

NORTHAMPTON BOROUGH COUNCIL



COUNCIL

Monday, 8 December 2014

YOU ARE SUMMONED TO ATTEND A MEETING OF NORTHAMPTON BOROUGH COUNCIL, WHICH WILL BE HELD AT THE GUILDHALL NORTHAMPTON ON MONDAY, 8 DECEMBER 2014 AT 6:30 PM WHEN THE FOLLOWING BUSINESS IS PROPOSED TO BE TRANSACTED

1. DECLARATIONS OF INTEREST

2. MINUTES.

To approve the minutes of the proceedings of the Meetings of the Council held on 27th October and the Special Council Meetings of the 15th and 18th November 2014

3. APOLOGIES.

4. MAYOR'S ANNOUNCEMENTS.

5. PUBLIC COMMENTS AND PETITIONS

6. MEMBER AND PUBLIC QUESTION TIME

7. CABINET MEMBER PRESENTATIONS

(Copy herewith)

8. OPPOSITION GROUP BUSINESS

Councillor Marriott to make a statement on "Consultation – Best Practice".

9. TREASURY MANAGEMENT OUTTURN 2013-2014

(Copy herewith)

10. NOTICES OF MOTION

i) Councillor Stone to propose and Councillor Mason to second:

“This Council recognises that living in a flat for families with children can be very difficult. It often inhibits play, and isolates families that rely on neighbourhood social networks. In particular many parents struggle to access their flat with pushchair, shopping, toddlers and children.

Even where there is a lift available the lift can be out of order making life difficult.

This Council therefore resolves to work towards a situation where families with children under 5 are not put in flats above the 1st floor”.

ii) Councillor Ashraf to propose and Councillor Marriott to second:

“This Council notes that Cabinet gave authority to enter into contractually binding arrangements that may lead to the disposal of land and buildings at Westbridge Depot for use in connection with a ‘waste to energy’ installation.

This Council is concerned that detailed and informative consultation (as set out in the ‘Consultation Toolkit’) has not been adequate. Also there was not sufficient information about the proposal and plans in the cabinet report.

This Council therefore asks to the Overview & Scrutiny Committee to set up a Panel of councillors, which includes representatives from all political groups, to investigate the proposal more thoroughly and how public consultation on this issue can be improved”.

iii) Councillor Beardsworth to propose and Councillor Glynane to second:

“Council notes cabinet's decision to enter into legally binding contracts with a waste company proposing to build a power plant in the urban heart of Northampton town, and that no consultation has taken place with the people of St. James, Far Cotton, or the other areas where residents lives will be impacted by this dangerous proposition.

Council further notes that the St. James’ area in particular suffers terrible traffic problems, with roads already overloaded by local businesses - and that other plants of this type have a waste lorry coming or going once every 3 minutes. Contrary to statements made by this administration, Council also notes that plants of this type have not been shown to produce any net power whatsoever, and while there are environmental benefits compared to landfill, these would be undermined by an urban location.

Council recognises the significant problems plants of these types have had around the Country and the world with spillage and leaks of toxic substances into the local area.

Council therefore resolves that a full consultation must be taken out regarding all and any further decisions about the possibility of this power plant, and that no further steps will be taken without:

1. A full business case

2. A clear, evidence based understanding of environmental benefits, risks and problems associated with developments of this type.
3. The full and informed consent of the people of St. James, Far Cotton and the surrounding areas.

Council further resolves that to ensure that these conditions are met in an open and transparent way, all further moves towards the proposed development must be ratified both at Cabinet and Full Council”.

iv) Councillor Meredith to propose and Councillor Glynane to second:

Council recognises the need for Northampton's road system to be dramatically improved. However, Council also notes with regret the frustration caused to motorists, residents, shoppers and businesses by the extreme amount of work being done simultaneously around the town centre over the past few months.

Given the already fragile position of many of Northampton's businesses following 4 disastrous years of a Conservative administration, Council recognises that something must be done to mitigate some of the damage caused.

Council therefore resolves to work more closely with the County Council to ensure that works in Northampton are planned and scheduled more effectively in future, and further resolves to reduce the business rates of Northampton town centre businesses by 5% in each of the months where work has been going on in Abington Street, the Victoria Promenade/ Cheyne Walk junction, the Carlsberg Roundabout or the Drapery. This discount will apply to the last year and until the end of these works”.

v) Councillor Glynane to propose and Councillor Beardsworth to second:

The Councils are in fact assets belonging to the town and to the communities surrounding them.

Often, the sale of assets happens because of pressures on the Council, rather than because of the needs of the local community.

As such, the capital receipts generated by the sale of assets should, where possible, be spent on improving facilities in the local area. Even where this is not possible, communities should have clear information of where money generated by the disposal of assets from their community is being reinvested by the Council.

Council therefore resolves to publish this information”.

11. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE MAYOR IS OF THE OPINION SHOULD BE CONSIDERED.

The Guildhall
Northampton

D. Kennedy Chief Executive

1. Comments and Petitions

- 1.1 A member of the public (or an accredited representative of a business ratepayer of the Borough) may make a comment or present a petition on any matter in relation to which the Council has powers. A comment or presentation of a petition shall be for no more than three minutes. No notice of the nature of the comment to be made or of the petition is required except for the need to register to speak by 12 noon on the day of the meeting.

(Public comments and petitions will not be taken at the Annual Council Meeting or other civic or ceremonial meetings.)

NOTES

- i. *Comments may be on one or more subjects but each person has no longer than three minutes to have their say.*
- ii. *The same person may make a comment and present a petition on different subjects. In such instances that person will have three minutes to make their comment and a separate three minutes to present a petition.*

2. Member and Public Questions

- 2.1 A member of the public (or business ratepayer of the Borough) may ask a maximum of two written questions at each meeting, each limited to a maximum of 50 words, on any matter in relation to which the Council has powers. Each question shall:

- be submitted in writing and delivered, faxed or e-mailed to Democratic Services no later than 10.00am seven calendar days before the day of the meeting; and
- include the name and address of the questioner and the name of the Cabinet member/Committee Chair to whom the question is put.

- 2.2 At the meeting, copies of all questions and the responses to them from the public and Members will be made available to the public and press. The Mayor may allow one supplementary question, without notice, that arises directly from the original question or response.

(Questions will not be taken at the Annual Council Meeting or at civic or ceremonial meetings or meetings called to deal with specific items of business.)

NOTES

In respect of paragraph 2.1 above, questions may be rejected on certain grounds that are set out on page 4-12 of the Council's Constitution and which may be viewed at www.northampton.gov.uk/site/scripts/download_info.php?fileID=1919 or by seeking advice using the contact details below.

3. Motions

- 3.1 A member of the public may register to speak to a motion under the 'Notices of Motion' item on the agenda. Registration to speak must be made to Democratic Services by 12 noon on the day to the meeting. Speaking to a motion is restricted to three minutes per person.

(The 'Notices of Motion' item will not be taken at the Annual Council meeting or meetings called for civic or ceremonial purposes.)

4. General

A member of the public may make a comment, present a petition, ask a question or speak to a motion at the same meeting subject to the restrictions set out above.

5. Contacts

Democratic Services: e-mail democraticservices@northampton.gov.uk

Tel 01604 837722

Mail Democratic Services
Northampton Borough Council
The Guildhall
St Giles Square
Northampton NN1 1DE

MINUTES

OF THE PROCEEDINGS OF A MEETING OF NORTHAMPTON BOROUGH COUNCIL HELD AT THE GUILDHALL, NORTHAMPTON, ON Monday, 27 October 2014 AT SIX THIRTY O'CLOCK IN THE EVENING

PRESENT: HIS WORSHIP THE MAYOR Councillor Caswell (in the Chair).

COUNCILLORS: Ansell, Ashraf, Beardsworth, Bottwood, I. Choudary, N Choudary, Conroy, Duncan, Eldred, Flavell, Ford, Glynane, Golby, Gowen, Hadland, Hallam, Hibbert, Hill, King, Larratt, Mackintosh, Malpas, Mason, Mennell, Meredith, Nunn, Oldham, Parekh, Patel, Sargeant, Stone and Yates

1. DECLARATIONS OF INTEREST

Councillor Glynane declared a personal, non-pecuniary interest in Motion iv) as his daughter owns a property in St James Ward.

Councillor Beardsworth declared a personal, non-pecuniary interest in Motion i) as she had a relative employed by the Council.

Councillor Patel declared a personal, non-pecuniary interest in Motion iv) as having a business in St James.

2. MINUTES.

The minutes of the meeting held on the 15th September 2014 were agreed and signed by the Mayor, following an amendment to record Councillor Ashraf as being in attendance and Councillor Ford as having sent his apologies.

3. APOLOGIES.

Apologies were received from Councillors Aziz, Begum, Capstick, Strachan, Subbarayan, Davies, Eales, Markham, Palethorpe, Lynch and Lane.

4. MAYOR'S ANNOUNCEMENTS.

The Mayor announced that a delegation of Chinese business people had recently visited and had gifted the Mayor with a book, which Councillors were invited to view in the Mayor's Parlour. He further noted that on Saturday 25th October 2014 he had attended a Royal British Legion event at the Royal and Derngate, which has been a success. He reported that Councillor Capstick, who had suffered injury through a recent accident, was making good progress and sent her best wishes on behalf of the Council and wished her a speedy recovery.

5. PUBLIC COMMENTS AND PETITIONS

Mr Brown addressed Council and commented that whilst there had been much development in the town with regards to new houses being built and expansions of

retails centres, he questioned what was being done about the impact that this would have on small businesses and asked what was being done with regards to the loss of accreditation for the museum. He stated that the administration knew about the price of everything, but the value of nothing. He further stated that trust and confidence in any authority was essential and the only way to regain the two would be for the Leader to resign.

Mr Mallard addressed Council and referred to recent pictures and an article in the Herald and Post that highlighted the issue of human excrement that blighted the alleyways of Northampton. He commented he found it difficult to comprehend the impression that students and visitors of Northampton must get, when witnessing scenes reminiscent of medieval times and argued that there needed to be more investment in providing free facilities for people to use to avoid a worsening situation.

6. MEMBER AND PUBLIC QUESTION TIME

The Mayor advised that 7 questions has been received from members of the public and Councillors and that the answers had been tabled in accordance with the Constitution.

Questions and answers given were as tabled (included in an updated agenda on the website) unless where stated, supplementary questions were asked – detailed below:

In response to a supplementary question relating to question 1, Councillor Mackintosh explained that the changes to terms and conditions were very clear and that he would be happy to meet Councillor Beardsworth to discuss them more in depth.

In response to a supplementary question relating to question 2, Councillor Mackintosh explained that with regards to unpaid sick leave, there would be no impact on the pensions of the employees.

In response to a supplementary question relating to question 3, Councillor Mackintosh explained that the changes to the terms and conditions were not dissimilar to those offered in the private sector.

7. CABINET MEMBER PRESENTATIONS

Councillor Mackintosh submitted his Cabinet Member report and noted that Penny Mordaunt MP had visited Northampton on the 2nd October 2014, visiting Project Angel, Vulcan Works and developments on Guildhall Road. It was also reported that international visitors had also been welcomed to Northampton, specifically the Mayor of Shangrao City in China and his delegates. In response to questions raised, the Leader explained that no one had been recruited to the post of Head of Regeneration and Major Projects but that they would continue to seek recruiting to the position through the Appointments and Appeals Committee. He also noted that there had been a proposal for a power generating facility to be accommodated at Westbridge but that it would have to be part of a detailed planning application and process should it progress further.

In response to further questions, Councillor Mackintosh commented that the fireworks to be displayed in Becketts Park had been paid for jointly by the Council, Heart FM and the University of Northampton. It was noted that whilst the fireworks had cost in the region of £20,000, this was insignificant in terms of the amount of money that had been saved, specifically in relation to £1 million saved from cutting senior manager post at the Council. He also commented that the administration enjoyed laying on community events for residents to enjoy and were aware that fewer people had money to spend on expensive individual fireworks and noted that organised professional displays were safer overall.

In the absence of Councillor Markham, Councillor Mackintosh submitted her report and elaborated thereon. Responding to questions asked Councillor Mackintosh explained that they were aware of the concerns being expressed about Little Cross Street and that the problems faced would be addressed even if it is after the transfer to Northampton Partnership Homes. Responding to further questions, Councillor Mackintosh confirmed that the issue of some areas being subject to HIMO restrictions was due to legal reasons but that they would continue to monitor the situation,. He suggested that anyone with concerns contact the Cabinet Member who would update and inform them on any progress. In response to a question asked relating to the bankruptcy of the contractor employed to address the issues in Little Cross Street, the number of voids and the number of people housed in bed and breakfast, Councillor Mackintosh confirmed that Councillor Markham would respond to the detailed questions asked in due course.

Councillor Hadland submitted his Cabinet Member report and commented that the administration had shown commitment to offering development to young people from all backgrounds, by offering opportunities in the UK's first National Training Academy for Rail with numerous apprenticeships and training opportunities being offered. Responding to questions asked, Councillor Hadland commented that there were a number of high profile companies, such as Cosworth who were attracting high quality jobs in the region. He noted that that due to the private ownership of the St Edmunds site, the Council were limited in their abilities to develop the site, but informed Council that a planning application, from the current owners was anticipated and that any progress with regards to the site would be relayed to members, in due course. Responding to further questions, Councillor Hadland commented that the rising cost of the Greyfriars demolition was partly due to the estimates, but that the trial was exhaustive and extensive, the cost of which was coming from the Capital Programme which would not have an impact on the General Fund, and that there had been no increase in Council Tax. In response to a question, Councillor Hadland explained that the widening of pavements to allow spaces for outside café tables was not comparable to the cafes that were along Abington Street and explained that pedestrians and traffic would not be conflicted.

Councillor Eldred submitted his Cabinet Member report and explained that the street fair had been opened on Saturday morning, by the Mayor and noted that a number of the rides had been reduced in price to make it more accessible to those on a restricted income. He thanked Heart FM and the University of Northampton for their partnership works to the Becketts Park fireworks display. It was noted that the

German Market would be making a return to Northampton Town Centre. He thanked Councillor King and the LGBTQ forum for their involvement in promoting the 'Straight Allies' campaign, which was the focus for International Coming Out Day.

In response to questions asked, Councillor Eldred explained that £14 million was being invested in Museums and measures being taken to look at the possibility of linking up the Shakespeare experience; his granddaughter having been a resident on Northampton. Responding to further questions, it was confirmed that any progress involving Parish Splits would be monitored and reported back to future Council meetings and that someone from the authority would write an article for LINK magazine.

8. OPPOSITION GROUP BUSINESS

Councillor Mason commented that there had been much debate about devolution recently with the Scottish Referendum and stated that it was about giving local communities the opportunities to direct themselves. She commented that Northampton was a big town and argued that the current centralised political economy was not fit for purpose and suggested that public services should be delivered at the lowest level to best serve its people. She noted that Northampton was suffering from a current housing crisis and argued that they should, as an authority, be able to set their own council tax and to make education more accountable and voiced the opinion that Northampton be granted City and Unitary status.

Councillor Mackintosh stated that he was pleased that the issue of devolution was being debated at a local and national level and commented that he supported the Cabinet who were currently looking at having English votes for English laws which he commented the Labour party were fundamentally against. He noted the Conservatives wanted people to have a view on matters, especially European involvement and this was reflected in their commitment to have a referendum on the issue. It was further noted that there had been more parish councils created in Northampton as a way of encouraging local democracy and participation at a local level.

In response, Councillor Mason commented that residents in a number of areas of Northampton had been given the opportunity to comment on Parish Councils by way of an Advisory Poll on 15th November 2012 and noted that there had been a very low turnout.

9. NOTICES OF MOTION

- i) Councillor Mackintosh proposed and Councillor Marriott seconded that:

“Council recognises the 825th anniversary of Northampton's Royal Charter as a significant anniversary in the town's history.

On this occasion chooses to confer the honour of the Freedom of the Borough of Northampton on three citizens who have worked hard for the town.

Keith Barwell OBE for his services to The Saints, the restoration of the Charles Rennie Mackintosh house at 78 Dergate and support for the town;

Brian Binley, Member of Parliament, for his long-standing support for Northampton as a County Councillor and MP, and for his role in the regeneration of the town;

Alderman John Dickie as a former Leader of Northampton Borough Council and longstanding supporter of the town;

In recognition of these achievements, and their long service to the people of Northampton, this Council resolves to award the three citizens the Freedom of the Borough and to hold a special meeting for the award ceremony."

Council debated the motion.

Upon a vote, the motion was carried.

ii) Councillor Beardsworth proposed and Councillor Conroy seconded:

"This Council recognises the exceptional contribution to the town provided by the hard work of our staff.

This Council further recognises that staff are more effective and feel more valued when they are treated fairly and properly by the administration and this Council as a whole.

Unfortunately, this Council is also forced to recognise that though upcoming changes to their terms and conditions, hardworking staff are being forced to pay for the mistakes of his administration –from out of control borrowing, to failed projects. Council therefore resolves that no further negative changes will be made to staff terms and conditions for the foreseeable future".

Council debated the motion.

Upon a vote, the motion was lost.

iii) Councillor Glynane to proposed and Councillor Beardsworth seconded:

This Council notes the motion passed at NCC last month calling for the County Council to "work with Borough and District Councillors and officer to develop an integrated cycling policy which raises the profile and priority of cycling...and ensures the interests and safety of cyclists.

This Council resolves to take the lead in making our town centre friendly for non-car users, to make every effort to ensure success of the County Council's new 'joined up' plan".

Council debated the motion.

Upon a vote, the motion was carried.

vi) Ms Hope addressed Council and commented that she was glad to see cross party working and hoped that this motion would be successful when previous attempts to address the matter had been brushed aside. She also wished the

Council luck with gaining agreement from Northamptonshire County Council as she had experienced difficulties in the past.

Councillor Ashraf amended her motion that had been printed on the agenda to read as follows:

“This council recognises the exceptional parking problems that residents and tenants regularly encounter in St James as a result of match day parking. But the problems in St James are not only match day parking. The people coming into St James taking up residents’ and tenants spaces include people coming into the area to work and some people parking at the flats and walking to the station to avoid the parking charges there. This council therefore resolves to do the following:

1. Look into the possibility of issuing tenants in NBC homes that have allocated parking areas with free parking permits. The properties considered would be: Cordwainer House, Stitchman House, Stirup House, Lapstone House, Eyeletter House, Abbey House, Melbourne House, Devonshire House, although this list is not exhaustive. This measure would ensure that premium allocated parking is not occupied by people from the outside area. This should be supplemented with sufficient enforcement to tackle inappropriately and incorrectly parked vehicles.
2. This council also agrees to consult with Northamptonshire County Council, the Police and Highways to look at the possibility of extending free parking permits into other parts of St James, Upton, Duston and other parts of the town which may then replace the current parking permit scheme which is presently under review and thus remove the need to financially penalise the people of St James simply because people from the outside area come to park in St James, as a successful sports club is located on their door step.
3. This Council resolves to ask the Overview and Scrutiny Committee to carry out a detailed investigation to look at these options for Cabinet to consider.”

Council debated the motion.

Upon a vote, the motion was carried.

- iv) Councillor Mason proposed and Councillor Marriot seconded:

This Council regrets that funding for the Council Tax Reduction Scheme (CTRS) has been reduced by Central Government.

This Council notes that a consultation is currently underway about changes to the CTRS. The consultation ends on the 09 November 2014.

This Council further notes that under the current scheme working age claimants can only claim a maximum discount for 85% of their Council Tax. The Conservative Administration is proposing to reduce this to somewhere between 80% and 75%.

This Council believes that the fairest and most prudent option would be to make no changes to the CTRS as the poorest and most vulnerable are already suffering hardship through the benefit reforms and a cost of living crisis.

Council debated the motion.

Upon a vote, the motion was lost.

10. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE MAYOR IS OF THE OPINION SHOULD BE CONSIDERED.

None

The meeting concluded at 9.36pm

MINUTES

OF THE PROCEEDINGS OF A MEETING OF NORTHAMPTON BOROUGH COUNCIL HELD AT THE GUILDHALL, NORTHAMPTON, ON Saturday, 15 November 2014 AT SIX THIRTY O'CLOCK IN THE EVENING

PRESENT: HIS WORSHIP THE MAYOR Councillor Caswell (in the Chair).

COUNCILLORS: Ashraf, Ansell, Aziz, Beardsworth, Begum, Bottwood, Eldred, Flavell, Ford, Glynane, Gowen, Hadland, Hallam, Hibbert, Lane, Larratt, Mackintosh, Mason, Mennell, Oldham, Parekh, Patel and Sargeant

1. WELCOME BY THE MAYOR

The Mayor welcomed everyone to the Council Meeting and thanked them for attending.

2. APOLOGIES.

Apologies were received from Councillors Capstick, I Choudary, N Choudary, Conroy, Davies, Duncan, Eales, Golby, Hill, King, Lynch, Malpas, Markham, Nunn, Palethorpe, Stone, Strachan, Subbarayan and Yates,

3. DECLARATIONS OF INTEREST

None

4. CONFERRAL OF TITLE OF HONORARY ALDERMAN

The Mayor referred to the motion set out on the agenda paper that had been agreed by Council at its meeting on the 23rd May 2013 to confer the title of Honorary Alderman to former Councillors Trevor Chown, Vivienne Dams, Frederick Evans, Ronald Liddington, Anthea Mitchell, John Rawlings and Anthony Stimpson awarded the title of Honorary Alderman of the Borough of Northampton.

The Mayor then invited Councillors Mackintosh, Marriott and Beardsworth to endorse the motion.

RESOLVED:

That in accordance with Section 249 of the Local Government Act 1972 former Councillors Trevor Chown, Vivienne Dams, Frederick Evans, Ronald Liddington, Anthea Mitchell, John Rawlings and Anthony Stimpson be awarded the title of Honorary Alderman of the Borough of Northampton.

The Mayor presented certificates to each of the Honorary Aldermen so created and each spoke in thanks to the Council.

The meeting concluded at 09.27am

NORTHAMPTON BOROUGH COUNCIL

COUNCIL

Tuesday, 18 November 2014

PRESENT: Councillor Caswell (Chair); Councillor Flavell (Deputy Chair); Councillors Ashraf, Marriott, Ansell, Beardsworth, Begum, Eldred, Glynane, Hallam, Hibbert, Lane, Larratt, Mackintosh, Mason, Meredith, Nunn and Parekh

1. WELCOME BY THE MAYOR

The Mayor welcomed everyone to the Council Meeting and thanked them for attending.

2. APOLOGIES.

Apologies were received from Councillors Aziz, Bottwood, Capstick, I Choudary, N Choudary, Conroy, Duncan, Eales, Ford, Golby, Gowen, Hadland, Hill, King, Lynch, Malpas, Markham, Mennell, Oldham, Palethorpe, Stone, Strachan, Subbarayan and Yates.

3. DECLARATIONS OF INTEREST

There were none.

4. AWARD OF HONORARY FREEDOM OF THE BOROUGH OF NORTHAMPTON

The Mayor referred to the motion set out on the agenda paper that had been agreed by Council at its meeting on 27th October 2014 to award the Freedom of the Borough of Northampton to Mr Keith Barwell OBE, Brian Binley, Member of Parliament and Alderman John Dickie and invited Councillors Mackintosh, Marriott and Beardsworth to endorse the motion.

The Mayor presented the Freedom of the Borough to Mr Keith Barwell OBE, Brian Binley, Member of Parliament and Alderman John Dickie.

The meeting concluded at 7.33pm

Agenda Item 7



Report of the Leader of the Council

Northampton Borough Council

8th December 2014

On 20th November we launched this year's exciting line-up of festive events in the Town Centre, which this year includes the return of the German Market and Christmas lights extending up Wellingborough Road. We have also extended free parking to help attract even more visitors into our town over the Christmas period and help support traders and the local economy.

This year we were pleased to bring back the much loved Becket's Park fireworks display, which was cancelled by the previous administration in 2007. This year's event attracted around 18,000 visitors into the town, providing a great family night out and a boost to our local economy and traders.

Our Cultural Quarter is seeing further development as work has begun on a major new hotel at Albion Place. The development will not only improve the offer of the Cultural Quarter to making it easier to visit and stay, but will also improve the look and feel of the area and create new jobs in the Town Centre.

The second phase of construction is about to begin at Castle Station with the construction of a new multi-storey car park. When completed the new facility will make it easier and more pleasant for people to travel in and out of Northampton, and provide a fitting gateway for our town.

We also announced in October that the old Greyfriars building will be demolished by the end of March next year, freeing up this important Town Centre site for retail, leisure and transport development.

During the month of November, the Borough Council organised a series of events to mark the 825th anniversary of Northampton's Royal Charter. The Royal Charter was significant for Northampton and marked the first time local people were given the power to govern the town.

On 15th November a civic service and procession took place including mayors, councillors, Freeman, Honorary Aldermen, police, fire service, sporting clubs and the military. As part of the ceremony seven former borough councillors were made Honorary Alderman.

On 18th November at a ceremony at The Guildhall the Borough Council honoured Keith Barwell OBE, Brian Binley MP and Alderman John Dickie officially recognising each individual's contribution to the town by awarding them the Freedom of the Borough.

The Borough Council has also announced plans for a new heritage trail that will take in the life and work of many famous figures from Northampton's rich heritage, including Diana, Princess of Wales, Thomas a Becket, Simon de Senlis, Francis Crick, Lt Col Edgar Mobbs, 2Lt Walter Tull and Sir Malcom Arnold MBE. Northamptonians from all walks of life have played a part in shaping the history of our country, and in some cases even changed the world. It is only right that we draw attention to these remarkable individuals at a time when we are celebrating and commemorating so many important events and anniversaries. We want to make it as easy as possible for people to discover our rich history, and this is a project that will bring the past to life for everyone.

The Mayor led a procession of councillors and town dignitaries from The Guildhall to All Saints' Church as part of this year's Remembrance Day Parade and Service on 9th November. A shorter ceremony including the two minutes' silence was held at 11am on 11th November in the memorial garden at All Saints.

On 11th November I was honoured to accept an invitation from French President François Hollande to attend a special ceremony in Notre-Dame-de-Lorette. The ceremony marked the opening of a new monument that recognises the international allies who fought and lost their lives alongside French soldiers in the First World War.

Notre-Dame-de-Lorette International memorial is sited alongside France's largest military cemetery. Almost a century ago, brave soldiers from Northampton were fighting side by side with French forces in key battles during the First World War. At the First Battle of Ypres the Northamptonshire Regiment fought alongside French and Belgian allies at the western front. Throughout the War soldiers from Northampton continued to fight beside our allies, and it was a huge honour to represent our town at this historic event.

I am also honoured to have become a patron of The Hope Centre, who do such a fantastic job supporting homeless and vulnerable people in our town.

In November local business Greencore, which has been trading successfully in Northampton for 40 years, announced a new £30 million development which would open up another 300 jobs in 2016. Although committed to recruiting from the local job market, the firm reportedly said it may have to extend its recruitment initiatives further afield as there is virtually full employment in Northampton. Looking to recruit in Hungary is, we understand, just one of the initiatives the firm is considering. Public services are already under enormous pressure in Northampton and bringing additional people from Hungary is not the answer. We already have problems in Northampton with access to healthcare, schools and other public services, and this would just add to that. We have been in touch with Greencore to offer help for them to recruit locally, and will do all we can to assist them.

Community Safety

There has been a decrease in crime of 3.6% compared with October last year, and Serious Acquisitive Crime continues on its downward trend with a decrease of 11.4%. Burglaries are continuing to fall with a 13.5% reduction and Vehicle Crime has fallen by 12.1%.

As of the end of October, three Community Safety Partnership (CSP) Weeks of Action have taken place. There has been direct engagement with over 900 people either through door knocking or the CSP stand. Over 70 properties have received target hardening.

Councillor David Mackintosh
Leader of the Council



Northampton Partnership Homes

The setting up of Northampton Partnership Homes (NPH) is continuing in readiness for the launch on 5th January 2015. The Council has now approved the Management Agreement and other key documents, which set out how the arrangements between the two organisations will work, at the Cabinet meeting on 12th November. These documents have been sent to the Homes and Communities Agency which is the Government department responsible for agreeing to the creation of the ALMO.

The Council held its last Tenants' Conference on 25th and 26th November, to allow tenants and leaseholders to find out more about the arrangements for the set-up, ask questions and give feedback on service issues.

All tenants received newsletters in October from both the Council and the Independent Tenants' Advisor, providing details of what contact details and arrangements will change from 5th January 2015. A full programme of communications has been planned to ensure that tenants, other customers and partner organisations are aware of the changed arrangements.

Although NPH will have its own phone number and website address, customers will continue to use the One Stop Shop for all housing enquiries made in person. This will ensure that customers can continue to benefit from the shared partnership working arrangements already put in place with other organisations.

Additional HMO licensing

Since the scheme came into effect on the 3rd November 2014, 206 new additional licensing applications have been received. We are simultaneously reviewing our lists of suspected premises to match with applications received and 967 addresses have been identified to date that will require follow up to confirm their status as licensable. The fire service has been working closely with us on this and Council officers are continuing to identify licensable HMOs. We are also continuing our communications exercises so landlords know that they must have a license and can expect to be referred for prosecution if they do not make an application.

In order to meet the immediate demand we have taken steps to increase our resources to manage the influx of licences applications. This has meant a new investment in administrative resources to meet the data entry and the necessary checks required. We are also taking on more enforcement staff so more licensable HMOs are identified and dealt with under the licensing scheme.

Out of 256 known mandatory HMOs, 226 are compliant. A small number of landlords are in contact with the Council but have been slow in providing the necessary information to enable the licence to be made. There are a number of landlords who have not yet applied for licensing, and we are reviewing the circumstances with a view to bring about compliance, if appropriate through prosecution.

To further assist with the licensing of HMOs, on the 12th November 2014 Cabinet approved the Housing in Multiple Occupation Interim Planning Statement. The new Statement will provide clear guidance to landlords and will help in the determination of applications.

Empty Homes Programme

I am pleased to report that there has been good progress on the Empty Homes Programme over the last few months. I visited two of the four properties which are currently on site, 49-53 Abington Street which is a conversion from office space to six 1-bed and 2-bed flats and 5 Spencer Parade which is also creating six flats for use under the Empty Homes Programme. There are currently two residential properties on site and a number still in the pipeline. The project is running well with good quality units being produced under the scheme.

Councillor Mary Markham
Cabinet Member for Housing



Town Centre Operations

In the lead up to the Christmas starting from 20th November, all Borough Council car parks will be offering additional free parking from 3pm on Thursdays to help shoppers take advantage of late night shopping evenings and support local traders.

The free parking offers have helped to bring more people into our town. In the three months between April and July, 23,000 more cars parked in the Council's multi-storey car parks on Saturdays, a jump of almost 40% compared to the number of people parking during the same period in 2013.

With so many more shoppers coming into the Town Centre, motorists are being reminded that some car parks fill up very quickly, particularly the Grosvenor, Mayorhold and St Johns multi-storey car parks. Other car parks are likely to be less busy but equally close to the Town Centre. Shoppers can make their journey simpler by planning ahead and checking the locations of other Council car parks including the Upper Mounts car park, Commercial Street and Midsummer Meadow car parks. The Council's parking team will be providing extra coverage in the multi storey car parks on Saturdays to assist drivers to find spaces and ensure everything runs smoothly.

This year Christmas in Northampton is bigger and brighter with seasonal decorations being extended along the Wellingborough Road with festive lights and 44 Christmas trees giving the area a seasonal feel. Wellingborough Road is an important gateway to the Town Centre, and we do all we can to support the many independent shops, businesses, restaurants and bars in the area and work with them to understand how we can improve the trading environment for everyone. We hope this will give a boost to this part of the town during this important trading period.

Regeneration

Work on the new £20m Castle Station is nearing completion and phase two will begin immediately afterwards. This will involve demolition of the old station buildings and construction of a new multi-storey car park, making way for development of the rest of the station site.

The new car park will have at least 1,300 spaces, around 350 more than are currently available, and there will also be a lift and bridge, offering passengers direct access to the ticket floor of the station. Once this is complete, the old car park will be removed ready for start on phase three, which will see construction of commercial and light industrial properties.

The new station is vital for first impressions of our town. There is so much potential on the rest of the site, and we are now gearing up to unlock that, while creating excellent new parking facilities to complement our new station. Our discussions with Network Rail are well advanced, and we should be in a position to start construction in 2015.

The old Greyfriars bus station and office building will be demolished in a controlled initiated collapse by the end of March 2015. The contractor working for the Borough Council, DSM Ltd, has been working in the building since August carrying out preparatory work to establish the safest and quickest way to bring it down.

Their investigations have shown that the most effective way to demolish Greyfriars is using a method called controlled initiated collapse. This is a widely-used process within the construction industry, and will bring down the building within its own footprint in a matter of seconds. After the demolition, teams of specialist cleaners will immediately move in to clean up the resulting dust so that roads, businesses and homes near to the demolition site can return to normal as soon as possible.

Detailed plans are now being put into place for the collapse. Both the Health and Safety Executive and Northamptonshire Police will be involved in the planning process, which will include arrangements for road closures and for the temporary relocation of people from homes and businesses near the site when the controlled initiated collapse takes place. Nearby residents and owners of local businesses will be kept informed throughout the process of planning the demolition. Once the old Greyfriars building has been brought down, the site will be left ready for development for retail and leisure uses, with some public transport facilities.

Following the Cabinet decision on 12th November the Borough Council will now proceed with a plan to buy Albion House, an office building adjacent to St John's on Victoria Promenade, because of its key location between the Town Centre, the Cultural Quarter, the planned new University of Northampton Waterside Campus and the Enterprise Zone.

Purchasing the site will give the Borough Council the ability to develop it for uses that would help to enhance the Town Centre and the Enterprise Zone, and it would also provide an opportunity to extend St John's multi-storey car park. The site could provide 350 new spaces, to add to the existing 485 spaces in St John's car park.

On 12th November the Cabinet agreed to investigate the potential benefits and opportunities that could come from selling part of the Council's Westbridge Depot to a company that could build a new power station. Through a waste-to-energy initiative, Northampton could be generating its own electricity and heat for the first time since 1975. The proposed new plant would be fuelled by the non-recyclable proportion of household waste that would otherwise be sent to land fill at a saving to council taxpayers. This is exactly the sort of initiative we should be exploring as we look to give our town a bright future. But first we must assess whether this is the right option for Northampton and what the potential benefits are for our town.

As the Enterprise Zone develops we are seeing more demand for hotel space from business people looking to stay a few nights in our town. We regularly see West End quality productions at the Royal & Derngate and can boast regionally important attractions such as 78 Derngate and the Northampton Museum and Art Gallery. We also have three professional sports teams that bring people to our town from across Europe.

Work has started on an exciting new development that will bring a major new hotel and restaurant into the Town Centre. Based in the Cultural Quarter, a new 104 bedroom Premier Inn hotel with restaurant is being constructed on the former Albion Place car park. The work will also see a number of poor quality buildings removed as the hotel takes shape. The £8 million Northampton Alive project will create around 50 jobs and give visitors to Northampton easy access to the Town Centre and the attractions of the Cultural Quarter. Work on the new hotel and restaurant will be completed by Reef Estates and open before the end of 2015.

The improved Guildhall Road has now reopened, providing an enhanced environment for the Cultural Quarter and its occupants. The wider pavements will enable a number of daytime and evening uses and activities.

Councillor Tim Hadland

Cabinet Member for Regeneration, Enterprise and Planning



Cabinet Member Report for Community Engagement

Northampton Borough Council

8th December 2014

Events

In November we saw the return of the Becket's Park firework display. This popular family friendly event returned for the first time since it was cancelled in 2007 by the Lib Dems and attracted 18,000 visitors into the Town Centre.

On 20th November we launched Christmas in the Town Centre with the official switch on of the town's Christmas lights, which this year extend up Wellingborough Road to brighten up even more of the town. We also have a German Market, which is currently set up along Abington Street and has helped attract thousands of people into the Town Centre to enjoy what our town has to offer this Christmas.

On 1st December an event will be held at The Guildhall to mark World AIDS Day. This annual event is an opportunity for us as a town to show our support for those who are affected by HIV and AIDS, and to raise awareness of the groups helping to find a cure.

Culture & Heritage

An Intermediate Ukulele Workshop with local musician and singer, Sara Spade took place in November at Northampton Museum & Art Gallery. The event followed on from the sold out beginners class in October. The October half term workshops attracted 129 young people with topics ranging from 'Leather Stamping', 'The Big Draw' and 'Ghoulis Crafts'. To mark Halloween, actor James Hornsby, performed a reading of his spine chilling adaptation of Bram Stoker's 'Dracula' at Abington Park Museum.

During November two exhibitions opened at Northampton Museum & Art Gallery. 'Palimpsests' explores ways that shoes become vessels or records of memory and why the imprint or trace of a body demands that we recollect. 'It's a Christmas Cracker!' explores winter themed art, shoes and history from the museum's collections and links in with a visit from Santa during December. A third exhibition showcased for four days in November at the Guildhall to mark the 825th Anniversary of Northampton Charter. The exhibition told the story of Northampton being granted its Royal Charter.

During November, A Christmas craft fair at Abington Park Museum took place with stalls available to hire by local craft makers. Fiori Musicali performed some of their beautiful baroque music at Northampton Museum & Art Gallery and a talk on Medieval Northampton.

Christmas craft workshops for children will take place during December at Northampton Museum & Art Gallery.

Forums

The youth forum has supported the 'Break the Shire Event' held at the Guildhall. The LGBTQ forum has been promoting the 'Straight Allies' campaign, which was the focus for International Coming Out Day, which was held at the Royal & Derngate Theatre on 11th October. Further planning is taking place for Holocaust Memorial Day amongst the forums and also a Valentines Health Walk, led by the Youth Forum to support their plans around Health and Well-being.

Northampton Leisure Trust

Northampton Leisure Trust has been shortlisted in three categories for the Northamptonshire Business Excellence Awards 2014. The categories are; Enterprising Organisation of the Year, Community Investment Award and Creative Innovation Award. The winners will be announced at the Awards ceremony on 11th December 2014.

The Play Team at the Trust is currently conducting a survey of "Children's Outdoor Play in Northampton". This will assist them in developing a Play Partnership with like-minded individuals, organisations and businesses to help shape play provision across the County.

The Play Rangers have been expanding their activities and now deliver after school community based Play Ranger sessions at Lumbertubs Primary School on Mondays.

Walking Football was launched at Duston Sports Centre in September and has proved a big success and is now a permanent session in the 50 Plus Activity Sessions. Due to the success we are working with Club 81 and have introduced an evening session at Lings Forum. The six week trial began on 11th November and is proving to be popular.

Customer Services

We have worked closely on a joint event with Barclays to promote digital inclusion. Barclaycard's Digital Eagles were present in the One Stop Shop during the week where over 30 customers received training to help them navigate the web. Many customers created email addresses and secured payment accounts and now feel safe whilst shopping on the internet. Many were not aware of the Council services available on line and many tenants have now created a citizens account so that they can view their rent balance and make payments without the costs of calling the Council. We will continue to work closely with Barclays to jointly support our customers and promote digital inclusion.

Many of our partners joined our Courtyard Coffee Morning and our Showcasing Event on the Market square. These included the Police, Army, Enterprise, Community Law, Fire and Rescue, Call Care, Credit Union, Delos, Woman's Aid, Bipolar UK, Mental Awareness and many others. They engaged with our customers, staff and passersby to promote their services.

This year, we received many nominations for colleagues and teams within the authority for going the extra mile and providing excellent customer service. Awards were given to staff and Teams for their excellent service delivery.

Councillor Brandon Eldred
Cabinet Member for Community Engagement



Cabinet Member Report for the Environment

Northampton Borough Council

8th December 2014

Environmental Services

Winter pruning is now underway with some areas being given to large scale cut backs of long term growth of shrubs and trees, which will improve the appearance of the areas next spring and help to reduce community safety and/or nuisance issues.

The arrangements for Christmas refuse and recycling collections have been made with our contractor, Enterprise, and have been communicated to just the residents who will be directly affected. Only those residents whose collections would normally fall on Christmas Day will be subject to change, with their collection day moving to the following Sunday.

Environmental Health

The service for the collection of fly tipped materials from shared alleyways is now running. To date, a total of 38 requests have been received.

The Neighbourhood Wardens and Park Rangers have recently completed a programme of training at the University of Northampton to enhance their skills in evidence collection and enforcement procedures.

Park Management Committees

The Park Management Committees for Delapre Park, Abington Park, The Racecourse, Eastfield Park, Bradlaugh Fields and Swanhaven parks have been established and are making progress in developing and implementing action plans. Work is progressing to start committees for other parks in the New Year. This is part of this Administration's commitment to greater community involvement in the management of our town's parks and open spaces.

Licensing

Multi Agency Taxi and Private Hire checks were undertaken on 17th October 2014. 22 vehicles were checked, of which eleven were found to be non-compliant.

Four premises licences have been reviewed, with two further scheduled. Objections to potential transfer of premises licences and designation of Premises Supervisors have led to applications being refused following licensing sub-committee determinations. Key issues within objections and reviews continue to be illicit tobacco and alcohol sales, sales to underage persons, sales to those intoxicated and unauthorised usage of premises.

Carbon Management

Plans are being progressed to install low energy lighting in more of the Borough Council's car parks. This will result in better lighting and a significant reduction in energy costs and to the authority's carbon footprint.

Councillor Mike Hallam

Cabinet Member for the Environment



Cabinet Member Report for Finance

Northampton Borough Council

8th December 2014

Finance

The Council's draft Medium Term Financial Plan and Budget for 2015/16 are in the final stages of preparation. The Administration's proposals to Cabinet on 17th December will set out how it plans to tackle the issues facing the authority in the next and future financial years.

The Finance team have been advising and supporting a number of projects across the Council. One specific project to note progress on is the loan to University of Northampton where the due diligence and cross party commercial agreements of the loan to facilitate the build of its new Waterside Campus have been completed, and the innovative funding solution, which includes a guarantee from HM Treasury.

The Borough Council has been asking for people's comments about how the Council Tax Reduction scheme is currently working and how proposed changes from 1st April 2015 may affect them. The Council Tax Reduction scheme provides financial support for people on low incomes to help with their Council Tax bill. In Northampton the scheme helps around 18,000 people. The Council Tax Reduction scheme will continue to help low income households. As we start to plan next year's budget it is important that we look at how the scheme is working locally and what people think about it. We are looking at what we can do to make the system as fair as possible, supporting those who genuinely need it and helping people get back into work while at the same time allowing us to deliver a balanced budget for everyone in Northampton.

Revenues & Benefits

Improvement projects have begun to ensure that the Revenues and Benefits service will be able to maintain standards as it enters a period of wider reforms. The Government's Universal Credit Programme is due to start in 2015. Although this will have a low operational impact initially, work to pilot how we will work in the future in delivering the Local Universal Support element of the new benefit will need to be undertaken.

Councillor Alan Bottwood
Cabinet Member for Finance

Appendices
1



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

8 December 2014

Agenda Status: Public

Directorate: LGSS

Report Title	Treasury Management Outturn 2013-14
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1. Purpose

1.1 The purpose of the report is to inform the Council of performance in relation to its borrowing and investment strategy for 2013-14.

2. Recommendations

2.1 That Council note the treasury management performance for 2013-14.

3. Issues and Choices

3.1 Report Background

3.1.1 See Cabinet report attached

4. Implications (including financial implications)

4.1 Policy

4.1.1 See Cabinet report attached

4.2 Resources and Risk

4.2.1 See Cabinet report attached

4.3 Legal

4.3.1 See Cabinet report attached

4.4 Equality

4.4.1 See Cabinet report attached

4.5 Other Implications

4.5.1 See Cabinet report attached

5. Background Papers

5.1 None

Glenn Hammons, Chief Finance Officer
0300 330 7000



CABINET REPORT

Report Title	TREASURY MANAGEMENT OUTTURN 2013-14
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	10 September 2014
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	LGSS
Accountable Cabinet Member:	Alan Bottwood
Ward(s)	Not Applicable

1. Purpose

1.1 To inform Cabinet of the Council's performance in relation to its borrowing and investment strategy for 2013-14.

2. Recommendations

2.1 That Cabinet recommend to Council that they note the Council's treasury management performance for 2013-14

3. Issues and Choices

3.1 CIPFA Code of Practice on Treasury Management in the Public Services

3.1.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (“the Treasury Management Code of Practice”).

3.1.2 The Treasury Management Code of Practice includes recommendations on annual reporting requirements after the year-end. The table below shows how these have been incorporated into this report.

Reporting Requirement	Reference
Report on the risk implications of decisions taken and transactions executed	Paragraph 3.2.2
Transactions executed and their revenue (current) effects	Paragraph 3.2.7 to 3.2.13
Performance report	Paragraph 3.2.7 to 3.2.13
Monitoring of treasury management indicators for local authorities.	Paragraph 3.2.14 Appendix B
Compliance report on agreed policies/practices and on statutory/regulatory requirements	Paragraph 3.2.15 to 3.2.16
Report on compliance with CIPFA Code recommendations	Paragraph 3.2.17

3.1.3

Key Headlines

- **Interest Rates** have remained low throughout 2013-14 with the average 7 day LIBID rate being 0.35%
- **Borrowing** as at 31 March 2014 was £226m, of which £193m relates to the HRA. The weighted average interest rate on borrowing was 3.52%
- **Investments** at 31 March 2014 were £73m. Average investment levels were £70m and the rate of return was 0.79%. This was 0.44%.above the LIBID 7 day benchmark.
- **Investment benchmarking** shows that the Council investments are performing ahead of the average of councils in its benchmarking group
- **Prudential and Treasury Indicators** have been monitored throughout the year. All activity has been within agreed limits.

3.2 Issues

Economic Environment and Interest Rates

- 3.2.1 A short commentary on the economic environment and interest rate forecasts, provided by Capita, the Council's treasury management advisers, is included at **Appendix A**.

Risk implications of decisions taken and transactions executed

- 3.2.2 The Treasury Management Code of Practice identifies eight main treasury management risks. Definitions of these are included in the Council's Treasury Management Practices (TMPs) for 2013-14 approved by Council 25 February 2013. The management of these risks during 2013-14 is covered in the following paragraphs.

- a) Credit and counterparty risk – This continued to be an area of considerable risk for all local authority investors, given the prevailing economic and banking environment. The Council managed this risk extremely closely during the year through strict adherence to its treasury management policies and practices and a tightly controlled counterparty list that took into account a range of relevant factors including sovereign rating, credit ratings, inclusion in the UK banking system support package and credit default swap spreads. The advice of the Council's treasury management advisers was also an underlying feature. None of the Council's counterparties failed to meet the contractual obligations of their treasury transactions with the Council during 2013-14.
- b) Liquidity risk – This was managed effectively during 2013-14 through proactive management of the Council's cashflow, including the choice of suitable investment values and maturity dates and the maintenance of sufficient levels of liquid cash in money market funds and deposit accounts. The Council also maintained its access to overdraft facilities and temporary borrowing facilities as a contingency for use in exceptional circumstances. The Council undertook no long or short-term borrowing to manage liquidity during 2013-14.
- c) Interest rate risk - The Council's upper limits for fixed and variable interest rate exposures in respect of investments, borrowing and net external debt are managed as treasury indicators. These are reported at **Appendix B**. The indicators were not breached during 2013-14.
- d) Exchange rate risk - The Council has a policy of only entering into loans and investments that are settled in £ sterling, and has no treasury management exposure to this category of risk.
- e) Refinancing risk – The Council did not refinance any of its debt during 2013-14 and was therefore not exposed to this category of risk during the year.
- f) Legal and regulatory risk - The Council carried out its treasury management activities for 2013-14 within the current legal and regulatory framework. LGSS officers responsible for strategic and operational

treasury management decisions are required to keep abreast of new legislation and regulations impacting on the treasury management function, and have applied any changes as necessary. Legal and regulatory risks associated with other organisations with which the Council deals in its treasury management activities have been managed through counterparty risk management policies.

- g) Fraud, error and corruption and contingency management – LGSS officers involved in treasury management are explicitly required to follow treasury management policies and procedures when making investment and borrowing decisions on behalf of the Council. All treasury activities must be carried out in strict accordance with the agreed systems and procedures in order to prevent opportunities for fraud, error and corruption. The measures in place to ensure this include a scheme of delegation and segregation of duties, internal audit of the treasury function, detailed procedure notes for dealing and other treasury functions, and emergency and contingency planning arrangements (including a business continuity plan for treasury management).
- h) Market risk – Investments that may be subject to fluctuations in market value in some circumstances include certificates of deposit, gilts, bonds and money market funds.

The Council has deposits placed in money market funds, whereby the underlying assets of the fund are subject to capital fluctuations as a result of interest rate risk and credit risk. However the structure of the fund minimises the movement of capital value due to the restrictions laid down by the credit rating agencies. The Council did not experience any fluctuations in the capital value of its money market funds in 2013-14.

The Council purchased certificates of deposit in 2013-14, which were held to maturity and were therefore not subject to movement in capital value.

The Council did not invest in gilts or bonds during 2013-14.

Accounting & Audit Issues

- 3.2.3 The CIPFA Code of Practice on Local Authority Accounting includes a complex set of regulations on accounting for financial instruments. These requirements have been fully complied with in the preparation of the Council's Statement of Accounts.
- 3.2.4 The regulations include the values at which financial instruments, including borrowing and investments, should be calculated for inclusion on the balance sheet at year-end. In some instances, this is at amortised cost, whereby the balance sheet value is written up or down via the comprehensive income and expenditure account over the life of the instrument to reflect costs or benefits, such as transaction costs or interest earned or due to date. Alternatively, financial instruments may be valued at their original cash value.
- 3.2.5 In summary, and broadly speaking, the balance sheet values of the Council's debt and investments at 31 March 2014 are shown in the following ways:

Borrowing (Financial Liabilities)	
Long term borrowing	Amortised value
Short term borrowing	Original (cash) value
Investments (Financial Assets)	
Deposit and call accounts (cash equivalents)	Original (cash) value
Money market funds (cash equivalents)	Original (cash) value
Short term money market investments up to three months duration (cash equivalents)	Original (cash) value
Short term money market investments over three months duration	Amortised value
Long term money market investments over 1 years duration	Amortised value

3.2.6 Outturn figures relating to borrowing and investments are shown and discussed at paragraphs 3.2.7 to 3.2.10 below. All outturn figures contained in this report are subject to external scrutiny, through the annual audit of the Council's Statement of Accounts.

Performance Report – Borrowing

3.2.7 Borrowing

- a) Under Section 3 of the Local Government Act 2003, the Council is required to set an annual affordable borrowing limit. This limit is also set as a prudential indicator, i.e. the authorised limit for external debt. The Council's annual affordable borrowing limit for 2013-14 was £250m. The total amount of debt outstanding, including finance leases, as at 31 March was £227m
- b) New PWLB borrowing of £10m was taken out during 2013-14 to support loans to two local sports clubs.
- c) No loans were repaid during the year other than the scheduled repayment of the principal element of the annuity with the Homes and Communities Agency (HCA) (£20k) due in 2013-14.

3.2.8 Long Term Borrowing

- a) The table below shows the Council's long-term debt as at 31 March 2014 at amortised cost. The total long term debt outstanding is £210m.

Long Term Debt Outstanding at 31 March 2014	Principal	Proportion of Debt	Range of Interest Rates	
			From	To
			%	
	£000	%		
PWLB	199,910	95%	1.24%	3.97%
Money Market LOBO Loans	9,068	4%	4.85%	4.85%
HCA Annuity Loan	1,148	1%	9.25%	9.25%
Total	210,126	100%		

- b) The Council has adopted a two-pool approach to splitting debt between the HRA and General Fund, whereby loans are assigned internally to either the HRA or the General Fund. The split between HRA and GF long term borrowing is as follows:

Long Term Debt Outstanding at 31 March 2014	Principal	Proportion of Debt	Range of Interest Rates	
			From	To
			%	
	£000	%		
General Fund	16,993	8%	2.40%	9.25%
HRA	193,133	92%	1.24%	4.85%
Total	210,126	100%		

- c) The table below shows the Council's long-term debt maturity profile as at 31 March 2014. This excludes debt due for repayment within the next 12 months (see paragraph 3.2.7)

Long Term Debt Outstanding at 31 March 2014	Principal	Proportion of Debt
Maturing in 1-2 years	2,259	1%
Maturing in 2-5 years	18,299	9%
Maturing in 5-10 years	16,312	8%
Maturing in over 10 years	173,256	82%
Total	210,126	100%

3.2.9 Short Term Borrowing

- a) The year-end position on short term and temporary borrowing, and the range of rates applied, is set out below.

Short Term Debt Outstanding at 31 st March 2014	Principal	Proportion of Debt	Range of Interest Rates	
			From	To
	£000	%	%	
PWLB	261	2%	3.97%	3.97%
Money Market LOBO Loans	15,721	97%	5.68%	7.03%
HCA Annuity Loan	22	0%	9.25%	9.25%
Northampton Volunteering Centre	189	1%	0.17%	0.63%
Billing Parish Council	90	1%	0.17%	0.63%
Total	16,283	100		

- b) PWLB Equal Instalment Payment (EIP) loans were taken out in 2013-14 to fund third party loans to Northampton Rugby Football Club. The repayment of the principal element of the loans due in 2014-15 is treated as short term borrowing in the accounts in accordance with accounting requirements.
- c) Two money market LOBO loans totalling £15.7m are due for repayment at final maturity in February 2015. These will be funded from internal borrowing, new borrowing, or a combination of both, depending on interest rate conditions and forecasts, and subject to advice from the Council's external treasury management advisors.
- d) The repayment of the principal element of the HCA annuity due in 2014-15 is treated as short term borrowing in the accounts in accordance with accounting requirements.
- e) The Council has long-standing agreements with two local organisations, Billing Parish Council and Northampton Volunteering Centre, for the short-term deposit of funds with the Council. Accounting regulations require that these be treated in the accounts as short-term borrowing. The interest rate applicable on these accounts is set quarterly using the Council's average investment rate for the previous quarter, less 0.5% to cover administrative costs.
- f) All short term borrowing as at 31 March relates to the General Fund.

Performance Report - Investments

3.2.10 Investments Strategy

- a) The CLG Guidance on Local Government Investments requires Councils to set an Investment Strategy. This sets out the authority's policies for the prudent management of its investments and for giving priority, firstly to the security of those investments and secondly, to their liquidity. It should therefore identify the procedures for monitoring, assessing and mitigating the risk of loss of invested sums and for ensuring that such sums are readily accessible for expenditure whenever needed.
- b) The Council's Investment Strategy for 2013-14 was included in the Treasury Strategy for 2013-14, approved by Council on 25 February 2013.
- c) The CLG Guidance on Local Government Investments requires that investments are split into two categories:
 - (i) Specified investments – broadly, sterling investments, not exceeding 364 days and with a body or investment scheme of high credit quality.
 - (ii) Non-specified investments – do not satisfy the conditions for specified investments. This may include investment products that would normally be considered as specified investments, but are judged to have a higher level of risk than normal attached to them.
- d) The Council's Investment Strategy for 2013-14 set out the Council's credit rating criteria for specified investments, including its definition of high credit quality, and the types of unspecified investments that it might enter into, including investments over 364 days.
- e) The Council defines high credit quality in terms of investment counterparties as those organisations that:
 - Meet the requirements of the creditworthiness service provided by the Council's external treasury advisers (ie have a colour rating) and,
 - Have sovereign ratings of AAA, or are
 - UK nationalised or part nationalised banking institutions, or are
 - UK banks or building societies supported by the UK banking system support package or are
 - UK national or local government bodies or are
 - Triple A rated Money Market funds
- f) Investments periods are determined in line with the maximum periods recommended by Capita, the Council's treasury management advisors. In addition, the Investment Strategy imposes Council specific value and investment period limits for each category of approved counterparty.

- g) The maximum limits in 2013-14 for placements with individual or group counterparties are set out below. Within this framework lower limits applied depending on credit ratings and other factors specific to each institution.

Investments may be placed with counterparties recommended by the Council's external treasury advisors, and which meet the following criteria:	Additional limits
(1) UK counterparties	NBC additional limits in force will be £15m and a maximum of 2 years (729 days)
<i>Or</i>	
(2) UK nationalised or part nationalised banking institutions	NBC additional limits in force will be £20m and a maximum of 2 years (729 days)
<i>Or</i>	
(3) Non UK counterparties having a sovereign rating of AAA	NBC additional limits in force will be £15m and a maximum of 2 years (729 days)

- h) Instant access deposit accounts and call accounts continued to be used during 2013-14 to ensure liquidity and security of funds. The average balance in deposit and call accounts throughout the year was £19.8m.
- i) The Council also makes use of triple-A rated money market funds. These have the benefits of high credit rating, high liquidity, instant access to funds, portfolio diversification, competitive returns, and administrative convenience. The average balance in money market funds throughout the year was £19.4m.
- j) The number of new fixed term money market investments, including Certificates of Deposit, made during the year was 19, with a range of investment periods from 50 days to 364 days. The average investment period was 246 days.
- k) The total value of investments held at 31 March 2014 - at amortised value for money market investments over three months, and cash values for all other investments - was £73.2m. Investments were placed with reference to the pre-determined lending list, in line with the investment strategy. The breakdown of investments at year-end is shown in the table below:

Investment Type	Balance at 31 March 2013	
	£000	%
<i>Cash & Cash Equivalents</i>		
Deposit accounts	12,181	17%
Call Accounts	9,500	13%
Money Market Funds	22,860	31%
<i>Short Term Investments under 1 year</i>		
Short Term Investments – Fixed Term	27,610	38%
<i>Long Term Investments over 1 year</i>		
Long Term Investments – Fixed Term	1,002	1%
Total	73,153	100.0

- l) The Council's average rate of return on investments in 2013-14 was 0.79%, ranging from a high of 1.10% (April 2013) to 0.62% (February 2014). Performance above the 7 day LIBID (London Interbank Bid Rate), ranged from 0.73% (April 2013) to 0.27% (February 2014), averaging 0.44% against a target of 0.50%. The average differential to 7 day LIBID represents an uplift of £4,400 per £1m invested.
- m) The ability to meet the 7 day LIBID performance target is reliant on the market providing financial products with suitable rates that also comply with the risk requirements set out within the Council's Treasury Management Strategy. Economic initiatives such as Funding for Lending and Quantitative Easing have seen financial institutions cut back on offered rates as their need to attract new money has diminished, and the rates available on suitable investments have reduced significantly as a result. Benchmarking data available to the authority demonstrates that this situation is common across local authorities
- n) The Council has benchmarked its investment performance against other local authorities, using data from the Capita Investment Benchmarking Forum, which provides quarterly benchmarking data, on a snapshot basis, on investment returns. The following table sets out the Council's performance compared with other local authorities during 2013-14 using this indicator.

Average Investment Returns 2013-14				
Benchmarking Forum Classification	30 June 2013	30 Sept 2013	31 Dec 2013	31 March 2014
Northampton Borough Council	1.01%	0.78%	0.68%	0.63%
Benchmarking Group	0.81%	0.67%	0.60%	0.62%
Non Metropolitan Districts	1.01%	0.79%	0.71%	0.73%
Whole population	0.89%	0.77%	0.69%	0.70%

- o) Average investment returns have fallen across the board as the rates available to local authorities have been squeezed.
- p) The circumstances and risk appetite of individual local authorities will be reflected in their returns. For example some local authorities will invest in non-rated building societies and consequently have access to higher rates, but with an increased level of risk. NBC were maintaining higher levels of liquidity than normal in the final quarter of 2013-14 in order to meet cash requirements and hence a lower rate of return would be expected as investments were kept short or available for immediate recall.
- q) To ensure the Council is maximising the current opportunities contained in the Treasury Management Strategy it will continue to work with its external treasury management advisers to review the position, and if opportunities exist outside of the existing strategy , it will propose these to senior management and members for consideration.

Performance Report - Debt Financing Budget Outturn

3.2.11 The table below shows the budget, outturn and variance for the Council's General Fund debt and investment portfolio in 2013-14. This demonstrates the revenue (current) effects of the treasury transactions executed.

Debt Financing and Interest	Budget 2013-14 £000	Outturn 2013-14 £000	Variance 2013-14 £000
Interest Payable	1,328	1,394	66
Interest Receivable	(625)	(674)	(49)
Other Debt Financing	1,343	1,383	40
Total	2,046	2,103	57

3.2.12 A savings target of £200k on interest receivable was not met due to the poor interest rate environment and the lack of suitable investment opportunities meeting the criteria of the Council's treasury management strategy. This shortfall was funded from the Council's debt financing earmarked reserve, and has been netted off in the table above.

3.2.13 Minimum Revenue Provision, which is the amount of money required to be set aside to finance borrowing was £57k over budget, as a savings target based on an assumption of slippage in the 2012-13 capital programme that did not materialise, was not fully realised.

Prudential Indicators and Treasury Management Indicators

3.2.14 Throughout the course of the year, LGSS treasury staff have monitored the prudential Indicators and the treasury management indicators set for 2013-14. The outturn indicators are shown at **Appendix B** with a brief commentary. Figures are shown at cash value rather than amortised cost, in line with the requirements of the Prudential Code. There have been no breaches of limits during the 2013-14 financial year.

Compliance with agreed policies and practices, and statutory and regulatory requirements

3.2.15 NBC and LGSS officers and NBC members have individual and collective responsibilities to comply with agreed policies and practices and statutory and regulatory requirements. These are set out in detail in the Schedules to the Council's Treasury Management Practices (TMPs).

3.2.16 Compliance has been monitored during the year. No breaches of compliance have been recorded.

Compliance with CIPFA Code Recommendations

3.2.17 Under the umbrella of compliance with regulatory requirements, the Council has sought to comply with the requirements of the CIPFA Treasury Management Code of Practice. No breaches have been recorded during the 2013-14 financial year.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Council is required to adopt the latest CIPFA Treasury Management Code of Practice, and to set and agree a number of policy and strategy documents. These policy documents are reported to Cabinet and Council as part of the budget setting process. The Council's Treasury Strategy for 2013-14 was approved by Council on 25 February 2013.

4.1.2 This report complies with the requirement to submit an annual treasury management review report to Council.

4.3.2 The CIPFA Treasury Management Code of Practice requires the Council to nominate the body (such as an audit or scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. The Audit Committee has been nominated for this role, which includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and for making recommendations to Council.

4.2 Resources and Risk

4.2.1 The resources required for the Council's debt management and debt financing budgets are agreed annually through the Council's budget setting process. The debt financing budget outturn position is shown at paragraph 3.2.11 to 3.2.13.

4.2.2 The risk management of the treasury function is specifically covered in the Council's Treasury Management Practices (TMPs), which are reviewed annually. Treasury risk management forms an integral part of day-to-day treasury activities.

4.2.3 The risk implications of decisions taken and transactions executed during 2013-14 financial year are discussed in the body of the report at paragraph 3.2.2.

4.3 Legal

4.3.1 The Council is obliged to carry out its treasury management activities in line with statutory requirements and associated regulations and professional guidance.

4.4 Equality

4.4.1 An Equalities Impact Assessment was carried out on the Council's Treasury Strategy for 2013-14, and the associated Treasury Management Practices (TMPs) and the Schedules to the TMPs. The EIA assessment is that a full impact assessment is not necessary, as no direct or indirect relevance to equality and diversity duties has been identified

4.5 Consultees (Internal and External)

4.5.1 Consultation on treasury management matters is undertaken as appropriate with the Council's treasury advisors, Sector, and with the Portfolio holder for Finance.

4.5.2 Under the regulatory requirements, the Audit Committee has been nominated by Council as the body responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. This role includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council. This report will be presented to Audit Committee at their meeting of 3 November 2014.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes ("the Treasury Management Code of Practice").

4.6.2 Under the umbrella of the Treasury Management Code of Practice, the Council's Treasury Management Policy Statement "...acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management."

4.6.3 This supports the Council's priority of making every £ go further.

4.7 Other Implications

4.7.1 No other implications have been identified.

5. Background Papers

None

Glenn Hammons, Chief Finance Officer 0300 330 7000

Commentary on the economy and interest rates provided by Capita Asset Management (April 2014)

UK Economy

After strong UK GDP growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, it appears that strong growth will continue into 2014 as forward surveys are very encouraging. There are also positive indications that recovery is starting to broaden away from reliance on consumer spending and the housing market into construction, manufacturing, business investment and exporting. This strong growth has resulted in unemployment falling much faster towards the threshold of 7%, set by the MPC last August, before it said it would consider any increases in Bank Rate. In the February 2014 Inflation Report, the MPC therefore broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of indicators. Accordingly, markets are expecting a first increase around the end of 2014, though recent comments from MPC members have emphasised they would want to see strong growth well established, and an increase in labour productivity / real incomes, before they would consider raising Bank Rate.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.7% in February: forward indications are that inflation will continue to be subdued. The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19.

US Economy

The Federal Reserve has continued with its monthly \$10bn reductions in asset purchases which started in December; asset purchases have now fallen from \$85bn to \$55bn and are expected to stop by the end of 2014, providing strong economic growth continues this year.

Interest Rate Forecast

	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.25%	1.50%	1.75%
5yr PWLB rate	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%
10yr PWLB rate	3.70%	3.70%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.50%
25yr PWLB rate	4.40%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%	4.90%	5.00%	5.00%	5.10%	5.10%	5.10%
50yr PWLB rate	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.20%	5.20%

Capita Asset Services undertook a review of its interest rate forecasts in February, after the Bank of England's latest quarterly Inflation Report. This latest forecast now includes a first increase in Bank Rate in quarter 4 of 2015 (previously quarter 2 of 2016), and reflects greater caution as to the speed with which the MPC will start increasing Bank Rate than the current expectations of financial markets.

Summary Outlook

Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth rebounded during 2013 to surpass all expectations, propelled by recovery in consumer spending and the housing market. Forward surveys are currently very positive in indicating that growth prospects are also strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. This is very encouraging as there does need to be a significant rebalancing of the economy away from consumer spending to construction, manufacturing, business investment and exporting in order for this start to recovery to become more firmly established. One drag on the economy was that wage inflation had been significantly below CPI inflation, so disposable income and living standards were being eroded, (although income tax cuts had ameliorated this to some extent). However, the recent fall in inflation has narrowed the gap between wage increases and inflation and this gap could narrow even more during this year, especially if there is also a recovery in growth in labour productivity (leading to significant increases in pay rates). With regard to the US, the main world economy, it faces similar debt problems to those of the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although labour force participation rates remain lower than ideal.

Eurozone

As for the Eurozone, concerns subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major concerns could return in respect of any countries that do not dynamically address fundamental issues of low growth, international competitiveness, and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

Prudential & Treasury Indicators – 2013-14 Outturn Position

Background and Definitions

For background and definitions for the prudential and treasury indicators for 2013-14, see the following reports:

- Prudential Indicators - Prudential Indicators for Capital Finance 2013-14 to 2015-16 – Report to Council 25 February 2013
- Treasury Indicators - Treasury Strategy 2013-14 to 2015-16 – Report to Council 25 February 2013 (Appendix F)

Prudential Indicators

Affordability

- a) Estimate of the ratio of financing costs to net revenue stream

Ratio of financing costs to net revenue stream		
	2013-14	2013-14
	Estimate %	Actual 31 March 2014
General Fund	6.02%	7.71%
HRA	33.49%	34.13%

Actual financing costs on the General Fund were higher than estimated due to:

- (i) inclusion in the outturn of finance leases charges (interest and principal) transferred from service accounts and not in the original estimate
- (ii) savings targets included in the original estimate not being achievable (see main report paragraphs 3.2.12 to 3.2.13)

Actual financing costs on the HRA were broadly in line with budget. The small increase is mainly due to the Major Repairs Allowance (representing HRA depreciation) being slightly higher than estimated.

- b) Estimate of the incremental impact of capital investment decisions on the council tax

<i>Estimates of incremental impact of new capital investment decisions on the Council Tax</i>	
	2013-14
	Estimate £.p
General Fund	0.27

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

- c) Estimate of the incremental impact of capital investment decisions on the housing rents

<i>Estimates of incremental impact of new capital investment decisions on weekly housing rents</i>	
	2013-14
	Estimate £.p
HRA	0.06

This indicator is set before the start of the financial year, in the context of the budget setting process, which feeds into the setting of Council Tax and Housing Rents. As these are set and fixed for the financial year ahead, any capital investment decisions made during the year cannot impact on the existing Council Tax and Housing rent levels. This means that new capital investment plans approved during the year must be funded externally or from within existing resources.

Prudence

d) Net borrowing and the capital financing requirement (CFR)

Gross debt less than the CFR			
	2013-14 £000	2013-14 Actual 31 March 2014 £000	2013-14 Maximum Net to 31 March 2014
Gross External Debt	216,129	226,546	226,546
2012-13 Closing CFR (Forecast)	216,826	216,615	216,615
Changes to CFR:			
2013-14	5,118	15,427	15,427
2014-15	-	34,432	34,432
2015-16	-	28,777	28,777
Adjusted CFR	221,944	295,251	295,251
Gross external debt greater than adjusted CFR	No	No	No

This is the key indicator of prudence. It is intended to show that external borrowing 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 requirement for the current and new two financial years.

The forward looking changes to CFR are estimates that will be firmed up as more accurate forecasts become available.

Gross external debt during the year, and at 31 March 2014, remained below the adjusted Capital Financing Requirement

Capital Expenditure

e) Estimate of capital expenditure

Capital Expenditure		
	2013-14	2013-14
	Estimate £000	Outturn £000
General Fund	5,747	24,523
HRA	24,375	24,371
Total	30,122	48,894

In the General Fund, the original capital programme expenditure estimate was increased by scheme carryforwards from 2012-13, and the addition of new schemes during the year. This included loans totalling £10m to local sports clubs to support local economic development.

Appendix B

In the HRA, although the capital programme was increased during the year, total actual expenditure was in line with the original budget.

Full details of the 2013-14 capital outturn, variances and budget carryforwards to 2014-15 are set out in the Finance and Monitoring Report to Cabinet on 9 July 2014.

f) Estimates of capital financing requirement (CFR)

Capital Financing Requirement (Closing CFR)		
	2013-14	2013-14
	31 March 2014 Estimate £000	31 March 2014 Actual £000
General Fund	35,141	45,239
HRA	186,803	186,803
Total	221,944	232,042

The CFR can be understood as the Council's underlying need to borrow money long term for a capital purpose – that is, after allowing for capital funding from capital receipts, grants, third party contributions and revenue contributions. Changes to the CFR are linked directly to the use of borrowing to finance new capital expenditure (including finance leases), and to the repayment of debt through Minimum Revenue Provision (MRP).

The General Fund CFR at 31 March 2014 is above the estimate due to an increase capital expenditure funded by borrowing for the reasons set out at (e) above. The HRA CFR has remained unchanged since none of the HRA capital programme in 2013-14 was financed by borrowing.

External Debt

g) Authorised limit for external debt

Authorised limit for external debt			
	2014-15	2013-14	2013-14
	Limit £000	Actual 31/03/2014 £000	Maximum to 3 March 2014 £000
Borrowing	245,000	226,050	226,050
Other long-term liabilities	5,000	496	496
Total	250,000	226,546	226,546

The long term liabilities figure relates to finance leases.

External debt remained below the authorised limit throughout 2013-14.

h) Operational boundary for external debt

Operational boundary for external debt			
	2013-14	2013-14	2013-14
	Boundary £000	Actual 31 March 2014 £000	Maximum to 31 March 2014 £000
Borrowing	240,000	226,050	226,050
Other long-term liabilities	5,000	496	496
Total	245,000	226,546	226,546

The long term liabilities figure relates to finance leases.

External debt remained below the operational boundary throughout 2013-14.

i) HRA Limit on Indebtedness

HRA Limit on Indebtedness		
	2013-14	2013-14
	Limit £000	Closing HRA CFR 31 March 2014 £000
HRA	208,401	186,803

The HRA limit on indebtedness is £208.401m. This is the HRA debt cap imposed by the Department for Communities and Local Government at the implementation of HRA self-financing. The HRA CFR of £186.803m, which is the measure of indebtedness, is below the limit.

Compliance

j) Adoption of the CIPFA code of Practice for Treasury Management in the Public Services

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes. The adoption is included in the Council's Constitution, approved by the Council on 14 March 2011, at paragraph 6.10 of the Financial Regulations

Treasury Management Indicators

1. Upper limits on interest rate exposures

Upper limits on interest rate exposures - Investments			
	2013-14	2013-14	2013-14
	Limit %	Actual 31 March 2014 £000	Maximum to 31 March 2014 £000
Fixed Interest Rate Exposures	100%	39%	57%
Variable Interest Rate Exposures	100%	61%	66%

Upper limits on interest rate exposures - Borrowing			
	2013-14	2013-14	2013-14
	Limit %	Actual 31 March 2014 £000	Maximum to 31 March 2014 £000
Fixed Interest Rate Exposures	100%	89%	89%
Variable Interest Rate Exposures	100%	11%	12%

Upper limits on interest rate exposures - Net borrowing			
	2013-14	2013-14	2013-14
	Limit %	Actual 31 March 2014 £000	Maximum to 31 March 2014 £000
Fixed Interest Rate Exposures	150%	113%	122%
Variable Interest Rate Exposures	150%	-13%	3%

The purpose of these three indicators is to express the Council's appetite for exposure to variable interest rates, which may, subject to other factors, lead to greater volatility in payments and receipts. However this may be offset by other benefits such as lower rates. Separate indicators have been set and monitored for debt and investments, as well as for the net borrowing position. Maximum exposure for fixed and variable rates during the year may add up to more than 100% (or 150% in the case of the combined indicator) as each is likely to occur on a different date. Actual exposure at 31 March 2014, and during the year, remained within the agreed limits.

Appendix B

2. Total principal sums invested for periods longer than 364 days

Upper limit on investments for periods longer than 364 days			
	2013-14	2013-14	2013-14
	Upper Limit £000	Actual 31 March 2014 £000	Maximum to 31 March 2014 £000
Investments longer than 364 days	17,000	-	1,000

Investment periods have been kept short to minimise counterparty risk in the uncertain economic environment.

3. Maturity Structure of Borrowing

Maturity structure of borrowing			
	2013-14	2013-14	2013-14
	Lower Limit %	Upper Limit %	Actual at 31 March 2014
Under 12 months	0%	20%	11%
1-2 years	0%	20%	1%
2-5 years	0%	20%	8%
5-10 years	0%	20%	7%
10-20 years	0%	40%	17%
20-30 years	0%	60%	1%
30-40 years	0%	80%	0%
Over 40 years	0%	100%	55%

The Treasury Management Code of Practice requires the maturity of borrowing to be determined by reference to the earliest date on which the lender can require payment.

Two of the Council's three LOBO loans are due to mature within the next twelve months. The remaining LOBO loan is also presented as maturing in the same period, due to the six monthly break clauses, whereby the lender can opt to increase the rate, and the Council can choose to accept or decline the new rate. However in the current interest rate environment it is not to the lender's advantage to increase the rate at the break dates and this option is not likely to be exercised.