



NORTHAMPTON
BOROUGH COUNCIL

CABINET AGENDA

Wednesday, 28 September 2016

The Jeffrey Room, St. Giles Square, Northampton,
NN1 1DE.

6:00 pm

Members of the Cabinet:

Councillor: Mary Markham (Leader of the Council)

Councillor: Jonathan Nunn (Deputy Leader)

Councillors: Alan Bottwood, Mike Hallam, Tim Hadland, Stephen Hibbert, Brandon Eldred and Anna King.

Chief Executive David Kennedy

If you have any enquiries about this agenda please contact
democraticservices@northampton.gov.uk or 01604 837722

PORTFOLIOS OF CABINET MEMBERS

CABINET MEMBER	TITLE
Councillor M Markham	Leader
Councillor J Nunn	Deputy Leader
Councillor A Bottwood	Environment
Councillor B Eldred	Finance
Councillor T Hadland	Regeneration, Enterprise and Planning
Councillor M Hallam	Community Safety
Councillor S Hibbert	Housing
Councillor A King	Community Engagement

SPEAKING AT CABINET MEETINGS

Persons (other than Members) wishing to address Cabinet must register their intention to do so by 12 noon on the day of the meeting and may speak on any item on that meeting's agenda.

Registration can be by:

Telephone: (01604) 837722
(Fax 01604 838729)

In writing: Democratic Services Manager
The Guildhall, St Giles Square, Northampton NN1 1DE
For the attention of the Democratic Services Officer

By e-mail to democraticservices@northampton.gov.uk

Only thirty minutes in total will be allowed for addresses, so that if speakers each take three minutes no more than ten speakers will be heard. Each speaker will be allowed to speak for a maximum of three minutes at each meeting. Speakers will normally be heard in the order in which they registered to speak. However, the Chair of Cabinet may decide to depart from that order in the interest of hearing a greater diversity of views on an item, or hearing views on a greater number of items. The Chair of Cabinet may also decide to allow a greater number of addresses and a greater time slot subject still to the maximum three minutes per address for such addresses for items of special public interest.

Members who wish to address Cabinet shall notify the Chair prior to the commencement of the meeting and may speak on any item on that meeting's agenda. A maximum of thirty minutes in total will be allowed for addresses by Members unless the Chair exercises discretion to allow longer. The time these addresses take will not count towards the thirty minute period referred to above so as to prejudice any other persons who have registered their wish to speak.

KEY DECISIONS

 denotes the issue is a 'Key' decision:

- Any decision in relation to the Executive function* which results in the Council incurring expenditure which is, or the making of saving which are significant having regard to the Council's budget for the service or function to which the decision relates. For these purpose the minimum financial threshold will be £250,000;
- Where decisions are not likely to involve significant expenditure or savings but nevertheless are likely to be significant in terms of their effects on communities in two or more wards or electoral divisions; and
- For the purpose of interpretation a decision, which is ancillary or incidental to a Key decision, which had been previously taken by or on behalf of the Council shall not of itself be further deemed to be significant for the purpose of the definition.

NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held:
in The Jeffrey Room, St. Giles Square, Northampton, NN1 1DE.
on Wednesday, 28 September 2016
at 6:00 pm.

D Kennedy
Chief Executive

AGENDA

1. **APOLOGIES**
2. **MINUTES**
3. **INTENTION TO HOLD PART OF THE MEETING IN PRIVATE**
4. **DEPUTATIONS/PUBLIC ADDRESSES**
5. **DECLARATIONS OF INTEREST**
6. **ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES**
None
7. **EFFICIENCY PLAN AND MEDIUM TERM FINANCIAL STRATEGY**
(Copy herewith)
8. **GRANT FUNDING TO THE NORTHAMPTON AND DISTRICT CITIZEN ADVICE BUREAU AND COMMUNITY LAW SERVICE (NORTHAMPTON & COUNTY)**
(Copy herewith)
9. **EXCLUSION OF PUBLIC AND PRESS**

THE CHAIR TO MOVE:

“THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT.”

SUPPLEMENTARY AGENDA

**Exempted Under Schedule
12A of L.Govt Act 1972
Para No:-**

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 7 September 2016

PRESENT: Councillor Markham (Chair); Councillor Nunn (Deputy Chair); Councillors Bottwood, Eldred, Hadland, Hallam, Hibbert and King

APOLOGIES:

1. APOLOGIES

There were none.

2. MINUTES

The minutes of the meeting held on the 13th July 2016 were agreed and signed by the Leader.

3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE

There were no items to be heard in private

4. DEPUTATIONS/PUBLIC ADDRESSES

There were none.

5. DECLARATIONS OF INTEREST

Councillor Bottwood declared a personal, non-pecuniary interest as a Board Member on Northampton Partnership Homes (NPH).

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

6.A RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE - PRE-DECISION SCRUTINY - MUSEUM TRUST

Councillor Birch acknowledged the work of the Chairman of the Scrutiny Panel and officers for providing full informative meetings. She felt the Hybrid Trust was the best option for the museum service but voiced concerns about the length of time it would take the museum to regain its accreditation from the Arts Council England.

In submitting the report Councillor Lane stated that whilst they had decided to close the report they had recommended a 3 month review. Councillor Beardsworth added that following the success of the Leisure Trust this was a good thing to take forward.

RESOLVED:

That the report be noted.

6.B RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE - NBC OWNED STREET LIGHTING

Councillor Ashraf referred to some of the most vulnerable tenants stating the Labour Group was opposed to any cuts. She felt NBC lighting did need modernisation and asked if the comment in the report that stated the corporate asset list was incomplete meant that NBC was unsure of its assets.

In response Councillor Markham stated it was a large piece of work that had been at times difficult because NBC and Northamptonshire County Council (NCC) were still discovering which lights belonged to them. She reassured Councillor Ashraf that any health and safety concerns would be dealt with as a matter of urgency.

In proposing the report Councillor Lane thanked Councillor Larratt for his chairmanship of this working group.

Councillor Markham acknowledged Councillor Larratt's background in this area which had been very useful to him whilst chairing the working group.

RESOLVED:

Cabinet noted the report.

7. NORTHAMPTON LOCAL PLAN (PART 2) OPTIONS CONSULTATION

Councillor Stone stated she felt there was a need to embed sufficient strategies to ensure quality, green, safe housing. She referred to 2 families whose children had been taken away that week because of poor housing stating this was a real issue. She asked if there would be a stage in the process at which road shows would be taken out to consult with residents.

Councillor Beardsworth referred to one of the most responded to questions regarding the Northern Orbital Route which she felt they needed to ensure was in place. She noted many children in the Kingsthorpe area suffered with asthma and there was a need to ensure the best infrastructure to assist people to leave their homes. She also felt there was a need to keep liaising with NCC on this issue. Shopping habits had changed and there was a need to make town centres more attractive either in the shops provided or by providing leisure activities. She then went on to refer to a need to build more bungalows particularly in light of the ageing population and larger number of people living in their own home for longer.

In presenting his report, Councillor Hadland stated this was a vital plan for Northampton. The next stage was for officers to review all of the consultation responses and start to work on writing the local plan. A new consultation would begin shortly and last until 2 November 2016. The report included initial ideas to set out the vision for Northampton through to 2029. Whilst much of it was technical later parts of the report included subjects for consideration and was quite comprehensive. The Council would do all it could to improve consultation and engagement wherever possible and would also consider good ideas of best practice from across the country.

RESOLVED:

- 1) That the responses received to the issues in the consultation be noted.
- 2) That the documents and timetable as set out in the report for an Options stage public consultation on the Northampton Local Plan (Part 2) be agreed.
- 3) That the outcome of the Options consultation would inform further consideration and preparation of a Draft Local Plan which would be presented to Cabinet in due course be noted.

8. EMERGENCY FUNDING FOR NORTHAMPTONSHIRE'S REFUGES

Councillor Beardsworth made a plea for 3-5 year funding for refuges. She felt those

accessing them had already been through a lot. She also noted that NCC paid the same level of grant as NBC and suggested NCC should pay more. She felt a 3-5 year funding stream would ensure there was somewhere for people to go when needing this type of assistance.

Councillor Cali referred to the Council's good history of supporting refuges and voiced concerns about the lack of criteria for assessing who would receive funding from Central Government.

In submitting the report Councillor Hibbert stated that whilst details of how the £40million would be distributed had not yet been released, the sum of money in this area had been confirmed. NBC, the Northamptonshire Police & Crime Commissioner and NCC were committed to providing the bridging sums and intended to reclaim these sums from the Central Government funding once it had been awarded.

RESOLVED:

- 1) That the action that had been taken by the Borough and District Councils, the County Council and the Police & Crime Commissioner to sustain Northamptonshire's refuges in 2016/17 be noted and supported;
- 2) Cabinet approved the Council's contribution of £39,362 (28% of the total) to the bridge funding arrangements and agreed that if this money was not reimbursed through the VAWG funding it would need to be funded from the Council's Revenue Budget 2016/17 or reserves be approved
- 3) That the Chief Executive make written representations to the DCLG and the Home Office, highlighting the financial difficulties facing Northamptonshire's refuges and urging Ministers to make an early decision on when, how and to whom the £40million funding for domestic abuse would be awarded to provide an assurance that when funding is awarded it would take into account expenditure that the refuges had already incurred in 2016/17.

9. REVIEW OF OLDER PERSONS' HOUSING

Councillor Beardsworth praised the report stating this area needed a complete overhaul. People's needs had changed in the past 20-30 years with many leading a more active life. There was still a need for more bungalows, perhaps in clusters and open spaces.

Councillor Ashraf stated she considered this to be a sensible way forward. Many people required sheltered housing and she would welcome any answers NPH might have to address any issues that arose from this strategy. She hoped that stock was not sold off under the right to buy scheme because this type of accommodation was desperately needed.

In submitting the report Councillor Hibbert thanked representatives from all parties for their support. It had begun some time ago with key objectives of enabling older people to live independently in their own homes for as long as possible, improving the quality of older person's housing to enable people to live happy and healthy lives in an enriched community, offer housing choices to meet the needs of current and future generations of older people and to ensure that specialist housing and support was targeted to those most in need. All Councils generally required bungalows and many would be re-classified as sheltered housing as well as possibly up to 600 flats. A new standard for designated sheltered housing was also included in the report.

Councillor Markham thanked officers at NBC and NPH noting that whilst the report had

taken some time, this was required in order to ensure the best possible options. She noted residents and tenants had also been involved in it.

RESOLVED:

- 1) That the findings of Northampton Partnership Homes' review of the Council's older persons' housing (as set out in its Older Persons' Housing Strategy in appendices 1 and 2 of the report) be noted;
- 2) That the rebranding of the Council's sheltered housing as 'older persons' housing' be approved and authorised changes to the housing allocations policy (as set out in paragraphs 3.2.5 – 3.2.7 of the report) in order to define these properties as being suitable for people aged 55 or over and determine the circumstances in which they may be let to people with disabilities who are under the age of 55 years;
- 3) That the reclassification of its 'general needs' bungalows to 'older persons' housing' when they become vacant and are assessed as suitable for older people, in order that all future lettings are made to people who are either aged 55 years or over or have a disability, required accessible housing and are under the age of 55 years be approve.
- 4) That the reclassification (to 'general needs housing') or up to 600 flats and bungalows that are currently designated as 'sheltered housing' but are assessed as being unsuitable for older people, be approved in principal, and authorised Northampton Partnership Homes to consult with the affected residents, in three phases, in order to establish their housing preferences and their current and future needs, and to recommend to the Council which schemes should be reclassified and when;
- 5) That authority be delegated to the Chief Executive, in consultation with the cabinet Member for Housing & Wellbeing and the Section 151 Officer, to approve the reclassification of the older persons' housing schemes to 'general needs housing' after Northampton Partnership Homes has consulted with the affected residents and following consideration of Northampton Partnership Homes' recommendations; and
- 6) That it be noted that Cabinet would receive further reports on the implementation of Northampton Partnership Homes' Older Persons' Strategy and the Council's development of a Multi-Agency Older Persons' Housing Strategy that takes into account the views of a wider range of stakeholders, including registered providers, private sector developers and housing providers, health and social care and the voluntary and community sector.

10. GREYFRIARS: SELECTION OF A DEVELOPMENT PARTNER

Councillor Beardsworth stated disappointment in the plans as she felt it should be a more exciting, active place to visit. She referred to 2 cinemas in the town centre which had not been viable and the fact that the town centre already had a cinema. She felt a skating rink or climbing facilities might have been better. She also felt there was no need for new restaurants as these would drive away the existing ones. She also felt student lifestyle was so different that no-one would want to live close to them.

Councillor Stone stated she had expected something more radical. She asked about young families and suggested something that better complemented what was already in the areas should have been designed rather than something that would be in competition. She also suggested retaining the land and developing it themselves.

In submitting the report Councillor Hadland stated this was the next stage in the

development of the north side of Northampton town centre. He felt providing an exciting development was all well and good when you had the finances to back it. There had been originally 3 schemes but 1 of these had backed out. General feedback on the other 2 schemes during consultation had been supportive. Advisers were employed to consider the proposals and professional advice was sought across the scheme. When scoring the 2 schemes, 50% was weighted to the scheme, 40% to finance and 10% to legal requirements. Developer A had scored slightly higher than developer B and the report explained reasons for this in paragraph 3.2.5. Viability was quite high as was attractiveness with links to the existing town centre which it was felt would provide an integration. It included improvements to the public realm and private housing. It was also felt students would not disturb others living in the area.

A planning decision would be expected in the Autumn of 2017 with workmen on site from January 2018. Palace Capital who owned Sol Central had expressed concerns in the viability of the cinema but professional advice was that the town could sustain 2 cinemas. Palace Capital had also put in an application to improve the Sol Central site and NBC were convinced that the 2 developments would not have an adverse affect on each other. Should Cabinet approve the recommendations, Developer A could be named and more information about them released.

Councillor Markham reminded Cabinet that there would be further recommendations that would come to them for approval during the process.

RESOLVED:

- 1) That the progress that had been made to date and the further negotiations to be undertaken with the preferred Bidder following a Cabinet approval be noted.
- 2) That a recommendation for the preferred developer of the Greyfriars site be approved: Developer A.
- 3) That authority be delegated to the Director of Regeneration, Enterprise & Planning and the Chief Finance Officer to conclude negotiations on Head of Terms/Agreement to lease with the preferred bidder in consultation with the Cabinet Member for Regeneration, Enterprise & Planning.
- 4) That authority be delegated to the Borough Secretary the approval and conclusion of relevant and appropriate legal documentation;
- 5) That the continuation of the Cabinet Advisory Group to work alongside the selected developer throughout the development process be approved.
- 6) That the Director of Regeneration, Enterprise & Planning would submit a report to Cabinet to approve the proposed Heads of Terms/Agreement to Lease, whichever document(s) are appropriate.

11. FRAMEWORK AGREEMENT FOR ENFORCEMENT AGENTS FOR THE RECOVERY OF VARIOUS TYPES OF DEBT

Councillor Gowen stated she felt it made sense to have more than one 1 option but felt it would have been nice to have had more detail in the criteria for each of the options. She also voiced concern regarding the fees that would be charged.

In response, Councillor Eldred stated there was an Act from 2014 which provided for a fair scheme for every agency.

In submitting the report Councillor Eldred stated he already knew of some of the agencies chosen as reputable.

RESOLVED:

That the implementation of Revenues and Benefits Enforcement Agency Framework Agreement to address future recovery requirements and enter into a Framework Agreement with Bristow & Sutor, Dukes, JBW and Rossendales be approved.

12. FINANCE REPORT TO 31ST JULY 2016

Councillor Gowen in noting that the overspend related mainly to temporary staff asked how much that sum was and stated it would be nice to see that as 'under control'.

In response, Councillor Eldred stated they were reviewing the number of agency staff employed by the Council.

In submitting the report Councillor Eldred stated some great schemes had come forward during the year with a considerable investment in the Eastern area of Northampton. NBC only received 30% from the sale of properties and on average were selling 90 houses each year. In the current year they were building 91. The underspend from repairs would be reinvested in building new houses.

RESOLVED:

- 1) That the changes to the 2016-17 General Fund Capital Programme as detailed in Appendix 1 to the report be noted.
- 2) That the virement of £2.3million of HRA revenue repairs and maintenance budget of the Capital Programme to support the investment in new stock partly funded by the use of 141 Right to Buy receipts be approved.

13. TREASURY MANAGEMENT REPORT

In submitting the report Councillor Eldred stated they had continued to make use of underspends to fund capital projects. The Loan to the University of Northampton was enabling them to bring more people into Northampton by more than 100% of what had been expected. The borrowing position had reduced by £225,000.

RESOLVED:

That Cabinet recommended to Council that they note the Council's treasury management performance for 2015-16 (outturn), and treasury management data for quarter 1 of 2016-17.

14. CORPORATE PERFORMANCE OUTTURN REPORT 2015/16

Councillor Stone referred to new start-ups and the new jobs created by them but asked that given that 8 out of 10 new businesses failed, how many would stay and what could the Council do to assist them? She also expressed concerns that performance in terms of houses of multiple occupancy had fallen and asked if this was because the Council was under-staffed. She noted that she had made many requests in terms of clearing items fly-tipped on the Bouverie Court estate and suggested more could be done to deter fly-tippers. She noted that 99.74% of invoices were paid within 30 days and that there had been a big reduction in staff sickness. She asked if the Council had a high turnover of staff and whether there was a fundamental error that caused people to look elsewhere for employment.

Councillor Birch voiced concerns that affordable housing appeared to fall off many housing applications because it was not viable. She therefore wondered how the Council could manage the need to supply 35% affordable housing. It left people without homes which was an issue she felt the Council should be addressing.

In reply Councillor Markham stated Northampton was second only to London in terms of new businesses, many of which were quite large. The Council had various programmes to assist such as the Business Incentive Scheme and Rate Relief. She herself had attended a company that had relocated to Northampton from Cambridge and had a business breakfast that day with various people who all felt Northampton was progressive. She had also discussed that day how to assist the homeless with gaining employment. The Council also employed people to look at how to support new and existing businesses.

The Council continued to work hard to deter fly-tippers but it was a duty of everyone to be more responsible in this area.

The Council had gone through a real culture change in the past 12 months and staff were consulted. During the latest consultation employees had stated a grievance at the Council's policy not to pay the first 3 days of any sickness period. That day she and the Chief Executive had written to all employees to state this would reduce to the first day of sickness and this would be reviewed.

She concluded by stating she was pleased with the report but the Council was not complacent. There were a number of areas for the Council to work on improving, waste being one of them.

RESOLVED:

That the Corporate Performance Outturn 2015-16 Report be approved.

The meeting concluded at Time Not Specified

Appendices

3



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	EFFICIENCY PLAN AND MEDIUM TERM FINANCIAL STRATEGY
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	28 th September 2016
Key Decision:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	Management Board
Accountable Cabinet Member:	Cllr Brandon Eldred
Ward(s)	NA

1. Purpose

- 1.1 This report sets out for Cabinet approval the proposed Efficiency Plan and Medium Term Financial Strategy for 2017/18 to 2020/21, the proposed governance arrangements to ensure that the plan is achieved, and a realignment of earmarked reserves to support the plan.

2. Recommendations

- 2.1 That Cabinet accept the government's offer of a four year funding settlement.
- 2.2 That Cabinet approve the draft Efficiency Plan as attached in Appendix 1, for submission to the Department of Communities and Local Government.
- 2.3 That Cabinet approve the realignment of earmarked reserves as set out in Appendix 2.
- 2.4 That Cabinet approve the proposed governance arrangements supporting the achievement of the Efficiency Plan, as set out in Appendix 3.

3. Issues and Choices

3.1 Report Background

3.1.1 As part of the Local Government Finance Settlement in February 2016, the Government made an offer to Councils to improve medium term planning by setting funding levels over a 4 year period. The proposal will set a minimum level of Revenue Support Grant (RSG), Transitional Grant and Rural Services Delivery Grant. The Governments indicative four year funding offer for the Council is set out in the table below, along with forecasts of other sources of funding:

	2016/17	2017/18	2018/19	2019/20	2020/21
<u>Sources of Funding</u>	£000	£000	£000	£000	£000
Revenue Support Grant	3,257	1,793	886	0	0
Transition Grant	24	24	0	0	0
Business Rates Retention Scheme	7,452	7,595	7,804	8,034	8,050
New Homes Bonus	4,910	4,113	3,292	2,871	2,449
Total Government Funding	15,643	13,525	11,982	10,905	10,499
Council Tax	14,425	14,884	15,351	15,826	16,308
Surplus on Collection Fund	533	0	0	0	0
Total Funding	30,601	28,409	27,333	26,731	26,807

3.1.2 The table above shows how RSG is expected to reduce over the next four years from £3.257m in 2016/17 to zero in 2019/20. The Government has indicated that by 2020 it will introduce 100% business rates retention which will replace RSG. The impact of this is not yet known as details are still to be finalised.

3.1.3 In order to secure this minimum level of funding the Council is required to submit an Efficiency Plan by 14th October. There is no prescribed format for this plan, but the key requirement is that it sets out how the Council will achieve the savings required to set a balance budget over the 4 year period.

3.1.4 In addition to the requirement of government, the Efficiency Plan, or Medium Term Financial Strategy as it is often called, is essential to underpin the Council's delivery of a balanced financial position over the next five years.

3.1.5 Considerable work has been undertaken by Management Board and Heads of Service to develop the financial targets within the plan, review reserves to create a fund to deliver the change required and consider governance arrangements for the delivery of the plan.

3.1.6 The primary driver for the Efficiency Plan is the Council's Corporate Plan, and the need to deliver the priorities of the Council within the resources available.

3.2 Issues

3.2.1 As reported to Cabinet and Council in February 2016 as part of the budget setting process the Council faces a substantial forecast budget gap over the next 4 years, rising to £7.3m by 2020/21. The attached Efficiency Plan

(Appendix 1) sets out target levels of income generation/cost reduction across a number of key workstreams. These workstreams are described in the plan itself.

3.2.2 Realising the additional income streams and cost savings are anticipated to require significant levels of investment, both in terms of capital and revenue reserves. In order to ensure that the Council's Earmarked Reserves support the achievement of the Efficiency Plan, these are proposed to be realigned as set out in Appendix 2. The table below summaries the changes to the forecast balance on Earmarked Reserves as at 31st March 2017:

Reserve	Current £'000	Proposed £'000	Change £'000
Service	4,366	2,313	-2,053
Corporate	12,560	15,026	+2,466
Technical	2,682	2,269	-413
Total	19,608	19,608	0

3.2.3 The development of an Efficiency Plan is a significant step forward in the Council's approach to its financial planning. Traditionally it has focussed on an annual approach to budgeting with a high level view over the medium term. The Efficiency Plan is a 5 year plan to provide medium term financial sustainability. In 2017/18 the Council is planning to contribute to its reserves and the Council will continue to seek further efficiencies in 2017/18. However, its real financial challenge starts from 2018/19. The Council will therefore need to focus its efforts on delivering at least £5m of additional income and efficiencies from 2018/19, rising to at least £7m by 2020/21

3.2.4 A high level timetable for the implementation of the plan is set out below:

Action	Q3 16/17	Q4 16/17	2017/18	2018 onwards
Implement governance arrangements	✓			
Establish project teams	✓			
Produce outline business case for each project		✓		
Refine financial targets		✓		
Project delivery		✓	✓	✓
Identify additional projects and targets		✓	✓	✓

3.3 Choices (Options)

- 3.3.1 The options open to the Council are to:
- 3.3.2 Option 1: Not to take up the Government's four year funding offer and not to prepare an Efficiency Plan. By not accepting the four year offer the Council may see further reductions to its RSG allocation. If the Council did not have an Efficiency Plan which demonstrates its approach to delivering a balanced financial position over the medium term the Council may not be financially sustainable in the future.
- 3.3.3 Option 2: Not to take up the Government's four year funding offer and to prepare an Efficiency Plan. By not accepting the four year offer the Council may see further reductions to its RSG allocation. An Efficiency Plan demonstrating the Council's approach to delivering a balanced financial position is a vital component in the Council being financially sustainable in the future.
- 3.3.4 Option 3: To take up the Government's four year offer and to prepare an Efficiency Plan. Accepting the Government's four year offer will provide a minimum income stream for RSG. An Efficiency Plan demonstrating the Council's approach to delivering a balanced financial position is a vital component in the Council being financially sustainable in the future. This is the recommended option.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Efficiency Plan sets a framework for the budget process and the focus for the delivery of a sustainable financial position. Any policy implications arising from detailed proposals will be the subject of separate reports to Cabinet and Council, as appropriate.

4.2 Resources and Risk

- 4.2.1 The financial implications are set out in the report.
- 4.2.2 The financial targets within the Efficiency Plan generate a high level of financial risk, due to their scale and diversity. The Council holds General Fund balances in order to provide cover for these risks. The level of GF balances is reviewed and adjusted as part of the annual budget process and again as part of the final accounts process.
- 4.2.3 The Council also holds significant levels of earmarked reserves. These are set aside for specific purposes, but will be re-focussed to ensure that they are targeted on the delivery of the Efficiency Plan and a balanced budget.
- 4.2.4 The table below sets out the key risks for the Efficiency Plan and how they are being mitigated:

Risk	Likely	Impact	Blended risk	Remarks/Mitigation	Residual risk
The Council's financial position over the medium term is not sustainable	Low	High	MED	NBC are in a good financial position as at September 2016 with a balanced budget and reasonable levels of reserves.	LOW
Competing tensions between delivery of Corporate Plan and Efficiency Plan	Low	High	MED	The workstreams of the Corporate Plan and Efficiency Plan are aligned.	LOW
Non delivery of financial targets set out in the Efficiency Plan	Low	High	MED	Appropriate governance arrangements are a key part of the Efficiency Plan to monitor progress and take action if targets are not being delivered.	LOW
Government reneges on its four year offer pledge to a minimum level of RSG due to pressure on the national finances	Low	Medium	LOW	RSG is forecast to become an increasingly smaller part of the Council's income sources .	LOW

4.3 Legal

4.3.1 There are no direct legal considerations arising from the recommendations of the report, however there will be specific legal implications for the work streams detailed in the report and these will be reported to Cabinet on a case by case basis.

4.4 Equality and Health

4.4.1 Equality impact assessments will be undertaken in respect of the detailed budget proposals that will emerge from the Efficiency Plan.

4.5 Consultees (Internal and External)

4.5.1 Management board have been consulted and endorse the Efficiency Plan.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The Efficiency Plan is linked to, and set in the context of, the Corporate Plan and other approved Council plans and strategies.

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 None

Glenn Hammons, Chief Finance Officer, 01604 366521

Medium Term Financial Strategy and Efficiency Plan

Introduction

This document sets out the Council's approach to closing the forecast medium term gap between General Fund net expenditure and funding. It sets out the efficiency plan that is required in order to take up the government's offer of a fixed minimum level of funding for the period until 2019/20.

This plan relates specifically to General Fund budgets. The Housing Revenue Account faces similar financial challenges and the Council is working closely with Northamptonshire Partnership Homes to address these.

Links to Council Plans

This strategy is set in the context of the Corporate Plan and the Capital Strategy, both of which were last approved by Full Council in February 2016.

The Corporate Plan sets out the key priorities of:

- Northampton Alive
- Safer Communities
- Housing for Everyone
- Protecting our Environment
- Love Northampton
- Working Hard and Spending your Money wisely

There are also three Business Development Priorities to drive the Council's efforts to support the delivery of corporate plan commitments and manage the Council's future financial challenge.

- Empowering Communities
- Economic Growth
- Partnership Working

These provide the framework for the delivery of the Efficiency Plan

MTFP – Projected Budget Gaps

The MTFP approved by Council in February 2016 shows an increasing budget gap over the next few years. The Council set a balanced budget for 2016/17, but forecasts a gap of £2.8m in 2017/18 rising to £7.3m by 2020/21 if no action is taken.

The funding forecasts take account of the latest knowledge of likely levels of growth and the impact that will have on income from Business Rates, Council Tax and New Homes Bonus.

NBC Approach to Efficiency – Key Workstreams

Workstream 1 - Economic Growth

This workstream focuses on increasing the pace of economic growth in order to generate further increases in business rates, council tax and new homes bonus. It will also review section 106 receipts to ensure that they are maximised and fully utilised in support of the delivery of the Corporate Plan.

Workstream 2 – Partnership

This workstream will consider and implement closer working relationships with other councils and partners in order to realise efficiency savings.

Workstream 3 - Community Empowerment

This workstream will explore opportunities for the Council to act as an enabler and empower local communities to deliver services themselves that are tailored to local circumstances and needs.

Workstream 4 - Exploiting Commercial Opportunities

The Council will use its substantial asset base to deliver commercial income, through a combination of redefining an asset's use in order to maximise income and through disposal of underutilised assets. This workstream will also look at options to invest in new assets that generate a good rate of return.

Workstream 5 – Being more Efficient

All services will continue to review their working practices to ensure that they deliver high quality services at the lowest possible net cost. Services will identify options to generate the savings required in order to produce a balanced budget.

Other Opportunities for Savings

The development of the Efficiency Plan has highlighted other opportunities for savings in addition to the key workstreams above:

Environmental Services Re-provision – medium term forecasts assume an increased cost at the end of the existing contract in June 2018. Options are being developed to keep this increase to a minimum.

Support Services – the scale and scope of support services provided by LGSS will be reviewed to ensure that they remain fit for purpose and provide a cost effective solution.

Income from Fees and Charges – the level of discretionary fees and charges will be reviewed to ensure that cost recovery is maximised, taking into account any potential impact on demand. Existing income budgets will be adjusted to recognise current levels of income received.

Debt Financing & Technical Budgets – these will be reviewed to ensure that there is optimum balance between prudence and the need to make ongoing revenue savings.

The table below sets out the target level of savings from each workstream and how these together achieve the required level of savings.

	2017/18 £k	2018/19 £k	2019/20 £k	2020/21 £k
Savings Required as at Feb 2016	2,807	5,060	6,711	7,332
Target Savings by Workstream				
Workstream 1 - Economic Growth	-254	-536	-880	-1,409
Workstream 2 - Partnership	0	0	-250	-500
Workstream 3 - Community Empowerment	0	-100	-350	-500
Workstream 4 - Exploiting Commercial Opportunities	0	-100	-1,040	-1,580
Workstream 5 - Being more efficient	-1,496	-2,476	-1,946	-559
Reprovision of Environmental Services	0	-500	-500	-500
Support Services (LGSS Contract)	-50	-250	-500	-1,000
Income from Fees and Charges	-722	-760	-799	-837
Debt Financing Savings & Other Technical Savings	-286	-338	-447	-447
Residual Budget Gap	0	0	0	0

Risks and Reserves

The financial targets within this Efficiency Plan generate a high level of financial risk, due to their scale and diversity. The key risks and mitigations are set out in the table below:

Risk	Mitigation
The Council's financial position over the medium term is not sustainable	NBC are in a good financial position as at September 2016 with a balanced budget and reasonable levels of reserves
Conflict between Corporate Plan priorities and Efficiency Plan financial targets	The workstreams of the Corporate Plan and Efficiency Plan are aligned. Cabinet approval of Efficiency Plan, regular meetings with Leader/Cabinet Member Finance
Non delivery of financial targets set out in the Efficiency Plan	Appropriate governance arrangements are a key part of the Efficiency Plan to monitor progress and take action if targets are not being delivered.
High level of capital investment required to deliver plan	Effective treasury management to minimise interest and MRP
High level of earmarked reserves required to deliver plan	Consolidation of reserves and controls over future allocations

The Council holds General Fund balances in order to provide cover for these risks. The level of balances is reviewed and adjusted as part of the annual budget process and again as part of the final accounts process.

The Council also holds significant levels of earmarked reserves. These are set aside for specific purposes, but will be re-focussed to ensure that they are targeted on two key areas;

Delivering the Efficiency Plan - funding to facilitate the delivery of financial targets, through investment in assets, income generation opportunities and efficiency projects.

MTFP Cashflow - to ensure that there is sufficient funding to ensure ongoing service delivery during the transition period.

Earmarked Reserves - Proposed Realignment

Description	Balance 31 Mar 2016	Expected Use/ (Contribution) 2016/17	Forecast Balance 31/3/17	Reason for Reserve/Proposed Use/Reason for Transfer	Amount to be Transferred to Corporate Reserves	Forecast Balance 31/3/17 after transfer
	£	£	£		£	£
Legal Services	(100,000)		(100,000)	Required for Counsel/legal fees that NBC may need to engage in the future - will form part of a wider corporate risk reserve	100,000	0
Sub-Total - Borough Secretary	(100,000)	0	(100,000)		100,000	
Arts	(20,197)	20,197	0	Will be used to support exhibitions in 16/17		0
SALIX Fund	(147,746)		(147,746)	May need to pay back SALIX share £93,742	54,004	(93,742)
Skate Park Maintenance	(36,833)		(36,833)	Transfer - Maintenance cost in base budget	36,833	0
Specific PES Risks (Env Services Reprovision)	(1,033,977)	128,000	(905,977)	£128k approved at programme board for re provision of service. Estimated further costs of £250k minimum to complete project	655,977	(250,000)
Specific PES Risks (Tree Maintenance)	(260,000)	110,000	(150,000)	Tree Maintenance April 2016 to Sept 2018, £250k over 2.5 years, plus £10k in 16/17 for Parks projects		(150,000)
Britain in Bloom	(75,000)	37,500	(37,500)	To be used to fund Growth item in 16/17 and 17/18	0	(37,500)
Domestic Homicide Reviews	(50,000)		(50,000)	Needed, 3 reviews in progress	0	(50,000)
Sekemka Revenue	(372,916)		(372,916)	Revenue cost of museum extension project	0	(372,916)
Call Care	(56,184)		(56,184)	To mitigate against risks in income target - transfer as this risk is covered by General Reserve	56,184	0
DCLG Waste Partnership South Northants	(102,914)		(102,914)	Retain - phase 2 project in development	0	(102,914)
Community Safety Partnership funding	(110,463)		(110,463)	Retain for Community Safety, add in related reserves below	(57,537)	(168,000)
Building Safer Communities Grant	(23,645)		(23,645)	Retain, add to Community Safety Reserve	23,645	(0)
Drug Reference Group	(3,766)		(3,766)	Retain, add to Community Safety Reserve	3,766	(0)
DCSF Grants	(30,684)		(30,684)	Retain, add to Community Safety Reserve	30,684	(0)
Habitat Regulation Assessments	(34,356)		(34,356)	Not Required	34,356	0
Collecting Cultures	(1,500)		(1,500)	Transfer to Corporate Reserves	1,500	0
HLF World Footwear Project	(1,183)		(1,183)	Transfer to Corporate Reserves	1,183	0
Air Quality DEFRA	(47,403)	47,403	0	Low Emission Strategy - Cabinet 8/6/16	0	0
Sub-Total - Customers & Communities	(2,408,767)	343,100	(2,065,667)		840,595	(1,225,072)
Delapre Abbey (HLF Match funding)	(21,810)		(21,810)	Left over from Delapre phase 1 - will contribute to Phase 2 costs	0	(21,810)
Northampton Battlefield Site conservation management plan	(7,718)		(7,718)	Next stage of Conservation Plan - surveying of Battlefield etc.	0	(7,718)
Northampton Alive	(28,585)		(28,585)	Not needed as £50,000 p/a held within base budget	28,585	0
Business Incentive Scheme (Carry Forward)	(152,631)		(152,631)	Required to support scheme	0	(152,631)
GF Land Registration	(58,145)		(58,145)	Not required - No movement since before April 2014	58,145	0
Land and Property Registration	(9,887)		(9,887)	Planning Enforcement undertaking property searches		(9,887)
Joint Planning Unit	(76,217)		(76,217)	Being held for Pension purposes - value to be reviewed		(76,217)
Asset Income Shortfall	(81,500)		(81,500)	Part of normal budget risk position	81,500	0
Delapre Abbey	(748,749)	748,749	(0)	Part of original Delapre capital funding, already allocated	0	(0)
Delapre Abbey - Donations	(100)		(100)		0	(100)
Delapre Abbey - Dilapidations	(71,535)	71,535	0	Part of original Delapre capital funding, already allocated	0	0
HPDG	(1,072,521)	185,476	(887,045)	Staff costs now built in as part of base budget	887,045	0
Neighbourhood Planning Blackthorn	(1,068)		(1,068)	Government Grant		(1,068)
Neighbourhood Planning Spring Boroughs	(18,997)		(18,997)	Government Grant		(18,997)
Neighbourhood Planning General	(39,432)		(39,432)	Government Grant		(39,432)
Neighbourhood Planning Duston	(5,865)		(5,865)	Government Grant		(5,865)
Upton Bus Service	(106,416)		(106,416)	Required to part-fund bus service	0	(106,416)
S106 Interest	(56,956)		(56,956)	Not required, interest added to appropriate s106 balances	56,956	0
Brownfield Register Pilot	(10,000)		(10,000)	Needed to cover interim staff member	0	(10,000)
Sub-Total - Regen, Enterprise, Plng	(2,568,134)	1,005,760	(1,562,374)		1,112,231	(450,143)
Rent Deposit Scheme	(25,000)		(25,000)	Requirements to be reviewed as part of budget process		(25,000)
Empty Homes	(205,335)		(205,335)	Requirements to be reviewed as part of budget process		(205,335)
HIMO Licensing	(100,000)		(100,000)	Requirements to be reviewed as part of budget process		(100,000)

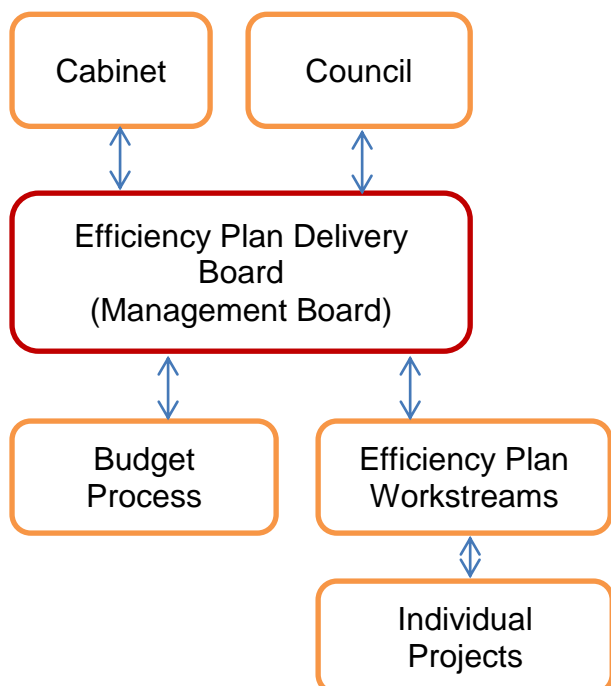
DCLG Homelessness	(64,124)		(64,124)	Requirments to be reviewed as part of budget process		(64,124)
Homelessness Prevention	(64,461)		(64,461)	" " " "		(64,461)
Preventing Repossession Fund	(153,427)		(153,427)	" " " "		(153,427)
Universal Credit	(25,237)		(25,237)	" " " "		(25,237)
Sub-Total - Housing	(637,583)	0	(637,583)		0	(637,583)
Restructuring - Redundancy Costs etc	(163,625)		(163,625)		163,625	0
Legal Costs (including Sixfields)	(233,626)	233,626	0	To cover professional fees for legal work, including sixfields	(650,000)	(650,000)
EZ Reserve	(38,852)		(38,852)	To fund additional EZ support costs		(38,852)
WNDC Transitional Funding	(594,427)		(594,427)	To be used to support regeneration projects		(594,427)
MTFP Cashflow	(4,723,133)	(1,930,858)	(6,653,991)	To be retained to cover any timing delays in achieving savings targets	1,712,991	(4,941,000)
Future Project Provision	(500,000)	500,000	0	Committed		0
Delivering the Efficiency Plan	(1,932,257)	(854,471)	(2,786,728)	To be used for one-off investment leading to improved efficiency and savings.	(4,514,690)	(7,301,418)
Strategic Investment Reserve	(3,717,872)	1,395,000	(2,322,872)	For investments supporting strategic acquisitions.	822,872	(1,500,000)
Investment Properties				New reserve - any receipts from sale of investment properties to be set aside for replacement investments		0
Project Carry Forwards	(157,400)	157,400	0	For specific projects in 16/17		0
Sub-Total - Corporate	(12,061,191)	(499,303)	(12,560,494)		(2,465,202)	(15,025,697)
Subsidy Equalisation	(329,077)		(329,077)	Reduce to £200k to cover subsidy risks	129,077	(200,000)
Welfare Reform	(48,017)	15,103	(32,914)			(32,914)
Recharges Shortfall	(350,000)		(350,000)	Reduce to £250k to cover potential shortfall arising from central support recharges m	100,000	(250,000)
Council Tax Support	(131,258)		(131,258)	Specific reserve no longer required	131,258	(0)
VAT claims - refunds	(52,041)		(52,041)	Specific reserve no longer required	52,041	(0)
Insurance Reserve	(1,215,260)	(54,000)	(1,269,260)	To cover major claims - value per insurers		(1,269,260)
Rates Retention Deficit Funding	(517,000)		(517,000)	To cover timing differences.		(517,000)
Sub-Total - Technical	(2,642,654)	(38,897)	(2,681,551)		412,376	(2,269,175)
Total GF Earmarked Reserves	(20,418,329)	810,660	(19,607,669)		(0)	(19,607,670)



Delivery of Efficiency Plan – Governance Processes

The approval of the Efficiency Plan in September 2016 marks the start of a delivery process which will continue throughout its five year life. During this period the targets and delivery methods for the achievement of savings will be refined and further detail agreed.

It is proposed that delivery of the plan is driven by an Efficiency Plan Delivery Board (EPDB). The diagram below illustrates how this would interact with Members and the individual workstreams and projects within the plan.



Terms of Reference

The terms of reference for the EPDB, including its delegated decision making powers, frequency of meetings etc. will need to be agreed at its first meeting. Its role will include:

- Monitoring progress against targets
- Reviewing risks by exception
- Reviewing key actions

Business Cases / Plans

All projects will need to be supported by a robust business case or plan in order to justify the investment of staff time, any funding from reserves or capital investment. The required content of these business cases or plans is to be agreed by the EPDB, along with the criteria to be used to justify investment. Training will be needed in order to ensure a consistent and quality approach.

Project Governance

Individual projects will be sponsored by a member of Management Board, supported by project boards and project teams as required – the governance processes in relation to individual projects will be proportionate to the scale of the project. However, all projects must be properly project managed, including the setting of a realistic project plan and the development and maintenance of a project risk register. Progress against the project plan will be monitored and reported to the EPDB.

Consideration will be needed as to whether the necessary skills and capacity exists within the organisation.

Gateway Process

Individual projects will not commence until being signed off by EPDB through a project gateway process, the details of which are to be developed.

Drawdown from Reserves to Fund Efficiency Plan

The Council's earmarked reserves are being consolidated in order to provide a focus on delivery of the Efficiency Plan and strategic investments in support of Corporate Plan priorities. In order to support this, the existing process has been enhanced so that all proposed drawdowns from earmarked reserves will need to be approved by the Chief Executive.

Interaction with Annual Budget Process

The Efficiency Plan sets out the way in which the Council will achieve a balanced budget over the medium term, by identifying key efficiency projects that will drive out savings. In addition, the Council will continue to undertake a detailed budget process to ensure that the expenditure and income relating to the provision of existing services is properly budgeted. This annual budget process will focus in detail on the forthcoming financial year, whilst also identifying any medium term impact on the Efficiency Plan targets.

Monitoring and Reporting

Management Board currently receive regular monthly budget monitoring reports, supported by a dashboard highlight report. This reporting relates predominantly to the in-year position and forecast financial outturn for the year. Capital and revenue monitoring is reported to Cabinet on a quarterly basis. This will include reporting on progress against in-year savings.

It is proposed that the EPDB receives an update on progress in relation to the Efficiency Plan on a quarterly basis, although perhaps more regularly at key times of the year. This would suggest that it meets 4 to 6 times per year. Reporting will include project progress, actions and key risks as well as financial figures. New processes will need to be established to facilitate this.

Appendices



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Grant Funding to Citizens Advice Bureau, Northampton and Community Law Service, Northampton and County
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	28 th September 2016
Key Decision:	Yes
Within Policy:	No
Policy Document:	No
Directorate:	Customer and Communities
Accountable Cabinet Member:	Cllr Anna King
Ward(s)	Borough Wide

1. Purpose

- 1.1 To seek the approval of Cabinet to forward fund the Partnership Grant for years 2017/2018 and 2018/2019 to Citizens Advice Bureau, Northampton (CAB) and Community Law Service Northampton & County (CLS).

2. Recommendations

- 2.2 That Cabinet approves the forward funding from the Partnership Grant in the total sum per annum of £150,000 for CAB and CLS for years 2017/18 and 2018/19, to deliver information and advice services in the Borough of Northampton.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council's Partnership Fund is allocated with the support of the Community Enabling Fund Advisory Panel (CEFAP), year on year. The panel is made up of five cross party elected members and three community and voluntary sector representatives, including the Chief Executive of Voluntary Impact Northamptonshire.
- 3.1.2 CAB and CLS have received funding for delivering Information and Advice Services and delivering monitored outcomes, both organisations have recently co-located to the One Stop Shop.
- 3.1.3 They are delivering against the corporate priorities of the Council, demonstrating value for money, showing evidence of working in partnership and have identified and have evidenced clear community demand and need for the services they offer to the public within the Borough of Northampton.
- 3.1.4 A 3 year funding agreement for both organisations would provide security and sustainability. The Chief Executive has exercised his delegated authority to approve the funding for 2016/2017, however Cabinet is asked to approve the forward funding. This would mean the Council's funding would run from 1 April 2016-to the 31 March 2019.
- 3.1.5 A total of £150,000 has been allocated for Information and Advice Services, year on year to (CAB) CLS). This forms part of the £550,000 Partnership Grant.

3.2 Issues

- 3.2.1 The funding would be subject to the budget being available, year on year; this would be reflected in the Service Level Agreement's for both CAB and CLS.
- 3.2.2 CEFAP would continue to have oversight of the grant, receive reports and monitoring information from both CAB and CLS, in the same way the other organisations do that are funded through the Partnership Grant.

3.3 Choices (Options)

- 3.3.1 To commit funding for CAB and CLS for 2017/18 and 2018/19
- 3.3.2 To continue to fund CAB and CLS on an annual basis, with them having to apply to the Partnership Grant year on year.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The decision would involve agreeing funding for 2017/18 and 2018/19 for CAB and CLS. This would be £75,000 to each organisation, a total of £150,000 each year. £300,000 over 2 years.

4.2 Resources and Risk

4.2.1 As above, however there would be a caveat in the Service Level Agreement, stating, subject to approval of the funding, for each year.

4.3 Legal

4.3.1 There are no direct legal implications arising from the report. Any extension to the funding will be supported by a formal amendment by LGSS Law to the existing Service Level Agreements.

4.4 Equality and Health

4.4.1 An Equality Impact Assessment was carried out on the Partnership Grant process in April 2016. 42 applications were received through the partnership grant process for 2016/17. In total 29 organisations were funded through the partnership grant and 8 through the small grants, most of which include the delivery of specific services around the protected characteristics.

4.5 Consultees (Internal and External)

4.5.1 CEFAP have been consulted and are in support of the recommendation.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Northampton on Track – Successful and vibrant Town, increased job opportunities

4.6.2 Making Every £ Go Further – Shared services, delivery of value for money services, resources targeted in areas most in need

- 4.6.3 Better Homes For The Future – People provided with timely advice and information to enable them to make informed choices, local housing needs provided, vulnerable people supported
- 4.6.4 Creating Empowered Communities – Empowered local communities with a greater capacity to become involved in community life, promote integration and cohesion
- 4.6.5 Promoting Health and Wellbeing – improved public health, widen participation in leisure activities across all sections of the community
- 4.6.6 Responding To Your Needs – Appropriate support provided to those most need, services are fair, accessible and responsive to individual needs, residents and customers feel informed and engaged in service quality and design

5. Background Papers

- 5.1 Delegated Authority Notice

Vicki Rockall, Partnerships and Communities Manager, ext 7074