



NORTHAMPTON
BOROUGH COUNCIL

CABINET AGENDA

Wednesday, 18 October 2017

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

6:00 pm

Members of the Cabinet:

Councillor: Jonathan Nunn (Leader of the Council)

Councillor: Phil Larratt (Deputy Leader)

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

Interim Chief Executive Simon Bovey

Executive

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 J Nunn	Leader
Councillor P Larratt	Deputy Leader
Councillor M Hallam	Environment
Councillor B Eldred	Finance
Councillor T Hadland	Regeneration, Enterprise and Planning
Councillor S Hibbert	Housing and Wellbeing
Councillor A King	Community Engagement and Safety

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

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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, 18 October 2017
at 6:00 pm.

S Bovey
Interim 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**
 - (A) RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE - INTERIM REPORT OF THE OVERVIEW AND SCRUTINY RE-PROVISION OF THE ENVIRONMENTAL SERVICES CONTRACT WORKING GROUP**

(Copy herewith)

- 7. CABINET RESPONSE TO THE RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY REVIEW OF HOMELESSNESS (PRE-DECISION SCRUTINY)**

(Copy herewith)

- 8. EFFICIENCY AND MEDIUM TERM FINANCIAL STRATEGY**

(Copy herewith)

- 9. CORPORATE PERFORMANCE - ALL MEASURES REPORT APRIL-JUNE 2017**

(Copy herewith)

- 10. FINANCE MONITORING TO 31 AUGUST 2017**

(Copy herewith)

- 11. 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.”

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 13 September 2017

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

1. APOLOGIES

Apologies were received from Councillor Hallam.

2. MINUTES

The minutes of the meeting held on the 19th July 2017 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.

5. DECLARATIONS OF INTEREST

Councillor Nunn declared a disclosable pecuniary interest - Item 20 - Disposal of land at Lancaster Way as he had stood as a Councillor alongside Barry Howard and had also undertaken training with Mr Howard through his training company.

The Leader explained that order of the agenda had been changed in order so that Item 20 would be heard first and Item 14 second due to the number of public speakers.

The Leader, having declared an interest, left the room and Councillor Larratt, the Deputy Chair, Chaired the meeting for the duration of the discussion.

20. DISPOSAL OF OPEN SPACE AT LANCASTER WAY

Councillor Larratt proposed that the Item be deferred to the next Cabinet meeting to be held on the 18th October 2017 as there were some outstanding unresolved concerns with the non-adoption of public open spaces and access for pedestrians and cycles.

RESOLVED:

This item was deferred.

At this juncture of the meeting, Councillor Nunn re-entered the room and resumed the position of Chair.

4. DEPUTATIONS/PUBLIC ADDRESSES

Mr Winston Strachan address the Cabinet in respect of Item 14 - Semilong/ Trinity Designation of Neighbourhood Forum & Neighbourhood Area and commented that he was not unhappy about the forum, it was the inclusion of the Racecourse that he had concerns about. He reported that the inclusion would inevitably involve a further layer of bureaucracy which was unneeded and unwanted and asked that the Racecourse be excluded from the Plan.

Ms Sally Haddon addressed Cabinet in respect of Item 14 - Semilong/Trinity Designation of

Neighbourhood Forum & Neighbourhood Area, as the secretary of the Friends of the Racecourse and she commented that there had been lots of discussion and whilst she had not problems with the Plan itself, she urged Cabinet not to agree to the inclusion of the Racecourse.

Ms Janet Burrell addressed Cabinet in respect of Item 14 as a friend of the Racecourse and commented that she objected to the inclusion of the Racecourse in the plan and noted that the originator of the plan stated that the inclusion would protect the Racecourse, but questioned from what. She noted that 80% of representations received by the Council objected to the Racecourse being included in the Plan and commented that the Racecourse had been left to the people of Northampton, for the people of Northampton.

Mr Don O'Hare addressed Cabinet in respect of Item 14 and commented that he had treasured the Racecourse and noted that he had never encountered any unpleasant incidents there even at night time. He further commented that if the Racecourse was adopted as part of the Plan it would be influenced by the residents of Trinity and Semilong and not those in closest proximity to the Park.

Mrs Jan Grover (Chair of West Hunsbury Residents Association) spoke in respect of Item 14 and commented that she had been informed by the 'Friends of the Racecourse' that many surrounding streets and areas were not aware of the proposed plan and questioned why Trinity and Semilong wanted involvement.

14. SEMILONG/ TRINITY DESIGNATION OF NEIGHBOURHOOD FORUM & NEIGHBOURHOOD AREA

Councillor Beardsworth addressed Cabinet and commented that she was amazed that the Council had gone out to consultation with residents but had failed to listen to them. She affirmed that the Racecourse belonged to everyone and that the 'Friends of the Racecourse' should be allowed to continue in their current management of the Park. In response to a question from Councillor Hadland, Councillor Beardsworth stated that she recognised that the proposal was not a change of ownership, but that was the feeling of the residents who would be left feeling disenchanting.

The Leader commented that Cabinet were in agreement that the 'Friends of the Racecourse' were doing an excellent job, but could not understand how this would change if the park was included.

The Deputy Leader commented that he perceived the inclusion of the Racecourse as a positive as this would grant access to Community Infrastructure Levy (CIL) funds and would not want to deny them access to extra financial resources.

Councillor Birch, addressed Cabinet as the Ward Councillor, and thanked the Officers involved for their hard work. She explained that many residents had been invited to attend the consultation meetings to explain the benefits of the Plan. She noted that with the potential increase in (Houses in Multiple Occupation) HMOs in Semilong could be better managed with a Neighbourhood Plan. She further reported that there had been extensive consultation with residents and that the benefits of being a part of the Neighbourhood Forum would allow discussions to be had about how, when and where to spend the CIL money and urged Cabinet to support the recommendations.

Councillor Marriott, addressed Cabinet as the Ward Councillor and noted that the Neighbourhood Plan had taken the best part of 2 years to come to fruition and that work had been undertaken very cautiously. He echoed the comments of Councillor Birch in that there was a need for Semilong to have more control over HMOs and to exclude the Racecourse from the Plan would be wrong and could have a potential negative impact through lack of access to CIL funding.

Councillor Hadland, as the relevant Cabinet Member, submitted a report and elaborated thereon and noted that the Neighbourhood Plan had been a very long process and noted that there was a fundamental misunderstanding that the designation of a Neighbourhood Forum was a takeover of the Racecourse, He commented that the 'Friends of the Racecourse' was an extremely successful organisation and that the Neighbourhood Planners would be inclusive of them. It was reported that once residents witnessed the benefits gained from being members of the forum, inclusion could grow and would provide a useful collection of people interested in improving the area. It was noted that the Council had previous experience of doing this and this could be evidence in Spring Boroughs and it was noted that this would be financially and socially beneficial. He thanked the Officers who had been involved in the lengthy and detailed process.

The Leader stated that the Town faced many challenges including housing and that the designation of a Neighbourhood area would assist in controlling the number of HIMOs and would help groups to improve their areas and assured those concerned that there was no take over.

The Deputy Leader commented that he commended the work that had been done and thanked the Community Groups involved. He further commented that there were many benefits through CIL funding and that this could help with the provision of Community facilities and development.

RESOLVED:

1. That Cabinet noted the analysis of representations received in response to the publicising of the Semilong and Trinity Neighbourhood Area and Neighbourhood Forum applications (Appendix 1 of the report)
2. That Cabinet designated the Semilong and Trinity Neighbourhood Area as published in Appendix 2 for the purposes of preparing a Neighbourhood Plan under Section 61G of the Town and Country Planning Act 1990 (as amended)
3. That, following the designation of the Semilong and Trinity Neighbourhood Area, Cabinet designates Semilong and Trinity Neighbourhood Forum (Appendix 3 of the report) under Section 61F of the Town and Country Planning Act 1990 for a period of five years for the purposes of producing a Neighbourhood Plan, subject to the following conditions:
 - Maintaining a written constitution
 - Holding an Annual General Meeting within 12 weeks of the designation
 - Maintaining a minimum of 21 members drawn from each of the subsections set out within the Localism Act section 61F(5)

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

There were none.

7. PUBLIC SPACE PROTECTION ORDER - MARBLE ARCH

Councillor King, as the relevant Cabinet Member, submitted a report and elaborated further on the recommendations contained within the report. It was reported that there had been a 12 week consultation process which had been promoted through various means which sought the views on the level and frequency of anti-social behaviour witnessed and for alternative routes; the results of which were contained within the report.

The Leader commented that there was a need to take action as some residents felt unsafe

in the area and that the PSPO would provide some reassurances.

The Cabinet Member for Regeneration, Enterprise and Planning offered his support, stating that there had been numerous problems in the area and was pleased that it was now being dealt with.

RESOLVED:

4. That the making of a PSPO to gate the Highway known as Marble Arch in accordance with the results of the public consultation as detailed in Appendix 1 of the report be authorised.
5. That approval be granted for the PSPO to go live as soon as the gates be installed (date dependent on contractor availability).

8. BUSINESS RATES - DISCRETIONARY RATE RELIEF 2017/18

Councillor Eldred, as the relevant Cabinet Member, submitted a report and noted that in the past 4 years, the Council had assisted 170 private business who had suffered difficulties in paying rates. He also noted that numerous public houses had faced challenging financial times and that a discount would be applicable for some.

The Leader commented that it was a very good report and welcomed the recommendations.

RESOLVED:

6. That support for small businesses losing Small Business Rate Relief, to limit increases in their bills to the greater of £600 or the transitional relief cap for small businesses, for one year from 1 April 2017 be agreed.
7. That a £1,000 business rate discount for public houses with a rateable value of up to £100,000, subject to state aid limits for businesses with multiple properties, for one year from 1 April 2017 be agreed.
8. That support be given to individual businesses in the local area who have large increases in their business rates bills as a result of the 2017 revaluation, by restricting the increase in a bill to a maximum of 5%, for one year from 1 April 2017. Subject to the criteria detailed in the body of the report.

9. NBC STREET LIGHTING

Councillor Larratt, as the relevant Cabinet Member, submitted a report and noted that there were a number of street lights in parks and some housing estates that the County Council did not accept responsibility for and there were currently 607 lights that would be transferred to the Borough Council.

He noted that there would be a financial implication but that the intention was to undertake a survey to examine the conditions of the lights and to examine whether the energy efficiency could be reviewed.

RESOLED:

9. That the proposed transfer of up to 607 street lights from NCC to NBC on 2 October 2017 be agreed.

- 2.2 That an additional revenue budget of £70,000 per year that is included as part of setting the 2018/19 budget and to address ongoing electricity and maintenance costs be approved.
- 2.3 That an additional new budget of £35,000 for the 2017/2018 financial year to fund the additional costs of electricity and maintenance for the existing financial year be approved. To be funded by underspends within the Regeneration, Enterprise & Planning Directorate at the end of the financial year or a drawdown from reserves
- 2.4 That it be noted that further investigation would be undertaken by Officers into an invest to save programme for all NBC street lights that may lead to a further report to Cabinet in due course. An additional capital budget may need to be considered at this point as part of the Council's overall capital programme.
- 2.5 That it be noted that Officers would continue to investigate whether it was appropriate to use the HRA to fund some of the costs of the maintenance or electricity of certain additional street lights.
- 2.6 That authority be delegated to the Director of Regeneration, Enterprise and Planning, in consultation with the Section 151 Officer and the Deputy Leader of the Council, to conclude the transfer of the responsibility of street lights from NCC to NBC.

10. REVENUES AND BENEFITS JOINT COMMITTEE

The Leader of the Council submitted a report which updated Cabinet on the actual terms agreed in relation to the formation of the Revenues and Benefits Joint Committee.

RESOLVED:

- 2.1.1 That the contents of the Agreement and terms agreed be noted and;
- 2.1.2. That Cllr Brandon Eldred (Cabinet Member for Finance) be appointed as the Council representative on the Revenues and Benefits Joint Committee to full Council on September 18th 2017.

11. ADOPTION OF THE BIODIVERSITY SUPPLEMENTARY PLANNING DOCUMENT

Councillor Hadland, as the relevant Cabinet Member, submitted a report and noted that this had been a large project that had taken a long time and noted that it would be a County-wide policy.

RESOLVED:

That the Biodiversity SPD be adopted as a statutory Supplementary Planning Document.

12. NORTHAMPTON BOROUGH COUNCIL LOCAL PLAN PART 2 - EMERGING SITE OPTIONS CONSULTATION

Councillor Beardsworth commented that the document had been well put together but expressed her concerns with some of the proposed land use but stated that she was glad to see that no sites for consideration were green spaces or allotments which she considered to be very positive.

Councillor Hadland, as the relevant Cabinet Member, submitted a report and noted that the

proposed consultation was primarily a stock take and noted that officers had identified potential capacity for development that was larger than previously thought. He thanked the officers for their work, explaining that they had visited in excess of 500 sites.

The Leader commented that the public consultation may identify areas for housing development and commented on the very thorough report and proposed consultation.

RESOLVED:

10. That the Northampton Local Plan (Part 2) Sites Consultation, as shown in Appendix 1 of the report, for public consultation be agreed.
11. That the outcome of the Sites Consultation and further work would need to be considered before deciding what would go into the final plan be noted.
12. That the Consultation and Communications Strategy for the Sites Consultation (Appendix 3) of the report be agreed.
13. That the summary of responses to the Local Plan (Part 2) Options Paper Consultation (Appendix 2) of the report be noted.

13. ADOPTION OF THE UPPER NENE VALLEY GRAVEL PITS SPECIAL PROTECTION AREA (SPA) SUPPLEMENTARY PLANNING DOCUMENT (SPD)

Councillor Hadland, as the relevant Cabinet Member, submitted a report and noted that the SPD would be running alongside and in conjunction with planning policy and recognised the site as being of national and international importance.

The Leader commented that the adoption would help the Town to protect and shape areas that need to be protected.

RESOLVED:

Cabinet adopted the Upper Nene Valley Gravel Pits SPA SPD as a statutory Supplementary Planning Document

15. AIR QUALITY REPORT

Councillor Beardsworth commented that she was a bit disappointed as there was a lack of figures and statistics contained within the report which meant there was little scope for benchmarking. She noted that she could access information relating to Beijing and Singapore's Air Quality and questioned why this was not accessible in Northampton. She asked that the Management Area be extended to cover the Bus Station and Drapery.

Councillor Larratt concurred with Councillor Beardsworth and that lack of available baseline figures and would look to resolving the matter.

Councillor Kilby-Shaw, as the Chair of Scrutiny Panel 4, elaborated on the report and stated that it was an extensive problem that could only be actioned with the multi-agency and partnership working. He commented that the main issue was congestion and noted the Governments push on reducing the number of diesel vehicles on the road. He reported that there was a need for an education programme for children.

The Leader thanked the Cabinet Member for Environment and reported that there was a need for number to be published to ensure transparency.

The Deputy Leader thanked the officers for their expediency on the matter and notified Members that the publication of related figures would be done in the near future.

RESOLVED:

- 2.1 That excellent work of Scrutiny Panel 4 in the production of their report Emissions Strategy (Action Plan) be acknowledged.
- 2.2 That Cabinet would respond to the recommendations of the Scrutiny report as outlined in the report and confirmed that the Low Emissions Strategy would be brought forward for adoption as soon as possible.
- 2.3 That the establishment of a multi-agency Air Quality Working Group to actively engage all stakeholders in the implementation of the Low Emissions Strategy and to develop further air quality initiatives be endorsed.
- 2.4 That the extension of the Council's air quality monitoring network on a risk based basis to incorporate locations such as schools and residential areas where significant numbers of sensitive receptors may be exposed to elevated concentrations of air pollution be endorsed
- 2.5 That it be noted that the Council was legally required to take action to address recently identified exceedances of air quality objective for Nitrogen Dioxide around Northgate Bus Station and The Drapery, Abington Square and Wellingborough Road, resolved to declare appropriate air quality management areas (AQMAs).
- 2.6 That a single air quality management area be declared which encompasses existing areas of exceedance in the town centre and newly identified areas of exceedance. As outlined in Appendix 2 of the report
- 2.7. That that the work undertaken so far in the development of the Strategy is broadly in line with the requirements for the designation of a Non Charging Clean Air Zone as outlined in the DEFRA / DoT Clean Air Zone Framework and authorised the further development of this work with the aim of the development of a Clean Air Zone for Northampton be noted.

16. FINANCE MONITORING - PERIOD 4

Councillor Eldred, as the relevant Cabinet Member, elaborated on the submitted report and noted that the forecast overspend was largely due to additional costs for agency staff in Housing Options and Advice and an increase in temporary accommodation costs due to upsurge in homelessness. He noted that all schemes included in the capital programme were fully funded, either through borrowing, internal resources or external funding agreements.

RESOLVED:

Cabinet reviewed the contents of the report.

17. MUSEUM EXPANSION - COMMENCEMENT OF FORMAL TENDER PROCESS TO APPOINT MAIN CONSTRUCTION CONTRACTOR

Councillor Beardsworth expressed concerns about the closure of the Museum over the

holiday period and questioned why the contactor was only just being appointed.

Councillor Birch commented that she was glad to see the speed of the expansion of the Museum. She questioned if lesson had been learned from other project work and questioned whether due diligence and contingency money had been considered. She further requested that the work undertaken be closely monitored and capital be given in several tranches.

Councillor King, as the relevant Cabinet Member thanked the support shown in moving forward with the expansion and commented that it would be necessary to gather costings for various issues, such as the removal of asbestos and drainage. She notified Cabinet that update reports would be brought before the Committee in the future.

The Leader stated that the administration wanted to minimise the amount of time the Museum stayed closed and assured Members that cost, quality and time were of paramount importance.

RESOLVED:

14. That the commencement of the formal tender process using the LGSS Procurement Framework (LGSS approved supply chain) and tenders be invited for a main construction contractor to undertake the Museum Expansion and exhibition fit-out be approved.
15. That an exemption from the Contract Procedure Rules to appoint Creative Good Ltd to provide exhibition design services for the museum expansion project for reasons pursuant to paragraph 3.2.3 of this report be approved

18. TEMPORARY CHANGES TO NORTHAMPTON'S HOUSING ALLOCATIONS SCHEME

Councillor B Markham addressed Cabinet in respect of Items 18 & 19 and commented that the issues faced by homeless people were significant and far-reaching. He commented that that the report went some way to address the issues and noted that progress was being made in getting homeless people out of bed and breakfast accommodation. He noted that he welcomed the recommendations contained in Item 19 – Improving the efficiency of the Homeless review Service as any reduction in the amount time spent in temporary accommodation was progress. He questioned whether employing consultants to deal with the current backlog would lead to a permanent member of staff being recruited and he suggested that the workload and homelessness would increase.

Councillor Smith commented that she was pleased with the recommendations within the report and noted her concern about the number of people who were being housed outside of the Borough. As Chair of Scrutiny Panel 3 – Homelessness, she commented that they had asked that the Council adopt an ambitious plan and it was hoped that the changes to the Housing Allocations scheme in ensuring that homelessness was being dealt with was a positive step. She commented that both Cabinet reports were welcome response to the recommendations of the Scrutiny Panel.

Councillor Hibbert, as the relevant Cabinet Member, submitted his report and thanked the Councillors for their contributions and welcomed the cross party support. He noted that there had been issues recruiting which had contributed to the backlog and noted that in August there had been 87 families in temporary accommodation and that the number of people housed in Bed and Breakfast had decreased. In response to comments made, Councillor Hibbert explained that it had been unfortunate but necessary for people to be housed outside the Borough. In response to a question asked, Councillor Hibbert

explained that Military Personnel would still be retain the 'priority' status as previously agreed by Council.

RESOLVED:

That the following temporary changes to the Housing Allocations Scheme (set out in detail in Appendix A of the report) for a fixed period of 9 months, commencing on 1 October 2017 and ending on 30 June 2018 be approved:

- (a) Where the Council accepts a rehousing duty to a household whose homelessness application has taken more than 8 weeks to investigate and determine – including those households whose applications are part of the backlog of outstanding homelessness decisions – the household's 'priority date' in the Emergency Band will be adjusted to a date that is 8 weeks after the date that their homelessness application was received;
- (b) Where a homeless household is living in temporary accommodation and 6 weeks have elapsed since the Council has accepted a rehousing duty to them, Northampton Partnership Homes will proactively consider them for a 'direct offer' – based on their relative priority – and, after notifying the household, the Council and/or Northampton Partnership Homes may undertake 'proxy bidding', for all suitable properties, on their behalf; and
- (c) Northampton Partnership Homes will set aside an average of up to 5 properties a fortnight for 'direct offers' to homeless households for whom the Council has accepted a housing duty.

19. IMPROVING THE EFFICIENCY OF THE HOMELESSNESS REVIEWS SERVICE

Councillor Hibbert, as the relevant Cabinet Member, explained that caseloads had risen sharply in the past 18 months and the number of outstanding homeless decisions had increased and therefore Cabinet were being asked to agree to the outsourcing of the homelessness reviews function. He explained that the people they intended to use for this were very experienced and that they would be charging on a case by case basis and noted that this would be better value for money than employing someone permanently.

RESOLVED:

- a) That the outsourcing of the homelessness reviews function to a suitably qualified person or organisation on a contracted basis be approved;
- b) That authority be delegated to the Borough Secretary, in consultation with the Chief Finance Officer and the Cabinet Member for Housing and Wellbeing, to award the homelessness reviews contract for a period of 2 years with an option for a third year.

The meeting concluded at 7.49pm



OVERVIEW & SCRUTINY VIEWS AND RECOMMENDATIONS

TO CABINET 18 OCTOBER 2017

Report Title	<p>RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE – INTERIM REPORT OF THE OVERVIEW AND SCRUTINY RE-PROVISION OF THE ENVIRONMENTAL SERVICES CONTRACT WORKING GROUP</p>
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Agenda Status: PUBLIC

1. Purpose

- 1.2 The purpose of this report is to notify Cabinet on the interim outcome of the Scrutiny activity undertaken by the Overview and Scrutiny Working Group in response to the decision by Cabinet to re-provision the Environmental Services Contract.

2. Recommendations

2.1 The Overview and Scrutiny Committee recommends to Cabinet that:

2.1.1 Cabinet considers the interim findings of the Overview and Scrutiny Working as detailed in section 3.9 of this interim report.

2.1.2 Notes that, from the information provided to the Working Group to date, the Overview and Scrutiny Committee is satisfied that the right processes have taken place to date. From the information provided so far the processes to date have been robust and carried out with due diligence.

2.1.3 Notes that, from the information received, the Overview and Scrutiny Committee is satisfied that the procurement process has been robust.

3. Background and Issues

3.1 The purpose of the O&S Working Group was to:

- Help non-Executives understand the re provision process and the legal framework around the re-provision of the contract.

- Enable non-Executives to meaningfully challenge the rigour and robustness of the process.
- 3.2 Two non-Executive Councillors called in the decision of Cabinet of 16 November 2016, (item 11 – Re-Provision of the Environmental Services Contract). A Call-In Hearing was held on 29 November 2016. During the deliberation session, the Overview and Committee concluded that there was a need for wider consultation, the recommendations were ill-informed, based on assumptions regarding costs, before quality; the areas of methodology used were flawed; and the contracting out option had been based on a failing contract. The Committee further concluded that there was a need for Overview and Scrutiny involvement at the relevant stages of the process.
- 3.3 The Chair advised of the information received and asked the Committee to consider whether the Call-In would be upheld or not.
- 3.4 Upon a majority vote it was resolved that:
- (1) That after all the evidence had been heard that the Call-In be accepted on the grounds that:
 - (i) there is the need for wider consultation;
 - (ii) the recommendations were ill-informed, based on assumptions regarding costs, before quality;
 - (iii) the areas of methodology used were flawed;
 - (iv) the contracting out option had been based on a failing contract.
 - (2) That there is Overview and Scrutiny involvement in the relevant stages of the process.
- 3.5 The Overview and Scrutiny Committee then convened a Working Group comprising Councillor Dennis Meredith (Chair), Councillor Rufia Ashraf (Deputy Chair); Councillors Aziz, Janice Duffy, Terrie Eales, Jamie Lane, Brian Sargeant, Zoe Smith and Graham Walker to carry out this Scrutiny activity.
- 3.6 This Scrutiny activity links to the Council's corporate priorities, particularly corporate priority - Working Hard and Spending your Money Wisely (Delivering quality modern services) and Protecting Our Environment (A clean and attractive town for residents and visitors).
- 3.7 A series of meetings were held that provided key information to the Overview and Scrutiny Working Group. Further meetings will be held during the process. A final report of the Working Group will be presented to Cabinet early in 2018.
- 3.8 The purpose of the meetings held so far was to:
- Help non-Executives understand the complex procurement process that was being followed.
 - Enable non-Executives to meaningfully challenge the rigour and robustness of the proposed process.

3.9 In considering the evidence the following interim findings from the Scrutiny activity were made: -

The Overview and Scrutiny Committee welcomed the comprehensive presentation given to the O&S Working Group its inaugural meeting and from the information provided to it supported the feedback and progress to date.

The O&S Working Group is satisfied that, from the information provided to it, the right processes have taken place to date. From the information provided so far, the Working Group agreed that the processes to date have been robust and carried out with due diligence.

From the information received, the O&S Working Group gives its support for the robustness of the procurement process followed.

4. Options

4.1 Cabinet will need to consider the possible options as part of its response to the recommendations.

5. Implications (including financial implications)

5.1 Policy

5.1.1 The work of Overview and Scrutiny plays a major part in the development of the Council's policy framework through its work programme.

5.1.2 The report and its recommendations have policy implications in relation to the re-provision of the environmental services contract. Cabinet's response will need to consider the recommendations of the Overview and Scrutiny Committee in detail.

5.2 Resources and Risk

5.2.1 There are no resourcing issues for the recommendations made due to the fact that this is an interim report notifying Cabinet of the findings of the Scrutiny activity so far.

5.3 Legal

5.3.1 There are no legal issues to be considered as part Cabinet's response to the recommendations made due to the fact that this is an interim report notifying Cabinet of the findings of the Scrutiny activity so far.

5.4 Equality

5.4.1 Equality issues will need to be considered as part of Cabinet's response to the recommendations.

5.5 Consultees (Internal and External)

5.5.1 The O&S Working Group received evidence and information at a series of meetings as detailed in paragraph 3.7 of this report.

6. Background Papers

- Overview and Scrutiny Committee report (25 September 2017) – Interim Report of the O&S Re-Provision of the Environmental Services Contract Working Group
- Minutes of the meeting of the Overview and Scrutiny Committee – 25 September 2017

Report Author and Title: Tracy Tiff, Scrutiny Officer, on behalf of Councillor Jamie Lane, Chair, Overview and Scrutiny Committee

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Appendices

None



CABINET REPORT

Report Title	Cabinet Response to the Recommendations from the Overview and Scrutiny Review of Homelessness (Pre-Decision Scrutiny)
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	18 October 2017
Key Decision:	No
Within Policy:	Yes
Policy Document:	No
Directorate:	Chief Executive's
Accountable Cabinet Member:	Councillor Stephen Hibbert
Ward(s)	All

1. Purpose

- 1.1 On 21 June 2017, Cabinet received a report on the findings and recommendations of an Overview & Scrutiny Panel Review of Homelessness.
- 1.2 The purpose of this report is to ask Cabinet to approve the response to the Overview & Scrutiny Panel's recommendations.

2. Recommendations

- 2.1 It is **recommended** that Cabinet:
 - (a) Accepts the recommendations included in the Overview & Scrutiny Panel's report on Homelessness; and
 - (b) Congratulates the task and finish group on a high quality and comprehensive report and thanks the group for the time and effort given to produce it.

3. Issues and Choices

3.1 Report Background

3.1.1 At its work programming event in April 2016, the Overview & Scrutiny Committee agreed to carry out a pre-decision review of how Northampton Borough Council and its partners prevent homelessness and respond to those without homes in the borough. An in-depth review commenced in May 2016 and concluded in March 2017.

3.1.2 This review links to the priorities in the Council's Corporate Plan, especially 'Housing for Everyone - Helping those that need it to have a safe and secure home'.

3.1.3 The key lines of enquiry were:

- To gain an understanding of the work currently being undertaken by Northampton Borough Council, partnerships and statutory and voluntary organisations to address homelessness
- To assess the extent of homelessness and rough sleeping in the borough and assess the initiatives currently in place to tackle homelessness
- To examine the Council's Severe Weather Provision
- To gain an understanding of the effect on the health, wellbeing and the safety of homeless people, including rough sleepers
- To gain an understanding of the causes and barriers to support homelessness
- To identify any specific groups that are not accessing services

3.1.4 A number of meetings were held to gather evidence from a broad range of stakeholders. During this process, a significant amount of evidence was heard.

3.1.5 The Overview & Scrutiny Panel's Report includes 13 recommendations. They are broadly focused on how the Council and partner agencies can provide a more joined up approach and response to people who are homeless or at risk of homelessness.

3.1.6 The focus of the recommendations is on multi agency working, access to homelessness services, access to health services, and temporary accommodation.

Responses to Overview & Scrutiny Recommendations

3.1.7 Cabinet accepts all of the recommendation in the Overview & Scrutiny Panel's report. Its response to the 13 recommendations is set out below.

3.1.8 **Recommendation 1**

The Council undertakes a comprehensive review of homelessness in the borough and develops a new 5-year Homelessness Strategy that is designed to substantially reduce the number of households that become homeless and the number of homeless families that are living in temporary accommodation.

Response

This is a substantial piece of work that will set out how the Council and its partners will tackle and prevent homelessness over the next 5 years. Work will start in Spring 2018 when the Government has issued its Code of Guidance and the Council has a better understanding of its duties under the Homelessness Reduction Act 2017.

3.1.9 **Recommendation 2**

The Council establishes a Homelessness Strategy Implementation Group to direct, co-ordinate and monitor the action that the Council and its partners take to tackle, prevent and reduce homelessness in the borough.

Response

A multi agency group will be set up in the Winter of 2018/19 to oversee the successful and timely implementation of the new 5-year Homelessness Strategy.

3.1.10 **Recommendation 3**

The Council publishes an information leaflet (in an electronic and paper format, and in languages commonly known to be spoken by rough sleepers) for distribution to all agencies and services and more widely available to members of the public. The leaflet should set out very clearly how the Council's homelessness and housing advice services are organised – together with details of the services provided by other organisations and services – and how people can access them.

Response

An information leaflet will be published in Spring 2018 when the Government has issued its Code of Guidance and the Council has decided how best to organise its services to meet its obligations under the Homelessness Reduction Act 2017. In December 2017, a shorter information leaflet will be produced for rough sleepers (in a number of languages) explaining what help is available from the Street Outreach Team, the Nightshelter, the Hope Centre and other organisations and services.

3.1.11 **Recommendation 4**

A comprehensive review of rough sleeping services is carried out to ensure that all services are operating efficiently and effectively, and that there is no unnecessary duplication of effort between the Nightshelter, the Hope Centre, Oasis House, NAASH and other services

Response

This work is already being undertaken as part of the implementation of 'TOGETHER we change lives', the multi agency strategy for ending the need for people to sleep rough in Northampton. One of the key objectives of the review is to improve joint working at Oasis House. This review is expected to be completed by June 2018.

3.1.12 **Recommendation 5**

A Homelessness Forum is established that involves, and engages with, all relevant statutory and non-statutory agencies.

Response

In January and February 2018, the Housing & Wellbeing Service will be holding a couple of half day workshops for local services and organisations, to talk about the Homelessness Reduction Act 2017 and agree on how everyone can work together to tackle, prevent and reduce homelessness in Northampton. During the workshops, participants will consider the benefits of establishing a local Homelessness Forum.

3.1.13 **Recommendation 6**

The Council carries out an annual review of rough sleeping in the borough that goes beyond the limitations of the statutory requirements and includes, for example, the production of a personalised development plan for each rough sleeper that continues to be implemented after they have moved into settled housing.

Response

Improvements to support planning are a key element of 'TOGETHER we change lives', the multi agency strategy for ending the need for people to sleep rough in Northampton and we are already planning to extend the scope of this work (as part of our preparations for the implementation of the Homelessness Reduction Act) in 2018.

The Homelessness Reduction Act requires local authorities to assess, and provide meaningful assistance to, everyone who is homeless or threatened with homelessness, and to provide them with a 'personalised housing plan'. The aim of the plan is to provide a personalised approach to advice and assistance, and tailored support that will be more effective in preventing and relieving homelessness.

After the next rough sleepers count (scheduled for November 2017), we will begin to 'trial' the use of personalised housing plans with those rough sleepers that are willing to engage the Street Outreach Team and local services. The lessons we learn from this will then be used to inform our annual review of homelessness.

3.1.14 **Recommendation 7**

There is active and meaningful involvement of service users and individuals who have lived experience in the development and delivery of services, and in the implementation process.

Response

During the 8 months that Northampton's Emergency Nightshelter has been up and running, service users and individuals who have lived experience have been actively and meaningfully involved in the development of services. This work will continue and, in the course of implementing the Overview & Scrutiny Panel's recommendations, the Council and its partners will actively consider how best to involve homeless people (including families) in the development and delivery of services and the implementation of plans and strategies.

3.1.15 **Recommendation 8**

The Council considers its approach to assisting individuals with multiple and complex needs.

Response

A series of changes have now been made to the remit and approach of the Street Community Action Group and this has ensured that services and organisations work

more collaboratively with one another to address the needs of people who are sleeping rough and have multiple and complex needs. Although this can be very challenging – especially where the person is causing anti-social behaviour and refusing to engage – the help and support is now being targeted more effectively. Further changes will be made to this approach in light of the new obligations (including the duty to co-operate and the requirement to produce personalised housing plans) under the Homelessness Reduction Act 2017.

3.1.16 **Recommendation 9**

The existing arrangements for meeting the health needs of homeless people (including rough sleepers) are reviewed and strengthened – informed by a Health Needs Audit - to ensure that rough sleepers and people who are living in temporary accommodation are not only aware of, but are also helped to connect with, local support services.

Response

The Housing & Wellbeing Service is planning to meet with Healthwatch, local health professionals, homeless families living in temporary accommodation, and people who have previously been sleeping rough with a view to assessing and strengthening the existing arrangements for meeting the health needs of homeless people. It is proposed that the new arrangements are put in place by the beginning of April 2018.

3.1.17 **Recommendation 10**

Details of the medical advice and treatment available to people who are homeless and/or sleeping rough – at various locations, including Maple Access and Oasis House – are communicated to all organisations and services in order that they can be shared with people who are homeless or at risk of becoming homeless.

Response

These details will be included in the information leaflet produced for people who are sleeping rough (see Recommendation 3, above) in Spring 2018.

3.1.18 **Recommendation 11**

The Council develops an ambitious plan, using SMART outcomes, for minimising its use of Bed & Breakfast accommodation and out-of-borough temporary accommodation.

Response

Despite the uncertainty over the impact that the Homelessness Reduction Act 2017 is likely to have on the number of homelessness applications and demand for temporary accommodation, the Council has produced a comprehensive, ambitious 12 months action plan for halving the number of households living in temporary accommodation, reducing by 90% the number of households living in Bed & Breakfast and ending the need to place households in temporary accommodation that is situated outside of the borough. To support the implementation of the action plan, the Council has set aside additional funding from its housing reserves.

3.1.19 **Recommendation 12**

The Council works imaginatively and collaboratively with Northamptonshire County Council, and other agencies and organisations, to provide more support for homeless families in temporary accommodation and mitigating any

adverse effects on the families' finances and the children's schooling and healthcare.

Response

As homeless families' finances and schooling are most affected by the Council's placement of those families in Bed & Breakfast accommodation – especially where it is situated outside of the borough – the priority of the Housing & Wellbeing Service is to implement the 12 months action plan (see Recommendation 11, above) as this is designed to reduce by 90% the number of households living in Bed & Breakfast and end the need to place households in temporary accommodation outside the borough. It is proposed, therefore, that the Head of Housing & Wellbeing reviews the situation in April 2018 and then meets with the Officers from the County Council and other agencies and organisations to explore ways in which homeless families can be provided with more support while they are living in temporary accommodation.

3.1.20 Recommendation 13

All nightly-purchased temporary accommodation that is used by the Borough Council should provide free Wi-Fi facilities.

Response

The majority of Bed & Breakfast establishments that the Council uses already provide free Wi-Fi facilities. Since the publication of the Overview & Scrutiny Panel's report in June 2017, the Council has procured a significant amount of nightly-purchased, self-contained temporary accommodation as a better alternative to Bed & Breakfast. As these are individual houses and flats, it would not be reasonable to impose on the housing suppliers the requirement to provide the occupants with free Wi-Fi facilities. It is proposed, therefore that, from April 2018, all nightly-purchased Bed & Breakfast accommodation that is used by the Council should provide Wi-Fi facilities.

3.2 Choices (Options)

- 3.2.1 Cabinet could choose not to adopt any of the Overview & Scrutiny Panel's recommendations.
- 3.2.2 Cabinet could choose to adopt some of the Overview & Scrutiny Panel's recommendations.
- 3.2.3 Cabinet could choose to adopt all of the Overview & Scrutiny Panel's recommendations. This is the preferred option.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The action that the Council is proposing to take is in line with Council policy and reflects the priorities in the Corporate Plan 2016-20.

4.2 Resources and Risk

- 4.2.1 Implementation of the recommendations in the Overview & Scrutiny Panel's report will be met from the Housing & Wellbeing Service's existing resources.
- 4.2.2 As a number of the recommendations are expected to result in a reduction in homelessness and Bed & Breakfast use, their successful implementation will

complement a lot of the work that is already being done and is likely to contribute to an overall reduction in the cost of homelessness and temporary accommodation.

- 4.2.3 The Housing & Wellbeing Service and Finance Team will set up appropriate arrangements for assessing and monitoring the impact that these actions have on the nature, extent and financial cost of homelessness in the borough. Implementation of the recommendations will be monitored by the Overview & Scrutiny Committee.

4.3 Legal

- 4.3.1 There are no legal implications arising directly from this report.

4.4 Equality and Health

- 4.4.1 Implementation of the recommendations will have a positive impact on people with protected characteristics.
- 4.4.2 A Community Impact Assessment was completed as part of the Overview and Scrutiny process, and this has been updated to take into account the Overview and Scrutiny Panel's recommendations.

4.5 Consultees (Internal and External)

- 4.5.1 The Panel took evidence from a wide range of Stakeholders and Councillors from Northampton Borough Council:

Internal expert advisors

- Cabinet Member for Housing, NBC
- Housing Options and Advice Manager, NBC
- Head of Revenues and Benefits, LGSS
- Cabinet Member for Community Safety, NBC
- Chair of the Community Safety Partnership (CSP) and Community Safety Team
- Case Managers, Anti-Social Behaviour Unit

External expert advisors

- Head of Protecting Vulnerable Persons, Northamptonshire Police
- Director of Public Health, Northamptonshire County Council
- Manager, Maple Access
- Manager, NAASH
- Drug and Alcohol Challenge Officer, the Bridge
- Operations Manager, Midland Heart Housing Association
- Service Manager, Salvation Army
- Chief Executive, Central Northamptonshire CAB
- Emmaus, Homelessness Charity
- Shelter
- Crisis
- Healthwatch Northamptonshire

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Implementation of the Overview & Scrutiny Panel's recommendations will help meet 3 of the priorities in the Corporate Plan:

- **Safer Communities:** It will help people (including rough sleepers and homeless families) to feel safe and secure by reducing rough sleeping and the use of Bed & Breakfast and out-of-borough temporary accommodation, and by improving their access to health services.
- **Housing for Everyone:** It will help to end the need for people to sleep rough in Northampton and for homeless families to be placed in temporary accommodation outside of the borough. It will also minimise the Council's use of Bed & Breakfast accommodation.
- **Working Hard and Spending your Money Wisely:** It will actively promote collaborative multi agency working and reduce the amount of money that the Council spends on temporary accommodation and, in doing so, it will help the Council to be economic, efficient and effective and get the best from the resources available.

4.6.2 Implementation of the Overview & Scrutiny Panel's recommendations will also contribute positively to 2 of the 3 Business Development Priorities that support the Corporate Plan and help manage the Council's future financial challenges:

- **Empowering Communities:** It will encourage communities to become actively involved in tackling homelessness and improving the neighbourhoods where they live in order to help make everywhere in Northampton a great place to live, visit, work, study and invest.
- **Partnership Working:** It will help build strong and effective relationships between partners, based on a coherent, consistent and clearly defined approach to partnership working. As well as increasing efficiency and effectiveness, this will reduce duplication, deliver better outcomes and improve residents' housing, health and wellbeing.

Appendices

None

Background Papers

Overview & Scrutiny Panel Report on Homelessness (Pre-Decision Scrutiny) May 2017

Phil Harris
Head of Housing and Wellbeing
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Appendices

2



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

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

Cabinet Meeting Date:	18 th October 2017
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 and Medium Term Financial Strategy for 2018/19 to 2021/22. It also sets out the process and key milestones to achieving a balanced budget for 2018/19.

2. Recommendations

- 2.1 That Cabinet approve the draft Efficiency and Medium Term Financial Strategy as attached at Appendix 1.
- 2.2 That Cabinet adopt the key principles as set out at paragraph 3.2.4 below.
- 2.3 That Cabinet note the process and milestones to achieving a balanced budget for 2018/19, as set out in Appendix 2.

3. Issues and Choices

3.1 Report Background

- 3.1.1 In order to secure the government's offer of a minimum level of funding until 2019/20, the Council submitted an Efficiency Plan in October 2016. This set out how the Council planned to achieve the savings required to set a balance budget over the 4 year period.
- 3.1.2 The Efficiency and Medium Term Financial Strategy (EMTFS) builds on this and is essential to underpin the Council's delivery of a balanced financial position over the next five years.
- 3.1.3 The primary driver for the Efficiency and Medium Term Financial Strategy is the Council's Corporate Plan, and the need to deliver the priorities of the Council within the resources available.
- 3.1.4 This strategy 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. This will result in an updated HRA Business Plan.

3.2 Issues

- 3.2.1 As reported to Cabinet and Council in February 2017 as part of the budget setting process the Council faces a substantial forecast budget gap over the next 5 years, rising to around £5m by 2022/23. This gap must be closed and significant budget savings will be required to achieve this. It will inevitably require tough choices for the Council.
- 3.2.2 Forecasts of funding and other technical budgets will be updated as the budget process progresses. The final position may vary as the budget is finalised, but it is not expected that this will significantly alter the level of savings required.
- 3.2.3 The 2017/18 budget included £2.8m of efficiency and other savings in order to realise a balanced budget. This built on the £3.5m of savings built into budgets over the previous 4 years.
- 3.2.4 Efficiency and Medium Term Financial Strategy Principles
- The Council will, within available resources, seek to maximise delivery of services and levels of performance and ensure that resources are targeted to meeting its objectives and priorities
 - The Council will set a balanced budget, which is stable and sustainable and fully represents the cost of providing the levels of service and performance set out in the Corporate Plan and Service Plans
 - Income streams will be maximised through the delivery of high quality, cost effective services.
 - Council Tax will be increased up to the maximum allowed without requiring a referendum.

- Investment decisions will take into account both revenue and capital implications.
- Where requirements to undertake borrowing are identified, the costs and benefits of doing so will be assessed as required in line with CIPFA's Prudential Code.
- Financial implications will be underpinned by a robust risk assessment.
- Decision making will be business case lead. There will be a focus on the short, medium and long-term financial implications of decisions.
- Reserves will be utilised to fund investments that will deliver a long-term sustainable financial position.
- Further efficiencies will be sought in back office functions. No options that would result in increased costs of these functions will be considered.

3.2.5 Earmarked Reserves are available to support the delivery of the EMTFS. Where investment is supported by a robust business case then these reserves will be used to fund the up-front costs required to deliver future budget savings.

3.2.6 The efficiency strands detailed in the EMTFS are:

- Growth
- Partnerships, eg Support Services
- Use of IT/Digital channels
- Maximise income generation
- Review service and staffing structures
- Investment/commercial opportunities
- Realise opportunities from new ES contract

3.2.7 The EMTFS incorporates the key principles of the existing approved Capital Strategy. In line with proposed amendments to the Prudential Code, a detailed capital strategy will be presented for approval as part of the capital programme proposals in December.

3.2.8 The development of an EMTFS 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 EMTFS is a 5 year plan to provide medium term financial sustainability. In 2017/18 the Council is planning to contribute to its reserves and will continue to seek further efficiencies during this financial year. However, its real financial challenge starts from 2018/19. The Council will need to focus its efforts on delivering over £3m of additional income and efficiencies from 2018/19, rising to at least £5m by 2022/23

3.2.9 A high level timetable for the detailed budget proposals for 2018/19 is set out in Appendix 2, leading to a recommended budget to Full Council on 26th February 2018.

3.3 Choices (Options)

3.3.1 The options open to Cabinet are to approve the attached Efficiency and Medium Term Financial Strategy as attached, and the strategic principles therein, or make alternative proposals.

3.3.2 Detailed budget options and choices will be proposed as part of the draft budget report to Cabinet in December. These will need to fully address the budget gap for 2018/19 and make progress towards closing the gap over the medium term. This will inevitably involve tough choices.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Efficiency and Medium Term Financial Strategy 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 and Medium Term Financial Strategy 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 have been re-focussed to ensure that they are targeted on the delivery of the Efficiency and Medium Term Financial Strategy and a balanced budget.

4.3 Legal

4.3.1 There are no direct legal considerations arising from the recommendations of the report, however there may be specific legal implications for the budget options as they are generated, and these will be presented to Cabinet as part of the draft budget report in December.

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 EMTFS.

4.5 Consultees (Internal and External)

4.5.1 Management board have been consulted and endorse the EMTFS.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The EMTFS 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

Northampton Borough Council

Efficiency and Medium Term Financial Strategy 2018/19 to 2022/23

INTRODUCTION AND PURPOSE

This document sets out the Council's approach to closing the forecast medium term gap between General Fund net expenditure and funding. This strategy 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.

The EMTFS incorporates key elements of the Capital Strategy, which will be fully updated as part of the budget process in line with the proposed changes to CIPFAs Prudential Code.

The purpose of this strategy is to agree a set of principles and projections that underpin the annual budget process and ensure that the Council can achieve its ambitions for service delivery and performance within the resources available.

LINK TO CORPORATE PLAN

This strategy is set in the context of the Corporate Plan last approved by Full Council in February 2017.

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

OVERALL STRATEGIC PRINCIPLES

1. The Council will, within available resources, seek to maximise delivery of services and levels of performance and ensure that resources are targeted to meeting its objectives and priorities
2. The Council will set a balanced budget, which is stable and sustainable and fully represents the cost of providing the levels of service and performance set out in the Corporate Plan and Service Plans
3. Income streams will be maximised through the delivery of high quality, cost effective services.
4. Council Tax will be increased up to the maximum allowed without requiring a referendum.
5. Investment decisions will take into account both revenue and capital implications.
6. Where requirements to undertake borrowing are identified, the costs and benefits of doing so will be assessed as required in line with CIPFA's Prudential Code.

7. Financial implications will be underpinned by a robust risk assessment.
8. Decision making will be business case lead. There will be a focus on the short, medium and long-term financial implications of decisions.
9. Reserves will be utilised to fund investments that will deliver a long-term sustainable financial position.
10. Further efficiencies will be sought in back office functions. No options that would result in increased costs of these functions will be considered.

GENERAL FUND REVENUE

Overall Projections and Balances

The current economic climate presents challenges for the Council in continuing to meet Corporate Plan priorities with tightening finances. This will require a robust focus on these priorities and the identification of both efficiency savings and of non-priorities where service reductions can be made.

Latest projections show a requirement to make savings over the next five years of £4.8m by 2022/23, with £3.3m required in 2018/19. This is largely driven by the increased costs involved in the retendering of the contract for Environmental Services. This increase in cost will be kept to the minimum possible. Other factors are discussed below, along with the strategic approaches being adopted to mitigate the position.

Government Funding

The total funding from government and income from retained business rates has declined substantially over the last five years, from a total of over £16m in 2014/15 to around £11m projected for 2019/20. Over that period Revenue Support Grant will have reduced from £6.9m to nil. Under the four-year funding deal, funding is fixed until 2019/20. The position beyond this is unknown, and although the Council should benefit from the 100% localisation of business rates, this strategy is based on prudent projections of the retained value.

New Homes Bonus has provided an additional source of funding during this period, but the total available through this funding source has also been reduced by central government through the reduction of the reward period from 6 to 4 years and the introduction of a baseline level of growth.

Council Tax

The NBC Council Tax was frozen from 2011/12 until 2016/17. In 2017/18 it was increased by £5 per annum per band D property, and this is the annual increase incorporated into this strategy, being the maximum allowed without triggering a referendum.

Commercial Rental Income

The Council holds a significant investment portfolio and generates around £2m income per annum. This portfolio will be kept under continuous review to ensure that it provides good returns and all rent reviews will be brought up to, and kept up to date.

Fees and Charges

Fees and charges provide a significant source of direct funding for some services. Where these are not statutorily determined, the level of charges will be increased by at least inflation, and by more where it is practicable and reasonable to do so.

Continuation Budget Changes

The continuation budget represents the expenditure and income from continuing to provide the same level and quality of services as the previous year. This will not necessarily be the same level of budget. Continuation budgets will be adjusted in light of the actual income and expenditure experienced in previous years and the current year.

Service Development

Service developments and budget increases will only be allowed where they support the achievement of corporate objectives and the needs cannot be met from existing resources. Any budget increases will be kept to a minimum and must be supported by a robust justification.

EFFICIENCY STRATEGY

The identification of efficiency savings, as detailed in this Efficiency Strategy, will be the priority in identifying the savings required. However, it is inevitable that the scale of the required savings will necessitate some reductions in lower priority services. These will be determined by Members following a corporate process of identifying options

Efficiency and other savings will be realised through the following strands:

1. Growth – realising the benefits of growth through the generation of additional business rate income, Council Tax and New Homes Bonus.
2. Partnerships – working with other local authorities, private sector and community partners to deliver high quality and cost effective front-line and support services.
3. Use of IT/Digital channels – to reduce transaction costs and increase staff productivity through the use of technology.
4. Maximise income generation – ensure that income is maximised by setting charges at an appropriate level, as well as increasing demand through effective marketing.
5. Review service and staffing structures – to ensure that these are fit for purpose and are appropriate to the Council's changing needs and priorities.
6. Investment/commercial opportunities – realising opportunities to undertake appropriate investments that will generate a commercial return.
7. Realise opportunities from new Environmental Services contract – the new contract will provide significantly improved quality and provide opportunities to reduce the costs involved in rectifying shortfalls in current service provision.

CAPITAL STRATEGY

The high level strategic objectives of the capital strategy are included here in order to reinforce the links and overlaps between capital and revenue, and the need to have a mind to both in decision making.

Overarching Strategy

The Council's capital strategy is to deliver a capital programme that:

- Contributes to the Corporate Plan, and the Council's vision, values, strategic objectives and priorities
- Is closely aligned with the Council's Asset Management Plan
- Supports service-specific and other NBC plans and strategies
- Is affordable, financially prudent and sustainable, and contributes to achieving value for money

In prioritising the Capital Programme, particular emphasis will be given to schemes that:

- Achieve the Council's priorities
- Improve the town and its environment and facilities
- Improve performance against national and local targets
- Improve efficiency and effectiveness in service delivery, including through partnership working
- Generate or increase income streams
- Promote effective Asset Management, including DDA and Health & Safety issues

Capital Funding Strategy

Under the Council's capital funding strategy, funding streams are allocated in the following order. Cabinet may make changes to the funding strategy where necessary to deliver capital schemes that are key to delivering the Council's agreed priorities:

Hypothecated funding

Funding linked directly to a specific scheme, such as grants, third party contributions (including Section 106 contributions) and revenue contributions, is allocated 100% to the relevant scheme. Schemes funded by external grants and contributions will not commence until such funding is definitely secured. The conditions attached to grants and contributions vary according to the particular grant. Some will fund the full cost of the scheme, others just a percentage, with the local authority having to fund the balance. Most, but not all, grants are time-limited. Government grants tend to be focussed towards central government priorities.

Self-funded borrowing

Where the capital investment itself will produce revenue savings or additional income, which is sufficient to cover the cost of borrowing to fund the investment.

Business Rates Uplift

Capital improvements within the Enterprise Zone may be funded by borrowing which will eventually be repaid through the increase in business rate income flowing from new or expanded businesses. The borrowing is undertaken via the South East Midlands Local Enterprise Partnership (SEMLEP) through the Growing Places Fund or Local Infrastructure Fund. This is to manage the timing difference between the investment in the Enterprise Zone and the consequent increase in business rates.

Where necessary the gap will be managed by NBC undertaking borrowing from the Public Works Loan Board (PWLB).

Revenue and Capital Reserves

The Council has, as part of its overall financial strategy, set aside reserves in order to provide additional capital funding. These include the Strategic Investment Reserve, used to fund the purchase of properties that may in the future provide a good return on investment.

Revenue Contributions

In the past revenue contributions have been a fairly minor source of capital financing for the Council due to pressures on the revenue budget. They are, however, sometimes used to top up small shortfalls in the funding required for a particular scheme.

Capital Receipts

Capital receipts are derived from asset sales. These could include income to the Council as lessor from finance leases.

GF asset sales come from a variety of sources. Generally speaking, 100% of GF asset sales (after any 'clawback', for example from the HCA) can be used to support capital expenditure. Sometimes the asset sale is linked directly to a capital project, for example in a relocation scheme. More often, GF asset sales relate to surplus assets that are held corporately and are not specific to a scheme.

The Council generated a substantial capital receipt in 2014/15 from the sale of the Sekhemka statue. This will be used exclusively to fund the redevelopment of the Central Museum.

General Fund capital receipts are not allocated or committed prior to receipt or certainty that they will be received, unless inextricably linked to a specific project. General fund capital receipts received during the year will be taken into account as a potential funding source for new schemes or variations in the relevant financial year or the following financial year, subject to revenue budget considerations e.g. debt financing budget implications.

Prudential Borrowing

Prudential Borrowing will be used to fund capital investment if the cost of the borrowing is affordable within the overall General Fund revenue projections. This will be the funding source of last resort as it does result in ongoing revenue costs, i.e. MRP and interest.

Under the Local Government Act 2003 councils operate within the rules contained in the 'Prudential Code'. These allow local authorities to set their own limits with regard to borrowing undertaken to support capital expenditure. Borrowing may be undertaken, provided that it is, and can be shown to be, prudent, affordable and sustainable. This method of financing capital expenditure is called "prudential borrowing".

In order for borrowing to be prudent, affordable and sustainable, there must be an identifiable, long-term source of revenue funding for the associated revenue (debt financing) costs. Ideally this will come from revenue savings or additional income arising directly from the capital scheme. For example, refurbishment of a building may generate maintenance and/or energy savings, or the building of a car park could generate income through charges. The cost of this "self-funded" borrowing should be borne by the service that uses the asset.

Where there is no additional income or cost saving, i.e. the capital scheme is to meet corporate priorities and support the growth and improvement of the Borough, then the cost of borrowing will be recognised as a cost to the General Fund.

In some circumstances the Council will provide loans to other organisations, such as to the University of Northampton to part-fund the new campus development. This is treated as capital expenditure and funded through borrowing.

Minimum Revenue Provision (MRP)

The Council is required to make provision for the principal repayment of borrowing. Prior to 2007-08 the Council was required by statute to provide for the repayment of a minimum amount of 4% of General Fund debt principal each year. This debt repayment is known as the Minimum Revenue Provision (MRP).

The Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008, which came into force in February 2008, require the Council to make instead 'prudent provision' for the repayment of debt. A number of options for prudent provision are set out in the regulations. The underlying principle is that the repayment of debt should be aligned to the useful life of the asset or assets to which it relates.

The authority is required, under the new regulations, to prepare an annual statement of their policy on making MRP for submission to Council. The Council's policy statement on MRP is set out in the annual Treasury Strategy, which is agreed by Council during Feb/March each year.

In Year Changes

Underspends on GF schemes may not be automatically diverted to other schemes. This will be considered against the demands of the programme as a whole. The only call on capital receipts during the year would be for unforeseen high priority emergency capital works that cannot be financed from alternative sources. Agreement will be through the normal channels – that is the submission of a project appraisal or variation to Capital Programme Board and, if required, Cabinet.

The funding strategy is used to determine the allocation of funding to the programme at the start of the year and throughout the year. Depending on the timing and restrictions of the funding streams, the most appropriate funding will be used at the year end. The Finance Team, under the direction of the Chief Finance Officer, will apply the available funding to the outturn expenditure in line with the best interests of the Council.

Revenue Implications of Capital Projects

The revenue implications of capital projects are identified through medium term planning and the capital appraisal process, and fed into the Council's medium term revenue budget to ensure that all revenue implications are taken into account.

Through the Asset Management Plan an appropriate balance of funding is determined between capital investment and repairs and maintenance. This is kept under regular review.

Programme Build

The Council agrees its capital programme on an annual basis in February immediately preceding the start of each financial year. The agreed programme consists of:

- A firm and fully funded programme for the following year. This includes continuations from previous years as well as new starts in year
- Continuation schemes and forecasts for the subsequent 4 years
- Development Pool – includes schemes for which costs require refinement and/or a business case is required. These schemes will be moved into the approved programme once this additional work is satisfactorily completed.

Within the available funding envelope, projects are prioritised for inclusion in the capital programme based on the extent to which they contribute to the achievement of corporate

priorities. Bids for inclusion are supported by capital appraisals – these must demonstrate that the project provides an effective and value for money solution, and that all possible sources of external funding have been sought.

In addition to specific capital schemes the programme includes a number of “Block Programmes”. Specific projects within these blocks are agreed during the year by Capital Programme Board following the receipt of capital appraisals.

A draft capital programme is prepared for Cabinet in December and is then subject to public consultation alongside revenue budgets. Final decisions are made by Full Council in February.

SENSITIVITY, RISK ASSESSMENT AND LEVELS OF RESERVES

The financial targets within this EMTFS 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 2017 with a balanced budget and reasonable levels of reserves
Conflict between Corporate Plan priorities and EMTFS financial targets	The workstreams of the Corporate Plan and EMTFS are aligned. Cabinet approval of EMTFS, regular meetings with Leader/Cabinet Member Finance
Non delivery of financial targets set out in the detailed budget	Appropriate governance arrangements are a key part of the EMTFS to monitor progress and take action if targets are not being delivered.
High level of capital investment required to deliver EMTFS	Effective treasury management to minimise interest and MRP
High level of earmarked reserves required to deliver EMTFS	Consolidation of reserves and enhanced 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 have been 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.

Milestones for Medium Term Financial Planning & Budget 201823

	Activity	Timescale
Efficiency and MTP Options	MTP Options completed by Services and returned to Finance.	Wed 06/09/17
	1st Cabinet Awayday to consider MTP Options	Thu 07/09/17
	Update plus Finance Review, Challenge and QA of MTP Options	Fri 06/10/17
	2nd Cabinet Awayday to consider MTP Options	Thu 12/10/17
	Cabinet Approval of Efficiency & Medium Term Financial Strategy	Wed 18/10/17
Continuation Budget	Finance Issue Budget Pack to Heads of Service and Managers - inc. Continuation Budget for 2018-23	Fri 22/09/17
	Continuation Budget completed by Services and returned to Finance.	Wed 11/10/17
	Finance Complete Review and Challenge of Continuation Budget.	Wed 25/10/17
Capital Programme	Services to submit Capital Appraisals for proposed new schemes	Fri 27/10/17
	Capital Programme Board consider draft Capital Programme	Mon 13/11/17
Draft Budget Report	Consolidation of Budget data and preparation of Draft Budget Report and appendices.	Fri 17/11/17
	Submit Draft Budget reports and appendices to Democratic Services for Management Board Review	Tue 28/11/17
	Final Draft Budget reports and appendices required	Fri 01/12/17
Consultation	Cabinet – Launch of consultation on draft Budget approved.	Wed 13/12/17
	Overview and Scrutiny Working Group review of draft budget.	Mon 08/01/18
	Overview and Scrutiny review of draft budget.	Mon 08/01/18
	Audit Committee	Mon 15/01/18
	Public Event - Consultation Day	TBC
	Cabinet - budget proposals to Council for approval.	Wed 14/02/18
	Council sets budget and council tax.	Mon 26/02/18

Appendix 1



CABINET REPORT

Report Title	Corporate Performance All Measures Report April – June 2017
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AGENDA STATUS: **Public**

Cabinet Meeting Date:	18 th October 2017
Key Decision:	No
Within Policy:	Yes
Policy Document:	No
Directorate:	Borough Secretary
Accountable Cabinet Member(s):	Councillor P Larratt
Ward(s)	n/a

1. Purpose

- 1.1 To inform Cabinet of the Council's monthly and quarterly performance indicators figures for 2017 - 2018 quarter 1
- Reporting period: 1 April 2017 to 30 June 2017

2. Recommendations

- 2.1 That Cabinet review the contents of the performance report (Appendix 1) and recommend actions to be taken, if any, to address the issues arising.
- 2.2. That Cabinet approves for the performance report be presented to Audit Committee.

3. Issues and Choices

Report Background

- 3.1 Performance data is collected across a range of locally developed indicators which are collected on a monthly, quarterly or on an annual basis. These form the basis of the Councils performance monitoring process. Cabinet members

receive detailed information on all the measures through the Corporate Performance All Measures Report (Appendix 1). This enables the monitoring of the Corporate Plan within their portfolios on a regular basis.

3.1.1 This report summarises the Council's monthly and quarterly performance indicators figures for 2017 quarter 1:

- Reporting period: 1 April 2017 to 30 June 2017

The appended report details:

- A performance dashboard overview for each of the corporate themes
- Detailed Key Performance Indicator (KPI) results with supporting commentary

Issues

Progress against Corporate Plan priorities

3.2 72.41% of performance measures (where data was available) reached their target for the Corporate Plan priorities.

Overall indicator performance against targets

3.2.1 The overall performance percentages compared to the previous quarter are detailed:

Performance Status	Quarter 4 %	Rounded Total	Quarter 1 %	Rounded Total
Blue • Exceptional or over-performance	30.30	72.73%	17.65	70.59%
Green • On or exceeding target	33.33		38.24	
Amber • Within agreed tolerances	09.09		14.71	
Red • Outside agreed target tolerance	27.27		29.41	

Blue indicators have fallen during the first quarter. Some targets have been increased slightly to give a more accurate report and this is now showing as Green or Amber, and one which was not being reported on was showing a blue return. This has now been removed completely (ESC016).

Highlights:

3.2.2 The exceptions, the highs and lows for this reporting quarter are detailed.

Exceptions are reported to highlight whether the exceptional or over performance is required and the resources to achieve these remain valid and

the under-performing performance identify actions that include corrective and preventative actions:

3.2.3 The below exceptions have been considered by Management Board as to whether any of these are considered to be classified as corporate risks.

High Performing Highlights (Exceptional or Over Performing)							
CH10	Museum Web Visits	<ul style="list-style-type: none"> Web content is a main channel for engagement whilst museum is closed. Web visits continue to be monitored whilst Guildhall Road museum closed for extension work, to determine the trend of whether people are viewing the website. 					
ESC02	Missed Bins Corrected	<ul style="list-style-type: none"> Providing a high performance response Action: Constant review of improving operations to prevent missing bins, There will always be an element of missed bins with such a high volume operation, but there has been improvement in the number reported missed being rectified. 					
HML09	Households Homeless Duty Accepted	<ul style="list-style-type: none"> This time last year 114 households, now 129. April 17 was 44 and June was 44. Annual trend has risen since this time last year. Action: Performance still reporting as exceptional performance. 					
NI157b	Minor Planning Applications	<ul style="list-style-type: none"> 100% for quarter 1 This time last year 92.96% Currently a high performing service 					
NI157c	Other Planning Applications	<ul style="list-style-type: none"> 100% for quarter 1 This time last year 99.07% Currently a high performing service 					
ESC06	Litter - Below Level	<ul style="list-style-type: none"> 4 monthly reporting so the next report will be in July 2017. <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Positive downward trend</td> <td style="text-align: center;">Jul 4.67</td> <td style="text-align: center;">Nov 3.00</td> <td style="text-align: center;">Mar 2.17</td> </tr> </table>		Positive downward trend	Jul 4.67	Nov 3.00	Mar 2.17
Positive downward trend	Jul 4.67	Nov 3.00	Mar 2.17				
Lower Levels of Reported Performance (Outside Agreed Target Tolerance)							
BV012 12r	No of days lost to sickness	<ul style="list-style-type: none"> Figures have risen for this quarter with a variety of reasons, including injuries at work, injuries out of work, and some pregnancy related illness. HR are monitoring this closely, and ensuring back to work interviews are carried out, and H & S are conducting interviews 					

		where relevant.
ESC01n	Total Missed Bins	<ul style="list-style-type: none"> The number of bins missed is a reporting indicator only. It is affected by a number of factors beyond the contractor's control, i.e. vehicle breakdowns, staff shortages, access problems. We work with the contractor to ensure that missed collections are rectified within time scales.
ESC04	Household Waste recycled	<ul style="list-style-type: none"> Overall, the trend is rising, showing households are recycling and composting more waste. We continue to work with the contractor to advertise this service.
IG04	FOI/EIR Responded to Within 40 Working Days	<ul style="list-style-type: none"> During April one very large and complicated case was not completed within timescales. All other enquiries were completed on time.
PP06	Crime Change <ul style="list-style-type: none"> Multi agency statistics are summarised and reported over the year 	<ul style="list-style-type: none"> Levels continue to be a concern as they are slightly higher than the same time last year. Burglary is seeing a reduction for the first quarter. We are working with the partner agencies on awareness campaigns, targeted prevention advice is being given, and we are working with partner agencies.
PP53	Environmental Service/Warden Requests	<ul style="list-style-type: none"> Service requests have again risen. Action: Deploying staff to the most critical areas. This KPI will be amended from September to show responses within 5 days, which will give a more realistic reporting.
MPE01	NWEZ New Businesses	<ul style="list-style-type: none"> Three new businesses located to NWEZ during this quarter which is slightly lower than predicted. However, there can be peaks and troughs with the amount of new businesses so we look at this over the year, although report quarterly. Action: We continue to proactively promote as part of the Northampton Alive project.
MPE02 -	NWEZ New Jobs	<ul style="list-style-type: none"> Only 7 new jobs reported this year which is below target for the year. NBC continue to proactively promote new business as part of Northampton Alive, which impacts on this KPI.
PP16	Compliant Off-Licence Checks	<ul style="list-style-type: none"> This KPI continues to show red, as staff target off-licences where it is suspected there will be problems. All the matters of non-compliance that were discovered were rectified by the shop owners when

		the premises were re-visited.
ESC05	Land and Highways assessed falling below acceptable Level	<ul style="list-style-type: none"> • Four monthly measure figures will be due in July 2017.

Data Quality

- 3.2.4 The Council has processes in place to ensure that the data and information it provides to support management decision-making is as reliable as possible. The Council has a strategy to improve data quality and service areas are working to achieve the objectives within it.

A quality assurance process is in place for the validation of data. The measure owners challenged and checked the data and these were then signed off at Director level.

3.1 Governance

- 3.3 Cabinet are asked to review the appended performance report and recommend actions to be taken, if any, to address the issues arising.

4. Implications (including financial implications)

Policy

- 4.1.1 Corporate performance measures are monitored monthly, quarterly or four monthly basis to track progress towards delivering the Councils priorities; as detailed in the Corporate Plan.
- 4.1.2 Service areas review and develop objectives annually through the service planning process. Measures and targets are identifies to help track delivery and any issues and risks.

Resources and Risk

- 4.2 Each service has a service plan that details how the Corporate Plan priorities will be delivered. The service plans identify objectives, measures and actions that show how performance will be tracked. The service plans are risk assessed monitored and each service area will have a directorate risk register. The directorate risk registers feed into the corporate risk register process.
- 4.2.1 The risk process includes challenging and confirming the capacity and ability to deliver as well as the confirming continued priorities. These will be assessed as to whether these are within the levels or accepted risk appetite for the organisation.

Legal

- 4.3 There are no specific legal implications arising from this report.

Equality and Health

- 4.4 There is no specific health or equalities implications arising from this report as it is for information only.

Process and Consultees (Internal and External)

- 4.5 The process for consulting has been complied with. The process timescales for this quarter's performance monitoring are detailed as follows:

Qtr. 1	
Report produced - data is submitted direct by the measure owners	✓
Owners comment on how the information is presented	✓
Governance Feedback - challenge on narrative and performance	✓
Report Refined – following governance feedback and owner revision	✓
19 Sept	Approved by the Borough Secretary
Directors Approval	
8 Sept	Circulated to Directors for discussion at Management Board
MB/EPB	
5 Oct	
Pre Cabinet Meeting with Performance Portfolio Holder – Cllr Larratt	
21 Sept	Meeting – Go through the performance report
Cabinet	
18 Oct	Meeting
Audit Committee	
13 Nov	Meeting
Intranet	
19 Oct	Upload to intranet after Cabinet approval

process are:

Who?	When?
Measure Owners and Heads of Service	Aug 2017
Management Board	Sept 2017
Cabinet	18 th October 2017
Audit Committee	13 November 2017

- 4.5.2 The performance and finance report is monitored by Cabinet on a quarterly basis. The report is submitted to the Overview & Scrutiny on request. The report is then presented to the Audit Committee following Cabinet. Heads of Service and Management Board are involved and consulted as part of the performance monitoring process.
- 4.5.3 Performance data (financial and non-financial) is published on the NBC website following Cabinet approval.

How the Proposals Deliver Priority Outcomes

- 4.6 Performance monitoring (financial and non-financial) to improve performance is good practice, in terms of efficient and effective management. It focuses on the key areas and therefore contributes directly to one of the 2016-20 priorities of the Corporate Plan “Working Hard and Spending Your Money Wisely” through quality modern services.

Other Implications

4.7 There are no other implications arising from this report.

5. Background Papers

Appendix 1: Corporate Performance – All Measures Report – June 2017

Francis Fernandes, Borough Secretary (Extension: 7334)

Corporate Performance

All Measures Report

June 2017

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NORTHAMPTON
BOROUGH COUNCIL

Introduction


The report details the full list of performance measures monitoring the Council's Corporate Plan by corporate priority and is published quarterly.

The measures contained within this report are monitored on a monthly, quarterly, half yearly or four monthly basis.

Performance is reported against the latest report period and then by overall performance year to date (YTD). Overall YTD performance is monitored against the current profiled target and helps us to keep track of the progress towards meeting the annual target.

Performance comparison against the same time last year is highlighted where comparative data is available.

Report Key:

-  Exceptional or over performance
-  On or exceeding target
-  Within agreed tolerances
-  Outside agreed target tolerance
-  Good to be low: Better
-  Good to be low: Worse
-  Good to be High: Better
-  Good to be High: Worse
-  No change
-  No data or target available
-  No data available
-  No target available

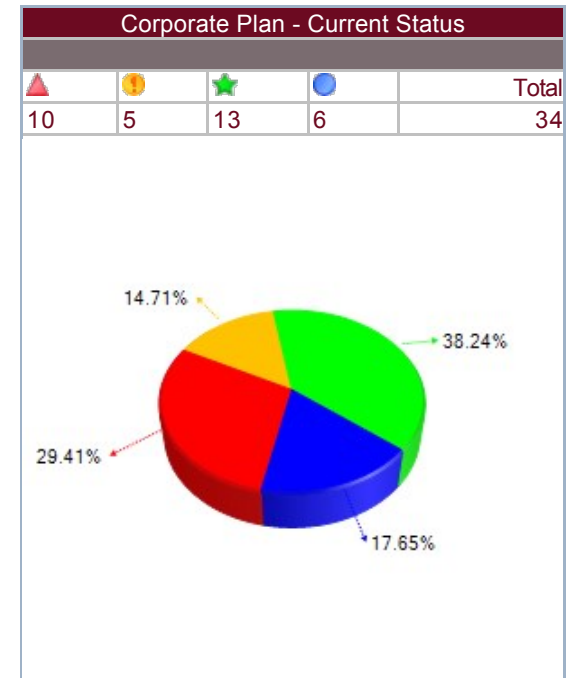
NBC Corporate Plan

The table below has been included for informational purposes, and shows the current year to date performance of each element of the Corporate Plan. The Alerts are generated from the PIs which each Service Area aligned to the 8 priorities during the service planning process.

Corporate Plan	
	YTD
NBC Corporate Plan - Securing Northampton's Future	▲

Theme	
Working Hard and Spending your Money Wisely - Delivering quality modern services	
Safer Communities - Making you feel safe and secure	
Protecting Our Environment - A clean and attractive town for residents and visitors	
Northampton Alive - A vibrant successful town for now and the future	
Love Northampton - Enhancing leisure activities for local people and encouraging participation	
Housing for Everyone - Helping those that need it to have a safe and secure home	

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Monthly Measures

Measure ID & Name	Mar 17	Apr 17	May 17	Jun 17	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
⊕ AST05a External rental income demanded against budgeted income (M)	? ?	? ?	? ?	? ?	? ?	? ?	?	?	- Bigger is Better	?	98.20 %
A full audit of the property records is being undertaken. A dedicated resource has been recruited from 17 July 2017. The review process will take until December 2017, and therefore no KPIs will be reported on. Progress on the audit will be reported on at quarterly intervals in this report. As part of the audit new KPIs will be produced. Data will be collected on these KPIs. An outcome of the audit review will be that there will be confidence in the data quality. The dimensions for data quality are accuracy, validity, reliability, timeliness, relevance, and completeness.											
Source Date 30/06/2017											
⊕ AST05b % commercial rent demanded within the last 12 months (more than 2 months in arrears) (M)	? ?	? ?	? ?	? ?	? ?	? ?	?	?	- Smaller is Better	?	2.85 %
A full audit of the property records is being undertaken. A dedicated resource has been recruited from 17 July 2017. The review process will take until December 2017, and therefore no KPIs will be reported on. Progress on the audit will be reported on at quarterly intervals in this report. As part of the audit new KPIs will be produced. Data will be collected on these KPIs. An outcome of the audit review will be that there will be confidence in the data quality. The dimensions for data quality are accuracy, validity, reliability, timeliness, relevance, and completeness.											
Source Date 30/06/2017											
⊕ AST12 % achieved where return on (sub group) investment properties meets agreed target rate (M)	? ?	? ?	? ?	? ?	? ?	? ?	?	?	- Bigger is Better	?	91.20 %
A full audit of the property records is being undertaken. A dedicated resource has been recruited from 17 July 2017. The review process will take until December 2017, and therefore no KPIs will be reported on. Progress on the audit will be reported on at quarterly intervals in this report. As part of the audit new KPIs will be produced. Data will be collected on these KPIs. An outcome of the audit review will be that there will be confidence in the data quality. The dimensions for data quality are accuracy, validity, reliability, timeliness, relevance, and completeness.											
Source Date 30/06/2017											
⊕ BV008 Local invoices paid within 10 days (M)	92.09	55.25	93.31	95.42	85.69	80.00	80.00	Bigger is Better			92.74
Although the 30-day payment performance figures were 99.9%, there was a drop for the 10-day payments in April 2017. This was due to year end pressures and having higher than average volume of invoices due to the year end.											
Source Date 30/06/2017											
⊕ BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	98.26 %	99.85 %	99.47 %	99.55 %	99.60 %	99.00 %	99.00 %	Bigger is Better			99.04 %
Consistently exceeding target of 99%.											
Source Date 30/06/2017											
⊕ BV012_12r Ave. no. of days/shifts lost to sickness for rolling 12 month period (M)	8.05	8.14	8.52	9.03	9.03	7.50	7.50	Smaller is Better			7.36
Figures have risen for this quarter, with one Directorate particularly showing a higher than expected number of sick days for a variety of reasons. A number of individuals were off with long term sickness or injury which was not work related (e.g. sport injury), and one individual off with work related industrial injury, for which Health and Safety have been notified and risk assessment completed.											
A further six individuals have or are currently off sick with work related sickness e.g. stress, which is being managed by the line manager, HR business partner and Medigold. There are also four pregnancy related sicknesses.											
Source Date 30/06/2017											
CH10 No. of unique visits to Museum Pages (M)	4,480	4,812	3,962	3,092	11,866	3,750	15,000	Bigger is Better			11,365
Guildhall Road Museum is closed for refurbishment at present. KPI to be re-formulated to reflect activity for Abington Park Museum.											
Source Date 30/06/2017											

Monthly Measures

Measure ID & Name	Mar 17	Apr 17	May 17	Jun 17	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
+ CS05 Percentage satisfied with the overall service provided by the Customer Service Officer (M)	92.22 %	89.87 %	98.57 %	93.94 %	93.95 %	90.00 %	90.00 %	Bigger is Better		95.51 %	
Total surveys received 81, although 15 were removed as they applied to back offices issues rather than service. 66 surveys used for results. 62 satisfied and above and just four dissatisfied and below giving a total of 94% satisfied and above. The sample pool continues to be small, but at present these are all the responses we are having returned. Plans continue to improve ways of capturing data on our performance.											
Source Date 30/06/2017											
+ CS13a % of calls for NBC managed services into contact centre answered (M)	91.16 %	82.02 %	84.54 %	91.65 %	86.23 %	90.00 %	90.00 %	Bigger is Better		87.84 %	
Customer Services have hit targets within agreed tolerances for April and May and were on target for June. We experienced an increase in calls in some areas which we responded to with upskilling and training new staff. This was completed in May and agents were ready for the expected spike in calls around the time of the General Election in June. We continue to recruit and train staff to cope with increases in demand where needed. Plans are in place to encourage online reporting and reduce avoidable contact.											
Source Date 30/06/2017											
+ CS14a % OSS customers with an appointment seen on time (M)	95.4 %	96.1 %	90.5 %	93.7 %	93.2 %	90.0 %	90.0 %	Bigger is Better		92.0 %	
Face to face customer service hit an overall target of 93.69% of appointments seen within 10 minutes for the month of June with an average wait of 1 minute 42 seconds. The area continues to perform to target.											
Source Date 30/06/2017											
+ ESC01n Total bins/boxes missed in period (M)	491	567	431	517	1,515	351	1,404	Smaller is Better		2,045	
The number of bins missed varies for a number of reasons, it can be affected by breakdowns of vehicles, staff absence or vehicles being unable to access narrow streets because of parked cars.											
Source Date 30/06/2017											
+ ESC02 % missed bins corrected within 24hrs of notification (M)	95.52 %	95.77 %	80.05 %	98.26 %	92.15 %	84.00 %	84.00 %	Bigger is Better		96.77 %	
There has been steady improvement in the number of missed bins rectified within 24 hours as per the Service Level Agreement.											
Source Date 30/06/2017											
+ ESC04 % household waste recycled and composted (NI192) (M)	39.96 %	44.17 %	43.24 %	46.51 %	46.50 %	49.00 %	49.00 %	Bigger is Better		44.91 %	
The end of quarter breakdown remains red as Enterprise/NCC are yet to reconcile or approve data as the contractor was late supplying this.											
Source Date 30/06/2017											
+ ESC09 % of Fly Tipping incidents removed within 2 working days of notification (SO2) (M)	100.00 %	99.86 %	99.80 %	99.82 %	99.83 %	98.00 %	98.00 %	Bigger is Better		100.13 %	
There is an increase in fly tips compared to the previous two months. There were two reported fly tips which were not removed within target, as either the correct protective clothing was not on the wagon to deal with the tipped material, or the truck was not of sufficient size to remove the object fly-tipped. However, both items were removed within 24 hours of the assessment of the problem.											
Source Date 30/06/2017											
+ HML01 Total no. of households living in temporary accommodation (M)	164	156	161	164	164	180	150	Smaller is Better		94	
Performing to target											
Source Date 30/06/2017											
+ HML07 Number of households that are prevented from becoming homeless (M)	102	78	86	69	233	240	1,080	Bigger is Better		271	
There were slightly fewer homelessness preventions in the month of June than in previous months. This is reflected by the increase in the number of homelessness applications received across the											

Monthly Measures

Measure ID & Name	Mar 17	Apr 17	May 17	Jun 17	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
quarter. Even though the private rented sector offers few opportunities to prevent homelessness and meeting housing need, it is hoped that the establishment of the Social Lettings Agency this year will increase the options available to homeless households. <p style="text-align: right;">Source Date 30/06/2017</p>											
HML09 Number of households for whom a full homelessness duty is accepted (M)	38	44	41	44	129		150	600	Smaller is Better		114
Performing over target.											
<p style="text-align: right;">Source Date 30/06/2017</p>											
IG03 % FOI/EIR cases responded to within 20 working days (M)	93.4 %	96.6 %	100.0 %	96.9 %	97.9 %		100.0 %	100.0 %	Bigger is Better		92.0 %
One CCTV request was responded to verbally on time, however the written response was late being sent by two days due to an administrative oversight.											
The second overdue request related to some complex redaction to information relating to Delapre Abbey and DAPT. It is important to ensure personal data and commercial data are not released. This is a complex task and requires a number of checks to ensure other legislative obligations are not breached.											
<p style="text-align: right;">Source Date 30/06/2017</p>											
IG04 % Subject Access requests responded to within 40 days (M)	75.0 %	66.7 %	100.0 %	100.0 %	90.0 %		100.0 %	100.0 %	Bigger is Better		100.0 %
During April one complex data file request could not be responded within the statutory period as it was too large to complete within time scales All other requests were responded to on time.											
<p style="text-align: right;">Source Date 30/06/2017</p>											
NI157a % Major Planning applications determined in 13 weeks or agreed extension (M)	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %		100.00 %	100.00 %	Bigger is Better		100.00 %
100% applications determined within agreed time scales.											
<p style="text-align: right;">Source Date 30/06/2017</p>											
NI157b % of 'minor' planning apps determined within 8 weeks or agreed extension (M)	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %		95.00 %	9.50 %	Bigger is Better		92.96 %
100% applications determined within agreed time scales.											
<p style="text-align: right;">Source Date 30/06/2017</p>											
NI157c % of 'other' planning apps determined within 8 weeks or agreed extension (M)	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %		95.00 %	95.00 %	Bigger is Better		99.07 %
100% applications determined within agreed time scales.											
<p style="text-align: right;">Source Date 30/06/2017</p>											
PP06 % change in serious acquisitive crime from the baseline (M)	43.76 %	2.17 %	2.42 %	3.26 %	3.26 %		-0.54 %	-2.17 %	Smaller is Better		9.26 %
Serious Acquisitive crime levels continue to be a concern. Levels are slightly higher than the same period last year, but have seen a reduction compared to the last quarter of 2016/17. Theft from motor vehicles continues to be a concern, theft of motor vehicles has started to see a reduction from the start of this quarter (-.7%). High visibility patrols are taking place in priority locations, with advice being provided. Burglary is seeing a reduction for the first quarter of 4.6%. Crime prevention advice and target hardening of vulnerable properties is taking place through Weeks of Action work in priority locations.											
<p style="text-align: right;">Source Date 30/06/2017</p>											
PP22 % Hackney Carriage and private hire vehicles inspected which comply with regulations (M)	58.62 %	53.33 %	57.14 %	57.58 %	55.71 %		70.00 %	70.00 %	Bigger is Better		71.64 % 6

Monthly Measures

Measure ID & Name	Mar 17	Apr 17	May 17	Jun 17	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
indicator is being re formulated to reflect what is actually found on checks. In future separate figures will be reported for breaches of conditions such as failure to carry condition book and failure to carry spare bulbs and for safety breaches such as bald tyres and damaged vehicles. The data currently reported reflects all breaches found on vehicle checks.											
											Source Date 30/06/2017
+ PP53 % Service requests responded to within 3 working days (M)	81.70 % ▲	82.47 % ▲	83.01 % ▲	82.47 % ▲	82.64 % ▲		94.00 %	94.00 %	Bigger is Better	▲	88.33 %
This period saw an overall increase in complaints. Resource issues in warden team is impacting the response time for waste complaints.											
											Source Date 30/06/2017

Quarterly Measures

Measure ID & Name	Sep 16	Dec 16	Mar 17	Jun 17	Overall perf. to Date	YTD	Current Profiled Target	Annual Target	Polarity	Perf. vs. same time last year	YTD value same time last year
HMO01 No. HMOs with Mandatory licence (Q)	333	362	360	352	352	352	340	340	Bigger is Better		322
Performing above target.											
Source Date 30/06/2017											
HMO08 No. of HMOs with an additional licence (Q)	340	515	525	537	537	537	550	550	Bigger is Better		472
The number of HMOs with an additional licence required (which applies to houses of two stories or less) is difficult to predict. We use a range of intelligence sources to ensure we know about properties that are unlicensed. We continue to take robust action to ensure unlicensed properties become licenced and we promote awareness of the need to licence relevant HMOs											
Source Date 30/06/2017											
IG01 % LGO cases responded to within 28 days (excl. pre-determined cases) (Q)	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	Bigger is Better		100.0 %
Case A - Council's data processor at fault. Compensation agreed. Case B - Awaiting decision notice. Council has admitted maladministration and is offering compensation.											
Source Date 30/06/2017											
IG02 Av. days to respond to LGO enquiries (excl. pre-determined cases) (Q)	0.00	0.00	0.00	27.50	27.50	27.50	0.00	0.00	Smaller is Better		0.00
The Council has provided all complaint correspondence to the LGO as requested by them so that they can determine cases without further investigation.											
Source Date 30/06/2017											
MPE01 No. of new businesses locating on NWEZ (Q)	0	11	7	3	3	3	5	25	Bigger is Better		0
Figures for this quarter are slightly lower than hoped for, but we continue to actively work toward bringing new business to the area and thereby create new jobs.											
Source Date 30/06/2017											
MPE02 No. of new jobs created on NWEZ (Q)	43	132	293	20	20	20	50	350	Bigger is Better		145
Figures for this quarter are slightly lower than hoped for, but we continue to actively work toward bringing new business to the area and thereby create new jobs.											
Source Date 30/06/2017											
PP16 % Off licence checks that are compliant (Q)	53.13 %	33.33 %	20.00 %	33.33 %	33.33 %	33.33 %	85.00 %	85.00 %	Bigger is Better		43.75 %
very small number of checks carried out (three), these checks are targeted at premises where concerns exist. It is proposed to change the target for this indicator to more accurately reflect the nature of checks carried out and the likely outcome.											
Source Date 30/06/2017											
TCO05n Town Centre footfall (Q)	3,956,060	4,203,658	3,126,019	4,129,997	4,129,997	4,129,997	4,000,000	14,700,000	Bigger is Better		4,351,837
Footfall across the whole town centre has exceeded projected target.											
Source Date 30/06/2017											

4 Monthly Measures

Measure ID & Name	Jul 16	Nov 16	Mar 17	Overall perf. to Date	Current YTD Profiled Target	Annual Target	Polarity	Perf. vs. same time last year	YTD value same time last year
+ ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	5.67 %	1.67 %	2.83 %	3.39 %	2.00 %	2.00 %	Smaller is Better		2.39 %
This measure is a four monthly measure, and is difficult to line up with quarterly reporting. It will report in Quarter 2 (April - July)									Source Date 30/06/2017
+ ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	4.67 %	3.00 %	2.17 %	3.28 %	4.00 %	4.00 %	Smaller is Better		1.83 %
This measure is a four monthly measure, and is difficult to line up with quarterly reporting. It will report in Quarter 2 (April - July)									Source Date 30/06/2017
+ ESC07 % of Land and Highways assessed falling below acceptable level - Graffiti (NI195c) (4M)	1.33 %	0.67 %	0.67 %	0.89 %	2.00 %	2.00 %	Smaller is Better		0.61 %
This measure is a four monthly measure, and is difficult to line up with quarterly reporting. It will report in Quarter 2 (April - July)									Source Date 30/06/2017
+ ESC08 % of Land and Highways assessed falling below acceptable level - FlyPosting (NI195d) (4M)	0.00 %	0.00 %	0.00 %	0.00 %	2.00 %	2.00 %	Smaller is Better		0.00 %
This measure is a four monthly measure, and is difficult to line up with quarterly reporting. It will report in Quarter 2 (April - July)									Source Date 30/06/2017

Delivery of the Northampton Waterside Enterprise Zone

Established in 2012, the Enterprise Zones are at the heart of the Government's long-term economic plan, supporting businesses to grow. The Northampton Waterside Enterprise Zone is an area that stretches along the River Nene from Sixfields in the West to Cliftonville Road in the East. 164 new jobs have been created in Quarter 1 2017 for the University Waterside Campus which is due to open in September 2018, and a further £29,917 million of private sector capital investment has been secured to support the development works. Three new enterprises have been created with an estimated new 11 jobs. Three late business survey figures have been also received equating to 9 new jobs being created and a further £40,000 of private sector investment. Project on track.

Source Date 30/06/2017

Development of the Greyfriars site

The former bus station site in Northampton is due to be redeveloped to a mixed use site. The Council are working with a preferred developer and a report to Cabinet will be produced in due course.

Source Date 30/06/2017

Restoration and regeneration of Delapre Abbey and Park

The refurbishment of the 900 year old Delapre Abbey with the objective of opening the building to the public for the first time in its history is still ongoing. The Certificate of Occupation has now been issued by Building Control. On-going snagging works to ensure that the refurbishment works are complete and up to standard will be completed by late autumn 2017. A car park planning application will be submitted for decision at the July Planning Committee.

Source Date 30/06/2017

Delivery of the Business Incentive Scheme and account management to key businesses

The Business Incentive Scheme is a support programme which is funded by £250,000 NBC funding awarded annually to assist new enterprises to increase opportunities for new business within the Borough of Northampton. Thirteen business have been supported with £118,320 committed grants between April and June 2017. In total for this current quarter this has created 48 jobs and leveraged approximately £864.450 of private sector investment for 2017/18.

Source Date 30/06/2017

Delivery of the Four Waterside Development

Four Waterside is a proposed development of office space adjacent to the train station. Market testing is currently being undertaken with a view to securing pre-let office space. Market testing includes discussions with potential tenants/agents.

Source Date 30/06/2017

Development of the Cultural Quarter

As part of the development of the Cultural Quarter which is based around the Guildhall Road and Dergate, a major element is the development of Northampton Museum in Guildhall Road. Preliminary surveys are now underway on the Museum building. Costs have now been received for a structural survey. The design development is on-going. The target is to submit the planning application for the redevelopment of the Northampton Museum in August 2017. Qualification interviews with a framework contractor to take place in June.

Source Date 30/06/2017

Development of the Cultural Quarter

Another project within the development of the Cultural Quarter is the Vulcan Project which is part refurbishment and part new build of office space and workshops, which will include small units for businesses from the creative and digital sector. The consultant team are in the process of finalising design and costs.

Source Date 30/06/2017

Delivery of the Castle Station development

The Castle Station development project refers to land behind the railway station. There are proposals for a mixed use development which proposes more car parking for rail users, some residential and some commercial uses. Feasibility work is on-going.

Source Date 30/06/2017

Appendices
2



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Finance Monitoring to 31 August 2017
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	18 October 2017
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	N/A

1 Purpose

- 1.1 The purpose of this report is to assist Cabinet in monitoring the delivery of the Corporate Plan within the agreed capital and revenue budgets for the General Fund (GF) and Housing Revenue Account (HRA).
- 1.2 To inform Cabinet of the latest forecast outturn position for the Council's capital programme for 2017-18 and changes to the Programme approved under delegated powers.
- 1.3 During the course of this financial year regular monitoring reports will be provided to Cabinet, detailing the latest forecasts for revenue and capital and additionally focusing on key financial issues on a cyclical basis. This report provides detail of proposed changes to the Prudential Code and Treasury Management Strategy that are currently being consulted upon by CIPFA.
- 1.4 The report seeks approval to put forward a bid for pilot status for 100% business rates retention.

- 1.5 The report also seeks approval for an addition to the HRA capital programme and notes an NPH budget virement.

2 Recommendations

- 2.1 That Cabinet reviews the contents of the report and identifies actions to be taken to address any issues arising from it.
- 2.2 That Cabinet agree the principle of the Council submitting a bid to be a pilot for 100% Business Rates retention in partnership with other Northamptonshire local authorities.
- 2.3 That authority be delegated to the Chief Executive, in consultation with the Chief Finance Officer and the Leader of the Council, to finalise such a bid, subject to satisfactory completion of financial modelling, assessment of the potential financial benefits and risks, and suitable governance procedures being in place.
- 2.4 That Cabinet note that under the Management Agreement with Northampton Partnership Homes (NPH) a restricted virement has been authorised which moves £150k from the Capital investment managed budget to the Operational Management fee pot.
- 2.5 That Cabinet agree the creation of an HRA Capital Budget of £500k for Repurchase of Right-to-buy properties and/or spot purchases, to be funded from 141 receipts and additional non 141 capital receipts received in year.

3 Issues and Choices

3.1 Report Background

- 3.1.1 The monitoring report to Cabinet in September included an update on the financial pressures facing the Housing Strategy and Wellbeing service area and the mitigating actions being taken to address these pressures. This report provides an update on this volatile area of the Council's budget, as well as providing updated forecasts as at the end of August 2017 for all revenue and capital budgets.

3.2 Business Rates Localisation – 100% Retention Pilot

- 3.2.1 The Department of Communities and Local Government (DCLG) have announced a pilot scheme for 100% Business Rates Retention within "functional economic areas" for the one year period 2018/19, to gather knowledge on how the scheme will work across England, with particular interest in two-tier areas. The closing date for applications is 27th October 2017.
- 3.2.2 The scheme is anticipated to bring significant additional resources to the local area, some of which will be required to be used to promote the financial stability and sustainability of the functional economic area. Additional risks will also be transferred from Central Government, which will need to be assessed.
- 3.2.3 The Northamptonshire Business Rates Pool and Northampton Borough Council are working together to fully evaluate the proposed pilot, including completing financial modelling on potential increases in retained rates within Northamptonshire and

assessing what the additional risks may be to all authorities and how these can be mitigated.

- 3.2.4 It is expected that the Council will have to re-join the Northamptonshire Business Rates Pool in order to submit an application as a 'functional economic area', and the change in the mechanism for distributing retained rates as set out in the pilot proposed by DCLG means that the governance arrangements for the Pool will need to be reviewed, revised and agreed by all Councils in the Pool as appropriate.
- 3.2.5 Further details surrounding the pilot are set out in Appendix 1
- 3.2.6 Cabinet is therefore asked to agree the principle of submitting a bid for the pilot for 100% Business Rates retention in partnership with other Northamptonshire local authorities. This has the potential to generate significant benefits to the Council and the residents of Northampton.
- 3.2.7 Cabinet is also asked to delegate the authority to the Chief Executive, in consultation with the Chief Finance Officer and the Leader of the Council, to finalise such a bid, subject to satisfactory completion of financial modelling, assessment of the potential financial benefits and risks, and suitable governance procedures being in place.

3.3 Key Financial Indicators

Dashboard Indicator Description	Variation from Budget	
	General Fund	Housing Revenue Account
	£000	£000
Controllable Budgets	(103)	(296)
Debt Financing and Recharges	(17)	81
Total	(120)	(215)

3.4 General Fund Revenue Budget (Blue)

- 3.4.1 Overall forecast expenditure is £120k (0.4%) below budget. The following table summarises the variations from budget for the General Fund.

Service Area	£000
Regeneration, Enterprise & Planning	4
Housing	201
Borough Secretary	22
Director of Customers & Communities	(330)
Corporate	0
Controllable Total	(103)
Debt Financing	(17)
General Fund Total	(120)

3.4.1.1 **Regeneration, Enterprise and Planning**

Additional costs of interim staff are almost entirely offset by additional lettings income in the Asset Management function.

3.4.1.2 **Head of Housing and Wellbeing**

Forecast overspend due to the vacancy/sickness target forecast not being met (£86k), increase in caseloads in temporary accommodation (£25k), lower anticipated licencing income (£50k), and withdrawal of Probation Service contribution (£18k).

Homelessness and Temporary Accommodation – Over the past 18 months there has been a sharp rise in the number of homelessness applications within the Borough with a subsequent increase in the use of temporary accommodation to deal with this additional demand and a resultant loss on the amount of Benefit Subsidy that can be recovered from the Government.

The Head of Housing and Wellbeing has set out a package of measures that seeks to alleviate these issues and reduce by half the overall caseload living in temporary accommodation (from 187 to 95) and to reduce the number of Bed and Breakfast placements by 90% over the next 12 months (from 93 to 10). The progress towards these targets will be monitored on an ongoing basis to determine the financial impact upon the authority.

3.4.1.3 **Director of Customers and Communities**

Overall forecast underspend reflecting additional deductions made through the Environmental Services Contract (£378k) and staffing savings.

- 3.4.2 Where applicable Budget Managers are working to mitigate the pressures on their services and bring forecasts back in line with budgets.
- 3.4.3 Particular focus will be given to monitoring areas of known high risk where expenditure and income is demand-led, i.e. homelessness, car parking income and development control income.
- 3.4.4 The outturn position, as reported to Cabinet in June, highlighted a number of significant variances against budgets in 2016/17. All budgets will be reviewed as part of the 2018/19 budget process to assess their robustness and any scope to reduce budgets without affecting service delivery.

3.5 **Controllable HRA Revenue Budget (Blue)**

- 3.5.1 The forecast underspend position on HRA controllable budgets of £238k relates mainly to staff vacancy savings within NPH, as well as a forecast additional £53k (2.5%) of service charge income.
- 3.5.2 HRA Debt Financing forecast at £81k above budget due to lower opening balances than budgeted, and lower estimated average rate of interest assumed on investments (0.60% compared to 0.77% budgeted)

3.6 Capital Programme

3.6.1 General Fund Capital Programme

- 3.6.1.1 The General Fund Approved Capital Programme budget stands at £23m including the carry forwards from 2016/17 and the additional funding for Delapre Abbey approved by Cabinet in June. No significant underspends or overspends are currently forecast. A number of schemes are forecast to require significant carry forwards to 2018/19, including £7.7m in relation to the Vulcan Works, £4.9m the Central Museum and £0.8m in relation to St Peters Waterside. A report to a future Cabinet meeting will provide full detail on the latest position in relation to the Vulcan Works.
- 3.6.1.2 As part of the 2017/18 budget process enhanced governance of the capital programme was approved, in order to ensure that cost estimates are robust before schemes are commenced. This included the creation of a “Development Pool” in which schemes remain until the costs and phasing of the scheme is firmed up. This will help to reduce the level of over and underspends and carry forwards in the capital programme. As at the end of August the six schemes that were placed in the Development Pool in the February budget report remained there, with a total estimated value of £3.9m. Most significant of these is £2m earmarked for the St James Mill Link Road. None will be commenced until a fully costed business case is produced and agreed.
- 3.6.1.3 The financing of the capital programme assumes that around £5m of capital receipts will be received during 2017/18. There has only been one significant receipt of £1m to date and it is therefore imperative that no new schemes are added to the capital programme unless a clear and certain funding source is identified.
- 3.6.1.4 Funding for Disabled Facilities Grants is partly covered by central government funding through the Better Care Fund. The full 2017/18 allocation of £1.198m has been passported by the County Council to the Borough. The remainder of the £1.475m expenditure on DFGs is funded by the Borough Council’s own resources.
- 3.6.1.5 Any further additions to the capital programme, including further strategic property purchases, will be subject to the development of a robust business case. In line with Financial Regulations, any proposed additions to the programme greater than £250k and/or requiring additional funding from Council resources, will be brought to Cabinet for approval.

3.6.2 HRA Capital Programme

- 3.6.2.1 The approved HRA Capital Programme for 2017/18 totals £35.29m, including the carry forward of £275k from 2016/17. A forecast underspend of £445k on ICT capital investment is due to a review being undertaken of ICT investment requirements.
- 3.6.2.2 Under the Management Agreement with NPH Cabinet are asked to note that a restricted virement has been authorised moving £150k from the Capital Investment ICT managed budget into the Operational Management Fee pot. This is effectively a technical virement realigning capital budget to revenue to account appropriately for ICT staffing costs that cannot be capitalised as time is not being spent on building hardware or writing software.
- 3.6.2.3 **141 Right to Buy Receipts** – The 2017/18 capital programme includes a number of NPH managed schemes that are budgeted to deliver additionality to the HRA stock and meet the required spend levels needed to fully use the retained 141 RtB receipts as per the 2012 agreement the Council has with government. For quarter 1 and forecast for quarter 2 NPH have delivered on these projects which is likely to ensure that no 141 RtB receipts have to be repaid to Treasury. There is currently no fall back for the final 2 quarters of the year if NPH do not deliver the planned projects and Cabinet are being

asked to mitigate this risk by creating a budget for Buy backs and/or further spot purchases of £500k. This is to be funded from 30% RtB receipts £150k and 70 % from additional non-141 RtB receipts, £350k, which are forecast to come in over the budgeted amount. This effectively brings forward the use of those receipts from future years.

3.7 CIPFA Consultation – Prudential Code and Treasury Management

3.7.1 A consultation by CIPFA in August 2017 set out proposed changes to the Prudential Code and Treasury Management code, with responses required by the end of September. A summary of the proposed changes is set out in Appendix 2.

3.7.2 Although a number of the proposed changes are matters of detail, one fundamental change is the recognition that local authorities operate in a commercial environment and that this creates risks that need to be recognised and managed. As a result there will be a new requirement from 2018/19 for the Council to formally approve the Capital Strategy as part of the budget setting process. The Capital Strategy will include a long-term assessment of the financing implications of the proposed capital programme.

3.8 Choices (Options)

3.8.1 Cabinet is asked to note the reported financial position and agree the recommendations. There are no alternative options, other than not to agree the recommendations.

4 Implications (including financial)

4.1 Policy

4.1.1 The Council agreed a balanced budget for the Capital Programme and Revenue Budgets for both the General Fund and the HRA in February 2017. Delivery of the budget is monitored through the budget monitoring framework.

4.2 Resources and Risk

4.2.1 This report informs the Cabinet of the forecast outturn positions for capital and revenue, for both the General Fund and HRA, as at the end of July 2017. It also highlights the key risks identified to date in delivering those budgets and where performance measures are significantly over or under performing.

4.2.2 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements.

4.3 Legal

4.3.1 There are no direct legal implications arising from this report.

4.4 Equality and Health

4.4.1 There are no direct equalities implications arising from this report.

4.4.2 A full Community/Equalities Impact Analysis has been completed for the 2017/18 Budget and is available on the Council website.

4.5 Consultees (Internal and External)

- 4.5.1 Heads of Service, Budget Managers and Management Board are consulted as part of the budget monitoring process on a monthly basis.

4.6 How the Proposals Deliver Priority Outcomes

- 4.6.1 Performance monitoring (including financial monitoring) by exception and using it to improve performance is good practice in terms of efficient and effective management. It contributes directly to the priorities of sustaining “effective and prudent financial management” and being “an agile, transparent organisation with good governance”.

4.7 Other Implications

- 4.7.1 There are no other implications arising from this report.

5 Background Papers

- 5.1 Cabinet and Council Budget and Capital Programme Reports February 2017

Appendix 1 – 100% Business Rates Retention Pilot

Appendix 2 – Consultation on Prudential Code and Treasury Management Code

Glenn Hammons, Section 151 Officer, 01604 366521

100% Retention Business Rates Pilots 2018/19 - Summary

Key points of pilot proposal:

Pilots will retain all locally collected rates and 2018-19 pilots will be for one year.

As a minimum authorities will forego Revenue Support Grant and Rural Services Delivery Grant (only RSG applicable to NBC)

Any increase in retained rates will be offset by an adjustment to top-ups and tariffs.

The pilot will be 'fiscally neutral at baseline' (i.e. business rates baseline +/- top-up or tariff equals funding baseline) but authorities will gain from retaining 100% above-baseline growth. Pilots will have a safety net of 97% of Baseline Funding Level (for whole pilot area) instead of the current 92.5% level. No levy will be paid by the pilot or individual authorities.

Aim is to promote financial sustainability and to support "coherent decision making across functional economic areas".

DCLG are particularly encouraging two tier pilot areas to apply.

Pilots will need to propose a tier split for sharing additional growth (i.e. the central share element). They want to see additional growth being used to promote the financial stability and sustainability of the pooled area. There is an expectation that some retained income from growth is invested to encourage further growth across the area.

A "no detriment" clause was agreed for the 2017-18 pilots whereby the pilot area as a whole cannot be worse-off than under the existing 50% scheme. The position for the 2018-19 pilots is unclear. The DCLG say that pilot areas should include how authorities will work together to manage risk in line with proposed pooling arrangements in case the 2018-19 pilots do not include this clause.

Pilot areas will need to share additional information with central government so that they can learn from the pilot.

Applications will be measured against the following criteria:

- Applications should cover a functional economic area
- Preference for applications from two-tier areas
- Proposals should promote the financial sustainability of the authorities involved
- Evidence of how pooled income from growth will be used across the pilot area

Pilots will need to submit a business case that must show:

- How authorities will collaborate to use pooled retained income to promote further growth across the area.
- A proposed tier split and explain how this will promote sustainability.
- How the area will work together in the longer term.

Governance arrangements should state how pooling arrangements will work in terms of financial distribution and service provision and evidencing how business rate income growth will be shared.

All authorities covered by the proposed pilot will have to give their agreement. Every authority needs to have an incentive to join the pilot. Section 151 officers from each authority must sign off the business case and governance arrangements before submission.

The emphasis on financial sustainability and risk is new for this round of 100% pilots. Proposed changes in “no detriment” and the safety net are really important because they place more risk on authorities. As a result, decisions by authorities will need to be supported by sound modelling. Authorities will need to have some confidence about growth in the proposed area, and about the potential risk to that growth. Crucially, it is possible that an authority or the whole pilot could be worse-off as a result of the changes in “no detriment” and the safety net.

The deadline for applications is the 27th October. Decisions about successful pilots will not be made until potentially the provisional settlement itself in December. For any authorities who would wish to continue with their pool (under the current 50% system), if their pilot application is unsuccessful, will need to make arrangements in parallel.

Source: <https://www.gov.uk/government/publications/100-business-rates-retention-pilots-2018-to-2019-prospectus>)

Key considerations for pilot applicants:

1. What will the tier split be?
2. What assessments have been made to protect against the possibility of financial loss?
3. What do business rates forecasts show for future predicted business rates? What is the risk that one authority will trigger the safety net? What if there is not a ‘no detriment clause’, or if it applies to the pilot area as a whole?
4. How will pilot authorities share risk and reward?
5. What is the impact of bringing NBC into the pool / pilot for both the pool and NBC?
6. Will NBC be in the pool next year if no pilot?
7. What will happen if there is no “no detriment” clause?
8. What is the plan if there is a “no detriment” clause but there is growth in some authorities and not in others?
9. How does the pilot area intend to show that it is promoting “the financial stability and sustainability” of the pool / pilot area?
10. What arrangements are in place to invest some income from growth to encourage further growth across the area? How will this be demonstrated?
11. What are the costs of setting up and administering the pool and how will they be shared?
12. Will the pilot be looking to bring in additional responsibilities other than RSG and RSDG?

Treasury Management and Prudential Code Consultations

August 2017

Summary of key changes proposed by consultation documents. Responses by 30th September 2017. Implementation from 2018/19.

Treasury Management Code

- Monitoring/reporting of detailed indicators can be delegated to sub-committees (ultimate responsibility remains with Full Council).
- Code extended to cover non-treasury investments (new NTMP); includes service investments (Commercial Property portfolios, loans to subsidiary /outsourcing structures etc) held primarily for financial return or to generate a surplus.
- Financial guarantees /Contingent Liabilities to be monitored and reported; probability of being called upon assessed. To be reconciled to Statement of Accounts.
- Interest Rate exposure indicators removed; TM Strategy to state how interest rate exposure is managed and monitored.
- Borrowing maturity tables to be extended to include variable rate borrowing; comprehensive borrowing table.
- Principal invested over 364 days revised to Principal invested over 365 days (in line with financial reporting definitions).

Prudential Code

- Formal requirement to develop a Capital Strategy (linked to TM Strategy); including assessment of long-term financing implications and external debt vs internal borrowing.
- CFO to report explicitly on deliverability, affordability and risks associated with Capital Strategy; recognising CFO may need to rely upon external advise in reaching conclusions.
- Formal adoption of TM Code indicator removed; statutory requirement to have regard to TM Code already exists.
- Removal of HRA specific references; Code to encompass all ring-fenced type funds.
- Remove Impact on Council Tax indicator; focus on long-term view of affordability rather than indicator focused on immediate impact.