NORTHAMPTON
BOROUGH COUNCIL

CABINET AGENDA

Wednesday, 20 February 2019

The Jeffrey Room, The Guildhall, 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, Anna King and James Hill.

Chief Executive **George Candler**

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 and Enterprise
Councillor S Hibbert	Housing and Wellbeing
Councillor A King	Community Engagement and Safety
Councillor J Hill	Planning

SPEAKING AT CABINET MEETINGS

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

Registration can be by:

Telephone:	(01604) 837722 (Fax 01604 838729)
In writing:	Democratic Services Manager The Guildhall, St Giles Square, Northampton NN1 1DE For the attention of the Democratic Services Officer
By e-mail to	democraticservices@northampton.gov.uk

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

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

KEY DECISIONS

🔑 denotes the issue is a 'Key' decision:

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

NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held:

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

on Wednesday, 20 February 2019

at 6:00 pm.

George Candler
Chief Executive

AGENDA

1. APOLOGIES

2. MINUTES

3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE IF NECESSARY

4. DEPUTATIONS/PUBLIC ADDRESSES

5. DECLARATIONS OF INTEREST

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

7. GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME 2019/2020 AND MEDIUM TERM FINANCIAL PLAN 2019/2020 - 2022/2023

Copy herewith

8. HRA BUDGET, RENT SETTING 2019/2020 AND BUDGET PROJECTIONS 2020/2021 TO 2022/23

Copy herewith

9. ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES

Copy herewith

10. AMENDMENTS TO THE OFF-STREET PARKING PLACES ORDER AND INCREASING PARKING TARIFFS

Copy herewith

11. GRANT OF LEASE ON DELAPRE STABLE YARD

Copy herewith

12. LOCAL GOVERNMENT REFORM IN NORTHAMPTONSHIRE PROPOSED JOINT COMMITTEE - EXECUTIVE FUNCTIONS - TERMS OF REFERENCE

Copy herewith

13. CORPORATE PERFORMANCE ALL MEASURES REPORT QUARTER 3

Copy herewith

14. 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, 6 February 2019

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

1. APOLOGIES

Apologies were received from Councillor Hill and from Councillor Eldred who left after item 9.

2. MINUTES

The minutes of the meeting held on 16th January 2019 were agreed and signed by the Leader.

3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE IF NECESSARY

There was no intention to hold any part of the meeting in private.

4. DEPUTATIONS/PUBLIC ADDRESSES

Ann Timson addressed Cabinet on Item 8 – *Housing Regeneration Policy* – and expressed concern that demolishing and rebuilding houses could have a negative impact on residents. For example, some had invested in their homes, and some may not be able to move back without re-mortgaging. She pointed out that long-term residents had often built good relationships with neighbours, which were critical to their welfare. She asked three questions:

- Who had made the recommendations?
- Which areas were earmarked for demolition?
- Was it possible to build first and then demolish?

Mark Darbon, Chief Executive of Northampton Saints addressed Cabinet on Item 9 – *Loan Request.* He stated that Northampton Saints had a clear vision to be the number one club in Europe within 3-5 years. The Club was in a relatively strong position, but times were tough. The sport was very competitive, with small margins. The plan was to grow commercial revenues, both rugby-related and using the facilities for other events such as conferences and parties. Success of Northampton Saints was economically good for the town as a whole. There has been a good relationship between the Club and the Council and £1.2 million of the £5.5 million borrowed for the Barwell Stand had already been paid down.

Ian Flaxman addressed Cabinet on Item 10 – *Fernie Fields – Request for Capital Grant* – and advised that his son Mark works with Sport4Fitness, based at Fernie Fields Sports and Social Club, delivering activities for those with special needs. An annual Fun Day has been run for the last 4 years in conjunction with the Community Foundation, NBC and local businesses – growing from 80 to 400 people. Many children participate in the weekly disability sports club, where activities are tailored to their needs, and parents are able to meet others dealing with similar life challenges. Other events are also run, working with local charities such as Northampton Rotary Club. It would not be possible to provide these activities without Fernie Fields. However, more facilities are needed – including a pavilion to provide a year-round base and accessible toilets. Funding has been secured from a range of organisations and NBC was requested to complete the funding and support the community to deliver these facilities.

5. DECLARATIONS OF INTEREST

There were none.

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

There were no issues arising from Overview and Scrutiny Committees.

7. REDUCING THE USE AND COST OF TEMPORARY ACCOMMODATION

This item was deferred to a future meeting, to allow further work to be carried out.

9. LOAN REQUEST

This item was brought forward to allow Councillor Eldred to participate before leaving.

Councillor Eldred as the relevant Cabinet Member submitted a report and stated that discussions had been ongoing with Northampton Rugby Football Club for a number of months to ensure the resulting deal was good for both the Council and the Club. The Club have been doing excellent work with the community, benefitting and enhancing the town as a whole – for example, by increased use of shops, restaurants and accommodation. Due diligence has been done by officers and lessons learned from previous experience. Assets owned by the Club would provide security for the loan.

Councillor Stone addressed Cabinet. As a member of the Audit Committee she was aware of the Council's new governance arrangements and the question of whether lessons had been learned in relation to loans. She considered that the Council was in danger of becoming too risk averse, and therefore welcomed this opportunity and its discussion in public. She considered that the work of Northampton Saints was excellent and generated income.

Councillor Eldred pointed out that the extra revenue generated for the Council would benefit both Northampton Saints and the town generally.

The Leader re-iterated the importance of discussing this item publicly.

RESOLVED:

1. Cabinet considered the request for a loan facility from Northampton Rugby Football Club Ltd and how the funds will assist with capital investment improvements to the ground facilities.

2. Cabinet approved the request for a £1.500M loan to the Northampton Rugby Football Club Ltd, in doing so also delegated to the Chief Executive, in conjunction with the Chief Finance Officer authority and powers to recover assets and funds to the appropriate value, should the Northampton Rugby Football Club Ltd default by more than two payments on either the existing loan or this new loan.

3. Cabinet delegated to the Chief Executive, Borough Secretary and Chief Finance Officer in consultation with the Cabinet member for Finance to agree terms and enter into a facility agreement and appropriate security with Northampton Rugby Football Club Ltd (the Club) subject to

    - them being satisfied that full due diligence has been conducted and the risk issues identified in the Link Report have been adequately addressed and

mitigated
- sufficient security has been provided to protect the loan of public funds.

4. Cabinet approved the appointment of external legal advisors to assist as necessary.

Councillor Eldred left the meeting.

8. HOUSING REGENERATION POLICY

Councillor Hibbert as the relevant Cabinet Member submitted a report and referred to the 18-stage process (page 13) which residents would be supported through in the event of demolition or major reconfiguration of housing. He also referred to the options of homeowners detailed on pages 23-24, which included a shared ownership option or tenancy agreement. The anxiety and concerns of the tenants were well understood and addressed by providing a single point of contact with a Northampton Partnership Homes (NPH) officer.

The Head of Housing and Wellbeing pointed out that at this stage approval of a policy was being sought, but every regeneration scheme would be subject to the same level of scrutiny and come to Cabinet, following consultation with residents. In answer to Ann Timson's questions he responded as follows:
- Recommendations are made by officers to Cabinet.
- No areas are currently earmarked for demolition. The first feasibility report has not yet been considered, which would be the initial stage of the process. The Council had asked for the policy to be produced in order to explain clearly to residents how decisions would be made.
- It might be possible to build first before demolition on larger sites, or where adjoining land could be acquired. The process was designed to minimise disruption to residents.

Councillor Ashraf addressed Cabinet. As a NPH board member she was impressed by the robust process in place and how NPH had delivered a neighbourhood approach, Spring Borough being a good example. Cost- effective solutions were sought, with regeneration providing outstanding social housing that was fit for purpose. She asked whether any areas such as garage sites had been identified, and looked forward to Labour Councillors being consulted.

The Head of Housing and Wellbeing stated that NPH has reviewed garage sites and identified those with potential for new homes. Work had already commenced on some of these sites.

Councillor Hibbert reiterated that no plans would go forward without full consultation and each would be brought back to cabinet for approval.

RESOLVED:

1. Cabinet approved the Housing Regeneration Policy (attached to this report as Appendix 1).

10. FERNIE FIELDS - REQUEST FOR CAPITAL GRANT

Councillor Larratt as the relevant Cabinet Member submitted a report seeking approval to award £160K Capital Grant to Fernie Fields Sports and Social Club. The Council had been involved in the Club since its creation in 1986 and it had been a privilege to see it grow. Sport4Fitness have done excellent work with disabled young people and carers. There were a significant number of other sports activities, including a bowls club and football. It was a successful and well-run Club.

Councillor Birch addressed Cabinet and expressed concern that the organisation was an unincorporated body with no capacity to enter into contracts. Responsibility would be taken by the trustees; individuals would be put at risk and should be protected. She suggested a limited company or Community Interest Company be formed to protect the trustees.

Councillor Larratt stated that the trustees were aware of the issue, were happy to accept liability and did not consider the risk to be great. This process had been followed before without problems. The Borough Secretary agreed that it was not abnormal. Public money was being put into a trust; individuals had responsibility, but the risk was considered manageable. Councillor King stated that Section 4.2.2 of the report would ensure due process was followed from the Council's side.

The Leader considered that the point was well made, but proposed to accept the recommendations as they stood.

Councillor Hallam stated for the record that he had given money from his Empowering Councillor Fund to Sports4Fitness.

RESOLVED:

1. Cabinet approved the award of up to £160K as a Capital Grant to Fernie Fields Sports and Social Club as included in the approved Capital Budget for 2018-19.

2. Cabinet delegated to the Head of Customer and Communities in consultation with the Borough Secretary to enter into a grant funding agreement with the Trustees of Fernie Fields Sports and Social Club for a grant not exceeding £160k.

11. CORPORATE RISK REGISTER

Councillor Nunn as the relevant Cabinet Member submitted a report. This had already been considered by Corporate Management Board and policy stated that it should come regularly to Cabinet. Risks were identified as potential barriers, constraints or threats to the organisation. Risk management was a key priority for the Council. A number of issues were detailed in section 3.2 of the report.

Councillor Stone addressed Cabinet with two concerns as follows:
#14 – Safeguarding – the risk rating was questioned in view of risks to children in the town such as overcrowded housing, exclusion from school, gangs and cuts by NCC to digital safety. Additionally vulnerable women were at risk on the streets.
#15 – Failure to deliver enough new housing – a national shortage of labour and materials were risk factors impeding the delivery of the vision for more housing.

Councillor Nunn suggested that the inclusion of 'scarcity of experienced tradespeople and of materials' under 'risk causes' addressed Councillor Stone's concern relating to #15, and agreed to consider whether the Local Plan should be included. In respect of #14 the risks recorded were those to NBC rather than to the town, but consideration would be given to any amendments required.

Councillor Russell addressed Cabinet. She had found the new report structure very useful, but wanted to know why the impact of Brexit had been given such a low priority. Having experienced the Unilateral Declaration of Independence (UDI) in Rhodesia in 1965 and Independence in 1980, she did not consider her comments to be politically driven, and advocated planning for the worst, whilst hoping for the best.

Councillor Hallam pointed out that there were opportunities associated with Brexit, as well as risks.

Councillor Nunn advised that the risk assessment process had been given careful consideration by Corporate Management Board.

The Chief Executive advised that the process was concerned with operational matters affecting the Borough. As a Local Resilience Forum partner significant work had been undertaken, looking at potential risks around this agenda. There had been a planning meeting to mitigate the risks and the Corporate Management Board were considering these. Weekly updates were being received from Government.

Councillor King provided an update in respect of #14 stating that frontline staff had been trained on CSE, together with new taxi drivers; existing drivers were also being trained. A domestic abuse strategy was to be put together.

Councillor Hadland queried the position of #10 on the chart on page 45 of the report, which suggested that impropriety leading to fraud was likely to happen. The Chief Financial Officer pointed out that although the internal fraud risk was low, it also included Revenues and Benefits, where fraud does occur.

RESOLVED:

1. Cabinet reviewed, commented and where appropriate, confirmed the risks contained in the register and the related risk exposures and mitigating actions are relevant.

The meeting concluded at 18.56

Appendices
11

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	General Fund Revenue Budget and Capital Programme 2019/20 and Medium Term Financial Plan 2019/20 – 2022/23

AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	20 February 2019
Key Decision:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	Management Board
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	NA

1. Purpose

1.1 To report the outcome of the consultation process on the 2019/20 general fund revenue and capital budget and the Government funding settlement for 2019/20.

1.2 To agree Cabinet's proposals for recommendation to Council on 25 February 2019 for the 2019/20 general fund budgets and council tax level and the indicative levels for 2020/21 to 2022/23.

1.3 To outline the general fund capital programme and funding proposals for 2019/20 and future years.

2. Recommendations

2.1 That the feedback from consultation with the public, organisations and the Overview and Scrutiny and Audit Committees be considered and welcomed **(detailed at appendices 9, 10 and 11).**

2.2 That the changes to the proposed budget (detailed at paragraph 3.2.10), in light of technical adjustments and the Local Government Funding Settlement, be agreed.

2.3 That a general fund revenue budget for 2019/20 of £27.495m (excluding parishes) be recommended to Council for its own purposes (detailed in paragraph 3.2.8 and **appendices 1 and 2**).

2.4 That the Council be recommended to increase the council tax for its own purposes (excluding county, police, fire and parish precepts) by £6.56 (2.99%) per year per band D property for 2019/20.

2.5 That the Cabinet recommend to Council that they approve the general fund capital programme and proposed financing for 2019/20, including the inclusion of schemes in the development pool, as set out in **appendix 4.**

2.6 That Council be recommended to confirm a minimum level of general fund reserves of £4.0m for 2019/20, having regard to the outcome of the financial risk assessment, and also note the position on earmarked reserves (**appendix 7**).

2.7 That authority be delegated to the Chief Finance Officer in consultation with the Cabinet Member for Finance, and where appropriate the relevant Head of Service and Cabinet Member to:

- Transfer monies to/from earmarked reserves should that become necessary during the financial year.
- Update prudential indicators in both the prudential indicators report and treasury strategy report to Council, for any budget changes that impact on these.

2.8 That the draft fees and charges set out in **appendix 8** be approved, including immediate implementation where appropriate.

2.9 That Cabinet recommend to Council that they approve the treasury management strategy (and associated appendices) for 2019/20 at **appendix 5** of this report.

2.10 That authority be delegated to the Council's Chief Finance Officer, in liaison with the Cabinet Member for Finance, to make any temporary changes needed to the Council's borrowing and investment strategy to enable the authority to meet its obligations.

2.11 That authority be delegated to the Chief Finance Officer to make any technical changes necessary to the papers for the Council meeting of 25 February 2019, including changes to the finance settlement and change relating to parish precepts and council tax levels associated with those changes.

3. Issues and choices

3.1 Report background

3.1.1 The Council is required to set a balanced budget and its council tax for 2019/20 in February 2019. The proposals in this report have been developed by officers in consultation with Cabinet Members and Corporate Management Board.

3.1.2 Cabinet agreed a draft budget in December and the proposals within this have been subject to a period of public consultation and reviewed by both Audit Committee and Overview and Scrutiny Panel. The outcomes of these consultations are set out in **appendices 9, 10 and 11**.

3.1.3 The Cabinet report in December set out the national and local economic context and background to the sources of funding that underpin the budget and medium term plan.

3.2 Issues

Local Government Finance Settlement

3.2.1 The final Local Government Finance Settlement was published on 29 January 2019. There were no significant changes from the draft budget taken to Cabinet in December. The table below shows the figures and how they compare to those included in the draft budget for 2019/20.

	Draft Budget – Dec 2018 £k	**Final Settlement – Feb 2019 £k**	**Change £k**
Business Rates Baseline	8,380	8,383	3
New Homes Bonus	2,800	2,595	(205)
Total	**11,180**	**10,978**	**(202)**

3.2.2 New Homes Bonus for 2019/20 is lower than forecast in the draft budget due to lower than expected property growth being reflected in the allocation. This is in part due to delays in the valuation office allocating new properties to bands. This will be corrected in future years as and when this unrecognised growth feeds into the tax base growth figures.

3.2.3 The methodology for calculating central government funding includes an assumption that council tax is increased up to the referendum limit of 2.99% in 2019/20. The budget proposals therefore include a proposed increase in the Band D council tax of 2.99% from April 2019 onwards.

Medium Term Financial Plan (MTFP)

3.2.4 The MTFP provides a forecast of the Council's expenditure and income over the next four years. This is set in the context of the proposed local government reorganisation and creation of a new unitary authority. Whilst this means that Northampton Borough Council will cease to exist in its current form beyond 2019/20(subject to the announcement from the Ministry of Housing, Communities and Local Government), the budget set for that year must be sustainable. Therefore, forecasts are prepared for three financial years beyond 2019/20 on a no-change basis. The forecasts, detailed in appendix 1, include efficiency and other savings as well as growth requirements.

3.2.5 Savings proposals of £1.134m and growth proposals of £0.970m for 2019/20 are set out in appendix 2. Implementation of the proposed savings listed in appendix 2 will enable the Council to set a balanced budget for 2019/20.

3.2.6 Included within the 2019/20 budget is a planned reduction in the bulky waste charge for a three month trial period to monitor the effect on recycling rates.

3.2.7 The MTFP shows a forecast further savings requirement of £0.8m in 2020/21 rising to £2.1m in 2022/23. The exact figure is subject to any changes to government funding and other forecast changes to budgets. These further savings can be achieved through the strands set out in the approved medium term financial strategy:

- Growth – realising the benefits of growth through the generation of additional business rate income, council tax and New Homes Bonus.
- Partnerships – working with other local authorities, private sector and community partners to deliver high quality and cost effective front-line and support services.
- Use of IT/digital channels – to reduce transaction costs and increase staff productivity through the use of technology.
- Maximise income generation – ensure that income is maximised by setting charges at an appropriate level, as well as increasing demand through effective marketing.
- Review service and staffing structures – to ensure that these are fit for purpose and are appropriate to the Council's changing needs and priorities.
- Investment/commercial opportunities – realising opportunities to undertake appropriate investments that will generate a commercial return.
- 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.

General fund revenue budget 2019/20

3.2.8 The proposed net budget for 2019/20 is shown in appendix 1 and summarised in the table below. A balanced budget has been achieved through the Council's prudent financial management and continued commitment to delivering efficiency savings.

Description	2019/20 £000s
Service Base Budget	29,702
Proposed Growth	970
Proposed Savings	(1,134)
Corporate Budgets	(1,005)
Contribution from Reserves	133
Net Budget	**28,665**
Business Rates*	(8,883)
New Homes Bonus	(2,595)
Council Tax	(16,622)
Collection Fund Surplus	(565)
Total Funding	**(28,665)**
Savings to be identified	**0**

*includes baseline shown at para 3.2.1 plus growth of £500k

3.2.9 The "Service Base Budget" figure in the table above contains unavoidable growth in costs. Unavoidable growth such as contract inflationary pressures and increases in core demand, are always included in the service base budget. The savings and growth section reflects those items where there is discretion for the administration to increase or decrease the service or funding to provide for a balanced budget. There is one unusually large item of unavoidable growth in the service base budget in 2019/20. As a result of growth in cost pressure from 2017/18 and 2018/19 in respect of the homelessness service and temporary accommodation, an additional £1m has been included in the relevant service base budget for 2019-20 onward.

3.2.10 Further work has been undertaken since December to refine the budget. This includes the impact of the Local Government Finance Settlement and technical adjustments to the continuation budget and corporate budgets. The changes are summarised in the table below:

Summary of changes since Cabinet December 2018	Budget 2019/20 (£)
Minor changes to service budgets	48,370
Removal of ES contract review saving	75,000
Additional service saving	(50,000)
Increase vacancy factor to 2%	(135,000)
Housing team restructure growth reduction	(50,000)
Technical changes to corporate budgets	(34,990)
Updated parish precept figures	59,865
Total changes to net budget	**(86,755)**
Changes to funding	
New Homes Bonus – lower allocation	205,297
Business rates provisional settlement figure	(3,376)
Updated parish precept figures	(59,865)
Collection fund surplus	(55,301)
Total changes to funding	**86,755**

Council tax

3.2.11 As part of the Local Government Finance Settlement, the Secretary of State has set a referendum trigger for 2019/20 of a 3% increase in the band D council tax, which will apply for all lower-tier (district and borough) councils.

3.2.12 The draft budget for 2019/20 proposed an increase in council tax at this referendum trigger level. This will be an increase of £6.56 per year, or 13p per week, for an average band D property.

3.2.13 The band D council tax (excluding parishes) for the last 5 years is shown in the table below. Note that due to the fire functions of Northamptonshire County Council being transferred to the Northamptonshire Commissioner Fire & Rescue Authority from 1 January 2019, a notional amount of £59.00 was split out form the County Council amount for 2018/19 and allocated to the new Fire Authority.

Preceptor	2015/16 £	2016/17 £	2017/18 £	2018/19 Actual £	2018/19 Notional £	2019/20 £
Northampton Borough Council	207.91	207.91	212.91	219.28	n/a	225.84
Northamptonshire County Council (NCC)	1,069.02	1,089.87	1,111.87	1,146.63	1,087.63	TBC
NCC Adult Social Care Precept	0.00	21.38	54.72	89.72	89.72	TBC
Northamptonshire Fire & Rescue Authority	n/a	n/a	n/a	0	59.00	TBC
Northamptonshire Police & Crime Commissioner	200.96	204.96	209.04	221.04	n/a	TBC
Total	**1,477.89**	**1,524.12**	**1,588.54**	**1,676.67**	**1,676.67**	**TBC**

Special expenses

3.2.14 The Council charges special expenses to its residents as part of its council tax charge. Special expenses relate to expenditure deemed solely to apply to a part of the borough where precepting authorities in other parts of the borough have chosen to precept and supply the same service separately. These are known as concurrent services.

3.2.15 Northampton Borough Council charges special expenses for the maintenance of its smaller parks and open spaces as this service is also carried out by parish councils in some areas. Because these smaller parks and opens spaces are not evenly distributed across the borough, the special expense charge (unlike the main council tax element) differs across the parishes of the borough.

3.2.16 The basic mechanism is to deduct the relevant expenditure from the total council tax applying to the total tax base, and then re-apply that expenditure over the parishes affected. This means that residents in different parts of the borough will pay different amounts according to the distribution of parks and open spaces across the borough.

3.2.17 As a general rule, special expenses seek to reflect the cost of the services that relate to specific areas.

3.2.18 See appendix 6 for further details and explanation.

Capital strategy

3.2.19 The draft capital strategy is attached as appendix 3. The aim of the capital strategy is to provide a clear framework for capital funding and expenditure decisions. This is in the context of the Council’s vision, values, objectives and priorities, financial resources, and spending plans. The capital programme is designed to support the delivery of the Council’s priorities as set out in the

Corporate Plan. It takes into account proposed changes to CIPFA's prudential code and latest minimum revenue provision guidance from central government.

3.2.20 The strategy supports the development of an approved capital programme that shows the Council's commitment to maintaining and improving its capital stock and infrastructure. This in turn underpins the delivery of high quality and value for money services and helps to secure a better environment for the people of Northampton.

General fund capital programme 2019/20 to 2022/23

3.2.21 The draft general fund capital programme and funding for the next four years is detailed in **appendix 4** and summarised in the table below. The value of the proposed programme for 2019/20 is just over £52.5m. Proposed new schemes include support for the north west relief road, new office developments/town centre regeneration schemes, street light repairs and temporary accommodation for homeless people

3.2.22 The proposed capital programme would require funding from a variety of sources. The revenue impact of borrowing is reflected in the debt financing budget and the treasury management strategy and prudential indicators.

3.2.23 Further significant schemes supporting the achievement of the medium term financial strategy may be brought into the capital programme over the next 12 months, supported by robust capital appraisals and business cases.

Description	**Budget 2019/20**
	£000s
Schemes in the current capital programme	7,800
Scheme where approval has recently been given	7,667
Schemes in the current development pool awaiting formal approval	1,525
New proposals	35,525
Total general fund capital programme	**52,516**
Funding source:	
Self funded schemes	23,327
Borrowing	6,999
Capital receipts	5,549
ESIF and LGF funding for Vulcan Works	7,140
s106 funding for North West Relief Road and Upton Country Park	5,700
Other grants and contributions	3,801
Total Funding	**52,516**

Earmarked reserves and general fund balances

3.2.24 Earmarked reserves are held to mitigate against specific risks and future spending pressures. They are reviewed on an ongoing basis, but specifically as part of the budget process and again at the closure of accounts. Contributions to and from reserves will be adjusted for future years as the forecasts of government funding are updated.

3.2.25 General fund reserves as at 1 April 2018 stood at a total of £30.1m. A breakdown is shown in the table below:

	Balance 1st April 2018	**Purpose**
Service specific earmarked reserves	£1.8m	To cover specific known spending commitments
Corporate earmarked reserves	£18.5m	Held to mitigate against corporate risks and to fund future budget pressures
Technical reserves	£4.3m	To deal with technical accounting differences across financial years
Minimum level of general reserves	£5.5m	To cover general unquantified risks
Total General Fund Reserves	**£30.1m**	

3.2.26 The forecast balances on earmarked reserves are set out in **appendix 7**.

3.2.27 As part of the budget process the Council determines a prudent minimum level of general fund balances to hold against general risks. This minimum level is designed to cope with unpredictable circumstances, which cannot be addressed by management or policy action within the year. It is informed by a risk assessment, which currently suggests that £4.0m would be a prudent level of general reserves. This is £1.5m less than the actual level of general reserves held as at March 2018, but this is due to the creation of a specific earmarked reserve to cover the risk associated with the recovery of the Sixfields loan, therefore this risk no longer needs to be covered in the general reserve.

Robustness of estimates and adequacy of reserves

3.2.28 The Local Government Act 2003 places a duty on the Chief Finance Officer to comment on 'the robustness of the estimates' included in the budget and the adequacy of the reserves for which the budget provides. This is subject to a separate report to this Cabinet meeting.

Fees and charges

3.2.29 The draft schedule of fees and charges for 2019/20 is attached at **appendix 8**. The Cabinet is recommended to agree the fees and charges that have been reflected in the budgeted income figures. These figures have been reviewed through the medium term planning process and updated where feasible.

Treasury management strategy

3.2.30 The treasury management strategy 2019/20 at **appendix 5** sets out the Council's policy for its debt and investment portfolios over the next financial year. It is reviewed annually and reported to Cabinet and Council as part of the budget setting process. The purpose of the strategy is to establish the framework for the effective and efficient management of the Council's treasury management activity, including the Council's investment portfolio, within legislative, regulatory, and best practice regimes, and balancing risk against reward in the best interests of stewardship of the public purse. The resources required to deliver the Council's treasury management strategy and policies over the next five years are incorporated into the Council's HRA and general fund revenue budgets.

3.2.31 The treasury management strategy covers the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance. The strategy for 2019/20 covers two main areas:

- Capital
  - the capital expenditure plans and the associated prudential indicators;
  - the minimum revenue provision (MRP) policy.
- Treasury management
  - the current treasury position;
  - treasury indicators which limit the treasury risk and activities of the Council;
  - prospects for interest rates;
  - the borrowing strategy;
  - policy on borrowing in advance of need;
  - debt rescheduling;
  - the investment strategy;
  - creditworthiness policy; and

Next steps

3.2.32 The Council meeting on 25 February 2019 will consider the recommendations of this Cabinet in relation to the expenditure and tax proposals that relate to the Council's own spending.

3.2.33 In addition to the Council's own council tax, there are separate council taxes for the county, police authority, fire authority and the parishes. Not all of these precepting bodies have set their council taxes at the date of the Cabinet report being written, with the result that these will be reported to the Cabinet if known by that date and at Council on 25 February 2019 in any event.

3.3 Choices (options)

3.3.1 It is recommended that Cabinet make the recommendations to Council as detailed in section 2 of this report, taking into account the items detailed for noting.

3.3.2 The Cabinet may choose to make amendments to the proposed budgets or to the proposed council tax increase and adjust the budget proposals accordingly, in consultation with the Chief Executive and the Chief Finance Officer. It would then recommend the amended budget and council tax (if applicable) to Council.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The revenue and capital budgets are set in support of the Council's priorities and within the context of the medium term financial strategy and capital strategy.

4.2 Resources and risk

4.2.1 The resource implications are detailed throughout the report and appendices.

4.2.2 The robustness of the estimates and adequacy of the Council's reserves are subject to a separate report.

4.2.3 A report on risks and the 2019/20 budget was also considered by the Audit Committee at its meeting on 28 January 2019.

4.3 Legal

4.3.1 The Council must set a balanced budget for the next financial year by midnight on 11 March 2019 (Local Government Finance Act 1992 section 32 (10). Failure to do this would leave the Council potentially vulnerable to court action by way of judicial review. Delay in sending out council tax demands would result in losses being incurred by the Council.

4.3.2 The authority has specific legal duties in relation to equalities and financial decision making – see 4.4 below.

4.4 Equality and health

4.4.1 The Public Sector Equality Duty (PSED) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out its activities. Failure to comply with this duty would be challengeable in the courts.

4.4.2 Equality and diversity were considered as part of each of the medium term planning options submitted. Equality impact assessments are 'living' documents and will be updated to take into account relevant feedback from the consultation process. Where these documents identify mitigating action, this will be undertaken in implementing the relevant option should it be taken forward and approved in February 2019.

4.5 Consultation

4.5.1 Public consultation commenced with residents, businesses and interested stakeholders from the 21 December 2018. An online consultation was published, which closed on the 1st February 2019. In addition a public meeting was held on 5th February 2019 to hear feedback on the draft budget. The consultation period will formally close on the date the budget is approved in February 2019.

4.5.2 People were asked if they agreed with a small increase in council tax. Views were also sought in relation to the budget options proposed and respondents were also invited to suggest any other ideas that would achieve savings or generate income.

4.5.3 A total of 21 people completed online questionnaires. Around 62% of respondents agreed that the proposed council tax increase is about right. There were a large range of suggestions as to where the Council could spend more to improve services, most notably in relation to improving cleanliness in the town. Full details, including comments on proposals and alternative suggestions are available in **appendix 9**.

4.5.4 Overview and Scrutiny Committee reviewed the budget proposals at its meeting on 4 February 2019. The views of the Overview and Scrutiny Committees are reported in **appendix 10**.

4.5.5 Audit Committee reviewed the budget proposals from a risk perspective on 28 January 2019. The key risks identified are reported at **appendix 11**.

4.6 How the proposals deliver priority outcomes

4.6.1 All of the discretionary investment proposals in the proposed budget reflect and/or are aligned to the corporate priorities as set out in the corporate plan.

4.7 Other implications

4.7.1 None not already covered above.

5. Background papers

5.1 None

5.2 Appendices

1. Proposed General Fund Revenue Summary 2019/20 to 2022/23
2. General Fund MTP Savings & Growth Options
3. Capital Strategy 2019/20
4. Proposed General Fund Capital Programme and Financing 2019/20 to 2022/23
5. Treasury Management Strategy 2019/20
6. Special Expenses
7. Schedule of Earmarked Reserves
8. Draft Fees and Charges 2019/20
9. Consultation Responses – Public Consultation
10. Consultation Responses – Overview and Scrutiny Committee
11. Consultation Responses – Audit Committee

George Candler, Chief Executive
Stuart McGregor, Chief Finance Officer

Appendix 1

General Fund Draft Budget Summary 2019 - 2023

Description	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
	£	£	£	£
Service Base Budget	**29,701,885**	**31,304,500**	**31,587,095**	**32,315,568**
Total Savings	(1,133,994)	(1,833,994)	(1,833,994)	(1,833,994)
Total Growth	970,408	1,020,408	1,020,408	1,020,408
Total MTP Options	**(163,586)**	**(813,586)**	**(813,586)**	**(813,586)**
Gross Revenue Budget	**29,538,299**	**30,490,914**	**30,773,509**	**31,501,982**
Corporate Budgets				
Debt Financing	2,032,529	2,261,444	2,597,072	2,617,132
Recharges from General Fund to HRA	(2,550,000)	(2,600,000)	(2,650,000)	(2,700,000)
Parish Grants	(18,630)	(18,634)	(18,634)	(18,634)
Parish Precepts	1,170,692	1,170,692	1,170,692	1,170,692
Other Corporate Budgets	(1,640,000)	(474,000)	(538,000)	(573,000)
Contribution to/(from) Earmarked Reserves	132,592	(1,408,408)	(617,408)	(614,000)
Total Corporate Budgets	**(872,817)**	**(1,068,906)**	**(56,278)**	**(117,810)**
Net Budget	**28,665,482**	**29,422,008**	**30,717,231**	**31,384,172**
Funding				
Revenue Support Grant	0	0	0	0
Business Rates Baseline	(6,722,168)	(6,720,000)	(6,720,000)	(6,720,000)
Other Business Rates elements	(2,161,208)	(2,160,000)	(2,160,000)	(2,160,000)
New Homes Bonus	(2,594,703)	(2,400,000)	(2,000,000)	(1,700,000)
Total Government Funding	**(11,478,079)**	**(11,280,000)**	**(10,880,000)**	**(10,580,000)**
Council Tax				
Band D Council Tax	225.84	232.59	239.54	246.71
Tax Base	68,419	69,395	70,284	71,091
NBC Council Tax	(15,451,410)	(16,140,504)	(16,835,978)	(17,538,595)
Parish-related Council Tax	(1,170,692)	(1,170,692)	(1,170,692)	(1,170,692)
Total Council Tax	**(16,622,102)**	**(17,311,196)**	**(18,006,670)**	**(18,709,287)**
Surplus on Collection Fund	(565,301)	0	0	0
Total Funding	**(28,665,482)**	**(28,591,196)**	**(28,886,670)**	**(29,289,287)**
Budget Gap	**(0)**	**830,812**	**1,830,561**	**2,094,886**

Appendix 2

Draft General Fund Budget Savings and Growth Proposals

Savings Proposals	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Business Incentive Scheme	-50,000	-50,000	-50,000	-50,000
Facilities Management Efficiencies	-68,994	-68,994	-68,994	-68,994
Car Parking Scheme Review	-625,000	-625,000	-625,000	-625,000
ICT Managed Budget Savings	-50,000	-50,000	-50,000	-50,000
Reduced Training Budget	-10,000	-10,000	-10,000	-10,000
2% Vacancy Factor	-270,000	-270,000	-270,000	-270,000
Corporate Services Saving	-10,000	-10,000	-10,000	-10,000
Service savings	-50,000	0	0	0
Environmental Services Contract Review	0	-750,000	-750,000	-750,000
Total Savings	**-1,133,994**	**-1,833,994**	**-1,833,994**	**-1,833,994**

Growth Proposals	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Continuation of Northampton's Nightshelter	135,000	135,000	135,000	135,000
Restructure of Housing Options & Advice Team	533,000	583,000	583,000	583,000
Restructure of Economic Growth Team	172,408	172,408	172,408	172,408
Digital Officer to support the move to paperless	30,000	30,000	30,000	30,000
Reduction in shop income	100,000	100,000	100,000	100,000
Total Growth	**970,408**	**1,020,408**	**1,020,408**	**1,020,408**

Northampton Borough Council

Draft Capital Strategy 2019 to 2023

Contents

INTRODUCTION AND CONTEXT

Capital expenditure represents major investment in new and improved assets such as land, buildings, infrastructure, equipment and information technology. It therefore plays a key part in the provision and development of the Council's services.

The aim of the capital strategy is to provide a clear framework for capital funding and expenditure decisions. This is in the context of the Council's vision, values, objectives and priorities, financial resources, and spending plans. The Capital Programme is designed to support the delivery of the Council's priorities as set out in the Corporate Plan. It takes into account proposed changes to CIPFA's prudential code and latest Minimum Revenue Provision guidance from central government.

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

The strategy supports the development of an approved capital programme that shows the Council's commitment to maintaining and improving its capital stock and infrastructure. This in turn underpins the delivery of high quality and value for money services and helps to secure a better environment for the people of Northampton.

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 focused 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. This could include development of, or improvements to, the Council's own assets where the Council's borrowing costs are offset by income from leasing the assets to a partner provider such as the Northampton Partnership Homes (NPH).

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 any 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. The Delivering the Efficiency Plan Reserve was created in October 2016 to support any project that delivers efficiency savings and/or additional income over the medium term. This may include funding of capital expenditure where this supports these aims.

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.

General Fund (GF) asset sales come from a variety of sources. Generally speaking, 100% of GF asset sales (after any ‘clawback’, for example from the Homes and Communities Agency) 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.

HRA Capital Funding

The balance of funding of capital investment in the Council's housing stock and associated assets is determined through the HRA business plan. This provides a 30-year forecast of the management, maintenance and capital investment needs and resources available.

- Usable capital receipts from the sale of council housing stock under right to buy, as well as sale of other HRA assets, are directed at the HRA capital programme in order to meet and maintain the Northampton Standard.
- Major Repairs Reserve - In line with the statutory requirement, the Major Repairs Reserve is entirely earmarked for HRA capital expenditure on the Council's housing stock.
- Revenue – under the self-financing regime the HRA is forecast to have an amount of revenue available each year to part-fund the capital programme.
- Borrowing – there is some limited scope for prudential borrowing within the HRA, although this is subject to a cap as determined by central government.

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.

GOVERNANCE ARRANGEMENTS

In Year Appraisals and Variations

All new in-year capital schemes must be supported by a capital appraisal and any changes to existing schemes will require completion of a variation form. The funding for the project must be identified at this stage. Where there is no additional funding to support the bid, resources must be identified from within the existing programme.

Project Managers must consult the nominated contact in LGSS Finance to ensure forms are completed correctly and expenditure meets the definition of capital. The LGSS tax team will also need to check that any VAT or other tax implications are properly taken into account.

Delegation Levels for Appraisals and Variations

Fully Funded Schemes

Capital schemes of any value can be approved by the Chief Finance Officer (CFO) if they are ***fully*** funded by section 106, external grants or other contributions, or ***fully*** funded by additional income or revenue savings. This delegated approval is subject to consultation with Cabinet Members if more than £100k.

Other Schemes

These limits apply to General schemes. Changes to the HRA capital programme can be agreed in line with the NPH partnership agreement.

Below £100k – Approval by CFO

£100k to £250k – Approval by CFO, after consultation with the Cabinet Member for Finance and relevant Cabinet Member(s)

Over £250k – Approval by Cabinet Required

All changes to the capital programme approved under delegation will be reported to Cabinet via the Finance Monitoring report.

In signing the appraisal form the relevant Director is confirming that the Cabinet Member (Portfolio holder) has been consulted.

Role of the Capital Programme Board (CPB)

Appraisals and Variations will require approval by the Capital Programme Board before final approval by Cabinet (or the CFO if under delegation). The project manager and/or Head of Service will be invited to attend CPB if required to explain the scheme.

The CPB will meet monthly, therefore project managers need to ensure that appraisals and variations are produced in a timely manner.

Block Programmes

The Capital Programme includes block programmes for Improvements to Regeneration areas, Parks/Allotments, Operational Buildings and Commercial Landlord responsibilities.

CPB will approve individual schemes within these blocks following the submission of a capital appraisal by the relevant project manager.

Urgent Approvals

Due to their long-term nature, capital investment decisions should be carefully considered. LGSS Finance should be consulted as soon as a scheme is under consideration and a capital appraisal form completed. In the vast majority of cases this will allow CPB to consider and approve the scheme within its monthly cycle.

In the rare circumstance where urgent approval is required, this can be secured via e-mail from the Chair of CPB. The capital appraisal form will still require signatures including the CFO. If the scheme is more than £250k then Cabinet approval will still be required unless an absolute emergency.

MONITORING THE CAPITAL PROGRAMME

Project management & monitoring

Project managers are responsible for the proper and effective control and monitoring of their projects, including financial monitoring.

This includes ensuring that:

- Only capital expenditure is charged to the capital project
- Only expenditure properly attributable to the scheme is coded to the scheme
- The scheme expenditure is contained within the agreed budget, and that any ‘unavoidable’ variations are dealt with appropriately
- Realistic expenditure profiles are determined
- A realistic forecast outturn for the financial year and the project as a whole are calculated and kept under regular review. Changes must be input into Agresso Planner on a monthly basis, along with clear explanations for any variation.

- Any proposed carry forward from current to future years is identified and added to Agresso Planner.
- Any grants or third party funding is applied for and all grant conditions met
- The source of any revenue funding is identified

Project managers are also responsible for carrying out project reviews following scheme completion. This is an area of work that the Council is developing, The Finance Team request information on completed projects as part of their ongoing monitoring role.

Directorate Management Teams

Each Service Management Team is responsible for ensuring they receive & review reports on the capital expenditure position for their services and that any appropriate corrective action needed to address any monitoring issues is agreed and implemented.

LGSS Finance

Nominated Finance Business Partners within the Finance Team are responsible for providing support and advice to assist project managers in managing and monitoring their capital budgets. The team also has a key role in consolidating and co-ordinating the monitoring information that is required for reporting purposes. This involves reporting to Service Management Teams, Capital Programme Board, Management Board and Cabinet. The nominated senior lead in the LGSS Finance team is responsible for ensuring that the agreed programme is fully and appropriately financed at all times.

Capital Programme Monitoring

The capital programme position is reported to Capital Programme Board and Management Board on a monthly basis throughout the year, commencing from period 2 (end of May). Regular reporting to Cabinet forms part of the overall Finance Monitoring report and covers the latest programme and any amendments to be notified or approved, expenditure to date, and the forecast outturn. It also outlines the financing position and any steps needed to deal with potential financing difficulties.

At year-end, an outturn report and carry-forward report are taken to Cabinet. These will include an analysis of proposed carry forward to the following year, including the reasons for that carry forward and how it is to be financed.

RISK MANAGEMENT

Any significant risks associated with specific projects are identified in the capital appraisal form. General risks in relation to the overall capital programme are managed through the Capital Programme Board:

Risk	Mitigation
Project Overspend	Project managers update financial forecasts on a monthly basis. Any forecast overspend must be dealt with immediately – identifying savings elsewhere within the

	programme or alternative sources of funding.
Project Slippage	Any forecast carry forwards are also identified on a monthly basis. The impact of these carry forwards on the associated funding is reflected in the overall monitoring reported to Capital Programme Board.
Capital receipts – delay or non-receipt	As part of the funding capital receipts are not allocated or committed prior to receipt or certainty that they will be received

ASSET MANAGEMENT

Council Assets

The Council owned Property, plant and equipment assets with a total net book value of £675m at March 2017. Council assets included around 11,650 Council dwellings, and 925 hectares of Parks and Open Spaces.

The Council also owns a large number of commercial properties and agricultural land used to generate income. These "investment properties" are kept under review to ensure that they continue to generate a good return – if not they will be considered for disposal. The Council will also seek opportunities to invest in additional property assets to generate a financial return and support the growth and regeneration of the Borough.

The Asset Management team will identify any property assets that are surplus, i.e. no longer required for the delivery of Council services, and make recommendations to Cabinet for disposal in order to generate capital receipts.

Appendix 4

Proposed General Fund Capital Programme 2019-20 to 2022-23

	Funding Source	2019-20 £	2020-21 £	2021-22 £	2022-23 £	Total £
Schemes in the current Capital Programme						
Capital Improvements - Regeneration Areas	C	50,000	50,000	50,000	50,000	200,000
Central Museum Development	C	5,226,875	-	-	-	5,226,875
Commercial Landlord Responsibilities	C	50,000	50,000	50,000	50,000	200,000
Disabled Facilities Grant	G	1,457,202	1,457,202	1,457,202	1,457,202	5,828,808
Environmental Services Vehicles	C	193,542	257,167	193,542	257,167	901,418
IT Infrastructure	S-F	150,000	150,000	150,000	150,000	600,000
Market Stall Covers	C	20,000	20,000	-	-	40,000
Operational Buildings - Enhancements	C	250,000	250,000	250,000	250,000	1,000,000
Parks/Allotments/Cemeteries Enhancements	C	250,000	250,000	250,000	250,000	1,000,000
Revenues and Benefits Capital Investments	C	152,135	14,925	14,925	14,925	196,910
		7,799,754	**2,499,294**	**2,415,669**	**2,479,294**	**15,194,011**
Scheme where approval has recently been given						
Vulcan Works	G, C, S-F	7,666,719	2,061,328	-	-	9,728,047
		7,666,719	**2,061,328**	**-**	**-**	**9,728,047**
Schemes in the current Development Pool awaiting formal approval						
Billing Brook Lakes	C	25,000	-	-	-	25,000
Car Parking Scheme	S-F	1,500,000	-	-	-	1,500,000
		1,525,000	**-**	**-**	**-**	**1,525,000**
New schemes						
78 Derngate	C	200,000	-	-	-	200,000
Abington Park Lake Footpath	C	250,000	-	-	-	250,000
Car Parking Machines	C	40,000	20,000	20,000	20,000	100,000
Drapery Improvements	S-F	150,000				150,000
Economic Regeneration Property Schemes	S-F	10,000,000				10,000,000
Horizon House	S-F	1,000,000	7,000,000			8,000,000
Mayorhold Car Park	C	500,000	-	-	-	500,000
Modifications to Guildhall Road Property	C	1,000,000	-	-	-	1,000,000
North West Relief Road	G	4,200,000	-	-	-	4,200,000
Office Development Build	S-F	5,000,000	10,000,000	-	-	15,000,000
Rectory Farm	C	250,000	-	-	-	250,000
St James Mill Area Improvements	G	600,000				600,000
Street Lighting	C	750,000	100,000	100,000	100,000	1,050,000
Temporary Accommodation/Housing	C/S-F	8,000,000	-	-	-	8,000,000
Town Centre Regeneration	S-F	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
Unitary Transformation work	C	500,000	-	-	-	500,000
Upton Country Park	G	2,085,000	53,000			2,138,000
Vulcan Works	S-F		1,000,000	-	-	1,000,000
Vulcan Works Roof	C		500,000			500,000
		35,525,000	**19,673,000**	**1,120,000**	**1,120,000**	**57,438,000**
						-
General Fund Capital Programme - Total 2		**52,516,473**	**24,233,622**	**3,535,669**	**3,599,294**	**83,885,058**

Key to Funding Sources

G - Grants & Contributions

R - Revenue and Reserves

EZ - Enterprise Zone Business Rates

SF - Self-funded Borrowing

C - Corporate Resources - Capital Receipts or Borrowing

Northampton Borough Council
Treasury Management Strategy 2019-20

Contents

1. Introduction

Background

1.1. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

1.2. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

1.3. The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

1.4. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure),and are separate from the day to day treasury management activities.

1.5. CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.6. Revised reporting is required for 2019/20 due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is reported separately.

Reporting Requirements

Capital Strategy

1.7. The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risk is managed;
- the implications for future financial sustainability;

1.8. The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.9. This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

1.10. Where a physical asset is being bought, details of market research, advisors used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

1.11. Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

1.12. If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

1.13. To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

Treasury Management Reporting

1.14. The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a) **Prudential and treasury indicators and treasury strategy (this report)** - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b) **A mid-year treasury management report –** This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. If applicable. In addition, this Council will receive quarterly update reports.

c) **An annual treasury report –** This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Treasury Management Strategy

1.15. The strategy for 2019/20 covers two main areas:

Capital;
- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury Management;
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

1.16. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Training

1.17. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management have access to training in treasury management. The Councils treasury advisory contract includes provision for annual delivery of member training. The training needs of treasury management officers are periodically reviewed.

Treasury Advisors

1.18. The Council uses Link Asset Services (LAS) as its external treasury management advisors.

1.19. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisors.

1.20. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Non-treasury Investment Advise

1.21. The scope of investments within the Council's operations now includes both conventional treasury investments (the placing of residual cash from the Council's functions) and more commercial type investments, such as investment properties. Commercial type investments may require specialist advise, and therefore the Council will undertake appropriate due-dilgence on a case-by-case basis.

2. Current Treasury Management position

2.1. The Council's projected treasury portfolio position at 31 March 2019, with forward estimates, is summarised below. Table 1 shows external borrowing against the Capital Financing Requirement (CFR) - which is a measure of the need to borrow for capital expenditure purposes - highlighting any forecast over or under borrowing.

2.2. The figures exclude any borrowing undertaken or planned for third party loans so as to focus on the Council's own cash position:

Table 1: Treasury Portfolio at 31 March 2019						
£m	**2019-20 Estimate**	**2020-21 Estimate**	**2021-22 Estimate**	**2022-23 Estimate**	**2023-24 Estimate**	**2024-25 Estimate**
External borrowing						
Borrowing at 1 April	207	202	207	206	200	192
Expected change in borrowing	(5)	5	(1)	(6)	(8)	-
Borrowing at 31 March (1)	**202**	**207**	**206**	**200**	**192**	**192**
CFR (exc 3rd Party Loans) at 31 March (2)	**299**	**326**	**331**	**336**	**333**	**330**
Under/(over) borrowing (2-1)	**97**	**119**	**125**	**136**	**141**	**138**
Investments						
Investments (exc 3rd Party Loans) at 1 April	55	45	23	19	10	6
Expected change in investments	(10)	(19)	(4)	(9)	(4)	-
Investments (exc 3rd Party Loans) at 31 March (3)	**45**	**23**	**19**	**10**	**6**	**6**
Net borrowing (exc 3rd Party Loans) (1-3)	**157**	**184**	**187**	**190**	**186**	**186**

2.3. The Council’s prudential and treasury indicators for 2019-20 to 2023-24 are set out at Appendix 3.

3. Interest Rates

3.1. The Council has appointed Link Asset Services (LAS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

Link Asset Services Interest Rate View	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

3.2. The flow of generally positive economic statistics after the quarter ended 30th June meant that it came as no surprise that the Bank of England's Monetary Policy Committee (MPC) came to a decision on 2nd August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth has been healthy since that meeting, but is expected to weaken somewhat during the last quarter of 2018. At their November meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. The next increase in Bank Rate is therefore forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.

3.3. The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. However, over about the last 25 years, we have been through a period of falling bond yields as inflation subsided to, and then stabilised at, much lower levels than before, and supported by central banks implementing substantial quantitative easing purchases of government and other debt after the financial crash of 2008. Quantitative easing, conversely, also caused a rise in equity values as investors searched for higher returns and purchased riskier assets. In 2016, we saw the start of a reversal of this trend with a sharp rise in bond yields after the US Presidential election in November 2016, with yields then rising further as a result of the big increase in the US government deficit aimed at stimulating even stronger economic growth. That policy change also created concerns around a significant rise in inflationary pressures in an economy which was already running at remarkably low levels of unemployment. Unsurprisingly, the Fed has continued on its series of robust responses to combat its perception of rising inflationary pressures by repeatedly increasing the Fed rate to reach 2.00 – 2.25% in September 2018. It has also continued its policy of not fully reinvesting proceeds from bonds that it holds as a result of quantitative easing, when they mature. We have, therefore, seen US 10 year bond Treasury yields rise above 3.2% during October 2018 and also seen investors causing a sharp fall in equity prices as they sold out of holding riskier assets.

3.4. Rising bond yields in the US have also caused some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure has been dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

3.5. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.

3.6. Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates

3.7. Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.

3.8. Borrowing interest rates have been volatile so far in 2018-19 and have increased modestly since the summer. The policy of avoiding new borrowing by running down spare cash balances has served the Council well over the last few years. However, this position will be carefully monitored to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure or the refinancing of maturing debt.

3.9. There will remain a cost of carry (the difference between higher borrowing costs and lower investment returns) to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

4. Borrowing Strategy

4.1. The Council is currently maintaining an under-borrowed position against borrowing capacity. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

4.2. Against this background and the risks within the economic forecast, caution will be adopted with the 2019/20 treasury operations. The CFO will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp **FALL** in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will likely be postponed, and potential rescheduling from fixed rate funding into short term borrowing may be considered.

- if it was felt that there was a significant risk of a much sharper **RISE** in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in bank rate, an increase in global economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding may be drawn whilst interest rates are lower than they are projected to be in the next few years.

4.3. Any decisions will be reported to Cabinet at the next available opportunity.

Policy on Borrowing In Advance of Need

4.4. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

4.5. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanisms.

Debt Rescheduling

4.6. As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

4.7. The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

4.8. Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

4.9. All rescheduling will be reported to the Cabinet at the earliest meeting following its action.

Municipal Bonds Agency

4.10. The Municipal Bond Agency was established with the purpose of offering loans to local authorities at rates lower than those offered by the Public Works Loan Board (PWLB). To date, the Agency has not issued any bonds. In the future, the Council may make use of this new source of borrowing should it prove cost effective to do so.

Temporary Borrowing

4.11. The Council may occasionally undertake short-term temporary borrowing if this is needed to cover its cash flow position.

4.12. The CFO may also authorise the taking of short-term deposits under mutually agreed and documented terms from other local not-for-profit organisations.

5. Annual Investment Strategy (AIS)

5.1. The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

5.2. The Council's investment policy has regard to the following:
- MHCLG's Guidance on Local Government Investments ("the Guidance");
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code");
- CIPFA Treasury Management Guidance Notes 2018 .

5.3. The Council's counterparty and credit risk management policies and its approved instruments for investments are set out in Appendix 7. The Council's investment priorities will be security first, liquidity second and then yield (return) – in that order.

5.4. The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

5.4.1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

5.4.2. Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

5.4.3. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

5.4.4. This Council has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Appendix 7 under the categories of 'specified' and 'non-specified' investments:

- Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.

- Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5.4.5. Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix table in Appendix 7.

5.4.6. Transaction limits are set for each type of investment in Appendix 7.

5.4.7. This authority will set a limit for the amount of its investments which are invested for longer than 365 days.

5.4.8. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.

5.4.9. This authority has engaged external consultants to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

5.4.10. All investments will be denominated in sterling.

5.5. However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against an appropriate time-weighted benchmark for investment performance. Regular monitoring of investment performance will be carried out during the year.

Significant Changes to Risk Management Approach Since Last Approved Strategy

UK Banks – Ring-Fencing

5.6. The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), are required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as “ring-fencing”. Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

5.7. Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking, in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler, activities offered from within a ring-fenced bank, (RFB), will be focused on lower risk, day-to-day core transactions, whilst more complex and “riskier” activities are required to be housed in a separate entity, a non-ring-fenced bank, (NRFB). This is intended to ensure that an entity’s core activities are not adversely affected by the acts or omissions of other members of its group.

5.8. While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings, (and any other metrics considered), will be considered for investment purposes.

Approach to Investments

5.9. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow , where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to **RISE** significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short-term or variable.

- Conversely, if it is thought that Bank Rate is likely to **FALL** within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods

Loans to Third Parties

5.10. The Council may make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This will usually be to support local economic development, and may be funded by external borrowing.

5.11. The Council also has powers to provide financial support to organisations under general powers of competence under the Localism Act 2011.

5.12. Enhancement to the governance and due diligence in respect of the awarding of grants and third party loans has been developed. This covers:

- Checklists and a manual;
- The incorporation of external independent advice as part sign-off process.

5.13. Loans of this nature that remain outstanding have been lent to Northampton Town Rugby Football Club (NTRFC), Cosworth and University of Northampton (UoN).

Enterprise Zones

5.14. The Council continues to take forward infrastructure improvements to enable development and to attract investment into the Enterprise Zone, supporting employment growth. Loans have been granted from the Government's Growing Places Fund (GPF) and Local Infrastructure Fund (LIF). The repayment of funding (principal and interest) will be met, for the most part, from business rates uplift in line with the Enterprise Zone financial model.

Tax Incremental Financing

5.15. The Government previously outlined plans to give local authorities the tools to promote growth, including giving more freedom for local authorities to make use of additional revenues to drive forward economic growth in their areas. infrastructure projects.

5.16. To this aim they are looking to introduce new borrowing powers to enable authorities to carry out Tax Incremental Financing (TIF) for infrastructure projects. This required new legislation and is closely linked to the localisation of business rates i.e. local retention of business rate income.

5.17. In determining the affordability of borrowing for capital purposes, local authorities take account of their current income streams and forecast future income. TIF will enable local authorities to borrow against a future additional uplift to their business rates base. It will be important to manage the costs and risks of this borrowing alongside wider borrowing under the Prudential Code.

5.18. The Council will continue to explore these opportunities and assess their impact on the Treasury Management Strategy, particularly in terms of risk to the sustainability, prudence and affordability to the Council's finances.

Prudential & Treasury Indicators

5.19. The Council's prudential and treasury indicators for 2019-20 to 2023-24 are set out at Appendix 3.

Outturn Report

5.20. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Outturn Report

6. List of appendices

Appendix 1:	Treasury Management Scheme of Delegation and Role of Chief Finance Officer (Section 151 Officer)
Appendix 2	Policy for attributing income and expenditure and risks between the General Fund and the HRA
Appendix 3:	Prudential and Treasury Indicators
Appendix 4:	Minimum Revenue Provision (MRP) Policy Statement
Appendix 5:	Interest Rate Forecast Commentary
Appendix 6:	Economic Commentary
Appendix 7:	Annual Investment Strategy

Treasury Management Strategy – Appendix 1

Treasury Management Scheme of Delegation and role of the Chief Finance Officer (Section 151 Officer)

Treasury Management Scheme of Delegation

Council

The Council is responsible for:

- Adoption of the CIPFA Code of Practice on Treasury Management in the Public Services;
- Approval of the Treasury Management Policy Statement;
- Approval of the annual Treasury Management Strategy and annual Investment Strategy;
- Setting and monitoring of the Council's prudential and treasury indicators;
- Approval of the treasury management mid-year and outturn reports;
- Approval of the debt financing revenue budget as part of the annual budget setting process.

Cabinet

The Cabinet is responsible for:

- Consideration of the all of the above and recommendation to Council;
- Receiving monitoring information on the debt financing budget as part of the revenue budget monitoring process;
- Approving the selection of external service providers and agreeing terms of appointment in accordance with the Council's procurement regulations.

Audit Committee

Audit Committee is the body responsible for scrutiny and will have responsibility for the review of treasury management policy and procedures, the scrutiny of all treasury management reports to Cabinet and Council, and for making recommendations to Cabinet and Council.

Treasury management role of the Section 151 Officer

The Council's Chief Finance Officer (CFO) is the officer designated for the purposes of Section 151 of the Local Government Act 1972 as the Responsible Officer for treasury management at the Council.

Treasury Management Strategy – Appendix 1 cont.

The Council's Financial Regulations delegates responsibility for the execution and administration of treasury management decisions to the CFO, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The CFO has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.

The CFO may delegate his power to borrow and invest to members of his staff.

The CFO is responsible for:

- Ensuring that the schedules to the Treasury Management Practices (TMPs) are fully reviewed and updated annually and monitoring compliance to the Treasury Management in the Public Services: Code of Practice and Guidance Notes;
- Submitting regular treasury management reports to Cabinet and Council;
- Submitting debt financing revenue budgets and budget variations in line with the Council's budgetary policies;
- Receiving and reviewing treasury management information reports;
- Reviewing the performance of the treasury management function and promoting value for money;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers (e.g. treasury management advisors) in line with the approval limits set out in the Council's procurement rules;
- Ensuring that the Council's Treasury Management Policy is adhered to, and if not, bringing the matter to the attention of elected members as soon as possible.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money.

Treasury Management Strategy – Appendix 1 cont.

- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority.
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities.
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority.
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

Treasury Management Strategy – Appendix 2

Policy for attributing income and expenditure and risks between the General Fund and the HRA

1.1 The Council is required to have a clearly agreed policy for attributing income and expenditure and risks between the General Fund and the HRA.

1.2 The Council uses a two pool approach to splitting debt between the HRA and General Fund, whereby loans are assigned to either the HRA or the General Fund.

1.3 The Council applies the requirements of the CLG Item 8 Credit and Item 8 Debit (General) Determination from 1 April 2012 in recharging debt financing and debt management costs between the HRA and the General Fund. The interest rates to be applied are determined as follows:

Principal Amount	Interest Rate
HRA Credit Arrangements CFR: concession agreements and finance leases	Average rate on HRA credit arrangements
HRA Loans CFR: long term loans (external)	Average rate on HRA external debt
HRA Loans CFR: short term loans payable (under funded CFR)	Average rate on GF external debt/or for formally agreed borrowing from GF resources an agreed PWLB equivalent rate.
HRA Loans CFR: short term loans receivable (over funded CFR)	Average rate on external investments/or for earmarked medium term reserves an actual external investment rate
HRA Cash balances: short term loans payable (cash balances overdrawn)	Average rate on external investments
HRA Cash balances: short term loans receivable (cash balances in hand)	Average rate on external investments/or for earmarked medium term reserves an actual external investment rate

1.4 For the purpose of calculating interest rates:

- HRA cash balances are based on the average of opening and closing HRA cash balances;
- HRA CFR external debt is based on actual external debt;
- Other HRA CFR balances is based on the mid year position.

1.5 Debt management costs are charged to the HRA on an apportioned basis that takes into account the weighting of time spent on managing debt and investments respectively.

Treasury Management Strategy – Appendix 2 cont.

1.6 Risk associated with external loans sit with either the GF or HRA depending on which of these the loan has been earmarked to. This will include interest rate risk, for example the risk of interest rate rises associated with variable loans.

1.7 Similarly, risk associated with any external investment of earmarked medium term HRA reserves sits with the HRA. This will include the risk of impairment, in the event of the failure of a counterparty.

1.8 Where risk cannot be earmarked specifically to either the General Fund or HRA, it is apportioned fairly between the two, using relevant available data. For example, in the event of impairment of an investment counterparty, the loss will be apportioned between the two funds based on an estimated proportion of cash balances held.

Treasury Management Strategy – Appendix 3
Prudential and Treasury Indicators

The prudential indicators for 2019-20 to 2023-24 are set out below, each one with a commentary and risk analysis.

Affordability

a) Estimate of financing costs to net revenue stream

Commentary

The indicator has been calculated as the estimated net financing costs for the year divided by the amounts to be met from government grants and local taxpayers for the non-HRA element, and by total HRA income for the HRA element. However, it should be recognised however that ultimately all debts of a local authority fall on the taxpayer. The objective is to enable trends to be identified.

The figures below reflects the cumulative impact of borrowing costs (interest and MRP where applicable) for capital programme schemes agreed each year, set against the backdrop of net revenue streams in future years.

Financing costs to net revenue stream					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Estimate %	Estimate %	Estimate %	Estimate %	Estimate %
General Fund	7.82	8.42	9.03	8.96	8.89
HRA	30.13	30.28	29.43	29.08	28.88

Risk Analysis

Debt financing costs relating to past and current capital programmes have been estimated in accordance with proper practices. Actual costs will be dependent on the phasing of capital expenditure and prevailing interest rates, and will be closely managed and monitored on an ongoing basis. Carry forwards in the capital programme, whether planned or unplanned, will delay the impacts of debt financing costs to future years.

Treasury Management Strategy – Appendix 3 cont.

Prudence

Capital Expenditure

b) Estimates of capital expenditure

Commentary

This indicator requires reasonable estimates of the total of capital expenditure to be incurred during the forthcoming financial year and at least the following two financial years.

The draft capital programme for 2019-20 to 2023-24 for both the GF and HRA is included elsewhere on this agenda and sets out the levels of estimated capital expenditure.

Estimates include continuation schemes from previous years, new bids for the coming year, and block programmes for the coming and future years. The programme is agreed annually and will be adjusted in the context of future bids submitted and available resources when the annual programmes for the future years are agreed. Variations to the existing programme may also be agreed during the year.

Risk Analysis

There is a real risk of cost variations to planned expenditure against the capital programme, arising for a variety of reasons, including tenders coming in over or under budget, changes to specifications, and slowdown or acceleration of project phasing. There is also the possibility of needing to bring urgent and unplanned capital works into the capital programme. The risks are managed by officers on an ongoing basis, by means of active financial and project monitoring. Any significant issues are reported to Cabinet as part of the finance and performance reporting cycle.

The availability of financing from capital receipts, grants and external contributions also carries significant risk. This can be particularly true of capital receipts, where market conditions are a key driver to the flow of funds, causing particular problems in a depressed or fluctuating economic environment. The financing position of the capital programme is closely monitored by officers on an ongoing basis and any significant issues are reported to Cabinet as part of the finance and performance reporting cycle.

c) Gross debt and the capital financing requirement (CFR)

Commentary

This is a key indicator of prudence. It is intended to show that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and new two financial years. This demonstrates that the Council's borrowing has only been undertaken for a capital purpose.

Gross debt and the capital financing requirement		
	2019-20 £m **Excluding** Third Party Loans	2019-20 £m **Including** Third Party Loans
Gross external debt	**202**	**272**
2018-19 Closing CFR (forecast)	268	318
Increases to CFR:		
2019-20	31	31
2020-21	27	(3)
2021-22	5	5
Adjusted CFR	**331**	**351**
Gross external debt less than adjusted CFR	**Yes**	**Yes**

Risk Analysis

Where the gross debt is greater than the capital financing requirement the reasons for this should be clearly stated in the annual strategy.

Estimates of capital financing requirement (CFR)

Commentary

External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. The CFR can be understood as the Council's underlying need to borrow money long term for a capital purpose – that is, after allowing for capital funding from capital receipts, grants, third party contributions and revenue contributions.

Treasury Management Strategy – Appendix 3 cont.

The Council is required to make reasonable estimates of the total CFR at the end of the forthcoming financial year and the following two years thereafter. A local authority that has an HRA must identify separately estimates of the HRA and General Fund CFR.

The CFR has been calculated in line with the methodology required by the relevant statutory instrument and the guidance to the Prudential Code. It incorporates the actual and forecast borrowing impacts of the Council's previous, current and future capital programmes.

The table below shows the impact of proposed new capital expenditure funded by borrowing ofset by annual repayments of principal (MRP – General Fund only, the HRA is not required to make an annual MRP charge). The table also splits out the impacts of loans to third party organisations funded by borrowing, where these are included in the Council's capital programme.

The changes to CFR are subject to future Council decisions in respect of the capital programme for those years.

Capital Financing Requirement (Closing CFR)					
	2019-20	2020-21	2021-22	2022-23	2023-24
	31 March £m	31 March £m	31 March £m	31 March £m	31 March £m
General Fund	84	97	96	95	92
HRA	215	229	235	241	241
Total	**299**	**326**	**331**	**336**	**333**
Loans to third parties (GF)	50	20	20	19	19
Total	**349**	**346**	**351**	**355**	**352**

Risk Analysis

The capital financing requirement will vary from the estimates if there are changes to capital programme plans that result in reduced or increased borrowing to support expenditure. This will include adjustments between years as a result of carry forwards in the capital programme, which can impact on the profile of capital expenditure and the profile of the minimum revenue provision.

All borrowing plans must be affordable in revenue terms and to this end additional borrowing to fund capital expenditure will only be approved through the normal capital project approval process and where it has been demonstrated to be prudent affordable and sustainable.

External Debt

d) Authorised limit for external debt

Commentary

For the purposes of this indicator the authorised limit for external debt is defined as the authorised limit for borrowing plus the authorised limit for other long term liabilities.

This requires the setting for the forthcoming financial year and the following four financial years of an authorised limit for total external debt (including temporary borrowing for cash flow purposes), gross of investments, separately identifying borrowing from other long term liabilities.

The authorised limit represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is “prudent” and be consistent with plans for capital expenditure and financing. It contains a provision for forward funding of future years capital programmes, which may be utilised if current interest rates reduce significantly but are predicted to rise in the following year.

This limit is based on the estimate of the most likely but not worst case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. It includes headroom for any planned loans to third party organisations where aplicable.

The authorised limit is set at an amount that allows a contingency for any additional unanticipated or short-term borrowing requirements over and above the operational boundary during the period (see (e) below).

Other long-term liabilities relate to finance leases and credit arrangements.

The CFO will have delegated authority to effect movement between the separately agreed figures for borrowing and other long-term liabilities. Any such changes will be reported to the Council at the next meeting following the change.

Treasury Management Strategy – Appendix 3 cont.

Authorised limit for external debt					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Limit £m	Limit £m	Limit £m	Limit £m	Limit £m
Borrowing	330	335	335	335	335
Other long-term liabilities	5	5	5	5	5
Total	**335**	**340**	**340**	**340**	**340**

Risk Analysis

Risk analysis and risk management strategies have been taken into account in setting this indicator, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of the Council's cash flow requirements.

e) Operational boundary for external debt

Commentary

The proposed operational boundary is based on the same estimates as the authorised limit. However it excludes the additional headroom included within the authorised limit to allow for unusual cash movements.

The operational boundary represents a key management tool for in year monitoring by the CFO. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified.

The borrowing element of the operational boundary has been set with reference to the maximum Capital Financing Requirement (CFR) over the coming three years. It includes headroom for any planned loans to third party organisations.

Other long-term liabilities relate to finance leases and credit arrangements.

The CFO will have delegated authority to effect movement between the separately agreed figures for borrowing and other long-term liabilities. Any such changes will be reported to the Council at the next meeting following the change.

Operational boundary for external debt					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Limit £m	Limit £m	Limit £m	Limit £m	Limit £m
Borrowing	320	325	325	325	325
Other long-term liabilities	5	5	5	5	5
Total	**325**	**330**	**330**	**330**	**330**

Risk Analysis

Risk – Risk analysis and risk management strategies have been taken into account in setting this indicator, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of the Council's cash flow requirements.

Treasury Indicators

f) Maturity structure of borrowing

This indicator sets both upper and lower limits with respect to the maturity structure of the Council's borrowing.

The indicator represents the amount of projected borrowing that is maturing in each period expressed as a percentage of total projected borrowing at the start of the period where the periods in question are:

- Under 12 months;
- 12 months and within 24 months;
- 24 months and within 5 years;
- 5 years and within 10 years;
- 10 years and within 20 years;
- 20 years and within 30 years;
- 30 years and within 40 years;
- 40 years and above.

The Treasury Management Code of Practice Guidance Notes requires that the maturity is determined by the earliest date on which the lender can require payment, which in the case of LOBO loans is the next break period. However in the current low interest rate environment the likelihood of the interest rates on these loans being raised and the loans requiring repayment at the break period is extremely low.

Treasury Management Strategy – Appendix 3 cont.

The proposed limits for the forthcoming year are:

Maturity Structure of Borrowing		
	Lower Limit %	Upper Limit %
Under 12 months	0%	50%
Between 1 and 2 years	0%	50%
Between 2 and 5 years	0%	50%
Between 5 and 10 years	0%	50%
Between 10 and 20 years	0%	50%
Between 20 and 30 years	0%	60%
Between 30 and 40 years	0%	80%
Over 40 years	0%	100%

Risk Analysis

The debt maturity profile is actively managed to ensure that debt maturity is prudently spread across future years. This ensures that the Council can properly plan for the maturity of its borrowings, and is not exposed to unmanageable risks.

g) Total principal sums invested for periods longer than 365 days

Under the Local Government Act 2003 and the MHCLG Guidance on Local Authority Investments (revised 2018), all Councils are permitted to invest for periods exceeding 1 year (or 365 days). The Council is required to set a limit to the level of such investments it might wish to make.

This limit can be expressed as a percentage or as an absolute amount (i.e. a monetary figure). The Council has chosen to work to a limit represented as an absolute amount as officers consider this to be the most transparent method and the more straightforward to monitor.

The limits have been set at a level that would allow for monies not anticipated to be spent in year to be invested for longer periods if interest rates are favourable.

Treasury Management Strategy – Appendix 3 cont.

The proposed limits for the forthcoming, and following four financial years are as follows.

Upper limit on investments for periods longer than 365 days					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Upper Limit £m	Upper Limit £m	Upper Limit £m	Upper Limit £m	Upper Limit £m
Investments > 365 days	14	12	10	10	10

This upper limit has been calculated at a prudent level with regard to cashflow liquidity, capped at the maximum of 20% of forecast average (HRA & GF) cash balances in each year.

Treasury Management Strategy – Appendix 4

Minimum Revenue Provision Policy Statement

1.1 The Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008, which came into force in February 2008, require local authorities to make ‘prudent provision’ for the repayment of its General Fund debt. This debt repayment is known as the Minimum Revenue Provision (MRP).

1.2 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 for which the borrowing has been carried out.

1.3 Since 2007-08 the Council has used the transitional measures available to calculate MRP for all capital expenditure prior to 1 April 2008 as if the previous regulations were still in force.

1.4 The authority is required, under the 2008 regulations, to prepare an annual statement of their policy on making MRP for submission to Council. The Council’s policy statement on MRP for 2018-19 is set out below. The policy is considered by the Chief Finance Officer (CFO) to provide for the prudent repayment of debt.

1.4.1 The Council has implemented the 2008 CLG Minimum Revenue Provision (MRP) guidance from 2008-09 onwards, and assessed their MRP from 2008-09 onwards in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.

1.4.2 MRP relating to the historic debt liability incurred for years up to and including 2007-08 will continue to be charged at the rate of 4% on the reducing balance, in accordance with option 1 of the guidance, the “regulatory method”.

1.4.3 The debt liability relating to capital expenditure incurred from 2008-09 onwards will be subject to MRP under option 3, the “asset life method”, and will be charged over a period that is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

1.4.4 Estimated life periods will be determined in line with accounting guidance and regulations. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, the Council will generally adopt these periods. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

Treasury Management Strategy – Appendix 4 cont.

1.4.5 As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis that most reasonably reflects the anticipated period

of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner that reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

1.4.6 The Council will seek to spread MRP charges prudently in relation to asset lives, and with regard to the revenue impact of MRP charges. Where prudent to do so, capital receipts will be used to repay borrowing previously taken out in relation to assets with a short life. MRP on residual debt will be based on the lives of the remaining asset for which borrowing was undertaken.

1.4.7 MRP will be charged from the financial year after the asset comes into use.

1.4.8 In cases where the Council has approved the use of capital receipts to fund the asset, this funding will be assumed when the receipt is contractually certain, even if not actually received. In such cases no MRP charge will be made.

1.4.9 No MRP will be charged in respect of capital expenditure funded by borrowing where the expectation is that a future capital receipt will be applied to the CFR as a voluntary debt repayment for the borrowing - for example capital expenditure on preparing assets for sale. Where this approach is used it will be reviewed on an annual basis, in consideration of updated expectations over the timing and certainty of capital receipts, and to ensure that the latest estimate of proceeds is sufficient to cover the MRP liability.

1.4.10 Where finance leases are held on the balance sheet, the MRP will be set at a charge equivalent to the element of the annual lease charge that goes to write down the balance sheet liability, thereby applying Option 3 in a modified form.

1.4.11 The Council will take advantage of any transitional arrangements introduced to minimise or negate the impact of retrospective accounting adjustments as a result of new accounting guidance or proper practice.

1.4.12 In respect of loans to third parties supported by borrowing, where these are treated as capital expenditure, and contractual terms are in place to secure repayment over a period not exceeding the life of the asset, the Council will not charge MRP on the related expenditure; the CFR will be reduced by the third party loan repayments as and when these are received.

Treasury Management Strategy – Appendix 4 cont

1.4.13 In respect of infrastructure improvements and other capital schemes where repayment of the funding (principal and interest) will be met from business rates uplift in line with the Enterprise Zone financial model, and

.

1.4.14 the repayment does not exceed the life of the asset, the Council will not charge MRP on the related expenditure; the CFR will be reduced by the amount of repayment of principal through business rates as and when these are made.

1.4.15 The Minimum Revenue Provsion Policy Statement will be continuously reviewed throughout the financial year and particularly with respect to any devlopments in the Council's Effciency Plan. Any required amendments or changes will be brought back to Council for approval.

Treasury Management Strategy – Appendix 5

Interest Rate Forecast Commentary – Link Asset Services (LAS)

The interest rate forecasts applied in this Strategy are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU.

In the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.

If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly.

It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

Balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008.

This means that the neutral rate of interest in an economy (i.e. the rate that is neither expansionary nor deflationary) is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Brexit: if it were to cause significant economic disruption and a major downturn in the rate of growth;
- Bank of England monetary policy: MPC takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate;
- A resurgence of the Eurozone sovereign debt crisis;
- Weak capitalisation of some European banks;
- Further increases in interest rates in the US; this could spark a sudden flight of investment funds from more risky assets e.g. shares, into bonds yielding a much improved yield;

Treasury Management Strategy – Appendix 5 cont.

- Concerns around US corporate debt: levels have swollen massively during the period of low borrowing rates in order to finance mergers and acquisitions;

- Geopolitical risks: especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates:

- Brexit: if both sides were to agree a compromise that removed all threats of economic and political disruption;
- Bank of England monetary policy: MPC is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect;
- The US misjudging the pace and strength of increases in interest rate: and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world;
- UK inflation: whether domestically generated or imported, inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Treasury Management Strategy – Appendix 6

Economic Commentary – Link Asset Services (LAS)

GLOBAL OUTLOOK; World growth has been doing reasonably well, aided by strong growth in the US. However, US growth is likely to fall back in 2019 and, together with weakening economic activity in China, overall world growth is likely to weaken. Inflation has been weak during 2018 but, at long last, unemployment falling to remarkably low levels in the US and UK has led to a marked acceleration of wage inflation which is likely to prompt central banks into a series of increases in central rates. The EU is probably about a year behind in a similar progression.

KEY RISKS; Looking back on nearly ten years since the financial crash of 2008 when liquidity suddenly dried up in financial markets, it can be assessed that central banks' monetary policy measures to counter the sharp world recession were successful. The key monetary policy measures they used were a combination of lowering central interest rates and flooding financial markets with liquidity, particularly through unconventional means such as quantitative easing (QE), where central banks bought large amounts of central government debt and smaller sums of other debt.

The key issue now is that that period of stimulating economic recovery and warding off the threat of deflation, is coming towards its close. A new period has already started in the US, and more recently in the UK, of reversing those measures i.e. by raising central rates and (for the US) reducing central banks' holdings of government and other debt. These measures are now required in order to stop the trend of a reduction in spare capacity in the economy, and of unemployment falling to such low levels that the re-emergence of inflation is viewed as a major risk. It is, therefore, crucial that central banks get their timing right and do not cause shocks to market expectations that could destabilise financial markets. In particular, a key risk is that because QE-driven purchases of bonds drove up the price of government debt, and therefore caused a sharp drop in income yields, this also encouraged investors into a search for yield and into investing in riskier assets such as equities. Consequently, prices in both bond and equity markets rose to historically high valuation levels simultaneously. This now means that both asset categories are vulnerable to a sharp downward correction. It is important, therefore, that central banks only gradually unwind their holdings of bonds in order to prevent destabilising the financial markets. It is also likely that the timeframe for central banks unwinding their holdings of QE debt purchases will be over several years. They need to balance their timing to neither squash economic recovery, by taking too rapid and too strong action, or, conversely, let inflation run away by taking action that was too slow and/or too weak. The potential for central banks to get this timing and strength of action wrong are now key risks.

The world economy also needs to adjust to a sharp change in liquidity creation over the last five years where the US has moved from boosting liquidity by QE purchases, to reducing its holdings of debt. In addition, the European Central Bank has cut back its QE purchases substantially and is likely to end them completely by the end of 2018.

UK; The flow of positive economic statistics since the end of the first quarter this year has shown that pessimism was overdone about the poor growth in quarter 1 when adverse weather caused a temporary downward blip. Quarter 1 at 0.1% growth in

Treasury Management Strategy – Appendix 6 cont.

GDP was followed by a return to 0.4% in quarter 2; quarter 3 is expected to be robust at around +0.6% but quarter 4 is expected to weaken from that level.

At their November meeting, the MPC reiterated that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate (where monetary policy is neither expansionary of contractionary) than before the crash; indeed they gave a figure for this of around 2.5% in ten years time but declined to give a medium term forecast. However, with so much uncertainty around Brexit, they warned that the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a disorderly Brexit, so as to provide a stimulus to growth, they warned they could also *raise* Bank Rate in the same scenario if there was a boost to inflation from a devaluation of sterling, increases in import prices and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor has held back some spare capacity to provide a further fiscal stimulus if needed.

It is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. Getting parliamentary approval for a Brexit agreement on both sides of the Channel will take well into spring next year. However, in view of the hawkish stance of the MPC at their November meeting, the next increase in Bank Rate is now forecast to be in May 2019. The following increases are then forecast to be in February and November 2020 before ending up at 2.0% in February 2022.

Inflation; The Consumer Price Index (CPI) measure of inflation fell from 2.7% to 2.4% in September. In the November Bank of England quarterly inflation report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate. This inflation forecast is likely to be amended upwards due to the Bank's inflation report being produced prior to the Chancellor's announcement of a significant fiscal stimulus in the Budget; this is likely to add 0.3% to GDP growth at a time when there is little spare capacity left in the economy, particularly of labour.

As for the labour market, unemployment has continued at a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high in July, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 3.1%, (3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 0.7%, the highest level since 2009. This increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

USA; The US easing of fiscal policy is fuelling a termorary boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%

(annualised rate) in quarter 1 to 4.2% in quarter 2 and 3.5% (3.0% y/y) in quarter 3, but also an upturn in inflationary pressures. In particular, wage rates were increasing

at 3.1% y/y in October and heading higher due to unemployment falling to a 49 year low of 3.7%. With CPI inflation over the target rate of 2% and on a rising trend towards 3%, the Fed increased rates another 0.25% in September to between 2.00% and 2.25%, this being the fourth increase in 2018. They also indicated that they expected to increase rates four more times by the end of 2019. The dilemma, however, is what to do when the temporary boost to consumption wanes, particularly as the recent imposition of tariffs on a number of countries' exports to the US (China in particular) could see a switch to US production of some of those goods, but at higher prices. Such a scenario would invariably make any easing of monetary policy harder for the Fed in the second half of 2019. However, a combination of an expected four increases in rates of 0.25% by the end of 2019, together with a waning of the boost to economic growth from the fiscal stimulus in 2018, could combine to depress growth below its potential rate, i.e. monetary policy may prove to be too aggressive and lead to the Fed having to start on cutting rates. The Fed has also been unwinding its previous quantitative easing purchases of debt by gradually increasing the amount of monthly maturing debt that it has not been reinvesting.

The tariff war between the US and China has been generating a lot of heat during 2018, but it is not expected that the current level of actual action would have much in the way of a significant effect on US or world growth. However, there is a risk of escalation. The results of the mid-term elections are not expected to have a material effect on the economy.

Eurozone; Growth was 0.4% in quarters 1 and 2 but fell back to 0.2% in quarter 3, though this is probably just a temporary dip. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of nearly 2% for 2018, the horizon is less clear than it seemed just a short while ago. Having halved its quantitative easing purchases of debt in October 2018 to €15bn per month, the European Central Bank has indicated it is likely to end all further purchases in December 2018. Inflationary pressures are starting to build gently so it is expected that the ECB will start to increase rates towards the end of 2019.

China; Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Progress has been made in reducing the rate of credit creation, particularly from the shadow banking sector, which is feeding through into lower economic growth. There are concerns that official economic statistics are inflating the published rate of growth.

Japan; Japan has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy. It is likely that loose monetary policy will endure for some years yet to try to stimulate growth and modest inflation.

Emerging countries; Argentina and Turkey are currently experiencing major headwinds and are facing challenges in external financing requirements well in excess of their reserves of foreign exchange. However, these countries are small in terms of the overall world economy, (around 1% each), so the fallout from the expected recessions in these countries will be minimal.

Treasury Management Strategy – Appendix 7

Annual Investment Strategy

1 Investment policy

1.1 The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

1.2 The Council's appetite for risk must be clearly identified in its strategy report. The Council affirms that its investment policies are underpinned by a strategy of prudent investment of funds held on behalf of the local community. The objectives of the investment policy are firstly the security of funds (protecting the capital sum from loss) and then liquidity (keeping money readily available for expenditure when needed). Once approved levels of security and liquidity are met, the Council will seek to maximise yield from its investments, consistent with the applying of the agreed parameters. These principles are carried out by strict adherence to the risk management and control strategies set out in the TMP Schedules and the Treasury Management Strategy.

1.3 Responsibility for risk management and control lies within the Council and cannot be delegated to an outside organisation.

2 Creditworthiness policy

2.1 The Council's counterparty and credit risk management policies and its approved instruments for investments are set out below. These, taken together, form the fundamental parameters of the Council's Investment Strategy.

2.2 The Council defines high credit quality in terms of investment counterparties as those organisations that:

- Meet the requirements of the creditworthiness service provided by the Council's external treasury advisors and;
- Have sovereign ratings of AA or above, or are;
- UK banking or other financial institutions or are;
- UK national or local government bodies or are;
- Triple A rated Money Market funds.

3 Sovereign limits

3.1 The Council has determined that for 2019-20 it will only use approved counterparties from countries with a sovereign credit rating from at least one of the three main ratings agencies of at least AA-. However the limit for the amount that may be invested and the duration of the investment will be banded according to the sovereign rating. These limits are set out in the table at paragraph 7.4 below.

Treasury Management Strategy – Appendix 7 cont.

4 Investment position and use of Council's resources

4.1 The application of resources, such as capital receipts, reserves etc, to either finance capital expenditure or for other budget decisions to support the revenue budget will have an ongoing impact on investments balances and returns unless resources are supplemented each year from new sources such as asset sales. Detailed below are estimates of the Council's year end investment balances (excluding third party loans):

	2019-20 £m	2020-21 £m	2021-22 £m	2022-23 £m	2023-24 £m
Forecast Investment Balances (at 31st March)	45	23	19	10	6

4.2 Investment decisions will be made with reference to the core balance, cash flow requirements and the outlook for interest rates.

4.3 The Council is currently maintaining an under-borrowed position against its capacity to borrow. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt, but cash supporting the Council's reserves, balances and positive cash flows have been used to fund capital expenditure as a temporary measure. This strategy is prudent at this time as the cost of raising additional borrowing outweights the potential investment returns achievable. Furthermore, applying cash balances in this manner assists in managing counterparty risk.

5 Specified investments

5.1 Under the Local Government Act 2003 the Council is required to have regard to the CLG Guidance on Local Government Investments. This requires that investments are split into two categories:

(i) Specified investments – broadly, sterling investments, not exceeding 365 days and with a body or investment scheme of high credit quality.

(ii) Non-specified investments – do not satisfy the conditions for specified investments. This may include investment products that would normally be considered as specified investments, but are judged to have a higher level of risk than normal attached to them.

5.2 The detailed conditions attached to each of these categories are set out in the TMP Schedules.

5.3 The majority of the Council's investments in 2019-20 will fall into the category of specified investments.

6 Non-specified investments

6.1 Prior to the start of each financial year officers review which categories of non-specified investments they consider could be prudently used in the coming year.

6.2 The recommendation for 2019-20 is that the following non-specified investments may be entered into:

6.2.1 Long-term investments (those for periods exceeding 365 days), which could prudently be used where interest rates are favourable and funds are not required for short-term cashflow management. Amounts deposited for over 365 days will be determined by liquidity considerations and by whether longer term interest rates are favourable, and all deposits will be in accordance with counterparty limits. Only counterparties in the Council's current approved counterparty list that have durationlimits of over 365 days will be used for such investments. Any overall stricter limits in force in the Council's investment counterparty policies at any time will take precedence.

6.2.2 The following items, being non-specified only by virtue of the Council's lack of previous exposure to these instruments, are:

- UK Government Gilts;
- Treasury Bills;
- Bonds issued by a financial institution that is guaranteed by the UK Government and multi-lateral development banks as defined in Statutory Instrument 2004 No. 534;
- Reverse Gilt Repos;
- Commercial paper;
- Gilt funds and other bond funds;
- Enhanced money market funds;

Before proceeding with any of the above treasury management staff will take advice from the Council's external treasury advisors as appropriate, ensure that they fully understand the product and its risks, and prepare a business case to be signed off by the CFO.

7 Counterparties

7.1 Over-arching policies for the management of counterparty and credit risk are set out in the TMP Schedules. The Council's approach to counterparties for 2019-20 is set out below.

7.2 The CFO will use the recommendations of the creditworthiness service provided by the Council's external treasury advisors to determine suitable counterparties and the maximum period of investment, using the ratings assigned.

Treasury Management Strategy – Appendix 7 cont.

7.3 The CFO will determine, in the context of the above, and taking into account appropriate risk management factors:

- Any further criteria to be put in place to determine suitable counterparties;
- The maximum investment amount to be held with each type of counterparty assigned a rating;
- The maximum investment period with each type of counterparty assigned a rating.

7.4 The following table sets out the Council's counterparty criteria for 2019-20.

Investments may be placed with counterparties recommended by the Council's external treasury advisors, and which meet the following criteria			
	Counterparty Type	**Limit; per individual counterparty or banking group**	**Limits; Duration**
(1a)	UK Government	£20m	5 years
(1b)	UK nationalised or part nationalised banking institutions	£20m	1 years
(1c)	Other UK counterparties	£15m	3 years
(1d)	Other Local Authorities	£10m	3 years
(2a)	Non UK counterparties having a sovereign rating of AAA	£15m	3 years
(2b)	Non UK counterparties having a sovereign rating of AA+	£10m	2 years
(2c)	Non UK counterparties having a sovereign rating of AA	£5m	1 year
(3)	Money Market Funds (CNAV/LNAV) having a credit rating of AAA	£15m	N/A - Liquid deposits
(4)	Pooled Property Funds	£10m	5 years

Treasury Management Strategy – Appendix 7 cont.

7.5 Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is added by the counterparty to the principal investment amount, for example in the case of some call and deposit accounts. In such instances the interest amounts will be withdrawn back to the Council's main bank account as soon as reasonably practicable.

7.6 Any types of investments that fall within the category of specified investments as set out in the TMP Schedules and any types of non-specified investments approved as part of this document may be made within the bounds of the counterparty policies.

7.7 The total value of investments over 365 days at any one time is restricted by the treasury indicator for the upper limit on investments for periods longer than 365 days.

7.8 The Council may enter into forward agreements up to 3 months in advance of the investment commencing. If forward deposits are to be made, the forward period plus the deal period should not exceed the limits above.

7.9 The CFO has discretion during the financial year to lift or increase the restrictions on the counterparty list and/or to adjust the associated lending limits on values and periods should it become necessary to enable the effective management of risk in relation to investments. At all times the Council's minimum level of credit risk, as set out in the TMP Schedules, will be met.

8 Liquidity of Investments

8.1 Most short-term investments are held for cashflow management purposes and officers will ensure that sufficient levels of short-term investments and cash are available for the discharge of the Council's liabilities.

8.2 Investment periods range from overnight to 365 days as specified investments, or 5 years as non-specified investments. When deciding the length of each investment, regard is had to both cashflow needs and prevailing interest rates. As cash balances available for investment are forecast to be somewhat reduced compared to previous years, the preservation of liquidity will be a critical determinant for treasury officers when determining the value and duration of investments.

8.3 Amounts deposited for over 365 days will also be determined by liquidity considerations and by whether longer term interest rates are favourable, and all deposits will be in accordance with counterparty limits and the treasury indicator for investments over 365 days. Long term investments of over 2 years will only be made in exceptional circumstances and with approval of the CFO.

8.4 For short term and overnight investment, the Council makes full use of triple A rated Money Market Funds (CNAV and LNAV) and bank call and deposit accounts offering competitive rates and, in most instances, instant access to funds.

8.5 The Council may occasionally undertake short-term temporary borrowing if this is needed to cover its cash flow position.

9 Investments defined as capital expenditure

9.1 The acquisition of share capital or loan capital in any corporate body is defined as capital expenditure under Regulation 25(1) (d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will have to be funded from capital or revenue resources and will be classified as 'non-specified investments'.

9.2 Investments in money market funds which are collective investment schemes and bonds issued by multilateral development banks – both defined in SI 2004 No 534 – will not be treated as capital expenditure.

9.3 A loan or grant or financial assistance by this Council to another body, for capital expenditure by that body, will be treated as capital expenditure by the Council.

10 Lending to third parties

10.1 Officers will ensure that any loans to or investments in third parties comply with legislative requirements. This would normally, but not necessarily, be under one of the following Acts of Parliament:

- The Localism Act 2011 gives local authorities a general power of competence to act in the same manner as any other legal person, except where those powers are specifically limited by statute;

- The Local Government Act 2000 contains wellbeing powers for local government that allow local authorities to do anything, including to give financial assistance to any person, which they believe is likely to promote or improve the economic, social or environmental well being of their area. Certain conditions, including consultation requirements, must be complied with in order to meet the requirements allowing the local authority to use the wellbeing powers.

10.2 Loans of this nature must be approved by Cabinet. The primary aims of the Investment Strategy, in order of priority, are the security of its capital, liquidity of its capital and then to obtain a return on its capital commensurate with levels of security and liquidity. These aims are crucial in determining whether to proceed with a potential loan to a third party.

10.3 Recipients of this type of investment are unlikely to be a financial institution and therefore unlikely to be subject to a credit rating. In order to ensure security of the Council's capital, financial due-diligence must be completed prior to any loan or investment being agreed. The Council will use specialist advisors to complete financial checks to ascertain the creditworthiness of the third party. Where deemed necessary, additional guarantees will be sought. This will be via security against assets and/or through guarantees from a parent company.

Treasury Management Strategy – Appendix 7 cont.

11 Provisions for credit related losses

11.1 If any of the Council's investments appears at risk of loss due to default (i.e. this is a credit related loss and not one resulting from a fall in price due to movements in interest rates) the Council may make a prudent revenue provision of an appropriate amount.

12 Banking services

12.1 It is the Council's intention that, should the event of the credit rating downgrade of the provider of its banking services lead to that bank falling below the Council's minimum investment criteria, the bank may continue to be used for short-term liquidity requirements (kept under daily review).

13 End of year investment report

13.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

Special Expenses Appendix **Appendix 6**

The "Draft General Fund Medium Term Financial Plan 2019/20 – 2022/23 and Draft Budget 2019/20" report that went to Cabinet on 12 December 2018 contained an appendix 6 on special expenses. That appendix contained an explanation of special expenses and the methodology for calculating them and provisional special expenses figures for 2019/20. The calculation and the figures have not changed going into the Final 2019/20 budget.

Council Tax position for 2019/20

The following sets out the proposed components of council tax in Northampton for 2019/20 (subject to formal approvals by Full Council and other precepting bodies):

Authority / Preceptor	2019/20 Band D
Northampton Borough Council	225.84
Northamptonshire Police & Crime Commissioner	245.04
Northamptonshire Fire & Rescue Authority	60.76
Northamptonshire County Council	1,236.10
Parish Precepts (average)	17.11
Total	1,784.85

This shows that the average band D council tax relating to NBC is £225.84. However, this figure is only an average figure across all areas of the Borough – this figure will vary from area to area due to special expenses.

Increase in Council Tax for Northampton Borough Council

District and Borough Councils are required to hold a referendum if they wish to increase their council tax by 3% or more. This calculation is based on the average level of council tax – averaging out the variations that will be found across the Borough due to the application of special expenses. In 2018/19 this figure was £219.28. This has increased by £6.56 to £225.84 in 2019/20. This is an increase of 2.99%.

Parish line on Council Tax Demands

If you live in a parished area, then on the council tax demand that you receive, the special expense charges are combined with the parish precepts to give an overall council tax that is specific to that area. The table below shows these two separate elements separately:

Area within the Borough	2019/20			% change compared to 2018/19		
	NBC special expense	Parish Precept	Total specific to parished area	NBC special expense	Parish Precept	Total specific to parished area
Billing	9.97	59.15	69.12	-2.3%	4.1%	3.1%
Collingtree	0.00	40.10	40.10	n/a	3.8%	3.8%
Duston	4.18	86.31	90.49	-1.5%	2.0%	1.8%
Great Houghton	0.00	70.34	70.34	n/a	-1.5%	-1.5%
Hardingstone	2.34	49.00	51.34	-2.1%	-1.4%	-1.4%
Upton	0.00	14.61	14.61	n/a	0.0%	0.0%
Wootton	3.41	64.21	67.61	-1.5%	1.9%	1.8%
East Hunsbury	15.44	46.98	62.42	-2.1%	0.8%	0.1%
Hunsbury Meadows	0.00	27.80	27.80	n/a	-4.4%	-4.4%
West Hunsbury	6.25	13.24	19.49	-1.4%	21.4%	13.0%
Unparished	11.60	0.00	11.60	-3.4%	n/a	-3.4%

DRAFT

General Fund Reserves Forecast **Appendix 7**

Description	Forecast Balance 31/3/19	Expected Use/ (Contribution) 2019/20	Forecast Balance 31/3/20	Reason for Reserve/Proposed Use
Earmarked Reserves				
Delivering the Efficiency Plan	(1,525,000)	0	(1,525,000)	To be used for one-off investment leading to improved efficiency and savings.
MTFP Cashflow Earmarked Reserve	(416,354)	(1,255,000)	(1,671,354)	To be retained to cover any timing delays in achieving savings targets
Environmental Services Vehicles & Plant Earmarked Reserve	(9,000,000)	1,000,000	(8,000,000)	To fund borrowig costs in relation to the plant and equipment purchased for use in delivering Environmental Services contract.
Sixfields Recovery Earmarked Reserve	(5,000,000)	0	(5,000,000)	To cover risk of Sixfields loan money recovery costs
Insurance Earmarked Reserve	(1,235,940)	(50,000)	(1,285,940)	Actuarial valuation of future insurance costs
Other General Earmarked Reserves	(5,329,691)	172,408	(5,157,283)	To fund specific corporate or service specific risks and funding needs
Total Earmarked Reserves	**(22,506,984)**	**(132,592)**	**(22,639,576)**	
Minimum Level of General Reserves	(4,000,000)	0	(4,000,000)	
Total general Fund Reserves	**(26,506,984)**	**(132,592)**	**(26,639,576)**	

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
			£	£
Waste Services				
Bulky Waste Collection	Up to three Items	Non - S	30.50	31.40
Skip Collection Service	Non - Recyclable Waste - per tonne	Non - S	113.00	116.00
(to be confirmed)	Administration Fee	Non - S	64.00	66.00
	Mileage Charge - per mile	Non - S	2.17	2.25
	Waste Above one Tonne - prices available from Waste Minimisation Team			
Cemetery				
Grant of Right	Adult Grave for 1 - 5'6"	Non - S	470.00	485.00
	Adult Grave for 2 - 6'6"	Non - S	545.00	562.00
	Adult Grave for 3 - 7'6"	Non - S	615.00	633.00
	Child	Non - S	94.00	97.00
	Cremated Remains	Non - S	177.00	182.00
Internment Fee Monday - Friday	Grave Depth 7'6"	Non - S	586.00	604.00
	Grave Depth 6'6"	Non - S	515.00	530.00
	Grave Depth 5'6"	Non - S	470.00	484.00
	Child up to 12 Years	Non - S	74.00	76.00
	Still Born - 1 Month Old	Non - S		
	Cremated Remains	Non - S	177.00	182.00
	Scattering of Ashes	Non - S	25.00	26.00
	Mausoleum	Non - S	4,275.00	4,403.00
Vault	Grant of Right and First Interment	Non - S	940.00	968.00
	Second Interment	Non - S	445.00	458.00
Memorial Erection Rights	Headstone - Adult	Non - S	127.00	131.00
	Headstone - Child	Non - S	34.00	35.00
	Vase - Plain	Non - S	No Charge	No Charge
	Vase - Inscribed	Non - S	60.00	62.00
Kerb Sets	Kerb only	Non - S	191.00	197.00
	Kerb and Headstone	Non - S	317.00	327.00
	Memorial Tablet	Non - S	60.00	62.00
	Additional Inscription	Non - S	45.00	46.00
	Grave Number Marker	Non - S	18.00	19.00
	Permanent Grave Number Marker	Non - S	28.00	29.00
	Use of Chapel	Non - S	74.00	76.00
	Use of Chapel - Winter Fuel Charge	Non - S	9.00	9.00
	Search Fee (Inc VAT) - Small Search	Non - S	No Charge	No Charge
	Search Fee (Inc VAT) - Medium search	Non - S	28.00	29.00
	Search Fee (Inc VAT) - Full search	Non - S	75.00	77.00
Non Resident Fees - families that have resided outside the Borough for more than 5				
Allotments				
Standard Plot	10 Poles	Non - S	34.95	36.00
Half size	5 Poles	Non - S	17.48	18.00
Gate Key Fee - either £6 or £4 dependent on type of lock used				
Parks				
Some bookings may require a differing VAT treatment than that assumed below. The				
Football	Senior Pitch	Non - S	28.75	30.00
	Junior Pitch	Non - S	9.25	10.00
Rugby	Senior Pitch	Non - S	28.75	30.00
Gaelic Football	Senior Pitch	Non - S	28.75	30.00

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
Use of Changing Rooms	Changing Facilities for any activity - with showers			
	Monday - Saturday	Non - S	13.50	14.00
	Sunday	Non - S	17.50	18.00
	Changing Facilities for any activity - without showers			
	Monday - Saturday	Non - S	9.50	10.00
	Sunday	Non - S	14.50	15.00
Cricket	Day Match	Non - S	41.00	42.00
	Evening Match	Non - S	27.00	28.00
	Junior School Match	Non - S	15.00	15.00
Bowls	Rink per person, per hour	Non - S	3.00	3.00
	OAP's & Unemployed	Non - S	3.00	3.00
	Matches - 3 rinks per hour	Non - S	20.00	21.00
	Matches - 4 rinks per hour	Non - S	25.00	26.00
	Matches - 5 rinks per hour	Non - S	31.00	32.00
	Hire of Bowls per game	Non - S	2.00	2.00
	Hard Court - Per Court per hour	Non - S	6.50	7.00
	Per Court, per hour with floodlights	Non - S	11.50	12.00
	Concession	Non - S	3.00	3.00
Mini 5 a Side Football	Hire of Pitch	Non - S	5.30	5.50
Call Care				
Non - HRA	Lifelines - Inside Borough Yearly Charge	Non - S	239.20	239.20
	Lifelines - Inside Borough Charge per week	Non - S	4.60	4.60
	Lifelines - Outside Borough Yearly Charge	Non - S	239.20	239.20
	Lifelines - Outside Borough Charge per week	Non - S	4.60	4.60
	Installation Charges - Inside Borough	Non - S	60.00	60.00
	Installation Charges - Outside Borough	Non - S	60.00	60.00
	Monitoring Charges Yearly Charge	Non - S	41.60	41.60
	Monitoring Charges Charge per week	Non - S	0.80	0.80
	Environmental Health Yearly Charge	Non - S	56.28	56.28
	Environmental Health Charge per week	Non - S	1.08	1.08
Licensing Fees				
Gambling Act 2005				
Lotteries	New Application	S	40.00	40.00
	Annual Fee	S	20.00	20.00
Premises Licence New Application	New Small Casino	S	8,000.00	8,000.00
	New Large Casino	S	10,000.00	10,000.00
	Regional Casino	S	15,000.00	15,000.00
	Bingo Club	S	3,500.00	3,500.00
	Betting Premises (exc track)	S	3,000.00	3,000.00
	Tracks	S	2,500.00	2,500.00
	Family Entertainment Centre	S	2,000.00	2,000.00
	Adult Gaming Centre	S	2,000.00	2,000.00

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
Premises Licence Variation Application	Existing Casino	S	2,000.00	2,000.00
	Small Casino	S	4,000.00	4,000.00
	Large Casino	S	5,000.00	5,000.00
	Regional Casino	S	7,500.00	7,500.00
	Bingo	S	1,750.00	1,750.00
	Betting Premises (exc track)	S	1,500.00	1,500.00
	Tracks	S	1,250.00	1,250.00
	Family Entertainment Centre	S	1,000.00	1,000.00
	Adult Gaming Centre	S	1,000.00	1,000.00
Premises Licence Annual Fee	Existing Casino	S	3,000.00	3,000.00
	Small Casino	S	5,000.00	5,000.00
	Large Casino	S	10,000.00	10,000.00
	Regional Casino	S	15,000.00	15,000.00
	Bingo	S	1,000.00	1,000.00
	Betting Premises (exc track)	S	600.00	600.00
	Tracks	S	1,000.00	1,000.00
	Family Entertainment Centre	S	750.00	750.00
	Adult Gaming Centre	S	1,000.00	1,000.00
Club Machine Permits	New Application Part 2 & 3	S	200.00	200.00
	Annual Fee	S	50.00	50.00
	Variation Permit	S	100.00	100.00
Prize Gaming Permit	New Application	S	300.00	300.00
	Renewal	S	300.00	300.00
	Change of Name	S	25.00	25.00
Alcohol Licensed Premises	Notification of 2 or less machines	S	50.00	50.00
	Notification of change	S	50.00	50.00
	New application gaming machine permit	S	150.00	150.00
	Gaming machine permit existing	S	100.00	100.00
	Transfer of permit	S	25.00	25.00
	Machine Permit Annual Fee	S	50.00	50.00
	Variation Permit	S	100.00	100.00
	Change of Name	S	25.00	25.00
Copy of Permits			15.00	15.00
Copy of Licences			25.00	25.00
Unlicensed Family Entertainment Centre	New Application	S	300.00	300.00
	Renewal	S	300.00	300.00
	Change of Name	S	25.00	25.00
Licensing Act 2003 Alcohol & Regulated Entertainment				
Premises Licence New Grant/Variation	Band A (RV £0 - £4,300) *	S	100.00	100.00
	Band B (RV £4,301 - £33,000)*	S	190.00	190.00
	Band C (RV £33,001 - £87,000)*	S	315.00	315.00
	Band D (RV £87,001 - £125,000)*	S	450.00	450.00
	Band D x 2*	S	900.00	900.00
	Band E (RV £125,000+)*	S	635.00	635.00
	Band E x 3*	S	1,905.00	1,905.00
Premises Licence Annual Fee	Band A (RV £0 - £4,300) *	S	70.00	70.00
	Band B (RV £4,301 - £33,000)*	S	180.00	180.00
	Band C (RV £33,001 - £87,000)*	S	295.00	295.00
	Band D (RV £87,001 - £125,000)*	S	320.00	320.00
	Band D x 2*	S	640.00	640.00
	Band E (RV £125,000+)*	S	350.00	350.00
	Band E x 3*	S	1,050.00	1,050.00

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT	
Club Premises Certificate	Theft/loss etc.	S	10.50	10.50	
	Change of name/rules of club & change of registered address	S	10.50	10.50	
	Premises - duty to notify change of address	S	10.50	10.50	
Community Premises DPS condition removal			23.00	23.00	
Personal Licence					
	New Application	S	37.00	37.00	
	Change of name/address	S	10.50	10.50	
	Theft/loss etc.	S	10.50	10.50	
Premises Licence Miscellaneous					
	Transfer Premises Licence	S	23.00	23.00	
	Interim authority notice following death etc.	S	23.00	23.00	
	Minor Variation	S	89.00	89.00	
Provisional Statement					
	New Application	S	315.00	315.00	
Right of Freeholder/Notification of interest			21.00	21.00	
Temporary Event application (TEN)					
	New Application	S	21.00	21.00	
	Theft/loss etc.	S	10.50	10.50	

RV = Rateable Value

*Exemptions may be applicable & additional fee multipliers may apply for premises used for consumption primarily for the sale of alcohol or capacities over 5,000. Fees available upon request.

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT	
Taxi and Private Hire					
Drivers Licence/Badge 3 year Licence	Replacement badge	Non-S	20.00	20.00	**
	Replacement licence	Non-S	25.00	25.00	**
	Renewal	Non-S	140.00	140.00	**
	Disclosure & Barring Application	Non-S	44.00	44.00	**
	Replacement badge buddy	Non-S	1.50	1.50	**
Vehicle	New Plate	Non-S	99.00	99.00	**
	Renewal	Non-S	93.00	93.00	**
	Transfer of vehicle	Non-S	12.00	12.00	**
	Replacement licence	Non-S	22.00	22.00	**
	Replacement plate	Non-S	16.00	16.00	**
	Replacement bracket	Non-S	15.00	15.00	**
Private Hire Operators 5 Year Licence	New Application	Non-S	1,550.00	1,550.00	**
	Renewal 0 vehicle	Non-S	1,450.00	1,450.00	**
	Renewal 1 vehicle	Non-S	1,100.00	1,100.00	**
	Renewal 2 - 5 vehicle	Non-S	1,600.00	1,600.00	**
	Renewal 6 - 20 vehicle	Non-S	1,750.00	1,750.00	**
	Renewal 21 - 50 vehicle	Non-S	2,050.00	2,050.00	**
	Renewal 51 - 100 vehicle	Non-S	2,650.00	2,650.00	**
	Renewal 101 - 200 vehicle	Non-S	3,850.00	3,850.00	**
	Renewal 201 - 300 vehicle	Non-S	6,250.00	6,250.00	**
	Renewal 301 - 400 vehicle	Non-S	11,050.00	11,050.00	**
	Renewal 400+ vehicle	Non-S	20,650.00	20,650.00	**
	Payment Arrangement	Non-S	50.00	50.00	**
	Operator change of name	Non-S	220.00	220.00	**
New Private Hire Driver	Initial Appointment	Non-S	30.00	30.00	**
	Induction Day	Non-S	100.00	100.00	**
	Grant of 3 year licence	Non-S	190.00	190.00	**
	Induction re-take	Non-S	55.00	55.00	**
Miscellaneous	Recovery of returned cheque	Non-S	35.00	35.00	**

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT	
	Safety Awareness Course	Non-S	200.00	200.00	**
	Hackney Test	Non-S	55.00	55.00	**
Car Boots					
Registration Fee	1 - 50 pitches	Non-S	10.00	15.00	
	51 - 75 pitches	Non-S	25.00	30.00	
	76 - 100 pitches	Non-S	30.00	35.00	
	101 - 125 pitches	Non-S	35.00	40.00	
	126 - 150 pitches	Non-S	40.00	45.00	
	151 - 175 pitches	Non-S	45.00	50.00	
	176 - 200 pitches	Non-S	50.00	55.00	
	1 - 20 pitches	Non-S	Nil	nil	
Fee Per Event	21 - 50 pitches	Non-S	15.00	20.00	
	51 - 75 pitches	Non-S	20.00	25.00	
	76 - 100 pitches	Non-S	25.00	30.00	
	101 - 125 pitches	Non-S	30.00	35.00	
	126 - 150 pitches	Non-S	35.00	40.00	
	151 - 175 pitches	Non-S	40.00	45.00	
	176 - 200 pitches	Non-S	45.00	50.00	
Sex Shop/Entertainment Establishment					
Sex Establishments	Per Year	Non - S	750.00	750.00	**
Sex Entertainment Establishments	Per Year	Non - S	2,500.00	2,500.00	**
Street Trading					
Standard Area***					
Street Trading Standard Area	Trading 1 day per week	Non-S	240.00	240.00	
	Trading 2 days per week	Non-S	480.00	480.00	
	Trading 3 days per week	Non-S	720.00	720.00	
	Trading 4 days per week	Non-S	960.00	960.00	
	Trading 5 days per week	Non-S	1200.00	1200.00	
	Trading 6 days per week	Non-S	1440.00	1440.00	
	Trading 7 days per week	Non-S	1680.00	1680.00	
Premium Park					
Street Trading Premium Park	Trading 1 day per week	Non-S	300.00	300.00	
	Trading 2 days per week	Non-S	600.00	600.00	
	Trading 3 days per week	Non-S	900.00	900.00	
	Trading 4 days per week	Non-S	1200.00	1200.00	
	Trading 5 days per week	Non-S	1500.00	1500.00	
	Trading 6 days per week	Non-S	1800.00	1800.00	
	Trading 7 days per week	Non-S	2100.00	2100.00	
*** Standard Areas = Industrial Estates & Layby's. Street Trading is prohibited in town centre locations.					
Environmental Health					
Licences					
Animal Boarding Establishment	Issue of Annual Licence Traditional Border	S	175.00	175.00	
Animal Boarding Establishment	Issue of Annual Licence Domestic Border	S	150.00	150.00	
Dog Breeding	Licence Renewal	S	150.00	150.00	
Dog Breeding	Issue of New Licence	S	150.00	150.00	
Dangerous Wild Animal	Licence to Keep Certain Animals	S	300.00	300.00	
Pet Shops	Annual Licence	S	150.00	150.00	
Riding Establishment	Annual Licence	S	120 + Vet fees	120 + Vet fees	
Zoo Licence	Annual Licence	S	550 + vet fees	600.00	
Scrap Metal Dealers Licence (Site Licence)	3 Year Licence	S	325.00	325.00	
Scrap Metal Dealers Licence (Collectors Licence)	3 Year Licence	S	240.00	240.00	
Scrap Metal Dealers Licence (Variation to Licence)	As Required	S	65.00	65.00	
Scrap Metal Dealers Licence (Duplicate Licence issued)	As Required	S	15.00	15.00	
Tattooing, Ear Piercing, Acupuncturing, Electrolysis	Registration - one off fee	S	150.00	160.00	
Tattoo and Body Art Covention	Administration Fee (New for 2012/13) (Per Exhibitor)	S	40.00	50.00	

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT	
Fixed Penalties and Fines					
Smoke Free Areas					
	No Notice Displayed - Fixed Penalty Notice reduced to £150 if paid in 14 days	S	200.00	200.00	
	Maximum Fine on Conviction £1000				
	Smoke Free Areas - reduced to £30 if paid within 15 days	S	50.00	50.00	
Certificates & Statements					
Health Export Certificate					
	Within 3 working days of request	Non - S	85.00	90.00	
Environmental Searches	Urgent Rate	Non - S	125.00	130.00	
Consultancy	Contaminated Land etc	Non - S	85.00	90.00	
Statement and Legal Advice (Private Cases)	Hourly Rate	Non - S	85.00	90.00	
	Up to 5 Pages	Non - S	200.00	200.00	
	Additional Pages	Non - S	30.00	30.00	
Public Health / Environmental Protection Charges					
Funerals	LA Funerals - Claim to Banks / Treasury	S	550.00	550.00	
Drainage Works Filthy	Works in Default	S	45.00	45.00	
Private Drinking Water Supplies	Risk Assessment	S	500.00	500.00	
	Second Visit / Investigation / Authorisation	S	100.00	100.00	
	Analysing a Sample - Taken under Reg 10	S	25.00	25.00	
	Analysing a Sample - Taken during check monitoring	S	100.00	100.00	
	Analysing a Sample - Taken during audit monitoring	S	500.00	500.00	
Filthy & Verminous Premises	Works in Default	S	50.00	60.00	
Silencing of Alarms	Burglar, Car etc	S	50.00	60.00	
Domestic Noise	Seizure and Storage of Noise Equipment	S	240.00	250.00	
LA Environmental Regulations of Industrial Plant	LAPC / LAPPC / LA-IPPC Application for Permit / Renewal	S	set by DEFRA	set by DEFRA	
Animal Welfare Service					
Stray Dogs	Stray Dog Release Fee	Non - S	tbc	25.00	**
Fixed Penalties - to be approved at Cabinet					
Dogs	Dog Fouling (FPN) (discounted amount £50)	S	80.00	80.00	
Dogs	Dog Control (FPN) new for CN & E Act (discounted amount £50)	S	80.00	80.00	
Litter	Depositing Litter (discounted amount £50)	S	80.00	tbc	**
Litter	Failure to comply with street litter clearing notice (discounted amount £80)	S	100.00	tbc	**
Litter	Failure to comply with waste receptacle notice (discounted amount £75)	S	80.00	110.00	**
Litter	Unauthorised distribution of litter on designated land (discounted amount £75)	S	80.00	110.00	**
Litter and Waste	Failure to produce waste transfer note (waster's carriers licence)	S	300.00	300.00	**
Graffiti / Fly Posting	Graffiti and Fly Posting (discounted amount £75)	S	80.00	110.00	**
Noise	Failure to nominate key holder (discounted amount £50)	S	80.00	80.00	**
Noise	Noise from premises - dwelling (discounted amount £80)	S	100.00	100.00	**
Noise	Noise from premises - licenced premises	S	500.00	500.00	**
Parking (cars for sale)	Nuisance premises	S	100.00	100.00	**
Fly Tipping	FPN (discounted amount £300)	S	400.00	400.00	**
Photocopying and Printing					
	First A4 sheet	Non - S	3.50	4.00	
	Additional sheets	Non - S	0.50	0.50	
	A3	Non - S	3.75	4.00	
	Additional sheets	Non - S	0.50	0.50	
	Copying Statutory Notices	Non - S	25.00	30.00	
General	Copy of Taped Interview	Non - S	25.00	30.00	
Election Fees					
	Copy of Electoral Register				

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Electronic Version - Full Register (restricted sales)	S	£20 admin fee plus £1.50 per thousand entries (or part)	£20 admin fee plus £1.50 per thousand entries (or part)
	Electronic Version - Edited	S	£20 admin fee plus £1.50 per thousand entries (or part)	£20 admin fee plus £1.50 per thousand entries (or part)
	Paper Copy - Full Register (restricted sales)	S	£10 admin fee plus £5 per thousand entries (or part)	£10 admin fee plus £5 per thousand entries (or part)
	Paper Version - Edited	S	£10 admin fee plus £5 per thousand entries (or part)	£10 admin fee plus £5 per thousand entries (or part)
	Confirmation of Registration - Individual	Non - S	15.00	15.00
Borough Secretary				
	Certifying Foreign Pensions	Non - S	10.00	10.00
	Subject Access Request	S	0	0
	FOI time per hour (first 18 hrs free)	S	25.00	25.00
	Postage & Packing request documents		at cost	at cost
	Provision of CCTV Footage (redaction where necessary charged in addition to recover actual costs only)		36.50 (up to 1hr of footage)	36.50 (up to 1hr of footage)
	Provision of Additional CCTV Footage (per hr)		25.00	25.00
	Photocopying (per A4 side)		0.12	0.12 0.12
Planning				
All Outline Applications	Sites up to and including 2.5 Hectares	S	462.00 per 0.1 hectare	462.00 per 0.1 hectare
	Site exceeds 2.5 Hectares £8,285 plus £100 per 0.1 Hectares in excess of 2.5 Hectares to a maximum £125,000	S	11,432; and an additional £138 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum in total of £150,000	11,432; and an additional £138 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum in total of £150,000
Householder Applications	Alterations/Extensions to a single dwelling, including works within boundary (including flats)	S	206.00	206.00
Full Applications (and first submissions of reserved matters)	Alterations/Extensions to two or more dwellings, including works within boundaries	S	407.00	407.00
	New Dwellings (up to and including 50)	S	462.00 per dwelling	462.00 per dwelling
	New Dwellings (for more than 50) £19,049 plus £115 per additional dwelling to a maximum of £250,000	S	22,859 + 138 per additional dwelling over 50, subject to a maximum of 300,000	22,859 + 138 per additional dwelling over 50, subject to a maximum of 300,000
	Erection of buildings not dwellings, agricultural, glasshouses, plant nor machinery, no increase in gross floor space or no more than 40m²	S	234.00	234.00
	Erection of buildings not dwellings, agricultural, glasshouses, plant nor machinery, increase of gross floor space of more than 40m² but no more than 75m²	S	462.00	462.00

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Erection of buildings not dwellings, agricultural, glasshouses, plant nor machinery, increase of gross floor space of more than 75m² but no more than 3750m²	S	462.00 for each 75m² or part of	462.00 for each 75m² or part of
	Erection of buildings not dwellings, agricultural, glasshouses, plant nor machinery, increase of gross floor space of more than 3750m² - £19,049 plus £115 for each additional 75m^2 to a max of £250,000	S	22,859 plus 138 for each additional 75m² to a max of 300,000.	22,859 plus 138 for each additional 75m² to a max of 300,000.
	The erection of buildings on land used for agriculture purposes with a site area of no more than 465m²	S	96.00	96.00
	The erection of buildings on land used for agriculture purposes with a site area of more than 465m² but not more than 540m²	S	462.00	462.00
	The erection of buildings on land used for agriculture purposes with a site area of more than 540m² but no more than 4,215m² - £385 for first 540m² plus £385 for each 75m² or part thereof	S	462.00 for first 540m² plus 462.00 for each 75m² or part thereof	462.00 for first 540m² plus 462.00 for each 75m² or part thereof
	The erection of buildings on land used for agriculture purposes with a site area of more than 4,215m² - £19,049 plus £115 for each additional 75m² to a max of £250,000	S	22,859.00 plus 138.00 for each additional 75m² to a max of 300,000.	22,859.00 plus 138.00 for each additional 75m² to a max of 300,000.
	Erection of glasshouses on land used for the purposes of agriculture with a floor space no more than 465m²	S	96.00	96.00
	Erection of glasshouses on land used for the purposes of agriculture with a floor space more than 465m²	S	2,580.00	2,580.00
	Erection/Alterations/Replacement of plant and machinery on a site no more than 5 hectares	S	462.00 per 0.1 hectare	462.00 per 0.1 hectare
	Erection/Alterations/Replacement of plant and machinery on a site that exceeds 5 Hectares - £19,049 plus £115 per 0.1 Hectares in excess of 5 Hectares to a maximum £250,000	S	22,859.00 plus 138.00 per 0.1 Hectares in excess of 5 Hectares to a maximum 300,000.	22,859.00 plus 138.00 per 0.1 Hectares in excess of 5 Hectares to a maximum 300,000.
Applications other than Building Works				
	Car Parks, Service Roads or Other Accesses for existing uses	S	234.00	234.00
	Waste, Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals on a site no more than 15 hectares	S	234.00 for each 0.1 hectare or part thereof	234.00 for each 0.1 hectare or part thereof
	Waste, Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals on a site more than 15 hectares - £29,112 plus £115 per 0.1 hectare in excess of 15 hectares up to a maximum of £65,000	S	34,934.00 plus 138.00 per 0.1 hectare in excess of 15 hectares up to a maximum of 78,000.	34,934.00 plus 138.00 per 0.1 hectare in excess of 15 hectares up to a maximum of 78,000.
	Operations connected with Exploratory Drilling for oil or natural gas on a site no more than 7.5 hectares	S	508.00 per 0.1 hectare	508.00 per 0.1 hectare
	Operations connected with Exploratory Drilling for oil or natural gas on a site that exceeds 7.5 Hectares £28,750 plus £115 for each 0.1 Hectare in excess of 7.5 Hectares to a max £250,000	S	38,070.00 plus 151.00 for each 0.1 hectare in excess of 7.5 hectares to a max 300,000.	38,070.00 plus 151.00 for each 0.1 hectare in excess of 7.5 hectares to a max 300,000.
	Other operations - Winning and working of a site that does not exceed 15 Hectares	S	257.00 per 0.1 hectare	257.00 per 0.1 hectare

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Other operations - Winning and working of a site that exceeds 15 Hectares - £29,112 plus £115 for each additional 0.1 Hectare in excess of 15 Hectares up to £65,000	S	38,520.00 plus 151.00 for each additional 0.1 Hectare in excess of 15 Hectares up to 78,000.	38,520.00 plus 151.00 for each additional 0.1 Hectare in excess of 15 Hectares up to 78,000.
	Operations (other than exploratory drilling) for the winning and working of oil and natural gas with a site area of not more than 15 hectares	S	234.00 per 0.1 hectare (or part thereof)	234.00 per 0.1 hectare (or part thereof)
	Operations (other than exploratory drilling) for the winning and working of oil and natural gas with a site area more than 15 hectares	S	38,520.00 plus 151.00 for each 0.1 in excess of 15 hectare up to a maximum of 78,000	38,520.00 plus 151.00 for each 0.1 in excess of 15 hectare up to a maximum of 78,000
	Other operations not coming within any of the above categories	S	234.00 for each 01. hectare (or part thereof) up to a maximum of 2,028.00	234.00 for each 01. hectare (or part thereof) up to a maximum of 2,028.00
Advertisement				
	Advertisement relating to business on the premises	S	132.00	132.00
	Advance signs which are not situated on or visible from the site, directing the public to a business	S	132.00	132.00
	All other advertisements	S	462.00	462.00
Lawful development certificates				
	LDC - Existing use - in breach of a planning condition	S	Same as Full	Same as Full
	Existing use LDC - lawful not to comply with a particular condition	S	234.00	234.00
	LDC - Proposed Use	S	Half normal planning fee	Half normal planning fee
Prior Approval	Agricultural / Forestry buildings & operations or demolition of buildings	S	96.00	96.00
	Communications (previously refferred to as 'Telecommunications Code System Operations')	S	462.00	462.00
	Proposed Change of Use to State Funded School or Registerd Nursery	S	96.00	96.00
	Proposerd Change of Use of Agricultural Building to a State-Funded School or Registered Nursery	S	96.00	96.00
	Proposed Change of Use of Agricultural Building to a flexible use within Shops, Financial and Professional services, restaurants and Cafes, Business, Storage or Distribution, Hotels, or Assembly or Leisure	S	96.00	96.00
	Proposed Changes of Use of Agricultural Building to a Dwellinghouse (Use Class C3), and Associated Building Operations	S	206.00	206.00
	Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a Mixed Retail and residential Use to a use falling within Use Class C3 (Dwellinghouse), where there are **NO** Associated Building Operations	S	96.00	96.00

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a Mixed Retail and residential Use to a use falling within Use Class C3 (Dwellinghouse), and Associated Building Operations	S	206.00	206.00
	Notification for Prior Approval for a Change Of Use from Storage or Distribution Buildings (Class B8) and any land within its curtilage to Dwellinghouse (Class C3)	S	96.00	96.00
	Notification for Prior Approval for a Change of Use from Amusement Arcades/Centres and Casions, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3)	S	96.00	96.00
	Notification for Prior Approval for a Change of Use from Amusement Arcades/Centres and Casions, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3) and Associated Building Operations	S	206.00	206.00
	Notification for Prior Approval for a Change of Use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to restaurants and Cases (Class A3)	S	96.00	96.00
	Notification for Prior Approval for a Change of Use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to restaurants and Cases (Class A3), and Associated Building Operations	S	206.00	206.00
	Notification for Prior Approval for a Change of Use from Shops (Class A1) and Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops (Sui Generis Uses) to Assembly and Leisure Uses (Class D2)	S	96.00	96.00
	Notification for Prior Approval for a Development Consisting of the Erection or Constuction of a Collection Facility within the Curtilage of a Shop	S	96.00	96.00
	Notification for Prior Approval for the Temporary Use of Buildings or Land for the Purpose of Commercial Film-Making and the Associated Temproary Structures, Works, Plant or Machinery required in Connection with that Use	S	96.00	96.00
	Notification for the Prior Approal for the Installation, Alteration or Replacement of other Solar Photovoltaics (PV) equipment on the roofs of Non-domestic Buildings, up to a Capacity of 1 Megawatt	S	96.00	96.00
Reserved Matters	Application for approval of reserved matters following outline approval - Full Fee due, or if already paid then £462 due	S	Full fee due or if full fee already paid then 462.00 due	Full fee due or if full fee already paid then 462.00 due
Approval/ Variation/ Discharge of Condition	Application for removal or variation of a condition following grant of planning permission	S	234.00	234.00
	Request for confirmation that one or more planning conditions have been complied with	S	34.00	34.00
	Request for confirmation that one or more planning conditions have been complied with	S	116.00	116.00

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
Change of use of a building				
	Change of use of a building to use as one or more separate dwelling houses, or other cases, no more than 50 dwellings	S	462.00 for each	462.00 for each
	Change of use of a building to use as one or more separate dwelling houses, or other cases, where change of use exceeds 50 dwelling houses	S	22,859 plus 138.00 each for each additional dwelling house up to a maximum of 300,000	22,859 plus 138.00 each for each additional dwelling house up to a maximum of 300,000
	Other changes of use, other material change of use of a building or land	S	462.00	462.00
Change of Use or Householder Development in areas where Permitted Development rights have been removed through an Article 4 Notice	Change of use from Dwellinghouse (Use Class C3) to Houses in Multiple Occupation (Use Class C4)	S	462.00	462.00
	Alterations/extensions to a **single dwellinghouse** , including works within boundary	S	206.00	206.00
Application for a Non-material Amendment Following a Grant of Planning Permission	Applications in respect of householder developments	S	34.00	34.00
	Applications in respect of other developments	S	234.00	234.00
Application for Permission in Principle (valid from 1 June 2018)	Site area	S	402.00 for each 0.1 hectare (pr part therof)	402.00 for each 0.1 hectare (pr part therof)
Copy of decision notice		Non - S	27.50	28.50
Copy Tree Preservation order		Non - S	27.50	28.50
Copy of Appeal Decision Notice		Non - S	27.50	28.50
Copy of Enforcement Notices		Non - S	27.50	28.50
Copy of Section 106		Non - S	55.00	57.00
Photocopying				
A4	per sheet	Non - S	1.50	1.60
A3	per sheet	Non - S	2.00	2.20
A2	per sheet	Non - S	6.00	6.50
A1	per sheet	Non - S	8.00	8.50
A0	per sheet	Non - S	15.00	16.00
Ordnance Survey Extracts	Set of 6 A4 extracts of 1:500 scale	Non - S	35.00	37.50
	Set of 6 A4 extracts of 1:1250 scale	Non - S	35.00	37.50
	Set of 6 A4 extracts of 1:2500 scale	Non - S	35.00	37.50
Planning Policy Documents	Consultants' Reports	Non - S	POA	POA
	Local Plans various stages of development and all supporting documents	S & Non-S	POA	POA
Pre-Application Advice	Largescale Major Developments	Non - S	POA	POA
	Other Major Development Dwellings	Non - S	15% of fee	15% of fee
	Other Major Development Offices/Research and Development/Light industry	Non - S	15% of fee	15% of fee
	Other Major Development Heavy Industry/Storage/Warehousing	Non - S	15% of fee	15% of fee
	Other Major Development Retail, Distribution and Servicing	Non - S	15% of fee	15% of fee
	All other major development	Non - S	15% of fee	15% of fee

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Minor Development 1 dwelling	Non - S	75.00	80.00
	Minor Development 2-5 dwellings	Non - S	250.00	260.00
	Minor Development 6-9 dwellings	Non - S	450.00	465.00
	All other Minor Development	Non - S	15% of fee	15% of fee
	Change of Use to House in Multiple Occupation	Non - S	110.00	125.00
	Change of Use	Non - S	75.00	80.00
	Householder Developments	Non - S	35.00	37.50
	Advertisements	Non - S	35.00	37.50
	Listed Building Consent to alter/extend/demolish	Non - S	110.00	125.00
	Conservation Area Consents	Non - S	110.00	125.00
	Meetings and/or Site Visits (per 30 Minutes) in addition to the pre-application charge applicable above	Non - S	95.00	100.00
Request for current use of property	All Properties	Non - S	POA	POA
Other Ancillary Charges	Householder Enquiries	Non - S	POA	POA
	Permitted Development Enquiries (other)	Non - S	25.00	26.00
	History and Investigation	Non - S	95.00 per half hr	100 per half hr
	Other (not included in the above)	Non - S	95.00 per half hr	100 per half hr
Planning Performance Agreement	Individual Cases	S	negotiable on an individual case	negotiable on an individual case
	Return Invalid Planning Application Fee	Non - S	50.00	50.00
Building Control				
New Dwellings up to 300m²:				
Number of Dwellings 1 to 2 Dwellings as set out				
1	Plan Charge	S	147.2	147.2
1	Inspection Fee	S	441.63	441.63
1	Building Notice Charge	S	647.7	647.7
1	Regularisation Charge	S	686.97	686.97
2	Plan Charge	S	182.26	182.26
2	Inspection Fee	S	546.77	546.77
2	Building Notice Charge	S	801.92	801.92
2	Regularisation Charge	S	850.53	850.53
For Three or more dwellings, or if the floor area of the dwellings exceeds 300m², the charge is individually determined				
Detached garage of car port up to 40m²	Plan Charge	S	240.34	240.34
	Inspection Fee	S	Included in Plan Charge	Included in Plan Charge
	Building Notice Charge	S	265.2	265.2
	Regularisation Charge	S	260.36	260.36
Attached single storey extension of garage or car port up to 40m²	Plan Charge	S	120	120
	Inspection Fee	S	140.36	140.36
	Building Notice Charge	S	260.36	260.36
	Regularisation Charge	S	282.06	282.06
Domestic extension up to 10m²	Plan Charge	S	120	120
	Inspection Fee	S	220.48	220.48
	Building Notice Charge	S	340.48	340.48
	Regularisation Charge	S	368.85	368.85
Domestic extension 10m² to 40m²	Plan Charge	S	120	120
	Inspection Fee	S	308.6	308.6
	Building Notice Charge	S	428.6	428.6
	Regularisation Charge	S	464.32	464.32
Domestic extension 40m² to 100m²	Plan Charge	S	120	120
	Inspection Fee	S	420.76	420.76
	Building Notice Charge	S	540.76	540.76
	Regularisation Charge	S	585.82	585.82

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
A minimum charge for rooms in the roof is	Plan Charge	S	120	120
	Inspection Fee	S	288.58	288.58
	Building Notice Charge	S	408.58	408.58
	Regularisation Charge	S	442.62	442.62
A Minimum charge for rooms in the roof with dormer	Plan Charge	S	120	120
	Inspection Fee	S	343	343
	Building Notice Charge	S	463	463
	Regularisation Charge	S	501.63	501.63
Conversion of a habitable room(s)	Plan Charge	S	60	60
	Inspection Fee	S	200.36	200.36
	Building Notice Charge	S	260.36	260.36
	Regularisation Charge	S	282.06	282.06
The introduction of insulation as part of a re-roof work, re-rendering/plastering and replacement ground floors that does not include changes to structural members	Plan Charge	S	200.28	200.28
	Inspection Fee	S	Included in Plan Charge	Included in Plan Charge
	Building Notice Charge	S	200.28	200.28
	Regularisation Charge	S	216.97	216.97
Domestic external window & door replacements (up to 5)	Building Notice Charge	S	160.22	160.22
	Regularisation Charge	S	173.58	173.58
Domestic external window & door replacements (over 5)	Building Notice Charge	S	To be individually determined	To be individually determined
	Regularisation Charge	S	To be individually determined	To be individually determined
Domestic Internal Alterations, installation of fittings and/or structural work				
Estimated Cost of Building Works £				
0 - 2,000	Plan Charge	S	160.22	160.22
	Building Notice Charge	S	160.22	160.22
	Regularisation Charge	S	173.58	173.58
2,001 - 5,000	Plan Charge	S	200.38	200.38
	Building Notice Charge	S	200.38	200.38
	Regularisation Charge	S	216.97	216.97
For schemes exceeding £5,000 estimated contract price the charge is individually determined				
Charges for all Non-Domestic Building Work				
Estimated Cost of Building Works £				
0 - 2,000	Plan Charge	S	200.28	200.28
	Building Notice Charge	S	200.28	200.28
	Regularisation Charge	S	216.97	216.97
2,001 - 5,000	Plan Charge	S	240.34	240.34
	Inspection Fee	S		
	Building Notice Charge	S	240.34	240.34
For schemes exceeding £5,000 estimated contract price the charge is individually determined				
Electrical Work - minimum charge when not carried out in conjunction		Non - S	198	198
	Regularisation Charge	Non - S	214.5	214.5
Fees for Dealing with Dangerous Structures				
Surveyors Mileage Costs		Non - S	45p per mile	45p per mile

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
Surveyors Time Costs		Non - S	Between £20.00 to £31.00 per hour	Between £20.00 to £31.00 per hour
Administration		Non - S	51	51
Cost of work to make structure safe will depend on the amount and type of work involved				
Exempt Building Certificate		S	29	29
Retrieval of Plans to enable copies of Certificates to be issued		Non - S	30.5	30.5
Copies of Certificates	Per Copy	Non - S	10	10
To view Historic / Stored Files		Non - S	214	214
Letters of Confirmation of works carried out if files not available		Non - S	46	46
Street Naming and Numbering Charges				
Existing Properties				
House Name Change		S	63	63
New Properties				
Numbering / Naming	1 - 5 Plots	S	185	185
	6 - 25 Plots	S	296	296
	26 - 75 Plots	S	700	700
	76+ Plots	S	945	945
Additional charge where this includes Naming of a Building (e.g. Block of Flats)		S	126	126
Existing Streets				
Renaming of Street where requested by residents		S	220.50 plus 21.00 per property	220.50 plus 21.00 per property
New Streets				
Additional Charge to House Numbering where this includes naming of street	Per Street	S	152	152
Amendments to Schedule				
Amending Schedule of development already issued following plot change by developer	Per Plot Affected	S	39	39
Guildhall Room Hire				
Mon - Fri. 8am till 8.30pm per hr	Great Hall	Non - S	63.00	66.00
	Court Room	Non - S	42.00	44.00
	Ceremony Room (Mon-Fri after 6pm)	Non - S	26.25	27.56
	Dressing Rooms (2) (to be booked with hall only)	Non - S	21.00	22.05
	Jeyes Room	Non - S	26.25	44.00
	Gallery Room	Non - S	26.25	27.56
	Godwin Room	Non - S	26.25	27.56
	Council Chambers	Non - S	42.00	44.00
	Jeffery Room	Non - S	42.00	44.00
	Holding Room	Non - S	26.25	27.56
	Courtyard & Cloister (Mon-Fri after 6pm & Sat)	Non - S	31.50	33.00
	Mezzanine Area (Mon-Fri after 6pm & Sat)	Non - S	31.50	33.00
	OSS Reception Area (Mon-Fri after 5.30pm and Sat)	Non - S	31.50	33.00
Mon - Fri. per hr after 8.30pm	Great Hall	Non - S	108.00	113.00
	Court Room	Non - S	72.00	75.60
	Ceremony Room (Mon-Fri after 6pm)	Non - S	72.00	75.60

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Dressing Rooms (2) (to be booked with hall only)	Non - S	24.00	22.05
	Jeyes Room	Non - S	72.00	75.60
	Gallery Room	Non - S	72.00	75.60
	Godwin Room	Non - S	72.00	75.60
	Council Chambers	Non - S	72.00	75.60
	Jeffery Room	Non - S	72.00	75.60
	Holding Room	Non - S	72.00	75.60
	Courtyard & Cloister (Mon-Fri after 6pm & Sat)	Non - S	60.00	63.00
	Mezzanine Area (Mon-Fri after 6pm & Sat)	Non - S	60.00	63.00
	OSS Reception Area (Mon-Fri after 5.30pm and Sat)	Non - S	60.00	63.00
Saturdays per hr	Great Hall	Non - S	108.00	113.00
	Court Room	Non - S	72.00	75.60
	Ceremony Room (Mon-Fri after 6pm)	Non - S	72.00	75.60
	Dressing Rooms (2) (to be booked with hall only)	Non - S	24.00	22.05
	Jeyes Room	Non - S	72.00	75.60
	Gallery Room	Non - S	72.00	75.60
	Godwin Room	Non - S	72.00	75.60
	Council Chambers	Non - S	72.00	75.60
	Jeffery Room	Non - S	72.00	75.60
	Holding Room	Non - S	72.00	75.60
	Courtyard & Cloister (Mon-Fri after 6pm & Sat)	Non - S	60.00	63.00
	Mezzanine Area (Mon-Fri after 6pm & Sat)	Non - S	60.00	63.00
	OSS Reception Area (Mon-Fri after 5.30pm and Sat)	Non - S	60.00	63.00
Sundays & Bank Hols Per hr	Great Hall	Non - S	152.25	160.00
	Court Room	Non - S	105.00	110.00
	Ceremony Room (Mon-Fri after 6pm)	Non - S	105.00	110.00
	Dressing Rooms (2) (to be booked with hall only)	Non - S	21.00	22.05
	Jeyes Room	Non - S	105.00	110.00
	Gallery Room	Non - S	105.00	110.00
	Godwin Room	Non - S	105.00	110.00
	Council Chambers	Non - S	105.00	110.00
	Jeffery Room	Non - S	105.00	110.00
	Holding Room	Non - S	105.00	110.00
	Courtyard & Cloister (Mon-Fri after 6pm & Sat)	Non - S	105.00	110.00
	Mezzanine Area (Mon-Fri after 6pm & Sat)	Non - S	105.00	110.00
	OSS Reception Area	Non - S	105.00	110.00
Investors Suite Room Hire	Investors Suite Room Hire Per Day	Non - S	250.00	262.50
	Investors Suite Room Hire Per Half Day	Non - S	150.00	157.50
Wedding Ceremony Rates	Great Hall	Non - S	787.50	826.00
	Court Room	Non - S	525.00	551.00
	Council Chamber	Non - S	525.00	551.00
	Holding Room	Non - S	420.00	441.00
	Great Hall (Sundays & Bank Holidays)	Non - S	1575.00	1652.00
	Court Room (Sundays & Bank Holidays)	Non - S	1050.00	1102.00
	Council Chamber (Saturday & Bank Holidays)	Non - S	1050.00	1102.00
	Holding Room (Sundays & Bank Holidays)	Non - S	840.00	882.00
Reception Prices	The Spencer Package	Non - S	1995.00	2094.00
	The Jeffery Package	Non - S	1417.50	1488.00
	The Tilley Package	Non - S	997.50	1047.00
	The Godwin Package	Non - S	480.00	504.00
Museum Service				
Abington Park Museum	Great Hall/Function Room Hire Core Day Time Rates			
	Monday/Friday and Saturday/Sunday, One Room half day: 9am - 1pm or 1pm - 5pm	Non - S	250	250
	Monday/Friday and Saturday/Sunday, Both Rooms half day: 9am - 1pm or 1pm - 5pm	Non - S	450	450

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Monday/Friday and Saturday/Sunday, One Room full day: 9am - 5pm	Non - S	450	450
	Monday/Friday and Saturday/Sunday, Both Rooms full day: 9am - 5pm	Non - S	600	600
	Tuesday - Thursday, One Room half day: 9am - 1pm or 1pm - 5pm	Non - S	350	350
	Tuesday - Thursday, Both Rooms half day: 9am - 1pm or 1pm - 5pm	Non - S	550	550
	Tuesday - Thursday, One Room full day: 9am - 5pm	Non - S	550	550
	Tuesday - Thursday, Both Rooms full day: 9am - 5pm	Non - S	800	800
	20% discount applies to registered charities			
Abington Park Museum	Great Hall/Function Room Hire			
	Core Evening offer			
	Monday to Sunday Early evening 5pm - 8pm	Non - S	270.00	270.00
	Monday to Sunday Late evening 6pm - 11pm	Non - S	450.00	450.00
	Additional hourly daytime rate before 1pm	Non - S	62.50 per hour	62.50 per hour
	Additional hourly evening up to midnight outside core offer	Non - S	90 per hour	90 per hour
	Additional hourly evening rate after midnight outside core offer	Non - S	110 per hour	110 per hour
	20% discount applies to registered charities			
	Table hire and cloth hire - all orders incur an additional £17 delivery charge			
	6ft circular table seats up to 8	Non - S	8.70 each	8.70 each
	4ftcircular seats up to 6	Non - S	5.10 each	5.10 each
	118" cloth fits 6ft circular table	Non - S	9.54	9.54
	90" cloth fits 4ft circular table	Non - S	6.90	6.90
Abington Park Museum	Wedding ceremonies			
	Sunday to Thursday one room 2 hours	Non - S	750.00	750.00
	Sunday - Thursday additional hours	Non - S	250 hour	250 hour
	Sunday - Thursday Full day (from 11am - 11pm)	Non - S	2,000.00	2,000.00
	Friday one room 2 hours	Non - S	1,000.00	1,000.00
	Friday additional hours	Non - S	350.00	350.00
	Friday Full day (from 11am - 11pm)	Non - S	3,000.00	3,000.00
	Saturday one room 2 hours	Non - S	1,250.00	1,250.00
	Saturday additional hours	Non - S	450.00	450.00
	Saturday Full day (from 11am - 11pm)	Non - S	4,500.00	4,500.00
	Refreshments	Non - S	1.80	1.80
Talks	Talks	Non - S	65 plus travel costs	65 plus travel costs
Image Reproduction	Prints (Colour or Monochrome) from existing digital images			
	A4	Non - S	30 each	30 each
	A3	Non - S	36 each	36 each
	A2	Non - S	72 each	72 each
	A1	Non - S	108 each	108 each
	AO	Non - S	180 each	180 each
	High resolution digital image from existing digital images	Non - S	36 each	36 each
	Books			
	Print run up to 1000 units single country inner page	Non - S	36	36
	Print run up to 1000 units single country cover page	Non - S	72	72
	Print run over 1000 units single country inner page	Non - S	72	72
	Print run over 1000 units single country cover page	Non - S	240	240
	Print run over 1000 units world inner page	Non - S	120	120
	Print run over 1000 units world cover page	Non - S	360	360
	Magazines and newspapers (inc web use for same feature)			
	Local - inner page	Non - S	36	36
	Local - cover page	Non - S	72	72

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	National - inner page	Non - S	96	96
	National - cover page	Non - S	240	240
	Television (cable, digital, satellite, terrestrial & web streaming / on-demand)			
	Provincial broadcast (two broadcasts)	Non - S	60	60
	Single country broadcast (two broadcasts)	Non - S	120	120
	World broadcast (two broadcasts)	Non - S	180	180
	5 year buyout	Non - S	300	300
	All retail DVD, Blu-Ray and direct pay per view will require a five year buyout rights)			
	Commercial Web, Product & Site use (eg display panels, exhibition guides, greeting cards, stationery etc)			
	One time use, local business	Non - S	90	90
	One time use, Non local business	Non - S	150	150
	5 year buyout	Non - S	300	300
	Images for use in exhbiition guides that are not for commercial gain can be utilised free of charge, subject to reasonable use. Where images are used in conjunction with an exhibition where income will be made, the above charges will apply.			
	Prices are exclusive of delivery charge			
	Creating new digital images (where images don't already exist in our library but can be made from our objects in our museum collections)			
	Scanning	Non - S	18	18
	In-house photography	Non - S	36	36
	External photography	Non - S		
	Delivery charges (for print and digital images)			
	By email of FTP	Non - S	Free	Free
	By CD	Non - S	7 per disc	7 per disc
	UK/International 0-25	Non - S	1.5	1.5
	UK/International 0-25	Non - S	3	3
	UK 25+	Non - S	3	3
	International 25+	Non - S	6	6
	In additional, all overseas orders (to cover payment costs)	Non - S	15	15
Learning Sessions	Onsite Learning sessions at Abington Park Museum, max number of pupils 35			
	History of shoes KS1 & 2 - 1.5 hours	Non - S	80	80
	Shoemaking KS2 - 1.5 hours	Non - S	92	92
	Stone Age to Iron Age KS1 & 2 - 1.5 hours	Non - S	80	80
	Archaeological Dig KS1 & 2 - 1.5 hours	Non - S	80	80
	Anglo Saxon and Viking Life KS2 - 1.5 hours	Non - S	80.00	80.00
	Toys Reception/KS1 - 1.5 hours	Non - S	80.00	80.00
	Homes in the Past KS 1 & 2 - 1.5 hours	Non - S	80.00	80.00
	Ancient Egyptians KS2 - 2 hours	Non - S	110.00	110.00
	Investigating the Victorians KS1 & 2 - 1.5 hours	Non - S	80.00	80.00
	Museum Outreach Sessions: each outreach visit lasts 2 hours & is for 2 classes of 35 pupils, one hour for each class			
	Additional classes can be booked on the same day: 1 class of up to 35 pupils - 1 hour £65; 2 classes up to 70 pupils - 2 hours £85			
	Romans/Archaeology	Non - S	105 plus mileage	105 plus mileage
	Tudors	Non - S	106 plus mileage	106 plus mileage
	Victorians	Non - S	107 plus mileage	107 plus mileage
	World War Two	Non - S	108 plus mileage	108 plus mileage
	Shoemaking	Non - S	109 plus mileage	109 plus mileage
	Toys	Non - S	110 plus mileage	110 plus mileage
	Museum Loans Boxes price for up to half a term (approx 6 weeks)			
	In our Shoes	Non - S	55.00	55.00
	Shoe Chests	Non - S	55.00	55.00

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Toys	Non - S	55	55
	Wooden Toys - Mini Box	Non - S	25	25
	The Victorian Child	Non - S	55.00	55.00
	The Victorian Home	Non - S	55.00	55.00
	The Second World War - Evacuee Suitcase	Non - S	55.00	55.00
	Second World War - The Home Front	Non - S	55.00	55.00
	Second World War - Soldier	Non - S	55.00	55.00
	World Culture Boxes	Non - S	55.00	55.00
	Medicine Through Time	Non - S	55.00	55.00
Car Parks ****				
Charges	Up to 1 hour	Non - S	0.60	2.00
	Up to 1 hour (MSCP only)		Free	Free
	Up to 2 hours	Non - S	1.20	2.00
	Up to 2 hours (MSCP only)		Free	Free
	Up to 3 hours	Non - S	2.40	4.00
	Up to 4 hours	Non - S	3.20	4.00
	Up to 5 hours	Non - S	4.00	4.00
	All Day	Non - S	8.00	8.00
	Evening*	Non - S	1.00	3.00
	Overnight*	Non - S	2.50	3.00
	Saturdays (MSCP only)		2.00	2.00
	Sunday	Non - S	2.00	2.00
	Coaches	Non - S	8.00	8.00
	* Selected Car Parks Only			
	Monthly - 7 day	Non - S	120.00	120.00
	Annual - 7 day	Non - S	1,296.00	1,296.00
Permits	Town Centre Annual Parking Permits	Non - S	360.00	360.00
	Commuter Permits	Non - S	600.00	600.00

**** Note that car parking charges are subject to a Cabinet decision on 20th February, and may change depending on the outcome of that Cabinet meeting.

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
Market Stall Rents				
Permanent Trader Rates				
Winter Rates				
Standard	Tues - Thurs	Non - S	7.00	7.00
	Fri	Non - S	10.00	10.00
	Sat	Non - S	15.00	15.00
1st Class	Tues & Weds	Non - S	9.50	9.50
	Thurs	Non - S	9.00	9.00
	Fri	Non - S	12.50	12.50
	Sat	Non - S	17.50	17.50
2nd Class	Tues & Weds	Non - S	8.50	8.50
	Thurs	Non - S	7.00	7.00
	Fri	Non - S	11.50	11.50
	Sat	Non - S	16.50	16.50
Summer Rates				
Standard	Tues - Weds	Non - S	10.00	10.00
	Thurs	Non - S	8.00	8.00
	Fri	Non - S	12.00	12.00
	Sat	Non - S	25.00	25.00
1st Class	Tues & Weds	Non - S	16.00	16.00
	Thurs	Non - S	10.00	10.00
	Fri	Non - S	18.00	18.00
	Sat	Non - S	31.00	31.00
2nd Class	Tues & Weds	Non - S	14.50	14.50
	Thurs	Non - S	8.00	8.00
	Fri	Non - S	16.50	16.50
	Sat	Non - S	29.50	29.50
Casual Trader Rates				
Winter Rates				
Standard	Tues - Thurs	Non - S	10.00	10.00

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
	Fri	Non - S	12.00	12.00
	Sat	Non - S	20.00	20.00
1st Class	Tues & Weds	Non - S	12.50	12.50
	Thurs	Non - S	12.00	12.00
	Fri	Non - S	14.50	14.50
	Sat	Non - S	22.50	22.50
2nd Class	Tues & Weds	Non - S	11.50	11.50
	Thurs	Non - S	10.00	10.00
	Fri	Non - S	13.50	13.50
	Sat	Non - S	21.50	21.50
Summer Rates				
Standard	Tues - Weds	Non - S	12.00	12.00
	Thurs	Non - S	10.00	10.00
	Fri	Non - S	18.00	18.00
	Sat	Non - S	30.00	30.00
1st Class	Tues & Weds	Non - S	18.00	18.00
	Thurs	Non - S	12.00	12.00
	Fri	Non - S	24.00	24.00
	Sat	Non - S	36.00	36.00
2nd Class	Tues & Weds	Non - S	16.50	16.50
	Thurs	Non - S	10.00	10.00
	Fri	Non - S	22.50	22.50
	Sat	Non - S	34.50	34.50
Housing Fees				
Mandatory, and Additional, HMO Licence - Standard Fee	Processing Application & Granting of Licence for Mandatory/Additional HMO (5 Year Term) for upto 5 persons. For each additional person the fee will increase by £30	Non -S	735.00	1500.00 plus £40.00 for each additional person
Mandatory, and Additional, HMO Licence - If applied for on time	Processing Application & Granting of Licence for Mandatory/Additional HMO (5 Year Term) for upto 5 persons. For each additional person the fee will increase by £30	Non -S	585.00	1020.00 plus £40.00 for each additional person
Mandatory, and Additional, HMO Licence - If applied for before it expires	Processing Application & Granting of Licence for Mandatory/Additional HMO (5 Year Term) for upto 5 persons. For each additional person the fee will increase by £30	Non -S	535.00	900.00 plus £40.00 for each additional person
Licensable HMO's	Cost of Officer Attendance to help complete the Online Application	Non - S	65.00	75.00 + VAT
Licensable HMO's	Pre-Application Inspection. Will be charged for missed, or cancelled, inspections where 24 hours notice has not been given	Non - S	65.00	150.00 + VAT for pre-inspection. 75.00 for missed or cancelled inspection
Licensable HMO's	Variation to a licence	Non - S	105.00	120.00
All privately owned Properties (including Empty homes)	Cost if served with a Suspended Improvement Notice, an Improvement Notice, a Prohibition Order or take Emergency Remedial Action	Non - S	420.00	450.00
All privately owned Properties (including Empty homes)	Cost if served with an Emergency Prohibition Order	Non - S	475.00	500.00
All privately owned Properties (including Empty homes)	Cost to consider a revocation request to remove a Prohibition/Emergency Prohibition Notice	Non - S	210.00	225.00
Immigration	Request for Letter confirming property is satisfactory for intended immigrant	Non - S	210.00	225.00 + VAT
Housing Act - Enforcement	Charging for taking Enforcement Action including works in default	S	Cost of work plus £260 or 15%, whichever is the greater	Cost of work plus either 300.00 or 15% whichever is the greater
Viewing of Registers	Free Office Viewing or Internet (where applicable) – charge for copy and for Officer time if this exceeds 30 mins	Non - S	Excluding the first 30 minutes (which is free) the cost of Officer Attendance is £65 an hour or part thereof.	Excluding the first 30 minutes (which is free) the cost of Officer Attendance is 75.00 + VAT an hour or part thereof.
RSL Framework	Registration	Non - S	NPH	NPH
Choice Based Lettings	Flat rate charge for Advertising a Property	Non - S	NPH	NPH
Travellers Site Charges	Pitch Fee	Non - S	56.65 per week	56.65 per week
	Water	Non - S	10.30 per week	10.30 per week
Land Charges				
Standard Fees	Official LLC1 + CON29 enquiries search	Non - S	108.00	108.00
	Official LLC1 only certificate of search	Non - S	48.00	48.00

Fees & Charges

Appendix 8

Activity / Item	Basis	Statutory / Non-Statutory	2018/19 Value inc VAT	2019/20 Value inc VAT
Non Standard Fees	CON29O enquiries - question 4-22 inclusive when submitted with accompanying CON29R - each	Non - S	18.00	18.00
	CON29O enquiries submitted without an accompanying CON29R - additional admin fee (plus £15 per question)	Non - S	13.20	13.20
	Additional enquiries - each	Non - S	24.00	24.00
Additional Parcel Fees	CON29R additional parcels of land	Non - S	12.60	12.60
	LLC1 additional parcel fee (up to an additional 16 parcels)	Non - S	1.00	1.00
Personal Search Fees	Personal search	Non - S	0.00	0.00
	Personal search - additional parcels of land (up to an additional 16 parcels)	Non - S	0.00	0.00
Unrefined CON29R (Raw) data enquiries	Q1.1 (f-h)	Non - S	24.00	24.00
	Q3.7 (a-d, f); Q3.8; Q3.9	Non - S	2.40	2.40
	Q3.10; Q3.11	Non - S	1.20	1.20

Notes

Non S - Non Statutory
S - Statutory function
** - Licence fees highlighted with an asterisks are subject to change pending licensing committee decision

Budget Consultation 2019/20 – Summary Results

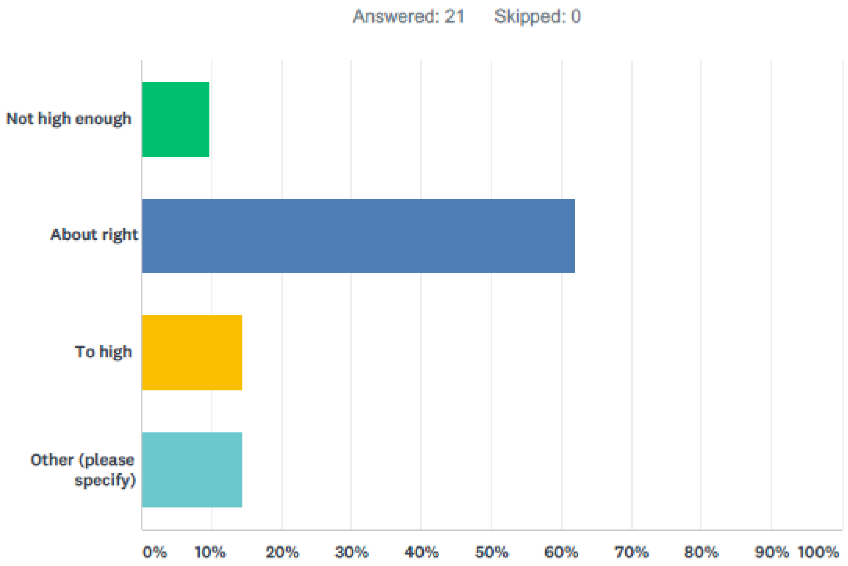
1. Introduction

1.1. Public consultation on the 2019/20 draft budget was launched on the 21 December 2018. This included an online consultation questionnaire that was open until 1st February 2019. Paper questionnaires were also available on request. In addition a public meeting was held on 5th February 2019. The consultation period will formally close on the date the budget is approved in February 2019.

1.2. This appendix contains the summary results to the draft budget 2019/20 consultation. They will be used to by the Council as part of the process for informing priorities for the Council's Corporate Plan and for setting a balanced budget (including a capital programme).

2. Consultation questions

Q1 Northampton Borough Council is proposing a small increase in council tax in its draft budget proposals for 2019/20. This is consistent with the increase in the last year, 2018/19. We are proposing to increase council tax for all households by 2.99%. This will be the equivalent for a band D household of £6.56 per year / 12.6p per week. Doing this raises an estimated additional £448,000 in 2019/20, and this enables the Council to continue to deliver value for money services in the future. Do you think that this increase is?



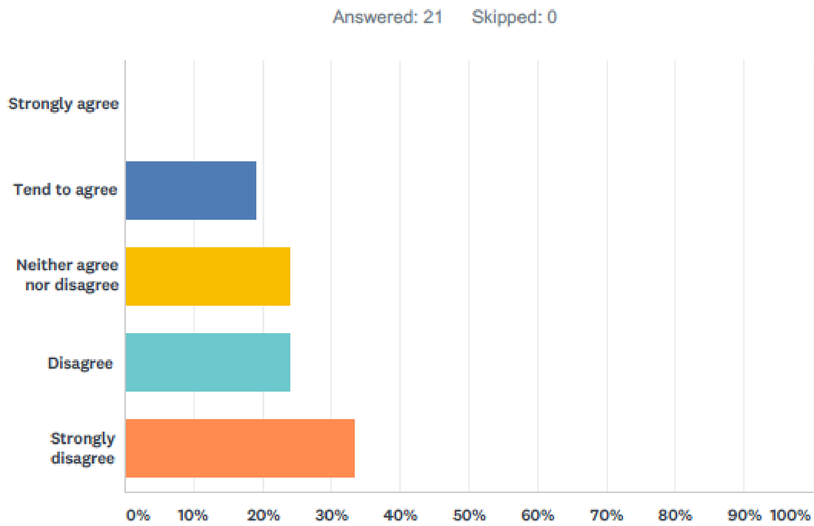
ANSWER CHOICES	RESPONSES	
Not high enough	9.52%	2
About right	61.90%	13
To high	14.29%	3
Other (please specify)	14.29%	3
TOTAL		21

Q2 Where do you feel the Council should be spending additional funds?

A few of the responses to this question related to the services provided by the County Council, such as social care and highways. Some of the key themes of relevance to the Borough Council's budget were:

- Cleaning up the town centre as well as suburbs
- Cleaning up roadsides, hedgerows and embankments as well as parks and open spaces
- Support for vulnerable people, especially the homeless

Q3 Do you feel fully informed about NBC's budget setting aims and goals?



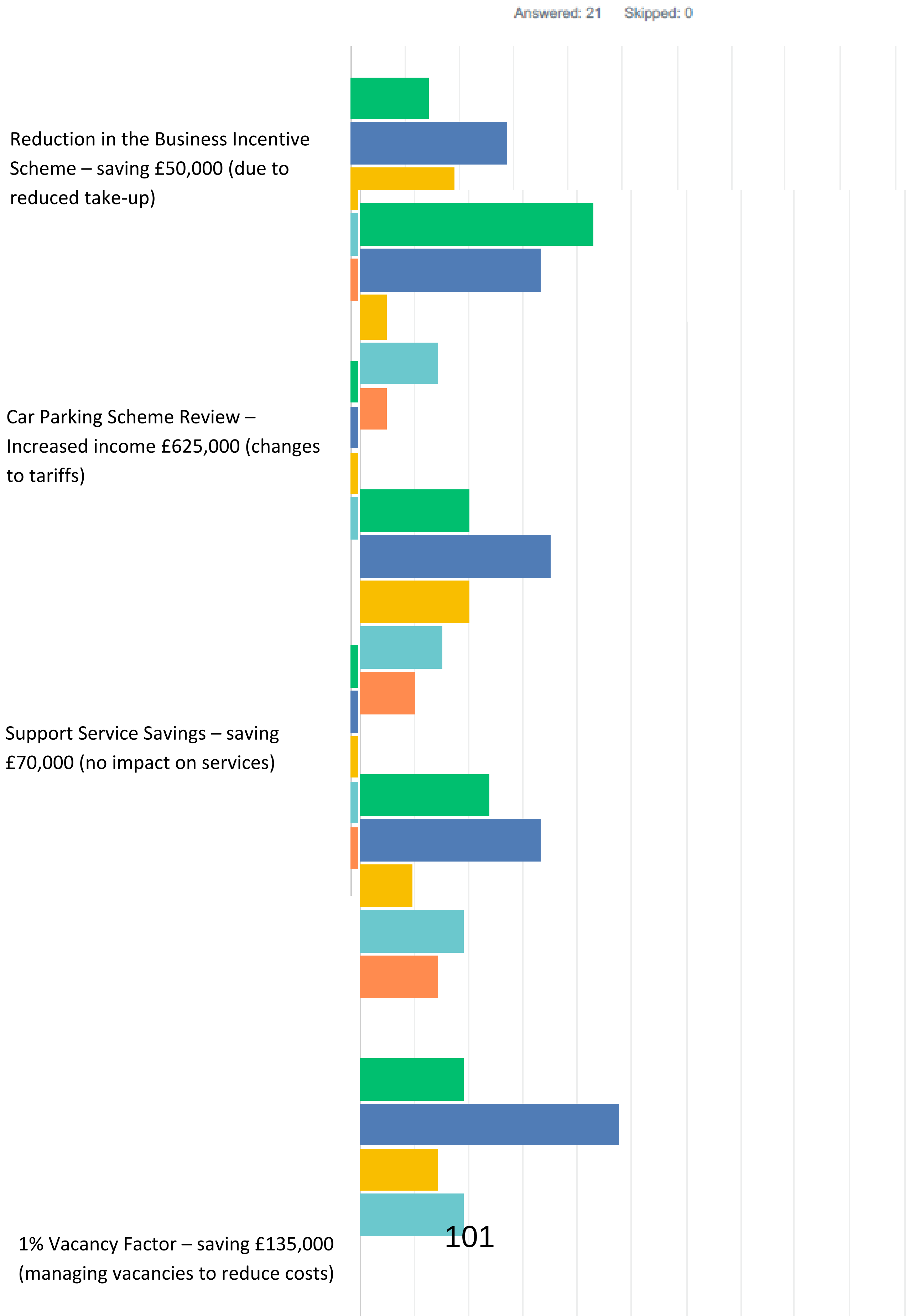
ANSWER CHOICES	RESPONSES	
Strongly agree	0.00%	0
Tend to agree	19.05%	4
Neither agree nor disagree	23.81%	5
Disagree	23.81%	5
Strongly disagree	33.33%	7
TOTAL		21

Q4 How do you think we can reduce spend, generate income or do things differently to ensure that we maintain a balanced budget? (A balanced budget means that our expenditure needs to equal our income and is required by law).

Key themes of relevance to the Borough Council were:

- Focus on core services, and avoid costs on nonessential projects, monuments and buildings.
- Review of staffing structure, bureaucracy and reduced use of consultants and interim staff
- Regeneration of the town centre to encourage greater number of shops, restaurants and bars and to make better use of the market square.

Q5 The key proposals for budgetary savings and growth are set out in Appendix 2 of the Cabinet budget report published on our website. Please indicate your views on these proposals



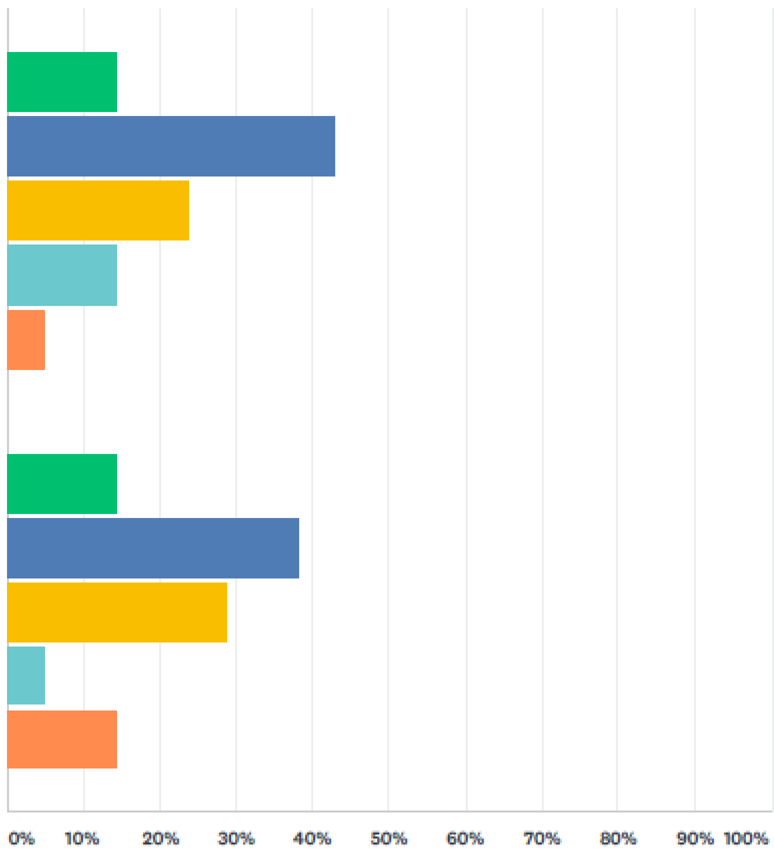
Environmental Services Contract Review – saving/income £75,000

Continuation of Northampton’s Nightshelter – growth of £135,000 (provision of core budget, previously

Restructure of Housing Options & Advice team – growth of £583,000 (to improve Housing and Homeless services)

Digital Officer to Support Move to Paperless – cost £30,000

Reduction in Shop Income – cost £100,000 (As a result of disposal of shops to capital fund new priorities, such as housing)



Strongly Agree Tend to agree Tend disagree Strongly disagree
Don't know

	STRONGLY AGREE	TEND TO AGREE	TEND DISAGREE	STRONGLY DISAGREE	DON'T KNOW	TOTAL
Reduction in the Business Incentive Scheme – saving £50,000 (due to reduced take-up)	14.29% 3	28.57% 6	19.05% 4	23.81% 5	14.29% 3	21
Car Parking Scheme Review – Increased income £625,000 (changes to tariffs)	14.29% 3	33.33% 7	28.57% 6	23.81% 5	0.00% 0	21
Support Service Savings – saving £70,000 (no impact on services)	14.29% 3	38.10% 8	19.05% 4	14.29% 3	14.29% 3	21
1% Vacancy Factor – saving £135,000 (managing vacancies to reduce costs)	42.86% 9	33.33% 7	4.76% 1	14.29% 3	4.76% 1	21
Environmental Services Contract Review – saving/income £75,000	20.00% 4	35.00% 7	20.00% 4	15.00% 3	10.00% 2	20
Continuation of Northampton's Nightshelter – growth of £135,000 (provision of core budget, previously funded as a trial)	23.81% 5	33.33% 7	9.52% 2	19.05% 4	14.29% 3	21
Restructure of Housing Options & Advice team – growth of £583,000 (to improve Housing and Homeless services)	19.05% 4	47.62% 10	14.29% 3	19.05% 4	0.00% 0	21
Digital Officer to Support Move to Paperless – cost £30,000	14.29% 3	42.86% 9	23.81% 5	14.29% 3	4.76% 1	21
Reduction in Shop Income – cost £100,000 (As a result of disposal of shops to capital fund new priorities, such as housing)	14.29% 3	38.10% 8	28.57% 6	4.76% 1	14.29% 3	21

Q6 Please give us your comments on any of the proposals above and include any concerns you may have about how our specific proposals may impact on yourself or any sector of the community and if appropriate, suggest how you feel we can minimise any such impact.

Key messages:

- Focus should be on cleanliness and improving image and attractiveness of the town
- Support for local businesses
- Fear that any increase in parking charges may in fact decrease footfall in the town centre
- Support for the Homeless

Draft Extract of the minutes of the meeting of the Overview and Scrutiny Committee of 4 February 2019

O&S Reporting and Monitoring Working Group – General Fund MTFP 2019 – 2023 and Council wide draft budget 2019/2020, Housing Revenue Account (HRA), Rent Setting 2018/2019 and Budget Projections 2019 to 2022 2023

Councillor Beardsworth addressed the Committee commenting that she had asked the S151 Officer and received a full briefing, about the budget as there was little information available on the Internet. She was concerned about the proposed Council Tax increases from the Police and NCC; she conveyed concern about how some people would manage to pay this increase. She commented on Government funding cuts to Local Authorities. She urged the Committee to write to Central Government in this respect. Councillor Beardsworth added that she felt that austerity measures were having an impact, and they often had to make a choice between heating their home or food.

Councillor Beardsworth was thanked for her address.

The Chair advised that the O&S Working Group had met recently and considered the draft budget in detail and had proposed four items from the draft budget for the Committee to budget-scrutinise:

HRA Delivery Programme

The Cabinet Member for Housing and Wellbeing advised that there is a 10 year plan for the NBC HRA Delivery Programme through NPH; it is based on a minimum of 1,000 more homes in that period. NPH had commented that they could provide more than this target. NBC through NPH had submitted a bid to seek an increase in the cap, but the Government has now removed this cap. The Council is working to the original 10 year plan.

The Committee heard that Capita, external advisors, had undertaken independent verification of the 10-30 plan. NBC via NPH is due to complete 75 new homes this year then 150 further homes every year from 2020.

The Committee made comment, asked questions and heard:

- It was commented that the Committee was very pleased with this progress, it is step in the right direction.
- The Committee welcomed the new homes to be built.
- In response to a query regarding the types of houses to be built, it was reported that NBC in conjunction with NPH have devised the pipeline and the bid provides specific details on the individual schemes, including where and what type of housing is planned, subject to planning permissions etc

Restructure of Housing Options and Advice Team

The Head of Housing and Welling advised that he had not yet consulted with staff on the proposed restructure of Housing Options and Advice Team. The proposed growth is to enable expansion of Team, providing extra management capacity. It was added that it would expand homelessness prevention Team and create a single homeless pathway team, an additional 10 posts are proposed to be created. The Head of Housing and Wellbeing advised that every job description in the department had changed to ensure the service can perform as efficiently and effectively as possible.

The Committee made comment, asked questions and heard:

- Concerns were conveyed that this a specialised area of knowledge and expertise and whether NBC would be able to recruit to the posts. It was realised that this is a big challenge. The Head of Housing and Wellbeing advised that he has spent a lot of time re-writing job descriptions. Good quality job descriptions raise performance by 25%. It is expected that the Authority can attract people who want a job that can make a difference to these Posts

Central Museum Development

The Head of Economy, Assets and Culture and the Cabinet Member for Community Engagement and Safety addressed the Committee. It was commented that a video of the development had been produced and this would be brought to a future meeting. Computer generated images would also be provided.

The Committee heard that the project had a budget of £6.7million, it was within budget and the Museum would open in March 2020. It would be completed this year but would then it would be internally refurbished.

The Chair advised that he had had sight of the plans, which were excellent.

Environmental Services Contract Review

The Cabinet Member for Environment, Head of Customer and Cultural Services, and the Environmental Services Contract Manager addressed the Committee.

A short presentation was given to the Committee. It was commented that the contract is positive but it was also recognised there are some challenges that would be addressed. It was an innovative contract. There is a need to be clear on the goals for example recycling has increased and fly-tipping reduced. In the second half of the year there has been a 10% drop in fly-tipping, recycling is also up 10%, and there will be a further increase following the roll out of wheelie bins.

The Committee made comment, asked questions and heard:

- It was queried whether the proposed reduction in bulky waste collectionfees would have an effect. It was noted that this would have a cost implication of £2,500 per quarter. The Cabinet Member confirmed that it would have to be rolled out and the effect monitored as a pilot.
- Previously a wait of 16 weeks for bulky waste had been usual and often waste had been fly tipped. The Cabinet Member advised that responsible businesses do not fly-tip. Officers are currently looking at the Council's Website to ascertain how bulky waste collection can be booked electronically.
- In response to a comment that the main NCC refuse site is closed two days a week and this is perceived to increase fly tipping, the Cabinet Member advised that there is always a facility open and available 7 days a week but it might be in different locations of the borough; it would however be useful for there to be flexibility in the opening hours, such as earlier opening.
- The Committee supported the proposed reduction in bulky waste collection fees and suggested there is a need for enforcement action for fly-tipping. The Cabinet Member for Environment advised that there would be more enforcement action and that CCTV would not necessarily solve it. He informed the Committee of another Local Authority that had introduced a "mobile tip service" which had not been successful therefore the Authority would not be introduced that but is very open to suggestions.
- Regarding the collection of bulky waste, it would be asked what the waste comprised so that any health and safety implications could be dealt with.

<u>Sacrificial Sacks</u>

It is proposed that the trial would go from April 2019. There are 18,000 properties in the borough that do not have recycling bins. 900 homes in Far Cotton have been chosen to trial the sacks.

The Wardens work hard in Far Cotton regarding littering enforcement. Warden keen to catch people dropping litter incorrectly. It is proposed to be a one year trial. If successful, the trial will then move on to other areas. There are financial implication such as the need for a bag splitter should the trial be rolled out a cost of £100,000. If rolled out over the Borough conversations will take place regarding who will become responsible for this cost.

<u>Food Waste</u>

This proposal could bring in a saving of around £375,000 per year. The disposal of food waste needs to be communicated better to residents.

The Committee supported "caddy bags" and suggested large bags could be issued for the wheeled bins. The Cabinet Member confirmed this could be looked at for the future,

The Committee heard that the disposal of nappies was a huge issue and a lot of work had been undertaken in London regarding fabric nappies.

Review the public convenience provision

The Committee heard that it was proposed to close the public conveniences in St James to anti-social behaviour; this would generate a saving of £10,000 per annum.

Green Waste – charging

The Cabinet Member for Environment advised that it was proposed to charge for green waste collection as a future budget option. It was expected that this would generate an income of £700,000. A number of Councils in the county currently charge for this service. The charge is around £20 to £50 per year. It is an option for future consideration but not for 2019.

Review enhanced tree maintenance service (Scrutiny Review)

Following on from a previous Scrutiny Review into tree maintenance, an enhanced service had been implemented that could generate a saving of £20,000 to £40,000 per year.

Community Involvement

The Committee heard that it was proposed that TV campaigns, especially Great British Spring Clean, would be utilised communities would be engaged regarding waste disposal and recycling. It was expected that any savings would be re-invested to further improve the service plus an increase the recycling credits.

The Committee made comment, asked questions and heard:

- The Warden is the central point of contact for the public, there is currently a record number of Wardens employed by the Council.
- There are various Forums and Groups and it work is being undertaken regarding the development of a Cleaner Northampton - a virtual forum.

Reduction in Shop Income

The Cabinet Member for Regeneration and Enterprise advised that a budget option had been investigated, to offer a range of tenants the opportunity to buy the shop unit that they are currently leasing. The Council would lose income from the rent but would receive a capital receipt from any sales. It would depend how many leaseholders took up this offer but an estimated figure of a maximum of £100,000 was suggested. The capital received would be reinvested into either alternative commercial property to provide income or facilities that would reduce costs.

At this point, the Committee queried whether the Councillor Community Fund would continue for 2019/2020. Confirmation was provided that it would continue for next year, but must be all spent by the end of 2019-20.

The Chair thanked Officers and Cabinet Members for the work that they had undertaken on the draft budget. He asked the Committee if they had any further questions relating to the draft Budget, none were raised. He confirmed that from the information provided the Committee was satisfied that its enquiries and queries regarding the draft budget had been answered and there was no further comment or question.

AGREED: That the Committee was content with the draft Budget and the responses and information provided regarding the five issues.

Extract of the minutes of the meeting of the Audit Committee of 28 January 2019

6. RISK REVIEW OF THE 2019/20 BUDGET

The Chief Finance Officer expanded on the report saying the budget was a costed plan in which assumptions had been made. £1m had been added to the Temporary Accommodation budget. The budget didn't contain many aspirations due to the impending change to the local government structure of the county and limited resources. An assumption had been made around the business rates income however mitigations were in place should this not be realised.

The previous Cabinet meeting had received a report regarding overspends, which was largely due to funding Temporary Accommodation for the homeless. He felt the known risks within the budget were manageable however there was contingency to manage the unknown.

In response to questions asked the Chief Finance Officer confirmed that local pay agreements were in operation at the Council. The Council had a corporate risk register and the Council's reserves mitigated the risks. Regardless of the impending change to local government structure the Council had to set a balance budget and have a MTFP. Any remaining reserves would be inherited by the Unitary Authorities once they took effect. He was content that the Council had a healthy level of general reserves however like all local authorities' efficiencies would be sought where possible.

In response to further questions the Chief Finance Officer explained that the Parish Council grants and precept had to be listed in the accounts even though the funding once received was paid straight out again. The Business Rate pilot scheme was being discussed by all authorities' in the County. Most of the funding received could be used against the costs of transformation to unitary authorities however this needed to be confirmed.

In response to a question the Chief Finance Officer explained that the impact of the loan to Northampton Town Football Club would have no impact on next year's budget. The Sixfields reserve was being created to manage the risks. The Chair indicated that the Committee should have oversight of this and any associated risks.

In response to questions the Chief Finance Officer indicated that further information on the Car Parking Scheme Review, the Reduced Training Budget and the Environmental Services Contract Review savings proposals should be sought from the relevant Cabinet Members and would be published in due course.

The Chief Finance Officer clarified that the role of Overview and Scrutiny was to consider budget proposals in more detail. The role of the Audit Committee was to ensure that the budget demonstrated a risk-based approach. All members were able to attend the Overview and Scrutiny sessions where more detail was provided around some of the budget proposals.

The proposal regarding restructure of the Housing Options and Advice Team would go ahead, and details would be presented to Cabinet in due course.

Members said there was a need to be clear on the risks and what was achievable around a proposal to ensure the mistakes of the past were not repeated.

The Chief Finance Officer explained that the Eleanor Cross proposal was an in-year proposal so would not feature in next year's budget proposals and St James Link Road was not included in the current draft capital budget.

Councillor Markham stated she was a Director at NPH and asked why Horizon House was not included in the draft capital list. The Chief Finance Officer said it was a draft budget and NPH had withdrawn from NBC constructing the offices.

The Council was looking to use new homes as temporary accommodation in the future however proposals still needed to be developed. Market research had been conducted to determine the new schemes however they would only be included if there was funding or demand.

In response it was clarified that new meters had been installed at the traveller's site therefore there were annual maintenance costs to be accounted for and the Council would seek to recover those costs

RESOLVED that: The Audit Committee considered issues in relation to risk within the budget proposals for 2019/20.

Appendices
5

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Housing Revenue Account (HRA) Budget, Rent Setting 2019/20 and Budget Projections 2020/21 to 2022/23

AGENDA STATUS: **PUBLIC**

Cabinet Meeting Date:	20th February 2019
Key Decision:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	Management Board
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	N/A

1. Purpose

1.1 To agree the Cabinet's proposals for recommendation to Council on 25 February 2019 for the 2019/20 to 2022/23 HRA budgets.

1.2 To agree the Cabinet's proposals for recommendation to Council on 25 February 2019 for the 2019/20 HRA rent setting.

1.3 To agree the HRA capital programme funding proposals for 2019/20 and note the future years.

1.4 To ask the Cabinet to recommend to Council that they approve the recommendations in section 2 below.

2. Recommendations

2.1 That Cabinet recommend to Council to approve:

a) An average rent decrease of 1% per dwelling, in line with the legislation and the government's national rent policy, to take effect from 1st April 2019.

b) The HRA budget for 2019/20 of £51.8m expenditure detailed in Appendix 1.

c) The HRA capital programme for 2019/20, including future year commitments, and proposed financing as set out in Appendix 2.

d) The proposed service charges listed in Appendix 3.

e) That Cabinet be authorised, once the capital programme has been set, to approve new capital schemes and variations to existing schemes during 2019/20, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.

f) The Total Fees proposed for NPH to deliver the services in scope for 2019/20 detailed in Appendix 4.

2.2 That the Cabinet acknowledges the issues and risks detailed in the Chief Finance Officer's statement on the robustness of estimates and the adequacy of the reserves.

2.3 That the Council be recommended to confirm the reserves strategy of protecting balances wherever possible to allow the option of supporting future years' budgets, aiming for a minimum level of unallocated Housing Revenue Account balances of at least £5m for 2019/20 having regard to the outcome of the financial risk assessment.

2.4 That authority be delegated to the Chief Finance Officer to make any technical changes necessary to the papers for the Council meeting of 25 February 2019.

2.5 That Council be recommended to delegate authority to the Chief Executive and Chief Finance Officer to implement any retained HRA budget options and restructures.

2.6 That authority be delegated to the Chief Finance Officer in consultation with the Portfolio Holder for Finance, and where appropriate the relevant Head of Service and Portfolio Holder to:

- transfer monies to/from earmarked reserves should that become necessary during the financial year.
- transfer monies to /from HRA working balances between the Council and NPH for cash flow purposes should that become necessary during the financial year.
- update the budget tables and appendices, prior to Council should any further changes be necessary.
- update prudential indicators in both the Prudential Indicators report and Treasury Strategy report, for Council for any budget changes that impact on these.

3. Issues and Choices

3.1 Report Background

Housing Revenue Account

3.1.1 The HRA is a ring-fenced account that represents the costs of holding the Council housing stock. There are strict rules surrounding the costs and income that can be charged to this account. Much of the income and expenditure is dictated by legislation and regulation leaving the Council with direct control over a limited number of these budgets

3.1.2 The HRA Budget proposed for 2019/20 reflects the current service levels and service delivery. This year's HRA budget process continues to incorporate the calculations required to provide a Total Fee to Northampton Partnership Homes (NPH) who manage the housing stock on a Management Agreement. This report provides the updated financial position and revised Total Fee for NPH for 2019/20 to provide the services in scope taking into account the current rules and regulations which impact upon the financial envelope brought about by Government changes in legislation in housing finance.

Developments in Housing Finance.

3.1.4 Since the introduction of self-financing in 2012 there have been a host of government policy initiatives that have impacted upon housing finances. Some of the financially more significant ones are:

- the legislative backed 1 % rent reductions for 4 years from 1 April 2016:
- the encouraging of right to buy (RTB) by increasing RTB discounts, and;
- the introduction of Universal Credit and Benefit Cap.

3.1.5 More recently the Government has pledged to spend an additional £2bn on affordable housing. Some details on proposals for future rent increases from 2020/21 were released with increases to be capped at CPI plus 1% for 5 years. In addition to this the Autumn Budget announced the removal of the HRA Debt Cap and the introduction of prudential borrowing which gives Council more scope to pursue new build programmes to deliver much needed new housing within the HRAs.

3.2 Draft HRA Revenue Budget 2019/20 Cabinet 12 December 2018

3.2.1 The Cabinet met on 12 December 2018 and recommended proposals for consultation. The headlines were:

a) Proposing rent decrease in line with legislation and national rent policy of 1%;

b) A HRA budget for 2019/20 of £52.4m expenditure.

c) A Total Fee for NPH for the delivery of services over the six fee elements including a Capital Sum.

Further work on refining estimates has been undertaken on the HRA revenue and capital budgets since 12 December 2018, resulting in the proposals set out in the following sections 3.3 and 3.4.

3.3 Draft HRA Revenue Budget 2019/20 - Cabinet 20 February 2019

3.3.1 The final 2019/20 HRA budget reduces to £51.8m expenditure. The details of this proposed budget can be found in appendix 1. The changes are in respect of Dwellings Rent Income and the Capital programme. There has been a change to the accounting treatment for Dwellings Rent Income for 2018-19 and beyond. The overall result over the Medium Term is expected to be nil, however for 2019-20 there is an estimated reduction in dwellings rent income of £532k. This shortfall is funded by the re-phasing of the capital programme over the next 5 years resulting in a £532k budget reduction in 2019/20 offset by increases in subsequent years, with the overall result over the Medium Term expected to be nil.

Rents and Rent Setting 2019/2020

3.3.2 Rent Income, by far the largest single budget within the HRA, has previously been calculated in accordance with national rent policy. For 2016/17 the Welfare Reform and Work Bill legislated that rents in the social sector should decrease by 1% for the next 4 years. This moved away from the 10 year policy of increasing rents using Consumer Price Index (CPI) plus 1 percentage point annually.

3.3.2.1 The proposal for rent decreases in 2019/20 is therefore a1% decrease on average across the housing stock. This is consistent to what was put forward in the report to Cabinet on 12 December 2018.

3.3.2.2 Target Rent - In line with the Governments guidance any dwelling that becomes void in year will automatically have its rent realigned to the Formula Rent (target rent), which takes account of average national rent, relative county earnings, number of bedrooms and relative property value. The forecast position of rents at target per property type by number of bedrooms is shown in the table below, after modelling the rents for 2019/20.

Analysis of Dwelling Stock at Target Rent by Property Type

Dwelling Type	At Target	Not At Target	Total
Bedsit	115	108	223
Bungalow	322	18	340
Flat	1489	2203	3692
House	4483	464	4947
Maisonette	51	127	178
Sheltered Bedsit	0	1	1
Sheltered Bungalow	1243	3	1246
Sheltered Flat	260	481	741
Sheltered House	2	0	2
Very Sheltered Flat	28	5	33
Total	**7993**	**3410**	**11403**

There are currently 3,410 dwellings not at target rent (compared to last year 3,747). In all these cases the rent is l less than their Target. The Council does not have any rents above Target. The policy of moving re-let properties straight to Formula was introduced in 2014/15 with the intention of closing the rents to target over a period of time. This will continue to be monitored and any future changes to Rent Policy will be consulted on.

Service Charges

3.3.3 The schedule of proposed Service Charges for 2019/20 is attached at Appendix 3. The level of Service Charges should be set to enable the full recovery of costs incurred. It is proposed that general Service Charges for 2019/20 are increased in line with CPI as at September 2018 (2.1%). It proposed that charges in relation to Communal Heating Systems are kept at 2017/18 charges to reflect current levels of expenditure. The Service Charges have been reflected in the budgeted income figures. There are no changes proposed to the draft budget position.

NPH Management Agreement / Services Being Provided

3.3.4 The HRA is the Council's statutory account for the Housing Landlord service, which pays NPH a Total Fee to provide both the Housing Landlord services and those Housing General Fund Services in the scope. The embedding and development of NPH is planned to shape the future HRA budgets as efficiencies and improvements to services are made leading to more investment opportunities into the stock and the service. The added challenge now is to achieve this with markedly lower resources forecast to be available under the new legislation.

3.3.4.1 The Total Fee for 2019/20 has been negotiated in partnership with NPH and takes into account the current level of budgets, and the changes in available funding for services in scope. NPH have been working with the Council to ensure that a balanced budget can be delivered while trying to mitigate the impact on services. It should be noted that the Asset Management Plan continues to be reviewed. Further Government announcements on Housing are due to be released in 2019/20 which will be interpreted and run through the HRA Business Plan model.

3.3.4.2 Since the proposed draft budget in December 2018, there has been one change to the proposed NPH total fee. The Capital Programme New Build/Major Projects budget for 2019/20 is re-phased by £532k to take into account the impact of accounting for dwelling rents on a daily basis to show compliance with rent setting legislation within the Welfare and reform Act. The impact is explained in paragraph 3.3.1.

A summary of the NPH total Fee proposed is shown below.

NPH Management Fee	Proposed Budget
Analysed by	**£'000s**
Management - HRA	14,195
Management - General Fund Housing	262
Maintenance - Responsive & Cyclical (Managed Budget)	12,046
Capital - Improvements to Homes (Managed Budget)	38,426
Capital - Improvement to Environment (Managed Budget)	3,000
Capital - Managed Budget ICT	400
Total Fee	**68,329**

The detailed NPH Fee schedule 5 is attached at Appendix 4. The Management Agreement provides NPH the ability to action the virement of funds within the Total Fee up to an aggregate of £2 million per annum. Any requirement for a virement above this or of the Housing General Fund element will need NBC approval through the Chief Financial Officer (Statutory section 151 Officer) This enables the Council to have assurance that the budgets are spent in line with the budget the Council approves.

HRA Reserves

3.3.5 In previous years, Cabinet has approved the prudent set aside of funds into specific HRA Reserves to finance future HRA expenditure including capital financing, service improvements, risks of Leaseholder claims, and an Insurance Reserve. The use of the capital reserve is incorporated into the Capital Programme financing considerations included later in this report. The table below shows the current forecast of these reserves to the end of the financial year.

Summary	Balance B/f 1 Apr 2019	Earmarked in Year	Applied in Year	Balance C/f 31 Mar 2020
	£000	**£000**	**£000**	**£000**
HRA Capital Investment	(5,013)	0	4,743	(270)
HRA Leaseholder Reserve	(500)	0	0	(500)
HRA Service Improvement Reserve	(1,000)	0	0	(1,000)
HRA Insurance Reserve	(300)	0	0	(300)
Total HRA Reserves	**(6,813)**	**0**	**4,743**	**(2,070)**
Min Level of Working Balances	**(5,000)**	**0**	**0**	**(5,000)**
Total HRA Reserves	**(11,813)**	**0**	**4,743**	**(7,070)**

3.3.5.1 These reserves can be drawn down as required, to finance the future strategic requirements of the service. The Capital Investment Reserve is currently earmarked for the delivery of the investment needed in the current stock and the requirement to provide replacement housing over the medium term and reflected in the Council's HRA Business Plan. The reserves will be subject to change depending on the final outturn position for 2017/18 and 2018/19 and future investment priorities driven by the Asset Management Plan and decided by the Council.

Adequacy of Working Balances

3.3.6 A prudent level of working balance, along with appropriate application of reserves, should be part of the overall budget. The Chief Finance Officer reviews the level of balances required to support the Housing Revenue Account spend annually as part of a robust risk assessment. This risk assessment suggests that the minimum level of balances, taking all known risks into account should be held at the current level of £5m for 2019/20. It is anticipated that in future there could be a requirement to increase this level of working balances taking into account any further government announcements. This minimum level is designed to cope with unpredictable circumstances, which cannot be addressed by management or policy action within the year. Under the Management Agreement with NPH, NPH will continue to have available to it £1m of this working balance to call upon to maintain cash flow if required.

3.4 Housing Revenue Account Capital Programme

The Financial Position and New Build Programme

3.4.1 Capital expenditure is essential for the Housing Revenue Account in order to maintain and improve the Council's housing stock as well as deliver new council housing. The HRA is an asset driven service and as such the capital programme plays a key part in the delivery of the HRA service.

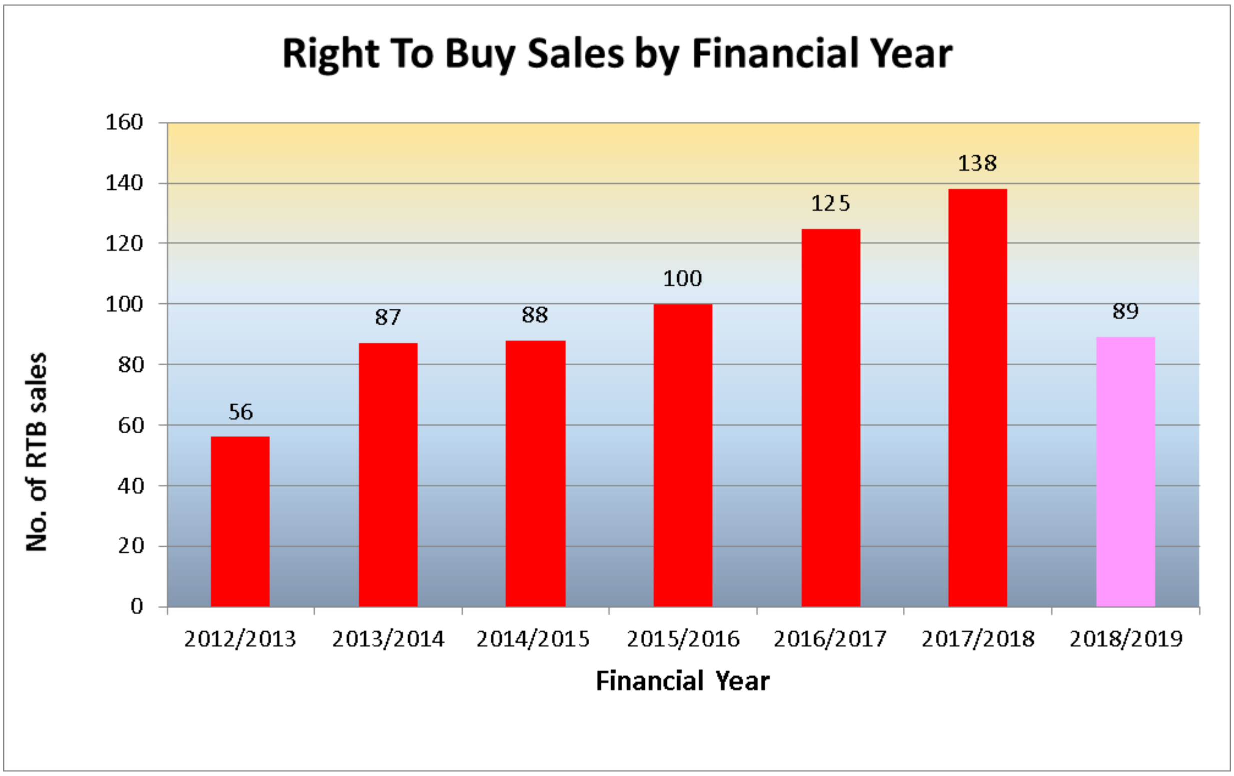
3.4.2 Alongside the implementation of NPH, the Council decided to adopt the "Northampton Standard" for the maintenance and improvement of Council housing stock. This higher standard has associated increased costs which are built in to the capital programme.

3.4.3 The HRA Capital Programme has been developed within the context of the 30 year Business Plan and the existing Asset Management Plan which has been reviewed and updated with the latest information from stock condition surveys. There will be further input from the HRA Business Plan review which is currently being undertaken which may lead to changes being brought back to Cabinet in 2019/20 as the New Build programme is developed in light of the removal of the debt cap.

3.4.4 In addition to this, included in the capital programme is a significant increase to the New Build programme, (£22.6m to deliver over 150 new homes), reflecting the removal of the HRA Debt Cap from October 2018 and the ability to prudentially borrow within the HRA.

3.4.5 The medium term plan currently shows the investment in new build dropping off slowly over the next few years, however this is currently being reviewed and will be revisited when the Council has determined its own affordability (prudential borrowing) criteria. At the moment the numbers of new housing are prudent and could increase to deliver a steady supply of new homes each year. NPH will continue to work closely with the Council to increase the new build programme for delivering new social and affordable homes over the coming years. This will help the Council to address the severe shortage of affordable housing in Northampton and reduce the rate at which the Council's housing stock is reducing through RTB.

3.4.6 **Right to Buy (RTB) sales** have increased compared to recent years following an increase in discount levels introduced from April 2012. The total RTB sales for the last 7 years and in year to end of December 2018 are shown in the graph below:



3.4.7.1 Assumptions based on these increased resources are included within the indicative HRA capital programme financing shown at Appendix 2. There are two additional considerations arising from this:

a) Additional pressure is placed on the revenue budgets through reduced rental income; assumptions around this have been built into the HRA budgets being considered in this report; and

b) The additional capital receipts must be used towards the provision of new social housing and can only be used to finance 30% of this cost; if the Council does not spend the capital receipts within a 3 year rolling timeframe, the receipts, plus an amount for interest, are payable to Government. There is currently a government consultation which could increase the flexibilities around use of 141 RTB receipts, including extending the period from 3 years to 5 years.

Draft HRA Capital Programme and Funding 2019-20

3.4.8 The proposed HRA capital programme for 2019/20 to 2022/23 is attached at Appendix 2.

3.4.9 The table below shows a summary of the draft programme and final proposed capital programme and funding for 2019/20.

3.410 The HRA capital programme for 2019/20 and beyond will be refined in conjunction with NPH, in line with the updated Asset Management Plan, and the HRA Business Plan review.

	Draft 2019-20 £000s **£**	**Proposed 2019-20 £000s** **£**
External Improvements	10,600	10,600
Internal Works	3,500	3,500
Environmental Improvements	3,000	3,000
Structural Works and Compliance	450	450
Disabled Adaptations	1,300	1,300
IT Development	400	400
New Build Programme/Major Projects	23,107	22,576
Buybacks and Spot Purchases	500	500
Total	**42,857**	**42,326**

FINANCING:		
Major Repairs Reserve/Depreciation	9,642	9,642
Capital Receipts - RTB (excl 1-4-1)	3,134	3,134
Capital Receipts - RTB 1-4-1 Receipts	7,035	7,035
Revenue/Earmarked Reserve	9,937	9,405
Borrowing / CFR	13,110	13,110
Total Financing - HRA	**42,857**	**42,326**

The New Build/ Major works' project budget for 2019/20 and indicative budgets for the following 2 years is expected to deliver over 400 new council homes.

3.5 The Next Steps

3.5.1 The timetable for the 2019/20 budget process requires a meeting of the Council on 25 February 2019, at which consideration will be given to the recommendations of this Cabinet in relation to the expenditure, income, and rent proposals that relate to HRA spending.

3.6 Consultation

3.6.1 Public consultation commenced with residents, businesses and interested stakeholders from the 21 December 2018. An online consultation was published, which closed on the 1 February 2019. In addition a public meeting was held on 5 February 2019 to hear feedback on the draft budget. The consultation period will formally close on the date the budget is approved in February 2019.

3.6.1 Overview and Scrutiny Committee reviewed the budget proposals at its meeting on 4 February 2019. The views of the Overview and Scrutiny Committees are reported in General Fund Budget report at **Appendix 10**.

3.6.2 Audit Committee reviewed the budget proposals from a risk perspective on 28 January 2019. The key risks identified are reported General Fund Budget report at **Appendix 11**.

3.7 Choices (Options)

3.7.1 It is recommended that Cabinet make the recommendations to Council as detailed in section 2 of this report, taking into account the items detailed for noting.

3.7.2 The Cabinet may choose to make amendments to the proposed budgets or to the proposed rent increase and adjust the budget proposals accordingly, in consultation with the Chief Finance Officer. It would then recommend the amended budget (if applicable) to Council.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The revenue and capital budgets are set in support of the Council's priorities.

4.1.2 The HRA Revenue Budget is set in the overall context of the HRA 30 year business plan and the Council's Asset Management Plan.

4.1.3 The Capital Programme for the HRA is set in the context of the Council's Capital Strategy.

4.2 Resources and Risk

4.2.1 HRA budgets have been updated to reflect the ongoing efficiency work of NPH, further reviews of these budgets and refinement will be undertaken as part of the regulation budget monitoring processes.

4.3 Legal

4.3.1 The Council has a legal duty to set a balanced budget each year, bearing in mind its fiduciary duties to the taxpayer, and the HRA is not allowed to go into deficit by law. In exercising these duties the Council has to comply with various legislation and administrative duties.

4.4 Equality

4.4.1 The Public Sector Equality Duty (PSED) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out its activities. Failure to comply with this duty would be challengeable in the courts.

4.4.2 Equality and diversity were considered as part of each of the medium term planning options submitted. Equality impact assessments are 'living' documents and will be updated to take into account relevant feedback from the consultation process. Where these documents identify mitigating action, this will be undertaken in implementing the relevant option should it be taken forward and approved in February 2019.

4.5 How the Proposals Deliver Priority Outcomes

4.5.1 All of the discretionary investment proposals in the proposed budget reflect and/or are aligned to the corporate priorities as set out in the Corporate Plan.

4.6 Appendices

The **Appendices** are set out as follows:

1 Housing Revenue Account Summary

2 Proposed Housing Revenue Account Capital Programme and Financing

3 HRA Fees and Charges

4 NPH Total Fee Detail

5 Consultation on Rent setting

5. Background Papers

5.1 None

George Candler, Chief Executive, Ext. 7726

Stuart McGregor, Chief Finance Officer Section 151 Ext 8347

Appendix 1

DRAFT Housing Revenue Account Budget Summary 2019-2023

Description	Note	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
INCOME		**£**	**£**	**£**	**£**
Rents - Dwellings Only	(1)	(48,495,200)	(50,037,700)	(51,695,000)	(53,344,500)
Rents - Non Dwellings Only		(1,058,800)	(1,070,800)	(1,083,100)	(1,095,400)
Service Charges		(2,268,692)	(2,308,078)	(2,345,813)	(2,385,724)
Other Income		(4,000)	(4,000)	(4,000)	(4,000)
Total Income		**(51,826,692)**	**(53,420,578)**	**(55,127,913)**	**(56,829,624)**
EXPENDITURE					
Repairs and Maintenance	(3)	13,734,633	13,977,137	14,248,547	14,590,973
General Management	(3)	8,518,947	8,624,037	8,736,965	8,824,156
Special Services	(3)	4,628,397	4,645,978	4,707,672	4,771,067
Rents, Rates, Taxes & Other Charges		289,300	289,300	289,300	289,300
Increase in Bad Debt Provision		600,000	600,000	600,000	600,000
Total Expenditure		**27,771,277**	**28,136,452**	**28,582,484**	**29,075,496**
Continuation Budget		**(24,055,415)**	**(25,284,126)**	**(26,545,429)**	**(27,754,128)**
Medium Term Planning Pressures			**(845,277)**	**(1,579,757)**	**(2,204,878)**
Net Recharges from the General Fund		2,550,000	2,600,000	2,650,000	2,700,000
Interest & Financing Costs					
- Interest on balances		(46,532)	(34,117)	(34,085)	(34,086)
- Mortgage interest		(400)	(300)	(200)	(100)
- Internal Borrowing (Over funded CFR)		(2,380)	(1,587)	(793)	0
- Interest Fixed Rate		7,250,182	7,802,558	8,408,933	8,737,160
Revenue Contributions to Capital		9,404,926	5,593,275	6,773,516	7,928,046
Depreciation		9,642,224	10,035,335	10,193,193	10,492,872
Contribution to / (from) Reserves		(4,742,605)	134,238	134,623	135,113
Remaining Deficit / (Surplus)		**0**	**(0)**	**(0)**	**(0)**

Notes

(1) Rent decrease based on legislation 1% for 4 years from 16-17, then CPI (2%) plus 1% estimated increase from 2020/21

(2) Expenditure budgets above are proposed to be split between NBC and NPH as per the table below.

(3) Medium Term Planning Pressures could affect NPH Fee in future years

Description	£'000
Repairs and Maintenance	13,735
General Management	8,519
Special Services	4,628
Less NBC Retained Budgets	(641)
NPH Budget as per Appendix 4	**26,241**

Proposed Capital Programme 2019-20 to 2022-23 - HRA **Appendix 2**

	2019-20 £	2020-21 £	2021-22 £	2022-23 £	Total £
External Improvements	10,600,000	11,500,000	11,250,000	11,250,000	44,600,000
Internal Works	3,500,000	3,500,000	3,500,000	3,500,000	14,000,000
Environmental Improvements	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
Structural Works and Compliance	450,000	500,000	450,000	450,000	1,850,000
Disabled Adaptations	1,300,000	1,300,000	1,300,000	1,300,000	5,200,000
IT Development	400,000	0	0	0	400,000
New Build Programme/Major Projects	22,575,628	17,478,636	9,948,839	11,737,451	61,740,554
Buybacks and Spot Purchases	500,000	500,000	500,000	500,000	2,000,000
Total	**42,325,628**	**37,778,636**	**29,948,839**	**31,737,451**	**141,790,554**

SPLIT:					
Improvements to Homes	15,850,000	16,800,000	16,500,000	16,500,000	65,650,000
Improvements to Environment	3,000,000	3,000,000	3,000,000	3,000,000	12,000,000
IT Development	400,000	0	0	0	400,000
New Build Programme/Major Projects	22,575,628	17,478,636	9,948,839	11,737,451	61,740,554
Total NPH	**41,825,628**	**37,278,636**	**29,448,839**	**31,237,451**	**139,790,554**
NBC Retained - Buy Backs	500,000	500,000	500,000	500,000	2,000,000
Total Capital Programme	**42,325,628**	**37,778,636**	**29,948,839**	**31,737,451**	**141,790,554**

FINANCING:					
Major Repairs Reserve/Depreciation	9,642,224	10,035,335	10,193,193	10,492,872	40,363,624
Capital Receipts - RTB (excl 1-4-1)	3,133,700	3,219,300	3,297,700	3,378,100	13,028,800
Capital Receipts - RTB 1-4-1 Receipts	7,034,606	5,357,820	3,096,000	3,630,000	19,118,426
Revenue/Earmarked Reserve	9,404,926	5,593,275	6,773,516	7,928,046	29,699,762
Borrowing / CFR	13,110,172	13,572,905	6,588,431	6,308,434	39,579,942
Total Financing - HRA	**42,325,628**	**37,778,635**	**29,948,839**	**31,737,451**	**141,790,554**

Appendix 3

SCHEDULE OF SERVICE CHARGES 2019/20

SERVICE CHARGES		PRESENT	PROPOSED
		£	£
Garages (+VAT in some cases)		9.26	9.45
Commuter Surcharge on Garages (+VAT in some cases)		14.71	15.02
Communal Heating		10.56	10.56
Sheltered Charges			
- Level 1 Low		6.19	6.32
- Level 2 Medium		13.42	13.70
- Level 3 High		19.70	20.12
Brookside Meadows New Build - Service Charges			
- Tarmac and Block Paving		3.87	3.95
- Electric Gates		1.08	1.10
CCTV		3.81	3.89
Grounds Maintenance		2.08	2.12
Non- Standard Service Charges			
Electricity Communal	**Low**	0.12	0.12
	High	6.97	7.12
Estate Services - Cleaning and Caretaking			
- Service Level 1		0.39	0.40
- Service Level 2		0.94	0.96
- Service Level 3		1.17	1.20
- Service Level 4		1.56	1.60
- Service Level 5		2.35	2.40
- Service Level 6		3.52	3.60
- Service Level 7		4.69	4.79
- Service Level 8		4.69	4.79

DRAFT Schedule 5 - NPH Management Fee

		NPH				
Housing Management & Maintenance(HRA)		**2019/20 Estimate**	**2020/21 Estimate**	**2021/22 Estimate**	**2022/23 Estimate**	**2023/24 Estimate**
		£	**£**	**£**	**£**	**£**
Total	**Repairs & Maintenance**	12,045,652	12,265,640	12,516,097	12,831,638	12,831,638
Total	**General Management**	6,970,657	7,067,033	7,173,171	7,258,103	7,258,103
Total	**Special Services**	3,997,840	4,015,651	4,073,787	4,134,227	4,134,227
Total	**Recharges**	3,226,928	3,257,928	3,289,228	3,321,328	3,321,328
TOTAL HRA		**26,241,077**	**26,606,252**	**27,052,284**	**27,545,296**	**27,545,296**
Housing General Fund						
Total	**Travellers Site**	182,004	182,603	183,214	183,837	183,837
Total	**Home Choice & Resettlement**	80,000	80,000	80,000	80,000	80,000
TOTAL GF HOUSING		**262,004**	**262,603**	**263,214**	**263,837**	**263,837**
TOTAL REVENUE		**26,503,081**	**26,868,855**	**27,315,498**	**27,809,134**	**27,809,134**
HRA Capital Programme		41,825,628	37,278,636	29,448,839	31,237,451	19,500,000
GRAND TOTAL		**68,328,709**	**64,147,491**	**56,764,337**	**59,046,585**	**47,309,134**

Analysed by Funding Pots

Management - HRA (including Special Services)	14,195,425	14,340,612	14,536,187	14,713,658	14,713,658
Management - GF Housing	262,004	262,603	263,214	263,837	263,837
Maintenance - Managed Budget Responsive	9,275,152	9,444,543	9,637,395	9,880,361	9,880,361
Maintenance - Managed Budget Cyclical	2,770,500	2,821,097	2,878,702	2,951,277	2,951,277
Capital - Managed Budget Improvement to Homes	38,425,628	34,278,636	26,448,839	28,237,451	16,500,000
Capital - Managed Budget Improvement to Environment	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Capital - Managed Budget ICT	400,000	0	0	0	0
Total	**68,328,709**	**64,147,491**	**56,764,337**	**59,046,585**	**47,309,134**

Notes:

All figures are subject to the annual approval, by Council, of the HRA and General Fund budgets in accordance with clause 10

Estimated figures for future years are shown in real terms including inflation on supplies and services.

Capital programme based upon figures provided in support of the revised Asset Management Strategy which takes into account the removal of the HRA Debt Cap, adjusted in line with the Draft HRA Business Plan

Indicative year 5 included to comply with management agreement (based on 2022/23 figures)

Medium Term Planning Pressures could affect NPH Fee in future years

Rent Review 2019/20 - Tenant Consultation

Consultation with tenants about the 2016/17 rent review and the next 3 years was undertaken through both the Rent and Welfare Reform Service Improvement Panel and the Tenant Panel.

The Rents and Welfare Reform Service Improvement Panel is a panel made up of eight tenants. The group meet monthly together with service managers to develop and improve service delivery specifically in the areas of rent income and welfare reform.

The Tenant Panel was set up in 2012 when the Council started the housing options review. Consisting sixty tenant volunteers the Panel continues to provide a key mechanism through which Northampton Partnership Homes can work in partnership with tenants to develop the housing service.

Both panels are open to all tenants.

Discussion about the rent review focused around the government's proposal for a 1% reduction in rents as set out in the Welfare Reform and Work Bill for 2016/17 and the next 3 years.

The discussion at the Rents SIP was undertaken on the 11th December 2015. While panel members welcomed the proposed reduction concern was expressed that the reduction in rents would lead to reduced service levels.

The discussion at Tenant Panel was undertaken on the 2nd February 2016. Again there were some concerns expressed that reduction could result in reduced levels of service.

There was no additional consultation session for this years rent review, the rent setting is set out in the Welfare Reform and Work Act 2016 for the 4 year period , 2019/20 being the last of the four.

Appendices
None

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	**Report by the Chief Finance Officer on the Robustness of Budget Estimates and Adequacy of Reserves**

AGENDA STATUS: **PUBLIC**

Cabinet Meeting Date:	20 February 2019
Key Decision:	NO
Within Policy:	YES
Policy Document:	YES
Directorate:	Chief Executive
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	N/A

1. Purpose

1.1 To advise the Cabinet on the robustness of the estimates in the budget and the adequacy of the proposed financial reserves for the general fund and Housing Revenue Account (HRA) before recommending to Council the Council's Medium Term Financial Plan (MTFP) 2019/23, the revenue budget for 2019/20, capital programme 2019/23, reserves levels and the treasury management strategy 2019/20.

2. Recommendations

2.1 That Cabinet recommend to Council to carefully consider the content of this report with regards to the general fund and HRA prior to recommending the approval of the Council's MTFP 2019/23, the revenue budget for 2019/20, capital programme 2019/23 and the treasury management strategy 2019/20.

3. Issues and Choices

3.1 Report Background

3.1.1 Section 25(1) of the Local Government Act 2003 requires that the Chief Financial Officer (Section 151 Officer under the Local Government Act 1972) reports to the Council when setting its council tax on:

- the robustness of the estimates in the budget.
- the adequacy of the proposed financial reserves.

3.1.2 Section 25(2) of the 2003 Act requires the Council to have regard to this report in approving the budget and council tax.

3.2 Context

3.2.1 The Council is setting its budget at a time when it faces a range of issues to contend with. In broad terms these can be split into 3 categories; economic, local government and local.

Economic

3.2.2 There continues to be uncertainty around the national and global economic outlook, caused by various factors including the UK's planned withdrawal from the European Union (EU).

3.2.3 The Office for Budget Responsibility's economic and fiscal outlook (published in October 2018) forecasts a relatively stable but unspectacular trajectory for economic growth – close to 1.5% in every year – plus a gradual further decline in the budget deficit and in net debt as a share of gross domestic product. It is worth emphasizing that this forecast assumes a relatively smooth exit from the EU. A disorderly one could have severe short term implications for the economy, the exchange rate, asset prices and the public finances.

Local Government

3.2.4 The provisional settlement was announced by the Housing, Communities and Local Government Secretary on the 13 December 2018. Some of the headlines from this settlement were as follows:

- The New Homes Bonus national baseline will stay at 0.4%;
- There are no changes to the council tax referendum threshold for district and borough councils. This threshold remains at 3%;
- The governments objective to increase local business rate share to 75% from 2020 was restated;
- 15 new 75% rates pilots were announced – including Northamptonshire.

Local

3.2.5 The 2019/20 budget setting process was done in the context of the proposed local government reorganisation and creation of a new unitary authority. Whilst this means that Northampton Borough Council will cease to exist in its current form beyond 2019/20, (subject to the announcement from the Ministry of Housing, Communities and Local Government), the budget set for that year must be sustainable. Therefore, forecasts are prepared for three financial years beyond 2019/20 on an existing ‘ongoing’ basis.

3.3 Risks and Mitigations

The budget report presented to the Cabinet on 20 February 2019 sets out the councils proposed Medium Term Financial Plan (MTFP). The assumptions on which the MTFP is made are robust and are based on the most up to date intelligence available. However, as with any assumption, there is an element of risk that the reality will be different. The following assumptions in the MTFP contain the most risk:

3.3.1 General fund revenue

a) **Government funding**. Government grant income is based on known (settlement funding) or reasonable assumptions concerning future entitlement.

b) Business rates retention. The current assumption is for the level of business rates in 2019/20 to be £8.8m, including £0.5m of actual growth achieved in 2017/18. The actual level of business rates for 2019/20 will not be known until after the end of the financial year, and it should be noted there is a high level of uncertainty over the level and timing of business rates income. It is for this reason that growth achieved over and above budgeted levels from two years previous (hence £0.5m growth from 2017/18) has now been released into the MTFP as this provides some certainty. However, risk still remains around business rates appeals where the Council has made assumptions regarding success rates

c) Council tax. A clear strategy on the Council’s policy for council tax levels over the MTFP period is an essential part of a councils financial planning. The MTFP includes an assumption that the Council will increase council tax by 2.99% in 2019/20 and future years – this is the maximum amount permitted without triggering a referendum.

d) Delivery of proposed savings. The MTFP includes savings to be achieved of £1.0m in 2019/20, rising to £1.7m per annum over the medium term – these are itemised in the budget report at appendix 2.

There is risk of non-delivery of these due to the financial quantum and complexity associated with delivery. This risk will be mitigated by monitoring the progress of these savings targets.

e) Northampton Partnership Homes (NPH). The Council created NPH in January 2015 to deliver the Council’s landlord function. This is being financed through a management fee paid by the Council to NPH. There are a number of general fund activities provided directly (for example, certain housing responsibilities such as Housing Choice) and indirectly through recharges by NPH.

The risks are mitigated through the governance structures and the involvement of the Chief Finance Officer and his representatives in those governance structures. This includes regular meetings between the Chief Finance Officer and NPH Resources Director.

f) **Employee costs**. Pay inflation has been assumed to be 2% for 2019/20 and across the MTFP period. This is in line with government announcements on public sector pay.

g) **Demand led budgets.** There are some services which historically have had higher levels of financial risk associated with them, including car parking, development/planning income, and homelessness/temporary accommodation.

The position on each of the demand led budgets is reported to Management Board in the monthly financial monitoring report. This provides senior management with enhanced information about the cost and service demand levels to take informed judgements about maximising demand on income generating activities and reducing/mitigating demand on cost consuming activities.

Cabinet receive bi-monthly budget monitoring reports, highlighting material risk and variance areas.

3.3.2 General fund capital

h) **Large capital schemes**. There are a number of high profile capital schemes to deliver over coming years, including Vulcan Works, Northampton Museum Extension, and new Environmental Services assets.

Each of these schemes will have its own unique set of risks. At an overall level the Council's governance arrangements provide greater assurance that large capital schemes are being delivered effectively.

i) **Waterside enterprise zone**. There has been significant capital investment relating to investment in improved infrastructure in the enterprise zone over recent years. The bridging funding of this investment is from various sources including the Growing Places Fund. The ultimate repayment of this bridging finance is reliant on the delivery of business rates uplift.

j) **New schemes**. The capital budget proposals include a number of large new items, which are being investigated and will receive full economic and financial appraisals. These include the possible acquisition of residential property to reduce temporary accommodation costs and investing in commercial property to support the local economy and create income.

3.3.3 Housing Revenue Account (HRA)

k) **Removal of the HRA debt cap**. The Government's autumn budget announced with immediate effect the removal of the HRA debt cap. The debt cap was introduced at the time of self-financing and placed a limit of the total amount of borrowing the HRA could take out, for Northampton this was £208.4m. The removal of this restriction allows the Council to prudentially borrow within the HRA to pursue the policy of building new Council housing.

l) Further planned government policy change. Since the introduction of self-financing in 2012 there have been a host of government policy initiatives that have impacted upon housing finances. Some of the major impacting ones are the legislative backed 1 % rent reductions for 4 years from 1 April 2016, the encouraging of right to buy (RTB) by increasing RTB discounts, and the introduction of universal credit and benefit cap.

More recently the Government has pledged to spend an additional £2bn on affordable housing and firm proposals for future rent increases from 2020/21 were released with increases to be capped at CPI plus 1% for 5 years.

m) Northampton Partnership Homes (NPH). NPH, a wholly owned arms length organisation of the Council, provides the Council's landlord function, plus other housing functions. NPH is funded by a management fee from the Council. In addition NPH receive monies to deliver repairs and maintenance services and capital improvements to the Council's housing stock. The total fee paid to NPH is the financial representation of the management agreement between the two parties and has been sub divided into six component parts. As with any arms length organisation there are risks, one risk worthy of note from a financial perspective is that the budgets are not allocated correctly between the components elements of the total fee.

To mitigate the risk of any change the management agreement includes a clear approach to managing the virement of budgets between the various elements of the total fee. The financial performance of NPH will be closely monitored by the Chief Finance Officer through regular meetings with the NPH Resources Director.

3.3.4 Housing Revenue Account - capital

n) The asset management plan. The asset management plan has been reviewed and updated by NPH with the latest information from the stock condition surveys. In addition to this included in the draft capital programme is a significant increase to the Councils' new build and major works 2019/20 programme (£23m to deliver over 100 new homes in year), reflecting the removal of the HRA debt cap from October 2018 and the new ability to prudentially borrow within the HRA. This has been included in the draft budget and will inform the refresh of the Council's HRA business plan for 2019/20. The HRA capital programme has been developed within the context of the 30-year business plan and the existing asset management plan. The capital programme has a direct impact on the revenue position of the HRA.

3.3.5 Treasury management

o) The Council has entered into a number of loan agreements with local partners.

Risks are assessed with due diligence undertaken. Loan agreements are in place to mitigate the risks including proposed repayment schedules; interest rates charged on the loans, assessments against state aid implications and appropriate security. The repayment of loans are monitored regularly.

o) There is a risk relating to interest rate increases.

The interest budgets have been built using latest forecasts of interest rates provided by the Council's risk management advisors, Link Asset Services.

p) **Sixfields and recovery of NTFC loan monies**. The Council is in the process of taking action to recover the loan monies lent to Northampton Town Football Club (NTFC). The Council should closely monitor progress on this activity. In particular the costs associated with the recovery of monies will need to be monitored to ensure value for money is being achieved.

3.4 Forecast reserves and balances

3.4.1 There has been a review of earmarked reserves and the minimum working balance.

Minimum levels of working balance

3.4.2 The risk assessed minimum level of general fund balances for 2019/20 is £4.0m and reflect the risks being faced by the Council. This is £1.5m less than the level of general reserves held as at March 2018, but this is due to the creation of a specific earmarked reserve to cover the risk associated with the recovery of the Sixfields loan, therefore this risk no longer needs to be covered in the general reserve. The risk assessed minimum level of general fund balances are expected to remain at this level in the medium term.

3.4.3 The working balance for the HRA continues at £5m.

3.4.4 The underlying minimum level of working balances necessary to mitigate against short to medium term risks will be reviewed, along with the levels of earmarked reserve, on an annual basis.

Use of earmarked reserves

3.4.5 Earmarked reserves are set out for specific purposes. There is a net contribution to earmarked reserves within the 2019/20 revenue budget of £0.13m.

3.5 Conclusion

3.5.1 Based on the assumptions made in the 2019/20 budget and MTFP for income and expenditure the Council can set a balanced financial position for 2019/20.

3.5.2 However, due to the continued reduction in government funding and forecast pressures on services the Council is facing significant a deficit budget of around £2.1m by 2022/23.

3.5.3 Whilst in the next financial year the Council's financial position is sustainable; beyond this there are well publicised financial challenges facing the whole sector. The Council (or any new entity resulting from the Local Government Reorganisation) will need to ensure it makes the right decisions over the short term to ensure it rises to these challenges over the medium to long term. Such a strategy could include maximising all income streams, sharing services with other councils, being more commercial, continuing to generate efficiencies and influencing the risks faced to optimise the Council's future financial viability.

3.5.4 Provided the Council carefully considers and acts upon the above analysis, and officers robustly manage the implementation of the revenue and capital budgets, a positive opinion can be given under Section 25 of the Local Government Act 2003 on the robustness of budget estimates and the level of reserves.

3.6 Choices (Options)

3.6.1 Section 25(2) of the Local Government Act 2003 requires the Council to have regard to this report in approving the budget for both the general fund and the Housing Revenue Account.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The revenue and capital budgets are set in support of the Council's priorities and in order to do this effectively, the calculations used within the budgets must be robust; this report demonstrates that, in the opinion of the Chief Financial Officer, the budgets for 2019/20 are robust within the parameters outlines in this report.

4.1.2 Protecting the Council's medium to long term financial position and ensuring adequate provision for reserves allows the Council to continue to deliver services in line with its priorities.

4.2 Resources and Risk

4.2.1 The report is of a financial nature and the implications are set out within the report. This report by its nature considers risk management from a financial perspective.

4.3 Legal

4.3.1 The Council has a legal duty to set a balanced budget each year, bearing in mind its fiduciary duties to the taxpayer, and the HRA is not allowed to go into deficit by law. Section 25(1) of the Local Government Act 2003 requires that the Chief Financial Officer (Section 151 Officer under the Local Government Act 1972) reports to the Council when setting its council tax on the robustness of the estimates in the budget and the adequacy of the proposed financial reserves.

4.3.2 Section 25(2) of the 2003 Act requires the Council to have regard to this report in approving the budget.

4.4 Equality

4.4.1 There are no equality and diversity implications arising from this report. Separate assessments will be produced as savings plans are developed over the period of the MTFP to deliver the savings yet to be identified.

4.5 Consultees (Internal and External)

4.5.1 Internally heads of service and budget managers have been consulted, and Management Board has carried out a detailed challenge of the budget with Members.

4.6 How the Proposals Deliver Priority Outcomes

4.6.1 Consulting on the draft budget is a key ingredient of effective financial governance, which contributes to the priority of making every pound go further.

4.7 Appendices

None

5. Background Papers

5.1 General fund budget report

5.2 HRA budget report

Stuart McGregor,
Chief Finance Officer (Section 151 Officer)

Appendices

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Amending the Off Street Parking Places Order and Increasing Parking Tariff's

AGENDA STATUS: **PUBLIC**

Cabinet Meeting Date:	20 February 2019
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Service Area:	Economy, Assets & Culture
Accountable Cabinet Member:	Councillor Tim Hadland
Ward(s)	Abington, Castle & Rushmills

1. Purpose

1.1 The purpose of this report is to seek Cabinet's agreement to the recommendations detailed below in Section 2.1 to 2.8.

2. Recommendations

That Cabinet agrees to the following changes to increase in parking tariffs (see appendix 2) and amendments to the Off Street Parking Places Order.

Council's surface car parks:

2.1 Introduce minimum 2 hour parking with a tariff fee of £2

2.2 Introduce 3 - 5 hour parking with a tariff fee of £4

2.3 Increase evening parking tariff (17.00 – 23.59 hours) to £3

2.4 Increase overnight parking tariff (17.00 – 10.00 hours) to £3

Council's multi-storey car parks

2.5 Maintain free two-hour parking (Monday – Friday only)

2.6 Introduce a 3 – 5 hour parking with a tariff fee of £4

2.7 Increase evening parking tariff (17.00 – 23.59 hours) to £3

2.8 Delegates to the Chief Executive in consultation with the Lead Member for Regeneration and Enterprise authority to implement changes to the proposals contained in this report, including amendments to the Off Street Parking Places Order, undertaking the statutory public notices, consultation and dealing with any responses.

3. Issues and Choices

3.1 Report Background

3.1.1 In 2011 the council took the decision to introduce free parking across the town centre to support local businesses and increase footfall into the town centre.

3.1.2 The proposed changes to the parking tariffs will enable the council to continue to offer free parking in the town centre by retaining the first 2 hour free option across its multi-storey car parks on Mondays – Fridays.

3.1.3 The council in reviewing its town centre car parks wish to ensure that it is able to maximise the impact and effect of these important assets.

3.1.4 The council's parking offer is important, and therefore its approach to parking fees has to look to support growth and encourage viability and vibrancy within the town centre. An important aspect is increasing the dwell time for visitors and minimising the public's perception of receiving a parking enforcement ticket.

3.1.5 It is important the council's car parking provision supports the economic prosperity of the town centre and its parking tariffs are not only fit for purpose but they reflect market forces and are in line with regional pricing.

3.1.6 The proposals contained within this report support the councils budgetary proposals and reflect the value of the parking service, while at the same time minimise the overall impact on car park customers.

3.1.7 The council has been mindful of the future planned developments within and around the town centre whilst ensuring its parking provision meets the current needs of local businesses, residents and visitors to Northampton.

3.2 Issues

3.2.1 The council has been approached by local businesses seeking ways to increase the dwell time of visitors to the town centre and simplify the parking offer.

3.2.2 The proposed tariff structure supports the wish to increase visitor dwell time in the town centre and should help boost customer spend levels.

3.2.3 The proposed tariff structure simplifies the parking offer across all its car parks and helps clarify the offer to customers.

3.2.4 The council has a handful of old parking machines and the council will be investing in its car parks to provide customers with improved payment facilities.

3.2.5 As part of the wider strategic plans for the town centre and in partnership with local businesses and other key partners, the council will be developing a town centre strategy which will sit alongside a transport and parking strategy for the town.

3.2.6 The strategies are important to help drive forward change in the town centre and ensure future parking requirements meet the demand of local business, visitors and resident's.

3.2.7 The council will explore the opportunity to introduce new technologies to meet the demands of existing and future customers such as mobile payments, prepayments and other similar options.

3.3 Choices (Options)

3.3.1 A variety of parking options were explored and appendix 1 provides a summary of those options. Some of the options explored included an hourly tariff, removal of the free two hour parking offer and variety of other options.

3.3.2 Cabinet can choose to agree or not agree to any or all of the proposals detailed above in Section 2.1 – 2.7.

3.3.3 Cabinet need to approve section 2.8 in order for the changes to the off street parking places order to be undertaken.

3.3.4 If any of the proposals listed in 2.1 – 2.7 are not agreed there is a risk the council's proposed budgeted parking income level for 2019/20 will not be achievable.

3.3.5 If any of the proposals listed in 2.1 – 2.7 are not agreed then alternative income generation proposals or savings options will need to be identified to address any shortfall in the council's budget.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The proposal contained in this report will require a change to the council's Off Street Parking Places Order.

4.1.2 The proposal contained in this report will require change to the council's parking fees & charges.

4.2 Resources and Risk

4.2.1 Should the above proposals in section 2.1 – 2.8 not be agreed the council's budgeted parking income levels will not be achievable.

4.2.2 To monitor the impact of the proposed changes there will be monthly monitoring and review of income targets, and an ongoing evaluation of any impact throughout the financial year.

4.2.3 The cost of effectively implementing the proposals will be around £10-£15k.

4.2.4 The financial benefits of implementing the proposals are estimated to be an increase in parking income of £625k. This figure has been sensitised to account for any potential drop in parking numbers.

4.3 Legal

4.3.1 The legislation requires the public notice to describe the Order and provide details of the effect of the order. The public notices must be placed in all the car parks effected by the changes.

4.3.2 The legal process for any changes to the off street parking places order are clearly defined including timescales and the consultation period.

4.3.3 In accordance with the Road Traffic Regulations Act 1984 the Council will consult as appropriate.

4.3.4 The public notice will provide a 21 day consultation period for members of the public or any other parties to formally object to any of the proposals details above.

4.4 Equality and Health

4.4.1 There are no anticipated negative impacts for any section of society.

4.5 Consultees (Internal and External)

4.5.1 Consultation will be undertaken with the Chief Constable and Northamptonshire County Council as part Road Traffic regulation Act 2014.

4.5.2 The public notice will be placed in the local newspaper with site notices located on all car parks informing the general public of the proposed changes and allowing 21 days for anyone to submit their objections.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The proposals contained in this report will contribute to the priority outcome of a stronger community and delivering exceptional services.

4.7 Other Implications

4.7.1 No other implications have been identified at this time.

5. Background Papers

5.1 There are none.

6. Next Steps

6.1 The council will advertise the proposed changes in accordance with the legislative requirements.

Rick O'Farrell
Assets, Economy & Culture
01604 838447

Appendix 1

Various Parking Options (October 2018)

Background & History

The Council currently manage and operate 20 public car parks in and around the town centre. This includes 4 multi-storey car parks and 16 surface car parks.

Parking charges have not increased since 2008 and in fact were reduced in 2011 and 2012.

The council currently offers free two hour parking across its four multi-storey car parks on Mondays – Fridays which attracts around one million visitors.

The introduction of any changes will require Cabinet approval to any changes and amending the Off-Street Parking Places Order 2013 which is a statutory process.

There are some minor financial costs associated with changing the existing parking tariffs and changing the Parking Order in the region of £10-£15k .

Option 1

Increase parking charge to £1 per hour for 1 - 5 hours.	(695,000 estimated customer)
Increase evening parking charge to £2	(180,000 estimated customers)

Option 2

Introduce £1 charge for two hours parking in MSCP's	(1,000,000 estimated customers)

Option 3

Introduce minimum two hour parking and charge £2	(400,000 estimated customers)
Increase evening parking charges to £2	(180,000 estimated customers)

Option 4

Introduce minimum 2 hour parking charge of £2	(400,000 estimated customers)
Merge 3 & 4 hour parking and charge £3.50	(245,000 estimated customers)
Increase evening parking charges to £2	(180,000 estimated customers)

Option 5

Increase evening and overnight charges to £3	(194,000 estimated customers)
Introduce 3 – 5 hour charge of £4	(245,000 estimated customers)

Appendix 2

Car Park Tariff Proposals

Introduce minimum 2 hour tariff on surface car parks

Introduce 3 - 5 hour tariff on all car parks

Increase evening tariff to £3 in all car parks

Increase overnight tariff to £3 on surface car parks

Hourly types	**Current Tariff**	**Car Park Types**	**Proposed Tariff**	**Supporting notes**
1 hour parking	£0.60	Surface	£2.00	Introduce minimum 2 hour parking tariff
2 hour parking	£1.20	Surface	£2.00	Introduce minimum 2 hour parking tariff
2 hour parking Monday - Friday	Free	Multi-storey (only)	Free	No change
3 hour parking	£2.40	Surface & Multi-storey	£4.00	Introduce 3-5 hour tariff
4 hour parking	£3.20	Surface & Multi-storey	£4.00	Introduce 3-5 hour tariff
5 hour parking	£4.00	Surface & Multi-storey	£4.00	Introduce 3-5 hour tariff
All day parking	£8.00	Surface & Multi-storey	£8.00	No Change
Evening	£1.00	Surface & Multi-storey	£3.00	Increase evening charge 5.00pm until 11.59pm
Overnight parking	£2.50	Surface	£3.00	Increase evening charge 5.00pm – 10.00am (next day)
Saturday parking	£2.00	Multi-storey (only)	£2.00	No Change
Sunday Parking	£2.00	Surface & Multi-Storey	£2.00	No Change

Appendices
3

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	**Grant of Lease on Delapré Stable Yard**

AGENDA STATUS: **PRIVATE**

Cabinet Meeting Date:	20 February 2019
Key Decision:	NO
Within Policy:	YES
Policy Document:	NO
Service Area:	Economy, Assets and Culture
Accountable Cabinet Member:	Jonathan Nunn
Ward(s)	Delapré and Briar Hill

1. Purpose

1.1 This reports seeks Cabinet approval for the grant of a lease on the Stable Yard complex at Delapré Abbey to Delapré Abbey Preservation Trust;

2. Recommendations

That Cabinet agree:

2.1 To grant a 25 year lease (the “Lease) to Delapré Abbey Preservation Trust (DAPT) for the area outlined in red on the plans at annex 1 and annex 2;

2.2 That the annual rent payable to the Council by the Trust shall be one peppercorn;

2.3 That the terms of the Lease shall be as outlined in the draft Heads of Terms at annex 3;

2.4 That authority be delegated to the Head of Economy, Assets and Culture in consultation with the Borough Secretary, the Chief Financial Officer, and the Leader of the Council to finalise the terms of the lease in accordance with the draft Heads of Terms, and to take any other actions necessary to complete the Lease.

2.5 To authorise the advertisement of the proposed disposal of public open space in accordance with s.123 (2A) of the Local Government Act 1972 (as amended)

3. Issues and Choices

3.1 Report Background

3.1.1 The main Delapré Abbey buildings have been subject to extensive restoration works, and were opened to the public in March 2017. These areas are the subject of a separate lease to that covered by this report.

3.1.2 As a new charitable enterprise working in partnership with the Council and the Heritage Lottery Fund, all parties have been aware of the challenges facing DAPT in its efforts to achieve financial sustainability, made more difficult by the substantial negative financial impact of the delayed opening.

3.1.3 One of the Trust's key objective is to generate new income streams and the development of the block of buildings known as the 19th Century Stable Yard has been a key element of these plans since the inception of the Delapré project.

3.1.4 DAPT propose to approach grant funders/commercial funders in order to bring this important range of historic buildings back into use. The scheme will complement the main Abbey visitor attraction which successfully opened to the public in March 2017 and follows a similar model to other craft and retail "villages" found adjacent to historic houses, such as Castle Ashby or Hardwick Hall.

3.1.5 The intention is for the Stable Yard to provide an enjoyable, destination shopping experience, event space, wedding venue and workshop/artist or artisan studio facility with a changing selection of retail units and a programme of "pop-up" retail experiences, all within easy reach of the town centre.

3.1.6 Importantly, by giving visitors another attraction on site, the facility will extend current average dwell times and make it easier to attract repeat custom. The location of the Stables also means that it will draw significant passing footfall from general park users broadening the Trust's audience base and visitor demographic profile.

3.1.7 The economic rationale for the development is to underpin the ongoing financial sustainability of the Abbey. With DAPT's current business plan predicting a shortfall, it's vital that the Trust is able to generate new revenue sources such as this in order to meet our shared objective of seeing the whole project becoming self-supporting in the medium to longer term.

3.1.8 The areas external to the Stable Yard buildings are classed as Open Space. They are therefore to be excluded from the lease, and will be subject to separate access arrangements. This is described in detail in the legal commentary at Section 4.3.

3.2 Issues

3.2.1 There are three key risks associated with the grant of the lease to Delapré Abbey Preservation Trust.

3.2.2 Risk 1. – The area to be leased to the Trust currently has two other occupiers. The basis of occupation by one is clear, the other is less clear. The Lease requires the Council to secure vacant possession within 18 months, which may not to be possible. In this case the provisions of the lease are such that Delapré Abbey Preservation Trust or the Council can decide not to proceed with the Lease, which will impact on the long-term sustainability of the Trust. There is also a possibility that the Council will incur costs in securing vacant possession, but at the moment it is not possible to determine the level of any such costs.

3.2.3 Risk 2. - The Lease requires that the Trust carry out the improvement works within a certain time-frame. If this is not achieved the Council can take the decision to terminate the Lease, which again will impact on the long term sustainability of the Trust.

3.2.4 Risk 3. – The third risk is that the Trust carry out the improvement works as planned but the income generated by the commercial activities is not sufficient to support the running of both the Stable Yard complex and the main Abbey. In this case there is a risk that the Abbey may have to close, which in turn would lead to the Trust forfeiting the lease on the Abbey itself, yet retain the lease on the income generating Stable Yard. To mitigate this risk the Lease on the Stable Yard will include provisions to terminate the Lease should the lease on the Abbey be either forfeited or surrendered.

3.3 Choices (Options)

3.3.1 The Council can decide not to grant the Lease to the Trust. This option is not recommended, as it will not support the long term sustainability of the Trust and the Abbey.

3.3.2 The Council can decide to grant the Lease. This is the recommended option, as this is the course of action which will enable the Trust to make the Abbey financially self-sufficient.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no policy implications arising from this report.

4.2 Resources and Risk

4.2.1 The key risks associated with the granting of the lease have been identified in Section 3.2. These risks are considered to be manageable.

4.3 Finances

4.3.1 There is currently £1,392k of capital funding outstanding from the Heritage Lottery Fund for the Delapré Abbey restoration project. Its release is dependent on the signing of the main lease which the trustees are unable to complete until the terms of the lease have been agreed for the Stable Yard.

4.3.2 A financial analysis of the DAPT financial business plan confirms that additional income is essential in order to ensure that the overall scheme is commercially viable for the medium to long term. Income forecasts for the Stable Yard produced by DAPT indicate that a significant contribution would be made to the Abbey's overall commercial prospects.

4.4 Legal

4.4.1 Pursuant to a Byelaw in respect of the Parks and Pleasure Grounds in the Borough of Northampton dated 1st December 1966 the following areas of Delapré Park (Delapré Abbey Gardens, Delapré Field "B", Delapré Lower Park, Delapré Middle Park and Delapré Woods) were designated as pleasure grounds pursuant to s.164 of the Public Health Act 1875. The Byelaw regulated the public's use of the pleasure grounds.

4.4.2 The Stable Yard complex forms part of the areas identified in paragraph 4.4.1. Consideration has therefore been given to the provisions of s.123 (2A) of the Local Government Act 1972 (LGA 1972) which states that a Council may not dispose of any land consisting or forming part of an open space unless before disposing of the land in question, they cause notice of their intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a local newspaper, and consider any objections to the proposed disposal which may be made to them.

4.4.3 The ancillary building that form part of the Stable Yard complex do not form part of the open space. However, any lease of the land surrounding the Stable Yard buildings will trigger the provision of the LGA 1972.

4.4.4 Review of how various buildings at Delapré Park have been leased in the past by the Council reveals that areas of land (South Lawn, Eastern Garden, Walled Garden and Car Parks) at Delapré Park have been licenced to Delapré Abbey Preservation Trust ("Trust").

4.4.5 A licence of open space is not for the purposes of the LGA 1972 a disposal, albeit that the position is not a definitive one. In essence a licence is simply permission to do something on the Council's land and crucially a tenant under a licence does not have exclusive possession which is the distinguishing feature of a lease. Nor should a licence contain clauses which are indicative of exclusive possession. If this were to occur the Council will be required to follow the provisions of the LGA 1972 referred to above at paragraph 4.3.2. A failure to properly comply with the provisions of the LGA 1972 may open the Council's decision to challenge by way of Judicial Review.

4.4.6 It is recommended best practice to obtain a realistic valuation when considering a disposal at less than best consideration, that being said in relation to the commercial value of a disposal what is reasonable entirely depends on the facts of the transaction. When considering the best price that can reasonably be obtained the Council can have regard to ethical as well as commercial considerations.

4.4.7 The Local Government Act 1972: General Disposal Consent (England) 2003 gives the consent of the Secretary of State to a disposal at less than best consideration in specified circumstances.

4.4.8 Those specified circumstances are:

(a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;

i) the promotion or improvement of economic well-being;

ii) the promotion or improvement of social well-being;

iii) the promotion or improvement of environmental well-being; and

(b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

4.4.9 In this instance it is considered that granting the lease at a peppercorn rent contributes to all three of the objectives at 4.4.8 above.

4.5 Equality and Health

4.5.1 An Equality Impact Assessment was previously undertaken in respect of the main Abbey project, and the same considerations will pertain in respect of the Stable Yard.

4.6 Consultees (Internal and External)

4.6.1 Consultation on this report has been carried out with the Lead Members and internal services.

4.7 How the Proposals deliver Priority Outcomes

4.7.1 The Stable Yard redevelopment will secure the future of Delapré Abbey, contributing to our priority outcomes of "Shaping Place and Driving Growth", and "Creating a Thriving Vibrant Town".

4.7 Other Implications

4.8.1 There are no other implications arising from this report.

5. Background Papers

5.1 Previous Cabinet reports on Delapré Abbey.

6. Next Steps

6.1 The next actions are to finalise and complete the Lease and associated Licence of Open Space, and to commence the process of advertising the disposal by lease of the Open Space.

Rick O'Farrell
Head of Economy Assets and Culture
Tel: 01604 837433.

Annex 3

Draft Heads of Terms

- A fixed term of 25 years, with the lease being excluded from the security of tenure provisions of the Landlord and Tenant Act 1954 (to mirror the exclusion of security as regards the lease of the main Abbey).

- Tenant to be Delapré Abbey Preservation Trust.

- The property to be included in the lease to be the 19th century Stable Yard building and the Lodge.

- Rent to be one peppercorn per annum and no premium to be paid at the commencement of the term.

- The tenant to have full repair, maintenance and decorating obligations.

- Permitted uses for the various buildings included in the demise to be a combination of the following uses, events and function (whether private or public in nature), and café/restaurant/catering facility and for security. With regard to the part of the site currently used for residential purposes, this use would continue.

- The tenant will be liable for all outgoings, taxes and duties.

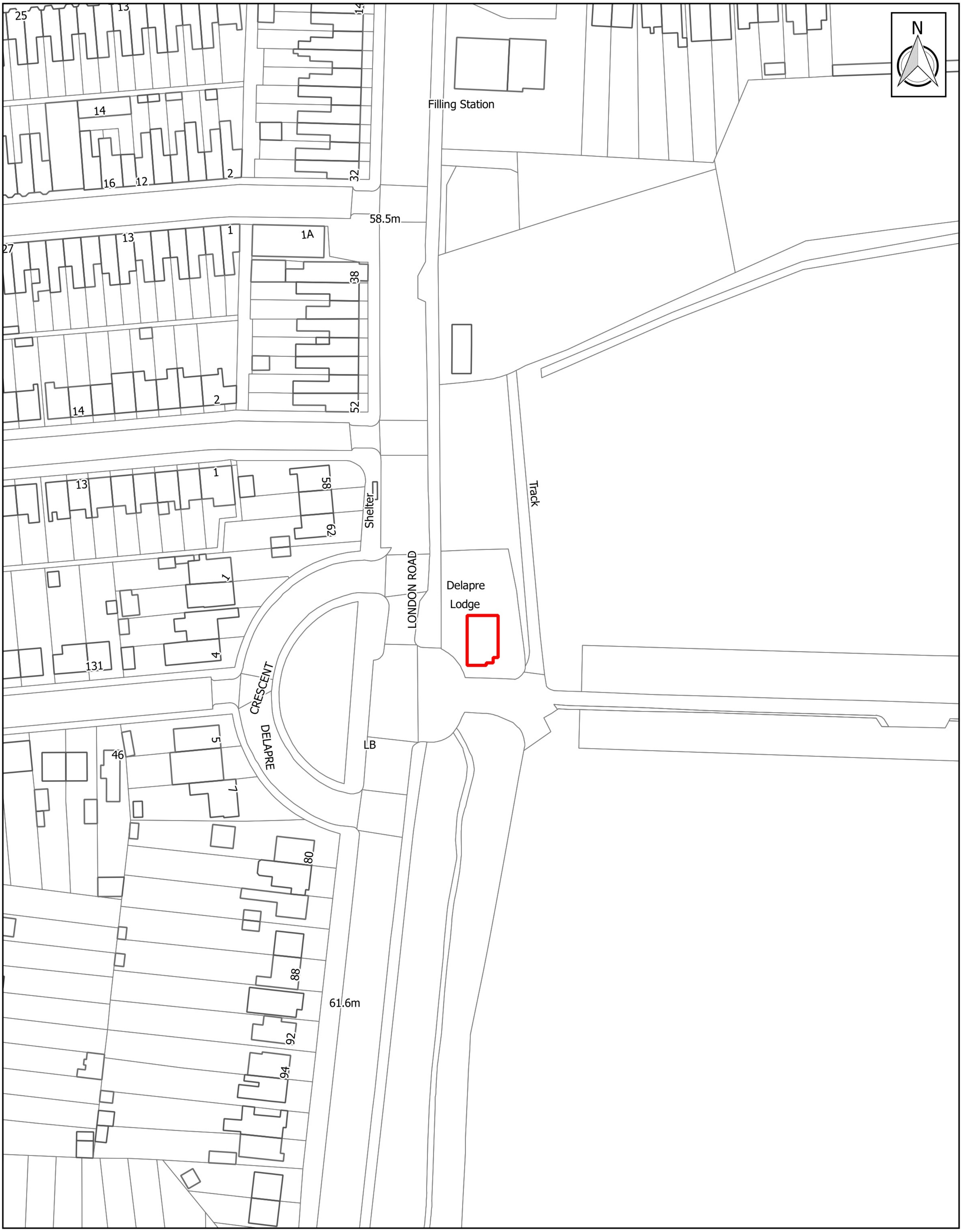
- The Council to fully insure the premises with the tenant refunding to the Council in full the insurance premiums paid.

- The tenant not to be permitted to assign the lease unless it is to be a party which is a body established by the tenant. Any assignment would also include a requirement for the contemporaneous assignment of the main Abbey lease to the same party.

- Restrictions to be imposed as regards subletting of the premises.

- The lease will come to an end at the same time as the lease for the main Abbey if the main Abbey lease is terminated for any reason.

- The lease to contain such other terms as are considered to be appropriate to protect the Council's interests and to enable the project to be deliverable.



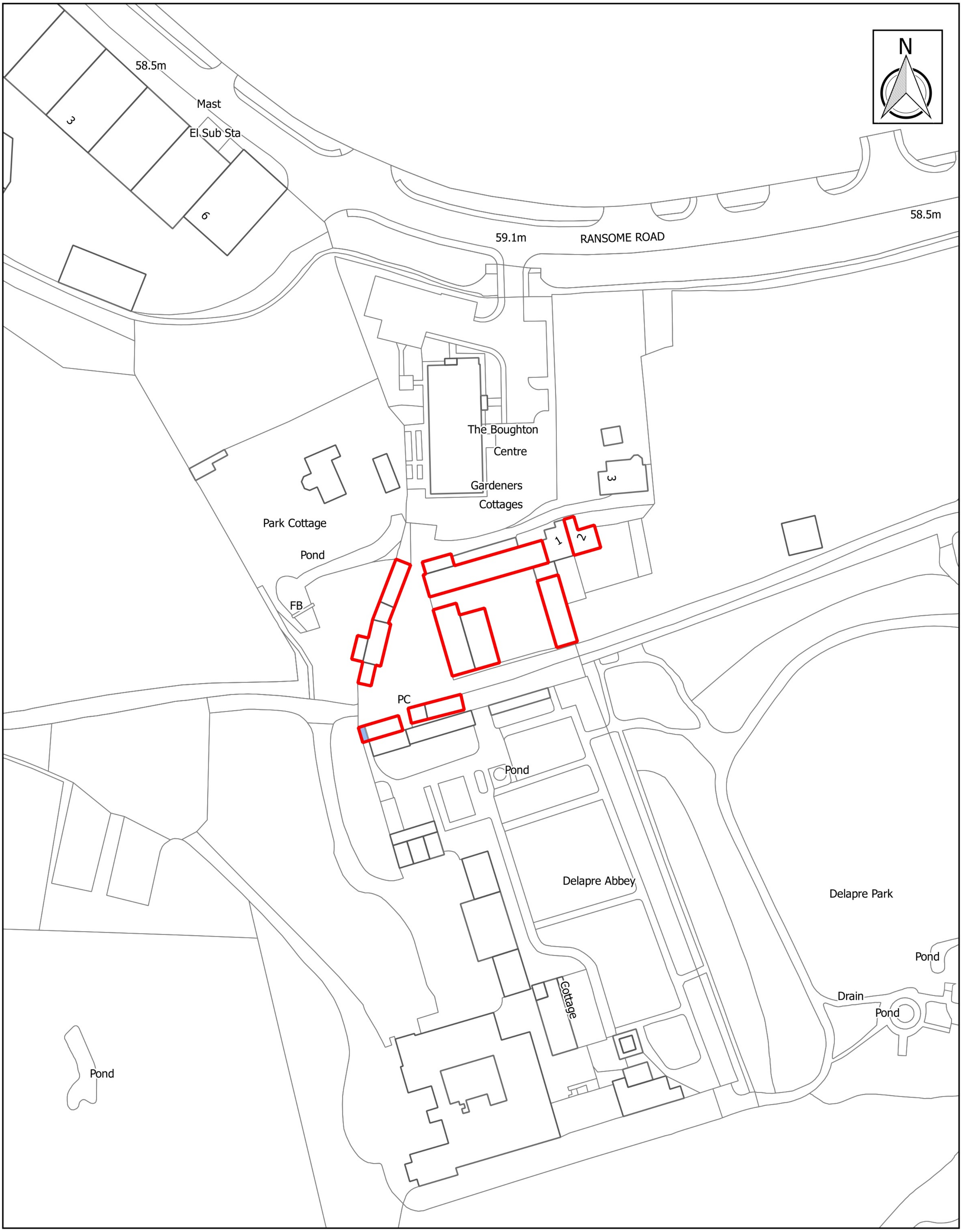
NORTHAMPTON BOROUGH COUNCIL

Title: **Delapre Lodge**

Date: 30-01-2019

Scale: 1:1,250

Drawn by: LP



NORTHAMPTON BOROUGH COUNCIL

Title: **Stables, Outbuildings & Gardners Cottage No. 2**

Date: 30-01-2019

Scale: 1:1,250

Drawn by: LP

Appendices

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	LOCAL GOVERNMENT REFORM IN NORTHAMPTONSHIRE PROPOSED JOINT COMMITTEE – EXECUTIVE FUNCTIONS – TERMS OF REFERENCE

AGENDA STATUS: **PUBLIC**

Cabinet Meeting Date:	20 February 2019
Key Decision:	NO
Within Policy:	YES
Policy Document:	NO
Service Area:	Monitoring Officer
Accountable Cabinet Member:	Jonathan Nunn
Ward(s)	ALL

1. Purpose

1.1 To consider the establishment of a West Northamptonshire Joint Committee and to agree to the delegation of executive powers which relate to the terms of reference for the proposed joint committee.

2. Recommendations

2.1 To agree to the delegation of executive functions, in so far as these relate to the proposed terms of reference for the Joint Committee, attached at appendix 1.

2.2 Such delegations outlined in 2.1 above to become effective if council approves the establishment of the Joint Committee, outlined in the attached report to Full Council at appendix 1.

2.3 To note and recommend to council the establishment of a Joint Committee.

3. Issues and Choices

3.1 Report Background

3.1.1 The background is outlined in the attached report to Full Council at appendix 1.

3.2 Issues

3.2.1 The setting up of a Joint Committee is, legally a matter for the Full Council. However, the proposed terms of reference for the Joint Committee have executive functions which is why Cabinet's authority is being sought to enable the Joint Committee to function effectively.

3.3 Choices (Options)

3.3.1 The choices are listed below:

a) To agree to the proposed delegation this is the recommended course of action as it will facilitate cohesive and efficient decision making.

b) Not to agree to the proposed delegation. – This is not recommended as it will require certain decisions within the Terms of Reference to be made outside the Joint Committee and by Cabinet or individual Cabinet members.

4. Implications (including financial implications)

4.1 Policy

No impact on extant policies.

4.2 Resources and Risk

4.2.1 These are outlined in the council report appended to this report.

4.3 Legal

4.3.1 The proposed terms of reference contain executive functions, so Cabinet are required to agree to delegate its executive powers in so far as they relate to the terms of reference.

4.4 Equality and Health

4.4.1 None arise directly from the report. However, any relevant decisions that the Joint Committee makes will need to be fully informed/supported by community impact assessments.

4.5 Consultees (Internal and External)

4.5.1 Northampton Borough Council Corporate Management Team; Monitoring Officers for all proposed members of the Joint Committee (Daventry District Council, South Northamptonshire Council, Northamptonshire County Council)

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The recommendations in this report draw on the joint proposal to the two unitary councils made by this council and others in August 2018.

5. Background Papers

5.1 Proposal to MHCLG – unitary councils August 2018

6. Next Steps

6.1 The establishment of the Joint Committee as a Full Council function, so the appended report will be presented to Full Council for decision.

Francis Fernandes
Chief Monitoring Officer
Tel: 01604 837334.

APPENDIX 1

Appendices: 1

NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

25 February 2019

Agenda Status: Public

Directorate: Borough Secretary and Monitoring Officer

Report Title	Local Government Reform in Northamptonshire – Proposed Joint Committee

1. Purpose

1.1 To consider establishment of a joint committee between councils with functions related to implementation of local government reform for Northamptonshire.

2. Recommendations

2.1 A "West Northamptonshire Joint Committee" of 16 seats (4 per council) be established with Northampton Borough Council, South Northamptonshire Council, Daventry District Council and Northamptonshire County Council, effective from 28 February 2019, with delegated functions as set out in the terms of reference at Appendix 1, subject to these other councils so resolving.

2.2 The statutory allocation of seats to political groups following the rules of proportionality will for Northampton Borough Council be, 3 Conservatives and 1 Labour Members. Council is invited to make nominations to the Joint Committee.

2.3 Subject to recommendations above being approved, the Monitoring Officer be delegated to agree a "West Northamptonshire Joint Committee Agreement" identifying appropriate standing order and operating practices for the Committee; and in consultation with the Leader of the Council, to negotiate, finalise and enter into the proposed agreement with the other councils.

3. Issues and Choices

3.1 Report Background

3.1.1 In August 2018, this Council and six other councils resolved to submit a joint proposal ("Joint Proposal") for two new unitary authorities covering the county to the Secretary of State for Housing, Communities and Local Government. That proposal was duly submitted and is now for the Secretary of State to consider.

3.1.2 One of the proposed unitary authorities comprised the current administrative areas of Daventry, Northampton and South Northamptonshire (referred to as "West Northamptonshire") established to discharge all local government functions of county and district councils.

3.1.3 At the time of writing this report, the Secretary of State had not decided whether to accept the Joint Proposal. However, he decided to embark on an eight week public consultation on it from 29 November 2018 to 25 January 2019. Subject to his consideration of consultation responses, ultimately this could lead to a Parliamentary decision to establish a new unitary authority for West Northamptonshire in spring 2020, with a shadow unitary authority as the interim transition body later in 2019.

3.1.4 Each of the West Northamptonshire councils is due to receive and consider a largely common report, based on the agreed preferences of the Leaders' Steering Group.

3.1.5 (For information: The Secretary of State also laid a "Northamptonshire (Changes to Years of Elections) Order before Parliament, identifying this as a separate and pragmatic initiative to avoid confusion of the public and unnecessary expense at this time. This Order was confirmed and has postponed district and borough elections due in 2019 to 2020).

3.1.6 Purpose of a Joint Committee
It is considered wise to be in a position to best influence the next steps of prospective reorganisation by the Secretary of State, by expressing local preferences prior to, but particularly in respect of the governance of, a shadow authority. This influence is best achieved by making decisions that are consistent and timely.

3.1.7 At the time of agreeing to submit the Joint Proposal, councils also agreed to interim (and informal) arrangements for managing the associated work programme. These have included a series of county-wide and West Northamptonshire Member-led steering groups involving Leaders, officer programme boards involving Chief Executives, and meetings with key officer groups.

3.1.8 The current interim arrangements prove useful, but they were not necessarily expected to remain unchanged. The steering groups and programme boards do not have formal authority to make decisions on behalf of relevant councils in respect of many of the details of prospective local government reorganisation. Their considerations have led to the production of this common report advocating the establishment of a (formal) joint committee, to achieve consistent decisions and, thus, influence ahead of a shadow authority particularly on governance matters.

3.1.9 Members will appreciate that there have been very few areas of such local government reorganisation in recent years. A learning point from the recent Dorset experience is that a joint committee should be established. At the well-attended LGA-led seminars for all Members held at Northampton Saints in November and December 2018, speakers from councils which had been through, or are going through reorganisations recommended adoption of clear and strong common positions – both to ensure better preparation locally and to use in negotiations with Government officials – and indicated the benefits of a joint committee being created ahead of shadow authority arrangements to achieve such local coordinated leadership.

3.1.10 Dealing promptly with matters is especially pertinent given the challenging timeframe. Fundamentally, there is no timely dispute resolution process should that become necessary. Members will appreciate that the different dates of meetings for each existing council would not help the timeliness of joint decision-making – especially if decisions would need to be taken by the less frequent full Council meetings

3.1.11 A joint committee would be able to be the single point of resolution and able to handle matters in more timely fashion. Without a joint committee, any such decisions of political consequence would need to be presented separately to each of the four individual councils with the hope that they agree the same thing. They might agree but the risk is that they might not, and influence could be weakened or lost.

3.1.12 A further feature of a joint committee is that, unlike the interim governance arrangements, its meetings would normally be in public. Openness and transparency are part of good government and this would be duly served.

3.1.13 The considered view is that the more formal arrangement of a joint committee would indeed enable a common position to be promptly reached and – for influencing purposes – enable a united and stronger front to be presented to the Secretary of State and Government officials, particularly in time-pressured circumstances. The Joint Committee will be empowered to establish advisory Task and Finish Groups, comprised of such members as the Joint Committee see fit, to advise the Joint Committee on key work streams. This will allow greater participation and effectiveness.

3.1.14 Business of a Joint Committee

Whilst there have not been any substantive issues requiring formal Council decisions since the Joint Proposal was submitted, this can be expected to change once the consultation responses have been considered. In particular, the key process for establishing new shadow and unitary authorities is agreement of a Structural Changes Order ('Order') by both Houses of Parliament.

3.1.15 The Order would set the basic governance and operating principles for the shadow authority and subsequent unitary council. It would be drafted by Government officials but it is considered wise for the councils to seek to influence the Order's content. Hence, there is a separate report to Council setting out local preferences for that content. When it comes to negotiations on this – and other matters in the build-up to reorganisation - the risk to consistency of approach is greater without a single formal decision-making body. If established and in so far as this fell within the proposed terms of reference, a joint committee would be able to consider subsequent iterations of the draft Order and provide the common position to Government officials.

3.1.16 In the spirit of seeking smooth transition, a joint committee would usefully develop recommendations for the shadow authority on obligatory matters such as a Constitution, Standing Orders and a Code of Conduct for Members, and the nomination of interim statutory officers. Collective recommendations by a joint committee on these and other governance matters (as included in its terms of reference) would give a shadow authority the opportunity to 'hit the ground running', ensure legal compliance and allow it to spend more of its time preparing budgets and plans that it considers necessary or desirable for a new unitary authority. This in turn would help a new unitary authority to be in a better position to focus early on service delivery.

3.1.17 It is not proposed to give wider-ranging responsibilities to such a joint committee at this time. For example, it would not be involved in service planning for any authority. Of note, it will be for a shadow authority to decide if it wishes to accept a joint committee's recommendations and, whilst such a joint committee would be represented by a few of each council's current Members, a shadow authority would comprise all Members of the councils.

3.1.18 Consequently a proposed West Northamptonshire Joint Committee, with terms of reference as set out at Appendix 1, would discharge primarily 'influencing' functions within its limited remit and its limited lifespan. It is emphasised that a joint committee with the proposed remit would still be supported by the interim governance arrangements already in place – including the steering group and programme board for West Northamptonshire.

3.1.19 Terms of reference agreed for the Joint Committee can be reviewed if appropriate subject to proper approval thorough the executive and full council. This might be necessary if a shadow authority is planned to be established later rather than sooner, and 'vesting day' for a new unitary is not extended in compensation.

3.1.20 Membership of a Joint Committee
In terms of numbers, the recommendation of the West Steering Group (Leaders-led) is that the Joint Committee would have 4 Members from each council (making a Committee of 16). This number has been devised to keep the committee to a manageable size with proportionate representation from all councils.

3.1.21 Under political balance rules, if a joint committee is established with at least three Members per council the appointment to it has to be made by each authority and comply with political balance rules. Those rules apply to each authority individually (save for the County Council because this is not affecting the whole of its administrative area). It is not the balance of the collective grouping that is to be achieved rather it is the balance of each council's representation on it that has to be achieved.

3.1.22 Furthermore, such a new committee causes review of the overall balance of the council irrespective of it occurring (in this case) ahead of the Annual Meeting. The rules also allow for variation of normal political balance arrangements; namely, if the Council wishes to adopt committee memberships which do not accord with political balance arrangements this must be agreed *nem con* (i.e. without any Member voting against). Hence the report includes confirmation of the Council's representation on both the Joint Committee and across all of its committees.

3.1.23 For the Council, the political balance in establishing the Joint Committee with 4 Members would be a requirement for 3 Conservative Members and 1 Labour Member to be appointed to it. The consequence across the other committees is that there would be no changes required to maintain a politically balanced position. As already stated, this can be different if agreed by Council *nem con*.

3.1.24 In determining membership, Council is invited to appoint substitute Members for the Joint Committee in order to ensure representation. This is appropriate for this committee given the occasional different practical arrangements applying to it (e.g. out-of-area venue).

3.1.25 Meetings of a Joint Committee
The Joint Committee would meet before a shadow authority is established. Of course, if the ultimate decision is not to lay an Order, or the Order was not agreed, the Joint Committee would have no further purpose and would be ceased.

3.1.26 It should be noted that the Joint Committee will also be empowered to establish Task and Finish groups to facilitate the development of proposals for the Joint Committee to adopt. The Joint Committee will appoint to these Task and Finish groups as appropriate.

3.1.27 It is proposed that the Chairman of the Joint Committee be elected by the Committee at its inaugural meeting.

3.1.28 Agreement for a Joint Committee
The Joint Committee would be as per a conventional committee in compliance with national rules. To formalise the arrangements for a Joint Committee, an agreement is normally applied. Example agreements from other areas cite functions (as per the terms of reference) and the ground rules. These include matters such as meeting administration, the committee procedure rules to follow, sharing of support costs, information and data protection, scrutiny and audit, and termination arrangements. In terms of committee procedures, it might be sensible and expedient that the rules of

one of the councils be deployed, and to include for Members and the public to table questions, motions to be tabled in the usual ways, quorum to be one quarter of committee membership – without County Council bias, for the reasons given earlier - , rules of debate, provision for recorded votes, and voting normally by show of hands.

3.1.29 Given timeframes, it is proposed that the agreement be produced by the Monitoring Officers of the councils

4. Implications (including financial implications)

4.1 Financial

Under the Local Government Act 1972, the expenses incurred by a joint committee shall be defrayed by the constituent councils in such proportions as they may agree or, in the case of disagreement, by an arbitrator appointed by the Secretary of State. It is proposed that the costs be defrayed in proportion to the number of Members appointed. These would be able to be funded from existing budgets or the resource allocation identified in the Council's resolution on local government reform in August 2018.

4.2 Policy

4.2.1 None arise from the Advice directly. The recommendations are pursuant to the Councils' agreed position on local government reorganisation.

4.3 Resources and Risk

4.3.1 In terms of the Advice, support to the joint committee would be given by existing personnel from one or more of the councils. This will be clarified in a formal agreement and could be from a single lead governance team or from the governance team of the council where the meeting is being held if rotated.

4.4 Legal

Section 101(5) of the Local Government Act 1972 enables a local authority to enter into arrangements for the discharge of its functions jointly with, or by, one or more other authority. Under Section 102 of the 1972 Act, local authorities are empowered to appoint joint committees to discharge functions of the councils or to advise the councils. It is for full Council to establish such a committee and this is reflected in the Council's Constitution.

Political balance requirements are embodied in the Local Government and Housing Act 1989. In particular, Section 15 of the Act comprises the duty to allocate committee seats to political groups and Section 16 comprises the duty to appoint Members to them. There are various secondary Regulations detailing the requirements

4.5 Equality

4.5.1 None arise from the report directly.

4.6 Other Implications

4.6.1 **Environmental**
None arise from the report directly.

4.6.2 **Crime and Disorder**
None arise from the report directly.

5. Background Papers

5.1 Proposed to Government on Local Government Reform – August 2018

5.2 Various minutes – West Steering Group

Francis Fernandes
Borough Secretary and Monitoring Officer
0300 330 7000

Appendix 1

West Northamptonshire Joint Committee

Draft Terms of Reference

1. To consider and recommend a Constitution to be adopted by the Shadow Authority at its inaugural Full Council meeting;
2. To consider and recommend a Members Code of Conduct to be adopted by the Shadow Authority at its inaugural Full Council meeting;
3. To agree and undertake the recruitment process for the selection of the posts of Interim Head of Paid Service, Interim Chief Finance Officer (section 151 Officer) and Interim Monitoring Officer for the Shadow Authority and recommend to the Shadow Authority at its inaugural meeting nominations for the three interim statutory Officers;
4. To consider and recommend to the Shadow Authority at its inaugural meeting a nomination for the post of Returning Officer;
5. To monitor and seek to mitigate any potential risks associated with the Local Government Reform programme (LGR), the creation of a Shadow Authority and creation of a unitary authority for West Northamptonshire and to establish/agree relevant protocols or process's to manage the risks to LGR;
6. To establish and propose a Calendar of Meetings for the Shadow Council for adoption at its inaugural meeting.
7. To respond to consultations on the content of orders, consents or any other matters where specifically requested to do so by the West Steering Group
8. To establish/agree any protocol or process which, if not implemented timeously, may threaten the establishment of a Unitary Council within the deadline set by the Secretary of State.
9. To receive recommendations/reports from work streams that require Joint Committee approval so long as those relate to the Joint Committee's terms of reference referenced above.
10. To agree the process for an independent review of a scheme of Members Allowances for the Shadow Authority, including the setting up of an Independent Remuneration Panel and to recommend to the Shadow Authority a scheme of Members Allowances for adoption at its inaugural meeting;

Appendix 1 – Q3 report 2018-2019

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Corporate Performance All Measures Report Quarter 2 – 1 October 2018 – 31 December 2018

AGENDA STATUS: **Public**

Cabinet Meeting Date:	20 February 2019
Key Decision:	No
Within Policy:	Yes
Policy Document:	No
Directorate:	Chief Finance Officer
Accountable Cabinet Member(s):	Councillor P Larratt
Ward(s)	n/a

1. Purpose

1.1 To inform Cabinet of the council's performance indicators figures for 2018-2019 Quarter 3 (Reporting period: 1 October 2018 to 31 December 2018.)

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. The Annual Performance Report will be presented in June of each year to the Audit Committee.

3. Issues and Choices

Report Background

3.1 Data is collected across a range of locally developed indicators which are collected on a monthly, quarterly, four monthly or on an annual basis. These form the basis of the council's performance monitoring process. Cabinet members receive 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.

This report summarises the council's monthly and quarterly performance indicators figures for 2018 Quarter 3:

The appended report details:

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

Issues

Progress against Corporate Plan priorities

3.2 62.07% of performance measures where data was available reached their target or performed within agreed tolerances or above for the Corporate Plan priorities. This has dropped from 70% since the last report.

Measures in green (on or expecting target) have remained stable, as has Blue (exception or over performance). The area which has seen the greatest drop has been in within agreed tolerances (yellow).

Reporting for the Veolia contract is still being finalised. The contractor has started to submit figures which line up with previous KPIs. Measures that were reported every four months will be reported monthly from Quarter 4 which will give a more accurate picture of performance, as they are changing from every four months to monthly. This will enable us to target areas of concern much earlier.

As the missing KPIs are not drawing through to the final percentages, it is making smaller slips in the percentages reported appear more significant than previously over the whole report. Two indicators which were previously showing as within tolerances (yellow) have now slipped into the red. This is showing as a 7% rise in red indicators.

Overall indicator performance against targets

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

	2018-19				
Performance Status		Q4%	Q1 %	Q2%	Q3%
Blue (Exceptional or over performance)		21.21	20.00%	13.33%	13.79%
Green		39.39	40.00%	46.67%	44.83%
Amber (Within					

agreed tolerance)		9.09%	10.00%	10%	3.45%
Rounded total		69.69	70.00%	70%	62.07
Red (Outside agreed tolerances)		30.04	30.00%	30%	37.93

3.2.2 The below exceptions are to be considered by CMB as to whether any of these are considered to be classified as corporate risks.

High Performing Highlights (Exceptional or Over Performing)		
ESC02	% of missed bins corrected within 24 hours.	The contractors have put 100% of missed bins reported right within 24 hours in November and December. Well over the 84% target.
HML09	No of households for who full homelessness duty is accepted	All decisions to 'accept' a rehousing duty under the homelessness legislation have been made after the Council has discharged its duty to 'relieve' the household's homelessness for 56 days. The number of homelessness acceptances is likely to rise as the team continues to focus on reducing its large caseloads.
HMO01 o of HMO with mandatory licence	No of HMOs with mandatory licence	Number of licences has risen due to a change in law which has seen an increase in the type of properties that are to be licenced.
NI 157b & c	Minor and Other planning applications	These continue to perform at 100% for this quarter.
Lower Levels of Reported Performance (Outside Agreed Target Tolerance)		
BV012 – 12r	Average number of days/shifts lost to sickness for rolling 12 month period	A number of factors have affected this KPI which continues to rise overall. Q3 showed a slight increase on the previous quarter in number of days lost to sickness, some of this could have been attributed to the removal of the first days unpaid sickness pay from the 1st October. HR will continue to monitor and update if this trend increases.
ESC01n	Total Bins and Boxes reported as missed	The target for the remainder of the year will remain at red due to previous contractor, but there has been a significant improvement from the beginning of this quarter to the end. There was also an issue with change of service during Oct and November, but Decembers figures show great improvement.
ESC05 ESC06 ESC07	Litter Detritus Graffiti	Targets and reporting has now been agreed with the contractor and will commence from January 2019. The

ESC08	Fly Posting	change of reporting will commence for Q4.
ESC09	% of Fly tipping incidents removed within 2 days of reporting	Figures reported are significantly different (worse) than reported by the previous contractor. We will continue to work with the contractor to ensure that fly tipping incidents are removed within the stated times.
HML01	Total number of households living in temp accommodation	The numbers continue to remain high, although they appear to have stabilised. It is hoped that the changes Cabinet approved to the Housing Allocations and Choice Based Lettings Policy in the last quarter will prevent the number rising further. The team is doing all it can to prevent the need for a household being placed into temporary accommodation and where this cannot be achieved minimise the stay in temporary accommodation.
HML07	Number of households that are prevented from becoming homeless	In addition to the households that have been prevented from becoming homeless in the quarter, the team has also helped relieve homelessness for almost 70 households by accessing supported or private rented accommodation or supporting them to rebuild family ties.
HMO08	No of HMOs with an additional licence	Since a change in the law there has been a significant number of Licences that are now classed as mandatory that would previously have been additional. This means the figures for additional have reduced, together with a drop overall in applications during the quarter.
MPE01	No of new businesses locating on NWEZ	One new business and two new jobs have been reported within NWEZ. Work is ongoing to develop a campaign to market the enterprise zone and Northampton more widely.
MPE02	NWEZ New Jobs	
PP22	% Hackney Carriage and private hire vehicles inspected which comply with regs.	This is always expected to show a red as these are inspections to check that Hackney carriages and private hire vehicles are compliant with safety standards. All cars identified are moved from the road until the work has been carried out and they are approved.
PP53a	% Service Requests responded to within 5 working days	Although red overall because of previous poor performance, there have been improvements in November and December as the team is now fully staffed.
TCO05n	Footfall in town centre	Footfall has reflected the downward trend in retail across the UK. Footfall for the quarter ending December 2018 on the Market and Abington Street has fallen significantly and shows a decline of 15.87% on expected target figures with the loss of M&S thought to have a significant impact.

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.

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 on a four monthly basis to track progress towards delivering the council's 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 identified to help track delivery of the council's priorities and highlight any issues or risks.

Resources and Risk

4.2 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)

How the Proposals Deliver Priority Outcomes

4.5 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

4.6 There are no other implications arising from this report.

5. Background Papers

Appendix 1: Corporate Performance All Measures Report. Quarter 3 October, November and December, 2018

Jan Stevenson Governance and Compliance Support Officer (Extension: 7806)

168

Corporate Performance

All Measures Report

December 2018

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.

169 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

NORTHAMPTON BOROUGH COUNCIL

NBC Corporate Plan

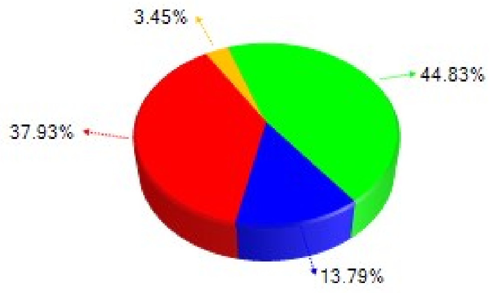
The table below has been included for informational purposes, and shows the current year to date performance of each element of the Corporate Plan. The alerts are generated from the Performance Indicators which each service area aligned to the 8 priorities during the service planning process.

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

170

Corporate Plan - Current Status				
				Total
11	1	13	4	29



Monthly Measures															
Measure ID & Name	Sep 18		Oct 18		Nov 18		Dec 18		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)	100.00 %		100.00 %		100.00 %		100.00 %		100.00 %		95.00 %	95.00 %	Bigger is Better	?	?
We continue to demand 100% of rent due every month.															
															Source Date 31/12/2018
AST05b % commercial rent demanded within the last 12 months (more than 2 months in arrears) (M)	92.30 %		?	?	?	?	?	?	?	?	98.00 %	98.00 %	Smaller is Better	?	?
Work continues to improve reporting on the data. After further work with the Finance Team is has been decided there is still more work to do to ensure accurate reporting. The newly appoint team manager will be looking at all the KPIs ahead of the planning, and work with the team to ensure accurate reporting commences as soon as possible.															
															Source Date 31/12/2018
BV008 Local invoices paid within 10 days (M)	87.16		87.04		86.35		83.29		83.29		80.00	80.00	Bigger is Better		89.53
The number of invoices paid within ten days was within target for this quarter.															
															Source Date 31/12/2018
BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	98.30 %		98.70 %		98.50 %		99.60 %		99.60 %		99.00 %	99.00 %	Bigger is Better		99.32 %
Continue to perform within targets.															
															Source Date 31/12/2018
BV012_12r Ave. no. of days/shifts lost to sickness for rolling 12 month period (M)	?	?	10.75		11.43		12.29		12.29		10.20	10.20	Smaller is Better		9.83
Q3 showed a slight increase on the previous quarter in number of days lost to sickness, some of this could have been attributed to the removal of the first days unpaid sickness pay from the 1st October. HR will continue to monitor and update if this trend increases.															
															Source Date 31/12/2018
CH11 Number of visitors to Abington Park Museum	3,901		4,771		5,232		2,484		43,288		45,700	52,100	Bigger is Better		45,404
December's performance was 8% above monthly target. YTD position remains 4.86% under target. A full programme of events are in place for January to April including two exhibitions, a vegan food fair, a craft fair, adult and childrens workshops and a number of talks/lectures, which will contribute significant footfall to the museum and enable the YTD target to be achieved.															
															Source Date 31/12/2018
CS05 Percentage satisfied with the overall service provided by the Customer Service Officer (M)	86.67 %		100.00 %		100.00 %		75.00 %		93.99 %		90.00 %	90.00 %	Bigger is Better		95.41 %
Only four surveys were received for December. Three were satisfied and one not, resulting in 75% satisfaction rate. Since the change in GDPR and how we take and store personal information this has impacted on the amount of people that we can contact to complete our surveys.															
															Source Date 31/12/2018
CS13a % of calls for NBC managed services into contact centre answered (M)	81.15 %		92.13 %		96.99 %		96.56 %		93.29 %		90.00 %	90.00 %	Bigger is Better		90.18 %
The number of calls answered within time frame continues to perform above target.															
															Source Date 31/12/2018
CS14a % OSS customers with an appointment seen on time (M)	97.9 %		98.5 %		98.2 %		93.5 %		96.3 %		90.0 %	90.0 %	Bigger is Better		92.4 %
Continues to perform above target.															
															Source Date 31/12/2018
ESC01n Total bins/boxes missed in period (M)	297		440		364		164		3,161		2,313	3,294	Smaller is Better		5,265
We continue to work with the new contractor to ensure that data is captured and reported accurately. From early September there was a change in the implementation of day and service changes. Initial teething troubles did impact on missed bins but the December figures are now showing a marked improvement.															
															Source Date 31/12/2018
ESC02 % missed bins corrected within 24hrs of notification (M)	86.53 %		84.55 %		100.00 %		100.00 %		89.34 %		84.00 %	84.00 %	Bigger is Better		89.97 %
The contractor is reporting that all missed bins were corrected within 24 hours in Nov and Dec. This is more than meeting the 84% target. We will continue to monitor the submitted figures ensure that the accuracy of data.															

Monthly Measures

Measure ID & Name	Sep 18		Oct 18		Nov 18		Dec 18		Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
															Source Date 31/12/2018
ESC04 % household waste recycled and composted (NI192) (M)	53.85 %		?		?		?		?		49.00 %	49.00 %	Bigger is Better		45.07 %
The amount of household waste reported has dipped significantly, and this is being challenged with the contractor. It is out of line with previous quarters and we are checking the voracity of the figures.															
															Source Date 31/12/2018
ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	?		?		?		?		?		2.00 %	2.00 %	Smaller is Better		3.63 %
For all these KPIs reporting is commencing from the beginning of January. Targets and reporting cycles have now been agreed with the contractor and will be reported fully from the beginning of the next quarter.															
															Source Date 31/12/2018
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	?		?		?		?		?		4.00 %	4.00 %	Smaller is Better		3.12 %
For all these KPIs reporting is commencing from the beginning of January. Targets and reporting cycles have now been agreed with the contractor and will be reported fully from the beginning of the next quarter.															
															Source Date 31/12/2018
ESC07 % of Land and Highways assessed falling below acceptable level - Graffiti (NI195c) (4M)	?		?		?		?		?		2.00 %	2.00 %	Smaller is Better		0.59 %
For all these KPIs reporting is commencing from the beginning of January. Targets and reporting cycles have now been agreed with the contractor and will be reported fully from the beginning of the next quarter.															
															Source Date 31/12/2018
ESC08 % of Land and Highways assessed falling below acceptable level - FlyPosting (NI195d) (4M)	?		?		?		?		?		2.00 %	2.00 %	Smaller is Better		0.00 %
For all these KPIs reporting will commence from the beginning of January. Targets and reporting cycles have now been agreed with the contractor and will be reported fully from the beginning of the next quarter.															
															Source Date 31/12/2018
ESC09 % of Fly Tipping incidents removed within 2 working days of notification (SO2) (M)	81.14 %		41.15 %		39.11 %		31.29 %		41.39 %		98.00 %	98.00 %	Bigger is Better		99.88 %
The figures that the contractor has reported are significantly different to those reported by the previous contractors and this is being investigated. Should it be necessary the KPIs will be adjusted for the new reporting year.															
															Source Date 31/12/2018
HML01 Total no. of households living in temporary accommodation (M)	303		306		310		299		299		180	180	Smaller is Better		217
While the number of households in temporary accommodation remains high, the number appears to have stabilised. It is hoped that the changes Cabinet approved to the Housing Allocations and Choice Based Lettings Policy in the last quarter, will prevent the number of households residing in temporary accommodation from rising further. The team is doing all that it can to prevent the need for a household being placed into temporary accommodation, and where this can't be achieved, minimise the household's stay in temporary accommodation.															
															Source Date 31/12/2018
HML07 Number of households that are prevented from becoming homeless (M)	45		18		46		51		281		450	600	Bigger is Better		623
In addition to the households that have been prevented from becoming homeless in the quarter, the team has also helped relieve homelessness for almost 70 households by accessing supported or private rented accommodation or supporting them to rebuild family ties.															
															Source Date 31/12/2018
HML09 Number of households for whom a full homelessness duty is accepted (M)	18		22		22		28		197		720	960	Smaller is Better		440
All decisions to 'accept' a rehousing duty under the homelessness legislation have been made after the Council has discharged its duty to 'relieve' the household's homelessness for 56 days. The number of homelessness acceptances is likely to rise as the team continues to focus on reducing its large caseloads.															
															Source Date 31/12/2018
IG03 % FOI/EIR cases responded to within 20 working days (M)	100.0 %		99.0 %		98.0 %		100.0 %		100.0 %		100.0 %	100.0 %	Bigger is Better		98.2 %
Three FOI's were late being responded to, two were due to delays in admin/redaction and one was late due to delay in receiving information from Housing service area.															
															Source Date 31/12/2018

Monthly Measures															
Measure ID & Name	Sep 18		Oct 18		Nov 18		Dec 18		Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
IG04 % Subject Access requests responded to within 40 days (M)	100.0 %		100.0 %		100.0 %		100.0 %		100.0 %		100.0 %	100.0 %	Bigger is Better		100.0 %
All requests responded to within time frames.															
Source Date 31/12/2018															
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% applications determined within agreed time scales for this quarter.															
Source Date 31/12/2018															
NI157b % of 'minor' planning apps determined within 8 weeks or agreed extension (M)	100.00 %		100.00 %		100.00 %		100.00 %		99.30 %		95.00 %	95.00 %	Bigger is Better		?
100% applications determined within agreed time scales for this quarter.															
Source Date 31/12/2018															
NI157c % of 'other' planning apps determined within 8 weeks or agreed extension (M)	100.00 %		100.00 %		100.00 %		100.00 %		99.84 %		95.00 %	95.00 %	Bigger is Better		?
100% applications determined within agreed time scales for this quarter.															
Source Date 31/12/2018															
PP22 % Hackney Carriage and private hire vehicles inspected which comply with regulations (M)	12.00 %		100.00 %		58.00 %		40.00 %		40.00 %		70.00 %	70.00 %	Bigger is Better		62.73 %
Checks were carried out as part of joint operations with the Police and DVSA. Other checks are carried out on vehicles carrying out school contracts. Where defects are found, remedial work is required before the vehicle can return to use. We are carrying out checks to find faults and defects in licenced vehicles so will always expect this to be showing problems.															
Source Date 31/12/2018															
PP53a % Service Requests responded to within 5 working days (M)	95.21		85.12		92.23		94.48		86.65		92.00	92.00	Bigger is Better		25.89
The team is now fully staffed and, with incoming workloads lower due to seasonal factors, figures are showing improvement.															
Source Date 31/12/2018															

Quarterly Measures															
Measure ID & Name	Mar 18		Jun 18		Sep 18		Dec 18		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)	405		406		388		414		414		340	340	Bigger is Better		403
The number of mandatory licences has increased due to a change in the law which has increased the type of properties that are to be licensed.															
															Source Date 31/12/2018
HMO08 No. of HMOs with an additional licence (Q)	512		490		376		358		358		550	550	Bigger is Better		507
Since a change in the law properties that previously had been recorded as additional are now classed as mandatory. This means less 'additionals' to process with a corresponding rise in mandatory licences.															
															Source Date 31/12/2018
IG01 % LGO cases responded to within 28 days (excl. pre-determined cases) (Q)	100.0 %		50.0 %		100.0 %		100.0 %		100.0 %		100.0 %	100.0 %	Bigger is Better		100.0 %
Performing to target															
															Source Date 31/12/2018
IG02 Av. days to respond to LGO enquiries (excl. pre-determined cases) (Q)	25.00		29.50		28.00		28.00		28.00		28.00	28.00	Smaller is Better		25.00
During this quarter there have been no cases to respond to.															
															Source Date 31/12/2018
MPE01 No. of new businesses locating on NWEZ (Q)	3		2		3		1		6		15	20	Bigger is Better		10
Work is ongoing to develop a campaign to market the Enterprise Zone and Northampton more widely.															
															Source Date 31/12/2018
MPE02 No. of new jobs created on NWEZ (Q)	6		16		6		2		24		150	200	Bigger is Better		49
															Source Date 31/12/2018
PP16 % Off licence checks that are compliant (Q)	75.00 %		54.55 %		55.56 %		100.00 %		63.89 %		60.00 %	60.00 %	Bigger is Better		35.71 %
Checks carried out in this period were for display of notices and were all satisfactory.															
															Source Date 31/12/2018
TCO05n Town Centre footfall (Q)	3,268,498		3,864,070		3,617,163		3,365,002		10,846,235		11,700,000	14,700,000	Bigger is Better		12,550,794
Footfall has reflected the downward trend in retail across the UK. Footfall for the quarter ending December 2018 on the Market and Abington Street has fallen significantly and shows a decline of 15.87% on expected target figures with the loss of M&S thought to have a significant impact. The Council works closely with existing businesses in the town centre and over the last four years has provided £1m through its Business Improvement Grants programme. The Council continues to working with new partners in delivering new developments across the Enterprise Zone and other brownfield sites within the Borough.															
															Source Date 31/12/2018

Major Project update

Delivery of the Northampton Waterside Enterprise Zone

The university funded construction is now complete and is officially open for students.

Source Date 31/12/2018

Development of the Greyfriars site

Consultants are now engaged to advise on the viability of the site and due to report in the next month. Discussions with NPH and Legal & General regarding Belgrave House are progressing and a report has been prepared for the next Cabinet meeting.

Source Date 31/12/2018

Restoration and regeneration of Delapre Abbey and Park

The project is near completion. All Breedon works are now complete. Health & Safety works which form part of the residual outstanding items are complete. Legal have sent a final letter to the contractor and are considering taking legal action. The agreement/signing of the lease is moving closer.

Source Date 31/12/2018

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

Three new businesses were supported in Q3 creating 17 additional jobs and attracting £94,174 of private sector investment. During 2018-19 14 businesses have been supported with £116,505 committed grants, 46 jobs created that leveraged approx. £266,454 of private sector investment.

Source Date 31/12/2018

Delivery of the Four Waterside Development

Revised development proposal now received and being appraised by our independent advisors.

Source Date 31/12/2018

Development of the Cultural Quarter

Museum - Demolition works now complete together with external piling. Currently constructing ring beams and pile caps. External drainage proceeding and internally all structural openings and remodelling is underway.

Source Date 31/12/2018

Development of the Cultural Quarter - Vulcan Works

Vulcan Works - The project plans to build opportunities for start-ups and young businesses in the creative and IT sectors, with a total of 59 letting units of variable sizes and levels of specification. Report prepared for the next Cabinet meeting to appoint the recommended contractor with a view to start on site within Q4.

Source Date 31/12/2018

Delivery of the Castle Station development

The issue of secondary lift access for disabled people will also be pursued. Discussions ongoing with Network Rail and Legal & General about the provision of the new car park.

Source Date 31/12/2018