 14:30, 15:15	790.00	840.00

Fees & Charges Market 2019-20

	2018/19 Charges	2019/20 Charges
Funeral Director No Attendance (arrangements required, no service) - delivery by agreement		510.00 550.00
Saturday Services details on request		
50% cancellation fee will apply to cremations cancelled within 48hrs of the service		

Fees & Charges Market 2019-20

	2018/19 Charges	2019/20 Charges
<u>Garden Waste Bins & Bags</u>		
	2018/19 Charges VAT @ 20% (where applicable)	2019/20 Charges VAT @ 20% (where applicable)
New bins (including charge for collections)		
One Bin	65.00	69.00
Two Bins	107.50	114.00
Three Bins	150.00	159.00
Four Bins	192.50	204.00
Renewal of Annual Bin (including charge for collections)		
One Bin	45.00	48.00
Two Bins	67.50	72.00
Three Bins	90.00	96.00
Four Bins	112.50	120.00
Other Charges		
Charge for garden waste bin	20.00	21.00
Brown Waste Bags		
12 bags	21.00	22.50
24 bags	41.50	44.00
Administration charge - Provision of bins at new properties	53.00	56.00
Administration charge - Replacement/extrarecycling or residual bin	32.00	34.00

Council Tax Summary 2019/20

	2018/19 Actual	Actual 2019/20 £5 Council Tax Increase		
			Movement £	Movement %
Demand on Collection Fund (excluding Parish/Town Precepts)	£ 4,391,455	£ 4,611,869	£220,414	5.02%
Borough Council Tax Level at Band D	£ 156.48	£ 161.48	£5.00	3.20%
Net Borough Council Tax at Band D	£ 156.48	£ 161.48	£ 5.00	3.20%
Value of Precepts	£ 377,953	£429,323	£51,370	13.59%
Effect of Parish/Town Precepts	£ 13.47	15.03	£1.56	11.58%
Billed Borough Council Tax at Band D	£ 169.95	£ 176.51	£ 6.56	3.86%

Tax Base	28,064	28,560
Tax Base Movement (from 2018/19)		496

Note: The Tax Base for 2019/20 is 28,560 (2018/19 28,064) so each £28,560 change in net expenditure has £1.00 effect on Council Tax at Band D.

General Fund Reserves Schedule		Opening Balance 01/04/18	Outturn Movement 2018/19	Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20	Budgeted Movement 2020/21	Closing Balance 31/03/21	Budgeted Movement 2021/22	Closing Balance 31/03/22
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£
Planning Delivery Grant	The reserve is planned to be used to provide service improvements in Planning, and deliver the Local Development Framework.	62,360	0	62,360	0	62,360	0	62,360	0	62,360
Insurance Fund	The Council budgets for a level of excess being charged to the service accounts annually. Any under provision is met from the Insurance Fund, and any surplus is transferred to the fund.	169,679	0	169,679	0	169,679	0	169,679	0	169,679
Town Centre Initiative	Earmarked for spend in relation to the town centre project.	253,147	(240,728)	12,419	0	12,419	0	12,419	0	12,419
SHARP Funding	The Council will utilise this funding for capital expenditure incurred in the Wellesley Rd, Sandown Rd, Euston Rd & Paget Rd areas.	493,039	0	493,039	0	493,039	0	493,039	0	493,039
Restricted Use Grant	These reserves are utilised as expenditure is incurred. No provision has been made to add to these reserves in future years.	920,222	(131,450)	788,772	(169,195)	619,578	(37,802)	581,776	(20,815)	560,961
Invest to Save	To be used to fund one-off costs associated with projects that will deliver future efficiencies and savings including costs associated with restructures.	1,706,147	(628,887)	1,077,259	140,471	1,217,730	0	1,267,730	0	1,267,730
Specific Budget	This reserve is utilised as expenditure is incurred and is held for specific service funds from previous years underspends.	102,327	94,750	197,077	(27,230)	169,847	(1,370)	168,477	(1,770)	166,707
LEGI	As costs are incurred, these are offset by the Reserve.	523,671	0	523,671	(400,000)	123,671	0	123,671	0	123,671
Repairs and Maintenance	This reserve is utilised as expenditure is incurred in relation to spend on Council assets.	298,846	(42,895)	255,951	0	255,951	0	255,951	0	255,951
Second Homes Council Tax	This reserve holds previous funding received from second homes and is being re-allocated as part of the 2019/20 budget.	155,962	0	155,962	(155,962)	(0)	0	(0)	0	(0)

General Fund Reserves Schedule		Opening Balance 01/04/18	Outturn Movement 2018/19	Closing Balance 31/03/19	Budgeted Movement 2019/20	Closing Balance 31/03/20	Budgeted Movement 2020/21	Closing Balance 31/03/21	Budgeted Movement 2021/22	Closing Balance 31/03/22
Summary and Purpose of Reserve		£	£	£	£	£	£	£	£	£
Waste Management	This reserve is utilised as expenditure is incurred in relation to provision of waste service and when one-off funding has been required.	25,170	0	25,170	0	25,170	0	25,170	0	25,170
Collection Fund (Business Rates)	Earmarked to mitigate the fluctuations in business rate income between years.	2,545,615	0	2,545,615	(180,000)	2,365,615	0	2,545,615	0	2,545,615
Neighbourhoods	Earmarked from previous grants for neighbourhood projects.	618,603	0	618,603	0	618,603	0	618,603	0	618,603
Enforcement	Earmarked for enforcement related works to address issues and bring properties back into use.	47,590	(1,568)	46,022	0	46,022	0	46,022	0	46,022
Special Project Reserve	Earmarked for project spend and also for matched funding as appropriate.	812,362	(575,864)	236,498	(139,774)	96,724	(6,455)	90,269	0	90,269
Benefits/Revenues Reserve	Earmarking of grants and underspends to be used for the service and mitigation of subsidy impacts.	155,000	(10,379)	144,621	0	144,621	0	144,621	0	144,621
Coast Protection	Established as part of the 2019/20 budget process for match funding and mitigate one-off costs in relation to coast protection.	0	0	0	150,000	150,000	0	150,000	0	150,000
Empty Business Property Incentive Fund	Earmarking of funds to be used for incentivising bringing properties back into use. Policy to be developed.	0	0	0	100,000	100,000	0	100,000	0	100,000
Other Reserves	These Reserves are utilised as expenditure is incurred and include a number of smaller service specific reserves.	365,446	(277,600)	87,846	0	87,846	0	87,846	0	87,846
Total General Fund Earmarked Reserves		9,255,185	(1,814,621)	7,440,563	(681,690)	6,758,873	(45,627)	6,943,246	(22,585)	6,920,661
General Fund Reserve (Minimum Recommended Balance £2.75m)	Current recommended balance of £2.75 million	2,886,211	(135,402)	2,750,809	155,962	2,906,771	0	2,906,771	0	2,906,771
Total General Fund Reserves		12,141,396	(1,950,023)	10,191,372	(525,728)	9,665,644	(45,627)	9,850,017	(22,585)	9,827,432

Policy Framework for the Earmarked Reserves and Assessing the Optimum Level of the General Reserve for the period 2019/20 to 2021/22

1 Background

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

2 Earmarked Reserves

2.1 Purpose

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

2.2 Earmarked Reserves Protocol

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

2.3 Review of Earmarked Reserves

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

3 The General Reserve

3.1 Purpose

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

3.2 The Optimum Level of the General Reserve

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

3.3 Assessment Framework

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

Appendix G

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

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

3.4 The Assessment of the General Fund Reserve

- 3.4.1 When undertaking the assessment it must be remembered that the items considered are merely guides to assessing the overall level of the reserve. In no way is it a budget for any of the items being created since by its nature a general reserve is designed to protect against the unexpected and unquantifiable for whatever reason.
- 3.4.2 Having considered the relevant risks and the mitigation measures already in place, it is felt that the following indicative items should be taken into account in the budget risk assessment for 2019/20 to assess the recommended level of reserves:

Item	2019/20	2020/21	2021/22
1 Pay and Price Inflation (0.5% sensitivity to budget assumption)	130,000	130,000	130,000
2 Interest Rates & MRP (0.5% sensitivity to short term borrowing and profiling of capital spend and MRP impact)	170,000	190,000	190,000
3 Failure to Achieve Planned Savings and Cost Pressures from Corporate Plan Targets (to ensure core services are maintained)	200,000	200,000	200,000
4 Major Litigation and Legal Claims (to provide additional comfort above earmarked reserves)	100,000	100,000	100,000
5 Emergencies and Other Unknowns (to recognise the risks associated with unpredictable events)	500,000	500,000	500,000

Appendix G

Item	2019/20	2020/21	2021/22
6 Treatment of Demand Led Pressures (recognising the impact of increase or reduction in demand and compensating increase or reduction in expenditure or income)	600,000	600,000	600,000
7 Project Risks (To recognise the risks the Authority is facing in terms of partnership work and significant projects)	150,000	150,000	150,000
8 Cash Flow (the impact of timing of cash flow, including the profiling of expenditure)	100,000	100,000	100,000
9 Future Funding Fluctuations (an allowance to reflect the increased risk around local funding, ie business rates and new homes bonus, to mitigate the impact within and between financial years)	800,000	900,000	900,000
Total Indicated General Fund Reserve Recommended	2,750,000	2,870,000	2,870,000
% of Net Budgeted Operating Expenditure (excluding parish precepts)	20%	20%	19%

4 Chief Financial Officer's Opinion

- 4.1 The Earmarked Reserves detailed within the reserves statement are proper and appropriate with regard to purpose, level and proposed use, although the future timing of their use will be reported within the budget monitoring reports and the statement updated accordingly.
- 4.2 Based on the assessment detailed above the recommended level of the general reserve for 2019/20 should be £2.75million. This is slightly above the previous recommended general reserve balance of £2.5 million and reflects the greater level of risk within the 2019/20 budget around the delivery of savings, achievement of income. The budgeted General Fund Reserve as presented for approval is within an acceptable tolerance and is slightly able the recommended level.

Capital Programme: 2018/19 Budget & Forecast and 2019/20 Current Budget

Capital Programme: 2018/19 Budget & Forecast and 2019/20 Current Budget

Services & Projects	Expenditure £000			2019/20 Budget Financing £000				
	Original Budget 1819	Revised Budget 1819	Forecast 2018/19	2019/20 Budget	Borrowing	Grants & Contributions	Reveue/ Earmarked Reserves	Capital Receipts
Neighbourhood Management								
Childrens Playground Refurbishment *	£47	£56	£56	£40	£40	£0	£0	£0
Cobholm Skate Park	£100	£100	£0	£100	£75	£0	£0	£25
Wellesley CCTV	£0	£15	£0	£15	£15	£0	£0	£0
Total: Neighbourhood Management	£147	£171	£56	£155	£130	£0	£0	£25
Customer Services								
Rebuilding sections of Factory Rd/Belvedere Rd/Nth Denes Rd Gt								
Yarmouth Cemetery Wall	£35	£15	£15	£0	£0	£0	£0	£0
St Nicholas Minster West Boundary Wall	£90	£96	£20	£76	£76	£0	£0	£0
New cremators	£0	£40	£1	£0	£0	£0	£0	£0
Replacement P&D Machines	£107	£107	£107	£0	£0	£0	£0	£0
Parking Services - handheld devices (Rialto Civil enforcement)	£0	£21	£0	£0	£0	£0	£0	£0
Total: Customer Services	£232	£279	£143	£76	£76	£0	£0	£0
Inward Investment								
Marina Centre Refurbishment	£5,739	£5,730	£123	£5,607	£5,607	£0	£0	£0
33 King Street - THI & Preservation Trust project (REFCUS)	£0	£400	£400	£0	£0	£0	£0	£0
The Waterways	£1,888	£2,371	£2,000	£371	£134	£237	£0	£0
Total: Inward Investment	£7,626	£8,501	£2,523	£5,978	£5,741	£237	£0	£0
Housing								
Disabled Facilities Grant ^	£800	£1,114	£1,114	£1,000	£0	£1,000	£0	£0
Empty Homes	£719	£719	£0	£719	£719	£0	£0	£0
Homes for Health	£400	£400	£0	£400	£0	£0	£400	£0
Norfolk & Waveney Equity Loan Scheme	£8	£16	£16	£0	£0	£0	£0	£0
Emergency Home Improvement Loans	£40	£36	£36	£0	£0	£0	£0	£0
Total: Housing	£1,967	£2,285	£1,166	£2,119	£719	£1,000	£400	£0
IT, Communications & Marketing								
ICT Investment to deliver GYBC ICT Strategy	£291	£291	£288	£3	£3	£0	£0	£0
Postroom Scanners	£0	£2	£3	£0	£0	£0	£0	£0
Total: IT, Communications & Marketing	£291	£292	£291	£3	£3	£0	£0	£0
Property & Asset Management								
Public Toilet Refurbishment Programme *	£160	£165	£165	£155	£155	£0	£0	£0
Gorleston High Street car park resurfacing	£19	£19	£19	£0	£0	£0	£0	£0
Cobholm Rugby Club roadway	£20	£20	£20	£0	£0	£0	£0	£0
Yacht Station Improvements - welfare facilities	£12	£12	£12	£0	£0	£0	£0	£0
Footway Lighting	£100	£103	£103	£0	£0	£0	£0	£0
Esplande Resurfacing	£336	£331	£0	£331	£331	£0	£0	£0
Pops Meadow, Fiskes opening Gorleston CPO	£0	£5	£5	£0	£0	£0	£0	£0
Beach Huts	£140	£270	£125	£145	£145	£0	£0	£0
Cycle Shed	£0	£42	£42	£0	£0	£0	£0	£0
Gorleston Paddling Pool / Splash Pad	£0	£400	£400	£0	£0	£0	£0	£0
Beacon Park LATC - Phase 1/ Equinox	£4,335	£7,335	£2,700	£4,635	£4,635	£0	£0	£0
Beacon Park Projects	£1,500	£1,500	£500	£1,000	£1,000	£0	£0	£0
Market Place Redevelopment	£0	£1,200	£0	£1,200	£1,200	£0	£0	£0
Energy Park - South Denes	£2,274	£2,320	£600	£1,720	£84	£1,636	£0	£0
Total: Property & Asset Management	£8,896	£13,722	£4,691	£9,186	£7,550	£1,636	£0	£0
Overall Total	£19,159	£25,251	£8,869	£17,518	£14,220	£2,873	£400	£25

* 2019/20 Budget includes capital projects approved as part of prior year budget setting and roll forward from 18/19 capital programme.

^ 2019/20 Disabled Facilities Grant Capital Budget is an estimate based on prior year actuals as the allocation is not announced at this time.

Capital Bids 2019-20**Bids - seeking approval**

Project Title	Total Project Cost £	Costs					External Funding	Revenue pa (inc MRP)	Notes	Align with other Council Strategy
		19/20	20/21	21/22	22/23	23/24				
King St car park sub- station	£19,000	£19,000.00	£0.00	£0.00	£0.00	£0.00	£0 0%	Exp £1,500 Inc (£2,000) Net (£ 500)	Project would reconstruct and then surface the area where the substation used to stand following the planned decommission and demolishing by UK Power of the substation. At the same time resurface the last section of the car park adjacent to this area & enable 6 additional car park spaces to be designated. This also results in all of the car park then being totally resurfaced. Revenue reflects expenditure from cost of borrowing (including MRP) & income from carpark charge (based on estimates of occupancy rates etc for 6 places). Figures given are based on first year expectations.	MTFS
St Nicholas car park north boundary wall	£25,000	£25,000.00	£0.00	£0.00	£0.00	£0.00	£0 0%	£1,125 (MRP & interest costs only)	Remedial works are required urgently to the lower section of the wall estimated to cost £25k. Further work is required to confirm the best option for the works required.	Asset Mgt Strategy
ICT Strategy Capital	£1,029,000.00	£365,000.00	£385,000.00	£279,000.00	£0.00	£0.00	£0 0%	£37,000 for 19/20 spend only	218/19 Budget setting approved a ICT capital programme of £240,500 for 19/20 so the proposal here has increased this by £124,500 and includes budgets for the following 2 years also but these will be updated as ICT requirements are reassessed as part of the work on the digital strategy which will be reported to Members during the year.	Digital Strategy
Rebuilding sections of Gt Yarmouth Cemetery Wall - East Road	£25,000.00	£25,000.00	£0.00	£0.00	£0.00	£0.00	£0 0%	£1,125 (MRP & interest costs only)	Rebuild of a section of the flint cemetery wall that part collapsed and had to be reduced in height to make safe which Building Control proved approval for.	Asset Mgt Strategy
Great Yarmouth Flood Defence Scheme Epoch 2	£50,000.00	£50,000.00	£0.00	£0.00	£0.00	£0.00	£0 0%	£3,300 (MRP & interest costs only)	Capital contribution towards the Great Yarmouth Flood Defence £39 million Epoch 2 scheme as part of our partnership with the Environment Agency.	N/A
Footway Lighting	£500,000.00	£100,000.00	£100,000.00	£100,000.00	£100,000.00	£100,000.00	£0 0%	£7,000	To continue the upgrade of Footway Lighting to meet current health and safety and legal obligations, and to reduce utility and maintenance costs. The structural integrity of the lighting stock has seen significant improvement. However, there are still columns that require replacement both for structural and electrical safety certification in line with both current legal requirements and recommendations laid down by the Institute of Lighting Engineers. This part of an ongoing programme of work started in 2008.	Asset Mgt Strategy
£1,648,000.00		£584,000.00	£485,000.00	£379,000.00	£100,000.00	£100,000.00				

Capital Strategy 2019/20

Introduction

This capital strategy is a new report for 2019/20, giving 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.

Capital Expenditure and Financing

Capital expenditure is where the Council 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 Council adheres to the Code of Practice on Local Authority Accounting in the United Kingdom when considering the capitalisation of expenditure. In line with this the Council has set a de minimis of £10,000 below which asset 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>.

In 2019/20, the Council is planning capital expenditure of £33.2m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2017/18 actual £m	2018/19 forecast £m	2019/20 budget £m	2020/21 budget £m	2021/22 budget £m
General Fund services	£10.6	£ 6.2	£12.9	£ 6.6	£ 6.6
Housing Revenue Account service	£ 8.6	£11.5	£11.0	£10.1	£10.4
Capital investments	£ 2.0	£ 2.7	£ 4.6	£ 0.0	£ 0.0
TOTAL	£21.2	£20.4	£28.5	£16.7	£17.0

The main General Fund capital projects for 2019/20 include the following that have all been approved prior to the 2019/20 budget:

- Marina Centre Development £5.6m
- Market Place Redevelopment £1.2m
- South Denes Energy park £1.7m
- Beacon park Projects £1.0m

The Council also plans to incur £4.6m of capital expenditure on investments in the Council's subsidiary company, Equinox Enterprises Ltd in 2019/20, which are detailed later in this report.

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.

Governance: Service managers 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 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 Resource Committee in January and to Council in February each year.

- For full details of the Council's capital programme see the annual Budget report, which includes the capital bids presented, at: <https://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>

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 an IT project, the IT Investment Group.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council'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

	2017/18 actual £m	2018/19 forecast £m	2019/20 budget £m	2020/21 budget £m	2021/22 budget £m
<u>General Fund:</u>					
External sources	£ 5.5	£3.0	£ 2.9	£1.0	£1.0
Own resources	£ 2.1	£0.1	£ 0.4	£0.0	£0.0
Debt	£ 5.0	£5.8	£14.2	£5.6	£5.6
Total	£12.6	£8.9	£17.5	£6.6	£6.6
<u>Housing Revenue Account:</u>					
External sources	£ 0.1	£ 0.0	£ 0.1	£ 0.1	£ 0.1
Own resources	£ 6.8	£ 8.6	£ 8.8	£ 8.0	£ 8.1
Debt	£ 1.7	£ 2.9	£ 2.1	£ 2.1	£ 2.2
Total	£ 8.6	£11.5	£11.0	£10.2	£10.4
TOTAL	£21.2	£20.4	£28.5	£16.7	£17.0

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 the 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

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
--	---------------------------	-----------------------------	---------------------------	---------------------------	---------------------------

	£m	£m	£m	£m	£m
Own resources	£1.3	£1.2	£1.3	£1.4	£1.6

- The Council's full minimum revenue provision statement is available here: [\[link\]](#)

The Council'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 the MRP and capital receipts used to replace debt. The CFR is expected to increase by £5.1m during 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirements

	31.3.2018 actual £m	31.3.2019 forecast £m	31.3.2020 budget £m	31.3.2021 budget £m	31.3.2022 budget £m
General Fund services	£ 48.2	£ 52.1	£ 60.3	£ 64.5	£ 68.5
Council housing (HRA)	£ 80.7	£ 83.6	£ 85.8	£ 87.9	£ 90.1
Capital investments	£ 2.0	£ 4.7	£ 9.3	£ 9.3	£ 9.3
TOTAL CFR	£130.9	£140.4	£155.4	£161.7	£167.9

Asset management: To ensure that capital assets continue to be of long-term use, the Council 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.

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.

- The Council's asset management strategy can be read here: <https://great-yarmouth.cmis.uk.com/great-yarmouth/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1034/Committee/133/Default.aspx>

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.

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. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £6.3m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts

	2017/18 actual £m	2018/19 forecast £m	2019/20 budget	2020/21 budget	2021/22 budget
General Fund - Asset sales	£ 2.1	£0.0	£4.7	£ 0.0	£ 0.0
General fund - Loans repaid	£ 0.2	£ 0.1	£0.1	£ 0.1	£ 0.1
Housing Revenue Account – Asset Sales	£ 2.5	£1.2	£1.5	£1.5	£1.6
TOTAL	£ 4.8	£1.3	£6.3	£1.6	£1.7

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council'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 Council 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.

Due to decisions taken in the past in relation to capital and financing decisions (general fund and HRA), the Council currently has £125.9m borrowing at an average interest rate between 0.75% - 4.44% and £28.3m treasury investments at an average rate of 0.6%.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, leases and transfers 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

	31.3.2018 actual £m	31.3.2019 forecast £m	31.3.2020 budget £m	31.3.2021 budget £m	31.3.2022 budget £m
Debt (incl. leases)	£111.1	£118.7	£109.5	£86.9	£83.6
Capital Financing Requirement	£130.9	£140.4	£155.4	£161.7	£167.9

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 Council expects to comply with this in the medium term.

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 that cash and investment balances are kept to a minimum level of £12m at each year-end. This benchmark is currently £113.2m and is forecast to fall to £73.6 m over the next three years.

Table 7: Borrowing and the Liability Benchmark

	31.3.2018	31.3.2019	31.3.2020	31.3.2021	31.3.2022
--	-----------	-----------	-----------	-----------	-----------

	actual £m	forecast £m	budget £m	budget £m	budget £m
Outstanding borrowing	£110.2	£117.9	£108.8	£86.2	£82.9
Liability benchmark	£110.8	£113.2	£ 99.5	£76.9	£73.6

The table shows that the Council expects to remain borrowed above its liability benchmark. This is because cash outflows to date have been just below the assumptions made when the loans were borrowed.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

These affordable borrowing limits and operational boundaries and further details on borrowing are included within treasury management strategy at: [LINK](#).

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.

The Council’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 particular investments to buy and the Council may request its money back at short notice.

Table 8: Treasury management investments

	31.3.2018 actual £m	31.3.2019 forecast £m	31.3.2020 budget £m	31.3.2021 budget £m	31.3.2022 budget £m
Near-term investments	£12.7	£12.0	£12.0	£12.0	£12.0
Longer-term investments	£ 2.0	£ 4.7	£ 9.3	£ 9.3	£ 9.3
TOTAL	£14.7	£16.7	£21.3	£21.3	£21.3

- Further details on treasury investments are in the treasury management strategy at [LINK](#):

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.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the S151 Officer and staff, who must act in line with the treasury management strategy approved by Council. The Section 151 Officer, assess 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.

Bi-annual reports on treasury management activity are presented to Policy and Resource Committee. The Policy and Resource Committee is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

The Council makes investments by providing discretionary loans to local charities and home improvement loans.

Details of the Council's discretionary Home Improvement loans are given with the Private Sector Housing Adaptation and Improvement (2015) policy which is available at <https://www.great-yarmouth.gov.uk/CHttpHandler.ashx?id=1490&p=0>

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.

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 rate to generate a small surplus for the Council after costs. These loans are equity loans to again to reduce the risk of a borrower defaulting on payment in line with the loan agreement.

Governance: Decisions on service investments are made by the reports from the relevant service in consultation with the S151 Officer and must be supported by a business case. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

Commercial Activities

Through its significant asset base, the Council has for a number of years invested in commercial property purely or mainly for financial gain and lends to its subsidiary Equinox Enterprise Ltd for the same reason. Total commercial property investments are currently valued at £44.4m which providing a net return after all costs of £1.9m (as reported in the 2017/18 Statement of Accounts Note 15).

With central government financial support for local public services declining, this is an area that is included in the Councils current business strategy as an opportunity to mitigate reductions in funding.

With financial return being the main objective, the Council accepts higher risk on 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)

These risks are managed by the Councils Property and Asset Management service and finance.

Governance: Decisions on commercial investments are made following consideration of robust business cases for approval in line with the current decision making governance arrangements. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on commercial investments and limits on their use are covered within the Investment Strategy:
- Further details on the risk management of commercial investments are in the non-treasury management investment practices available here: [\[link\]](#)

Liabilities

In addition to debt of £109.5m (budgeted for 2019/20) detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £63.8m as at 31st March 2018). It has

also set aside £4.0m to cover risks of Non-domestic Rate appeals (as at 31st March 2018). The Council currently has no contingent liabilities.

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 HRA. New liabilities exceeding £1m are reported to full council for approval/notification as appropriate.

- Further details on liabilities and guarantees are included within the 2017/18 statement of accounts at <https://www.great-yarmouth.gov.uk/article/2466/Budgets-and-spending>

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and minimum revenue provision (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

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
Financing costs (£m)	£1.8	£2.0	£2.2	£2.3	£2.6
Proportion of net revenue stream	13.5%	16.3%	18.5%	22.6%	25.3%

- Further details on the revenue implications of capital expenditure are included within the 2019/20 revenue budget at [\[link\]](#)

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 S151 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.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the S151 Officer is a qualified accountant with over 15 years' experience and the Capital Accountant is a qualified accountant with 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 junior staff to study towards relevant professional qualifications including MRICS, ACCA and AAT.

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 Elysian Associates 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.

Prudential Indicators and Annual Minimum Revenue Provision Statement 2019/20**Prudential Indicators 2019/20**

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

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

Capital Expenditure and Financing	2018/19 Revised £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Neighbourhood Management	£ 56	£ 155	£ 0
Customer Services	£ 143	£ 76	£ 0
Inward Investment	£ 2,523	£ 5,978	£ 0
Housing	£ 1,166	£ 2,119	£ 1,000
IT, Communications & Marketing	£ 291	£ 3	£ 385
Property & Asset Management	£ 4,691	£ 9,186	£ 100
General Fund Total	£ 8,869	£17,517	£ 1,485
Housing Revenue Account	£11,544	£11,000	£10,216
Total Expenditure	£20,414	£28,517	£11,701
Capital Receipts	£ 1,230	£ 1,495	£ 1,502
Capital Grants & Contributions	£ 3,241	£ 2,923	£ 1,100
Revenue	£ 7,449	£ 7,740	£ 6,493
Borrowing	£ 8,494	£16,359	£ 2,606
Total Financing	£20,414	£28,517	£11,701

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

Capital Financing Requirement	31.03.19 Revised £m	31.03.20 Estimate £m	31.03.21 Estimate £m
General Fund	£ 56.8	£ 69.6	£ 73.8
HRA	£ 83.6	£ 85.8	£ 87.9
Total CFR	£140.4	£155.4	£161.7

The CFR is forecast to rise by £21m over the next two years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

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

Debt	31.03.19 Revised £m	31.03.20 Estimate £m	31.03.21 Estimate £m
Net Borrowing	£117.9	£108.8	£86.2
Net Finance leases	£ 0.4	£ 0.3	£ 0.3
Net Transferred debt	£ 0.5	£ 0.4	£ 0.4
Total Debt	£118.7	£109.5	£86.9

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

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

Operational Boundary	2018/19 Revised £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	£139	£149	£155	£162
Other long-term liabilities	£ 2	£ 2	£ 2	£ 2
Total Debt	£141	£151	£157	£164

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

Authorised Limit	2018/19 Revised £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	£144	£154	£160	£167
Other long-term liabilities	£ 2	£ 2	£ 2	£ 2
Total Debt	£146	£156	£162	£169

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

Ratio of Financing Costs to Net Revenue Stream	2018/19 Revised %	2019/20 Estimate %	2020/21 Estimate %
General Fund	5.2%	3.9%	6.2%
HRA	10.9%	11.2 %	10.9%

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

Annual Minimum Revenue Provision Statement 2019/20

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

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

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

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

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

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

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

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

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

Capital expenditure incurred during 2019/20 will not be subject to a MRP charge until 2020/21.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2019, the budget for MRP has been set as follows:

	31.03.2019 Estimated CFR £m	2018/19 Estimated MRP £m
Capital expenditure before 01.04.2008	£ 14.1	£0.5
Capital expenditure after 31.03.2008	£ 38.0	£0.7
Capital Investments	£ 4.7	N/A
Total General Fund	£ 52.1	£1.2
Housing Revenue Account	£ 83.6	N/A
Total	£135.7	£1.2