

NORTHAMPTON BOROUGH COUNCIL



COUNCIL

Thursday, 28 February 2008

YOU ARE SUMMONED TO ATTEND A MEETING OF NORTHAMPTON BOROUGH COUNCIL, WHICH WILL BE HELD AT THE GUILDHALL NORTHAMPTON ON THURSDAY, THE TWENTY EIGHTH DAY OF FEBRUARY, 2008 AT SIX THIRTY O'CLOCK IN THE EVENING WHEN THE FOLLOWING BUSINESS IS PROPOSED TO BE TRANSACTED:-

1. MINUTES.

To approve the minutes of the proceedings of the Meeting of the Council held on 21st January 2008.

2. APOLOGIES.

3. MAYOR'S ANNOUNCEMENTS.

4. CORPORATE PLAN 2008-2011

Report of Chief Executive (copy to follow)

5. CAPITAL PROGRAMME 2008-09 TO 2012-13

Report of Director of Finance (copy herewith)

6. COUNCIL WIDE GENERAL FUND REVENUE BUDGET 2008/09 - 2010/11

Report of Director of Finance (copy herewith)

7. COUNCIL TAX 2008/09

Report of Director of Finance (copy to follow)

8. HOUSING REVENUE ACCOUNT (HRA) BUDGET 2008/09 AND RENT SETTING

Report of Director of Finance (copy herewith)

9. PRUDENTIAL INDICATORS FOR CAPITAL FINANCE 2008-09 TO 2010-11

Report of Director of Finance (copy herewith)

10. TREASURY STRATEGY 2008-09 TO 2010-11

Report of Director of Finance (copy herewith)

**11. APPOINTMENT TO OUTSIDE BODIES - COMMUNITY ENABLING FUND
ADVISORY PANEL**

Report of Chief Executive (copy to follow)

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

The Guildhall
Northampton
21st February 2008

D.Kennedy Chief Executive



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

28 February 2008

Agenda Status: Public

Directorate: Chief Executive

Report Title	Corporate Plan 2008 - 2011
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1. Summary

1.1 To approve the Corporate Plan and Council's priorities for 2008 2011.

2. Recommendations

2.1 To note the outcomes of the Corporate Plan consultation detailed in Appendix 2 to the report.

2.2 To adopt Corporate Plan and priorities for 2008/2011 as detailed in Appendix 1 to the report.

3. Report Background

3.1.1 The Council agreed the Corporate Plan for 2007/ 2011 at its meeting on the 28th June 2007. The plan is reviewed on an annual basis.

3.1.2 In order to develop the Council's Corporate Plan priorities and outcomes to be achieved below each of the priorities, the Council has sought the views of local residents and stakeholders. The focus of the consultation was the Council's priorities and budget proposals for 2008/09. The results from the consultation process, attached as Appendix 2 to this report, details the consultation methodology and responses to the consultation.

3.1.3 Analysis of the feedback from the consultation sessions indicates that people's views and priorities have not changed since the last Corporate Plan was developed.

3.1.4 The consultation did not identify any major gaps in the Council's priorities. However, a number of people felt that there was insufficient detail provided under some of the priorities and lack of clarity about how these would be delivered and measured. These comments have informed the final Corporate Plan.

3.1.5 The consultation highlighted the key areas of importance under each priority. These included helping communities become cleaner, safer and greener, quality affordable housing, ensuring the council is fit for purpose, working with local businesses to improve

the operation of the town centre, consulting local people and engaging partners and communities in shaping Northampton as a place.

- 3.1.6 The Corporate Plan reflects the likely priority outcomes which are being negotiated for the second Local Area Agreement in Northamptonshire which is to be agreed in June 2008. It also incorporates the new National Indicator definitions from the Government's Performance Management Framework which comes into effect in April 2008. These indicators replace the previous statutory Best Value Performance Indicators (BVPIs).
- 3.1.7 It is recommended that the Corporate Plan, attached, which has been revised following consultation, be adopted as the Council's Policy Framework document for 2008 to 2011, subject to annual review.

4. Implications (including financial implications)

4.1 Resources and Risk

Financial resources are aligned through the development of the 2008/09 budget to identified priorities.

4.2 Legal

It is not a statutory requirement for the council to produce a corporate plan but is recognised best practice to communicate the council's priorities to the communities it represents. There are no specific legal implications within the plan, however, legal implications associated with any decisions which result as a consequence of implementing actions within the plan will be considered in accordance with legal and statutory requirements.

4.3 Other Implications

Equalities is a key strand of the Council's Corporate Plan and the council is committed to being as inclusive as possible in consulting on our Corporate Plan and priorities and will comply with the commitment to conduct an impact assessment on the plan as the policy framework for council policies. Consultation on the council's priorities and the outcome from that activity is detailed in Appendix 2 to the report.

5. Background Papers

Corporate Plan 2007/ 2011

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Corporate Plan 2008 - 2011

Final Draft

Introduction

Welcome to Northampton Borough Council's Corporate Plan for 2008/11.

Northampton is at the heart of one of the Government's Growth Areas. Over the next twenty five years Northampton is set to grow by 100,000 people. This will create both opportunities and challenges in terms of our economy, environment and infrastructure, as well as to our communities and neighbourhoods. Work is already underway to address the longer term challenges facing our communities.

This Plan focuses particularly on the next 12 months and builds on our recent progress and sets out our ambitions, challenges, our priorities and key targets for ensuring we respond to these and achieve success. Many of these will require effective working with public, private and voluntary sectors.

To achieve this, we must become a successful council. We have put in place robust systems and processes to ensure that we will deliver this Plan. These coupled with strong management and skilled staff will enable us to be one of the best councils in terms of the delivery of public service within five years.

To do this we will prioritise the following management aims of our business

- Providing excellent customer service
- Engage in meaningful dialogue
- Make best use of our resources
- Be a single effective team
- Focus on a better Northampton

About our town

Northampton is a town of 200,100 people. It is made up of a diverse population where some 43 separate languages are spoken and where 5.9% of the population were born outside the EU.

- 800 year old market town with a thriving business centre
- Largest town in the UK - 21st largest place in England
- *80,856 homes with an average cost of £166,790*
- Top five employers: Barclaycard, Nationwide Building Society, Northampton County Council, Northampton Borough Council, St. Andrews Hospital
- 518 town centre retailers
- 825 hectares of parks and open spaces – over 1 million trees
- 70 schools
- Ethnically diverse communities
- 15.9% of the population who have a limiting long term illness
- Rugby Union, League Football and County Cricket clubs
- Major theatres which attract more than 350,000 visitors each year
- Three museums. 165,000 visit to the Northampton Museum and Art Gallery, home to a world famous shoe collection as well as a prestigious collection of Italian art.

The council and our partners in context

The Council works through a number of strategic partnerships with other service providers in the area. These include the Local Strategic Partnership (LSP), Safer Stronger Partnership and Children and Young People's Partnership. To be effective and to maximise the use of our shared resources, we develop shared priorities and deliver them in the most effective way for the people of Northampton.

Many activities which deliver shared priorities are agreed through the *Local Area Agreement* (LAA) for Northamptonshire. This focuses on delivering services and improvements to communities against four key themes. The current LAA has been in place for two years and is being renegotiated in line with government's requirements. The partnership is expected to approve the second LAA in June 2008. The LAA will identify the key priority outcomes for the whole county as well as informing local priorities for Northampton to be delivered by the Council and its partners.

This will focus on seven key areas:

- Stronger communities
- Safer communities
- Tackling exclusion and promoting equalities
- Children and young people
- Adult health and well-being
- Local economy
- Environmental sustainability

The *Local Area Agreement* is also the key delivery plan for the draft *Northamptonshire Sustainable Community Strategy*. This is the subject of consultation which will conclude in April 2008 and be considered for approval following that. Once agreed this will set out the vision and key objectives for the county between now and 2031. A Northamptonshire Public Service board has been established, replacing the previous LAA Board. This Board will take a strategic view for the county as expressed in the 'Sustainable Communities Strategy for Northamptonshire'. It brings the necessary partners together and informs, drives and champions the strategic view.

Our partnership vision for Northampton:

We believe Northampton will be a successful and confident town where people feel they belong, feel they have a future, feel they have financial stability and, where appropriate, business opportunities. It will also be a place that has vibrant cultures and lifestyle opportunities and where everyone who chooses to live here, work here or visit the town feels at home.

To deliver this the Northampton Local Strategic Partnership have agreed the *Sustainable Communities Strategy for Northampton*, which incorporates the key themes from the county-wide strategy and focuses on key strategic objectives local to Northampton;

By 2011 Northampton will be:

- Safer
- Cleaner
- Healthier
- Recognised for good quality, environmentally friendly housing
- Well served by modern and efficient public services

By 2021 it will be a city and a place made up from caring communities

By 2031 it will be a place of Pride, Respect, Excitement, Vitality, Fun, and Passion. It will be defined by its excellent transport system and will be a major regional cultural and economic centre.

Our Corporate Plan 2008/11 sets out how the Council contributes to the achievement of these objectives. The following illustration shows the relationship between these key plans.

How We Deliver Our Key Strategies

REGIONAL SPATIAL STRATEGY

The Sustainable Communities Strategy for Northamptonshire

The Sustainable Communities Strategy for Northampton

LOCAL AREA AGREEMENT PRIORITIES

Stronger communities
Safer communities
Adult health and well-being
Environmental sustainability

Children and young people
Tackling exclusion and promoting equalities
Local economy

Northampton Borough Council Corporate Plan

NBC strategic plans:

- Equalities Scheme
- Customer Services
- HR – Enabling Success Through People
- ICT Strategy
- Economic & Regeneration Strategy
- All other overarching strategic plans

Medium Term Financial Strategy and Value For Money framework

Council Annual Report

Service Plan Priorities

Team Plans

Individual Work Plans

Opportunities and Challenges Facing Northampton

The single biggest challenge facing Northampton is the planned growth and regeneration of the town and the wider area. This will present a range of opportunities for communities, councils and their partners. Together we need to ensure that new developments are fully integrated into existing communities and that employment, leisure opportunities and community facilities meet the needs of the town as it grows.

As well as planning services for the future growth of the area, we also intend to improve the quality and accessibility of our services to our customers now. By creating a 'fit for purpose council', the opportunities and challenges will be tackled effectively. These include managing the growth of the area in a way that enhances the quality of life, revitalises the town centre and local housing estates and puts Northampton on the map, both regionally and nationally. All of this can only be delivered by working hand in hand with our partners.

In order to ensure that this Corporate Plan meets the needs and aspirations of our local communities, and contributes to wider community outcomes, we engaged with local people in a series of consultation events. We used the feedback to inform the selection of our five priorities and underpinning commitments.

These are:

- **We will help our communities become safer, greener and cleaner**
- **We will improve housing and health to enhance the well-being of our communities**
- **We will be a well-managed organisation that puts our customers at the heart of what we do**
- **We will promote economic development and growth in Northampton**
- **We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes**

Priority 1: We will help our communities become safer, greener and cleaner

We want Northampton to be a place where people feel they are proud to belong. A range of factors contribute to the way in which communities experience that sense of belonging.

Safety is most local people's number one priority. There are few merits in aspiring toward being a vibrant and exciting place unless we feel safe and secure.

But the sense of safety is not something in the gift of the council. It is something we all experience when the conditions around us are right. Northampton Borough Council is working with a number of other public sector organisations as well as local communities and voluntary organisations to help foster a climate of personal and community safety.

We also need to feel that our town is clean and that we have green spaces where we can relax. Northampton has more acres of parklands and green space than any other town relative to its size.

Detailed targets and milestones are set out in the action plan on page 14.

**Targets for crime reduction will be confirmed in the Local Area Agreement to be published in June 2008*

We will:

- Reduce fear of crime and achieve an overall decrease in the numbers of people feeling unsafe in the town
- Reduce anti-social behaviour by 22 per cent by March 2009
- Reduce crime in the town by x% overall*
- Improve recycling and composting rates to 40% by March 2009
- Reduce the Council's Carbon Footprint by 8.1%
- Influence our partners to work to improve air quality to meet the government's minimum targets in declared action zones
- Provide a reliable and cost-effective refuse collection and street cleansing service which promotes waste minimisation
- Target particular problem areas by supporting neighbourhood clean up operations
- Maintain a clean environment throughout the town by tackling fly-posting, fly-tipping, graffiti, and abandoned vehicles
- Provide a range of good quality open spaces and parks

Priority 2: We will improve housing and health to enhance the wellbeing of our communities

We work with a number of other public sector organisations, local communities and voluntary organisations to help create a sense of well-being.

Health and well-being is a product of a number of key influences. The Primary Care Trust can have a significant impact on the health of local people. It provides health services to local people and commissions services through a variety of providers.

Our well-being can be significantly affected by our locality, our lifestyle and quality of life. A range of key factors include where we live, the standard of our homes, health, opportunity and income. Improved participation and access to leisure and culture facilities are also vital for wellbeing.

Activities and opportunities for children and young people are vital in creating a sense of well-being. We are leading, on behalf of partners across the town, to improve the quality of life for these groups.

Detailed targets and milestones are set out in the action plan on page 14.

We will:

- Approve a plan by June 2008 to achieve the Decent Homes Standard
- By March 2009 deliver an additional 400 affordable homes
- Provide support to those at risk of homelessness, and reduce homelessness and the time people spend in temporary accommodation
- Introduce choice based lettings by July 2008
- Provide a range of leisure and cultural activities for young people
- Improve participation and access to cultural opportunities
- Promote healthy living initiatives for young people, particularly obesity initiatives and promotion of participation in physical activities
- Contribute to improving the health of local people through GP referral schemes at our leisure centres
- Implement a prioritised programme for neighbourhood renewal to ensure all of our communities are places where people want to live by September 2009
- Release under-utilised council assets to support achievement of housing demand

Priority 3: We will be a well-managed organisation that puts our customers at the heart of what we do

We are continually improving to provide modernised, efficient and accessible services. Our ambition is to improve the council and our services as quickly as possible.

We will continue to focus on our on performance and aim to be recognised as one of the best Councils, in terms of public service, within five years. We have committed to the following five management aims

- Provide excellent customer service
- Engage in meaningful dialogue
- Make best use of our resources
- Be a single effective team
- Focus on a better Northampton

This will be achieved by eliminating discrimination and actively promoting equality of opportunity for everybody who lives in, works in or visits Northampton as well as by ensuring that our culture is customer focused.

To achieve this we need an organisation where everyone works as team, knows what their job is, has pride in what they do and knows how they contribute to the Council's and partners' ambitions.

We will:

- Ensure that all of our customers have a range of choices for how services are accessed, including transactions on the website and opportunities to visit offices
- Increase the opportunities to consult with our customers
- Improve our CPA rating by March 2009
- Improve our financial management by achieving Level 2 of the Use of Resources judgement by March 2009
- Achieve Level 3 of the Equalities Standard by March 2009
- Strengthen our system for learning and improving through customer and employee feedback
- Improve the way we make decisions by using robust management information and having effective governance arrangements in place

Detailed targets and milestones are set out in the action plan on page 14.

Priority 4: We will promote economic development and growth in Northampton

The Government's growth agenda, which is focused on meeting the national housing shortage, will enable Northampton's population to grow by 100,000 by 2031. Successful growth means:

- Building additional homes;
- Creating places and communities;
- Fostering a vibrant economy;
- Ensuring adequate physical and social infrastructure in the town to support sustainable growth for new and existing communities
- Celebrating and enhancing our unique history, heritage and culture
- Making the town more attractive to shoppers, investors, visitors and new residents;
- Promoting a diverse and adaptable skilled workforce;
- Stimulating ambition, and retaining skills within the Northampton economy.

As well as developing the town Northampton has a key role in contributing the economic performance of the Milton Keynes South Midlands Sub-Region.

We have in place a range of strategies to help deliver these outcomes. These include the Local Development Scheme, Economic Strategy and Cultural Strategy.

Together with partners we will work to deliver the needs of Northampton as a burgeoning city.

We will:

- Work with external partners to improve the vitality of the town
- Work with partners on identified key regeneration projects, ensuring that infrastructure needs are adequately addressed for new and existing communities
- Work with local businesses to improve the operation of the town centre by developing a joint operations team
- Promote the town centre as a destination for shopping, leisure and relaxation
- Promoting cultural facilities and events that put Northampton on the map
- Work with partners to improve education and skills attainment
- Work with partners to deliver major projects such as Grosvenor Greyfriars and St John's cultural quarter

Detailed targets and milestones are set out in the action plan on page 14

Priority 5: We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes

We can achieve more working with others than we can working in isolation. We are developing our partnership with a range of public, private, voluntary and community organisations. This will enable us to optimise the way in which we all use our combined resources to provide services for the community.

We are negotiating an agreement to achieve a range of improvements for all our communities through the Northamptonshire Local Area Agreement, which binds partners together in delivering jointly outcomes for local communities. Details of the specific targets within the agreement will be published in June 2008.

It is also vital that we engage with our communities in the development of our services. Last year we adopted a new Community Engagement Strategy. This outlines the principles that we will use to engage and involve people in our communities. This strategy is currently being used to inform the way we work with local communities and interests.

We will:

- Ensure wide engagement with local people on issues that affect their lives
- Deliver services with a more local focus
- Take a leading role in the Local Strategic Partnership and the implementation of our Sustainable Communities Strategy
- Review the way we work with the voluntary and community sectors to deliver services in line with best practice

Detailed targets and milestones are set out in the action plan on page 14

How we make best use of our resources

Ensuring that our services are delivering value for money is a key priority for Northampton. This Corporate Plan emphasises that we put the customer and community at the heart of what we do. There will be clear links between our VFM activity and key Council plans and actions, for example:

- Our budget strategy will be linked to the Council's priorities and supporting value for money services.
 - Ongoing efficiency savings will be identified as part of our three-year planning and performance framework and subject to annual review and update. These efficiency savings will be used to fund new burdens, cost pressures and service improvements.
 - Strategic Business Reviews will be used to scope potential delivery options. VFM reviews will be used to target improvement in services and cross cutting areas in two ways.
 - Innovative methods of procurement will be explored and the value for money opportunities they present.
 - Our Asset Management Plan will be fully integrated with a Capital Strategy and will set out clearly how we will deliver effective asset management.
- Ensuring 'whole life costing' principles and options appraisals are a key part of making investment decisions in our capital programme.
 - Ensuring good quality data is essential for reliable performance and financial information to support effective decision-making. We are committed to ensuring the data we use to report on performance is fit for purpose and represents our activities in an accurate and timely manner.

Our employees are our biggest resource. During 2008 we will be reorganising the Council in order to promote more efficient working, better service delivery and improved customer outcomes. Our structure will result in professionally-based Directorates that are accessible to customers and partners.

Culture is as important as structures. Alongside the structural changes there will be a programme of organisational development – "Making It Matter" - aimed at ensuring that employees are supported, provided with opportunities for development and well managed.

Action Plan

The following pages outline the targets and measures we will use to evaluate progress against our priorities. These are structured around the five Corporate Priorities.

Included within the table, are a range of National Indicators (NI) prescribed by government. For many of these indicators, specific targets will not have been set, as councils will need to establish baseline data upon which targets for continuous improvements can be identified.

In addition, the Council, working with its partners, will contribute to the achievement of a number of targets to deliver the Local Area Agreement (LAA). Work on preparing the new LAA will conclude in June 2008. At this point the specific range of targets will have been confirmed and the targets within this Plan will be amended to reflect the final agreement.

The references include:

BVPI (former Best Value Performance Indicator, now retained as a local indicator)

NI (National Indicator, a statutory measure introduced from 1st April 2008)

LPI (Local Performance Indicator, non-statutory measure developed by the Council to monitor progress)

Priority One:

We will help our communities to become safer, greener and cleaner

This supports the following Local Area Agreement priorities:

- Building Safer Communities
- Improved Environmental Sustainability

Short-Term Priorities	Milestones/Measures – to achieve by March 2009	How will this be addressed?	Lead department
Reduce fear of crime and achieve an overall decrease in the numbers of people feeling unsafe in the town	Achieve an overall decrease in the number of residents feeling unsafe in the town* (NBC annual survey) 100% compliance with Domestic Violence Checklist (Former BVPI 225)	Use survey results on citizen satisfaction with the Council and Police to establish a baseline and future action plan Insert additional clause into the Tenancy Agreement	Community Safety, Leisure and Town centre Operations
Reduce anti-social behaviour by 22 per cent by March 2009	Reduce incidents of anti-social behaviour to 26,000 incidents (LPI) Satisfaction with the police and council deal with anti-social behaviour (NI 24) Satisfaction of different groups with how the police and council deal with anti-social behaviour (NI 25) Perceptions of anti-social behaviours (NI 17)	Improved inter-agency management of casework; effective use of early intervention Use survey results on citizen satisfaction with the Council and Police to establish a baseline and future action plan	Community Safety, Leisure and Town centre Operations

<p>Reduce crime in the town</p>	<p>X % reduction in number of burglaries to fewer than 13.9 per thousand households* (Former BVPI 126)</p> <p>X % reduction in the number of violent crime to fewer than 23.6 per thousand households* (Former BVPI 127a)</p> <p>X % reduction the number of robberies to fewer than 2.8 per thousand population* (Former BVPI 127b)</p> <p>X % reduction in vehicle crime to fewer than 15.3 per thousand population* (Former BVPI 128)</p> <p>Number of serious acquisitive crime rates per capita (NI 16)</p> <p>Number of most serious violent crime per capita (NI 15)</p> <p>Assault with injury crime rate (NI 20)</p>	<p>Work with the Safer, Stronger Northampton Partnership to reduce crime in the town</p> <p>Tackling causes through focused work on children and young people, drug and alcohol misuse, persistent offenders, environmental factors and community cohesion</p> <p>Extend community safety awareness training amongst staff at all levels in the Borough Council</p> <p>Use survey results on citizen satisfaction with the Council and police in order to establish a baseline and future action plan</p>	<p>Community Safety, Leisure and Town Centre Operations</p>
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Short-Term Priorities	Milestones/Measures – to achieve by March 2009	How will this be addressed?	Lead department
Improve recycling and composting rates to 40% by March 2009	Household waste recycled and composted (NI 192) 24% Household waste recycled, including the collection of glass 16% green sent for composting	Commence glass collection in trial areas of the town Continuing provision of recycling facilities and services	Streetcare and Waste Management
Reduce the Council's Carbon Footprint by 8.1%	Deliver the specific targets set out in the Carbon Management Action Plan	Carbon Management Board delivering a range of projects to achieve this target, including reduction in the number of servers used by ICT	Environmental Health
Influence our partners to work to improve air quality to meet the government's minimum targets in declared action zones	Per capita reduction in CO2 emissions in the local authority area (NI 185) % reduction in CO2 emissions from local authority operations (NI 185) Per capita reduction in CO2 emissions in local authority area (NI 186) Improve the level of air quality – reduce levels of NOx and primary PM10 emissions through local authority estate operations (NI 194)	Continue the monitoring of air quality and communicate results to partners	Environmental Health
Provide a reliable, cost-effective refuse collection and street cleansing service which promotes waste minimisation	Municipal waste land-filled (NI 193) Residual household waste per head (NI 191) Number of refuse collections missed per month (LPI 10)	Continue the collection of household waste Continue the education programmes aiming to promote the waste hierarchy	Streetcare and Waste Management

Target particular problem areas by supporting neighbourhood clean up operations	<p>Responding to performance information, including customer complaints</p> <p>The number of clean up operations completed each year</p>	<p>Neighbourhood Wardens service</p> <p>Working with local Residents Associations</p> <p>Continue to support Community Clean-Up initiatives</p> <p>Joint working between Customer Service and service areas to evaluate customer feedback</p>	Streetcare and Waste Management
Short-Term Priorities	Milestones/Measures – to achieve by March 2009	How will this be addressed?	Lead department
Maintain a clean environment throughout the town by tackling fly-posting, fly-tipping, graffiti, and abandoned vehicles	<p>Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly-posting) (NI 195)</p> <p>Improved street and environmental cleanliness – (fly-tipping) (NI 196)</p> <p>90% of fly-tips removed within two working days (LPI 5)</p> <p>95% of reported abandoned vehicles investigated within 24 hours (former BVPI 218a)</p> <p>90% removal of abandoned vehicles within 24 hours (former BVPI 218b)</p>	Continue to provide a comprehensive street-care service	Streetcare and Waste Management
Provide a range of good quality open spaces and parks	Achieve a satisfaction level of 79% by March 2009 (annual survey)	Continue the maintenance and care services provided in parks	Streetcare and Waste Management

* - Targets for crime reduction will be confirmed in the Local Area Agreement to be published in June 2008

Priority Two:

We will improve housing and health to enhance the wellbeing of our communities

This supports the following Local Area Agreement priorities:

- Stronger, empowered and cohesive communities
- Improved life chances for children and young people
- Improved adult health and well-being

Short-Term Priorities	Milestones/Measures – to achieve by March 2009	How will this be addressed?	Lead department
Approve a plan by June 2008 to achieve the Decent Homes Standard	<p>Cabinet to approve the plan by May 2008</p> <p>Increase number of decent homes by March 2009 (NI 158). Specific targets will be identified following the completion of an asset management study in June 2008</p>		Housing
By March 2009 deliver an additional 400 affordable homes	<p>Increase the number of affordable homes delivered from 300 to 400 per year by March 2009 (NI 155)</p> <p>Net additional homes provided – increase from 1000 in 2007/08, to 1100 by March 2009 (NI 154)</p> <p>Increase the supply of ready to develop housing sites from 30 to 40 by March 2009 (NI 159)</p> <p>Processing of planning applications as measures against targets for major, minor and other applications (NI 157)</p>	<p>By negotiating affordable housing requirements with key stakeholders, including WNDC, developers and registered social landlords</p> <p>Maintain top quartile performance for minor and other applications.</p> <p>Achieve top quartile performance for major applications.</p> <p>Joint working with WNDC on housing schemes</p>	Housing

Provide support to those at risk of homelessness, and reduce homelessness and the time people spend in temporary accommodation	Reduce the number of households living in temporary accommodation from 80 to 50 by 2010 (NI 156) Time taken to process housing benefit and council tax benefit (NI 181)		Housing
Introduce choice based lettings by July 2008	To be approved by Cabinet by March 2008 with an implementation date of July 2008		Housing
Provide a range of leisure and cultural activities for young people	Increase the number of young people visiting museums and galleries in organised school groups to at least 8000 by March 2009 (Former BVPI 170c)	Implementation of Cultural Strategy, including Summer activities in museums, leisure and arts development Street football initiatives Delivering training opportunities to young people, including Community Sports Leadership Awards and volunteering opportunities leading to the Olympic Games 2012.	Community Safety, Leisure and Town centre Operations
Improve participation and access to cultural opportunities	Achieve National Status for the Boot and Shoe Collection by March 2009 Increase the number from around 800 per 1000 population, to around 900 by March 2009 Numbers of visits to museums and galleries (NI 10) Numbers of adults who say they have attended arts or arts activities in the last twelve months (NI 11)	Developing a greater national and international profile for the Boot and Shoe Museum by achieving national status and associated marketing Promotion of arts participation and exhibitions	Community Safety, Leisure and Town centre Operations

Promote healthy living initiatives for young people, particularly obesity initiatives and promotion of participation in physical activities	LAA measure – obesity of primary children in year 6 (NI 55)	Development of the Body for Life programme in partnership with Northamptonshire PCT	Community Safety, Leisure and Town Centre Operations
Contribute to Improving the health of local people through GP referral schemes at our leisure centres	Increase numbers of participants in the scheme from 360 to 400 by March 2009	Enhancement of the GP referral scheme	Community Safety, Leisure and Town Centre Operations
Implement a prioritised programme for neighbourhood renewal to ensure our communities are places where people want to live by September 2009.	% of people from different backgrounds who believe they get on well together (NI 1) % People who feel they belong to their neighbourhood (NI 2)	Local priorities and targets to be delivered through Neighbourhood Management Action Plans	Governance and Communications
Release under-utilised council assets to support achievement of housing demand	By June 2998 Cabinet to adopt a new asset management strategy.	Options appraisals linked to Asset Management Strategy	Asset Management

Priority Three:

We will be a well managed organisation that puts our customers at the heart of what we do

This supports the following Local Area Agreement priorities:

- Tackling exclusion and promoting equalities

Short-Term Priorities	Milestones/Measures – to achieve by March 2009	How will this be addressed?	Lead department
Ensure that all of our customers have a range of choices for how services are accessed, including transactions on the website and opportunities to visit offices	Numbers of website visits Avoidable contact: Average number of customer contacts per resolved request (NI 14)	Implement self service modules on the Council's website Continued improvements across customer operations	Customer Services
Increase the opportunities to consult with our customers	% of people who feel they can influence decision in their locality (NI 4)	Use Citizens Panel to consult on service delivery options Increase our corporate consultations to an annual basis Implementation and delivery of a Customer Engagement Strategy Continue to support a network of customer forums	Governance and Communications
Improve our CPA rating by March 2009	CPA re-categorisation during 2008 to show the Council no longer rated as 'Poor'	Delivery of the Council's Improvement Action Plan	Chief Executive

<p>Improve our financial management by achieving Level 2 of the Use of Resources judgement by March 2009</p>	<p>Improve the specific elements of Use of Resources: financial management, internal control and financial reporting</p> <p>Value for Money – (NI 179)</p>	<p>Delivery of the Council's Use of Resources Action Plan</p> <p>Deliver the Value for Money review programme</p>	<p>Finance</p>
<p>Achieve Level 3 of the Equalities Standard by March 2009</p>	<p>Equality Impact Assessments to be completed on all Council policies and services</p> <p>95% of authority buildings open to the public that are accessible to disabled people by March 2009 (former BVPI 156)</p>	<p>Delivery of the Equalities Standard Action Plan</p> <p>Deliver the objectives set out in the Council's Single Equalities Scheme</p>	<p>Asset Management</p> <p>Policy and Governance</p>
<p>Strengthen our system for learning and improving through customer and employee feedback</p>	<p>95% of complaints resolved on time</p> <p>20% reduction in front line customer service complaints by March 2009</p> <p>Reduce the number of Local Government Ombudsman's pre-investigations and investigations from 48 in 2007/ 08 to 38 by March 2009.</p> <p>Increase overall customer satisfaction rate to 53% by March 2009</p> <p>Increase employee satisfaction to 65% and advocacy rates to 36% by March 2009</p>	<p>Implementation and communication of defined service standards</p> <p>Improved communication about how customers can complain</p> <p>Implementation of a learning log process to inform service improvement</p> <p>Ombudsman case reviews</p> <p>Annual Customer Survey</p> <p>Annual Employee Opinion Survey</p>	<p>Customer Services</p>

<p>Improve the way we make decisions by using robust management information and having effective governance arrangements in place</p>	<p>Achieve Level 3 Data Quality by March 2009</p> <p>Ensure that no performance indicators are qualified by auditors</p>	<p>Delivery of the Data Quality Strategy</p> <p>Implementation of the Performance Management System</p> <p>Embedding the new Performance Management Framework</p> <p>Revise our Constitution to streamline decision making</p> <p>Provide training and development opportunities to officers and councillors</p>	<p>Performance and Improvement</p>
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Priority Four:

We will promote economic development and growth in Northampton

This supports the following Local Area Agreement priorities:

- A Stronger Local Economy

Short-Term Priorities	Milestones/Measures – to achieve by March 2009	How will this be addressed?	Lead department
Work with external partners to improve the vitality of the town	<p>Delivery of the milestones and outcomes in the Economic Strategy</p> <p>Overall employment rate (NI 151)</p> <p>Working age people on out of work benefits (NI 152)</p> <p>VAT registered businesses in the area showing growth (NI 172)</p> <p>Changes in Housing Benefit/Council Tax benefit (NI 180)</p>	Delivery of the Economic Strategy	Regeneration
Work with partners on identified key regeneration projects, ensuring that infrastructure needs are adequately addressed for new and existing communities	<p>Meet the milestones within the Local Development Strategy</p> <p>Agree, with partners, a 'common tariff approach' to deliver the Local Development Scheme and to set out how each partner will contribute to the delivery of the scheme</p>	Development of a Joint Planning Unit	Planning
Work with local businesses to improve the operation of the town centre by developing a joint operations team	Create a Business Improvement District by 2010		Regeneration
Promote the town centre as a destination for shopping, leisure	Perceptions of drunk or rowdy behaviour as a problem (NI41)	Shop front and Market Square enhancement schemes	Regeneration

and relaxation	Perceptions of drug use or drug dealing a problem (NI 42)	Improve promotions and communications Deliver Economic and Cultural Strategies	
Promoting cultural facilities and events that put Northampton on the map	Stable budget for Royal and Derngate Theatres Cultural Strategy for Northampton to contain specific projects, to be consulted and agreed by September 2008	Three-year investment plan for the theatre Delivery of the Cultural Strategy	Community Safety, Leisure and Town centre Operations
Work with partners to improve education and skills attainment	Working age population qualified to specific levels (NI 164 and 165) Average earnings – (NI 166)	Delivery of Economic Strategy Delivery of Cultural Strategy	Regeneration Community Safety, Leisure and Town Centre Operations
Work with partners to deliver the Government's growth agenda and major projects such as Grosvenor Greyfriars and St John's cultural quarter	Previously developed land that has been vacant or derelict for more than 5 years (NI 170)	Complete Development Plan by March 2009	Regeneration and Planning

Priority Five:

We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes

This supports the following Local Area Agreement priorities:

- Stronger, Empowered and Cohesive Communities

Short-Term Priorities	Milestones/Measures – to achieve by March 2009	How will this be addressed?	Lead department
Ensure wide engagement with local people on issues that effect their lives	% of people engaged in civic participation in the local area (NI 3)	Implementation of the Community Engagement Strategy	Governance and Communications
Deliver services with a more local focus	Reconfigure front line service delivery to area-based arrangements following organisational review	Implement Local Area working	Chief Executive's
Take a leading role in the Local Strategic Partnership and the implementation of our Sustainable Communities Strategy	Achievement targets in the LAA Targets and measures to be agreed by June 2008	Delivery of the Local Area Agreement Take a significant role in the new Public Services Board Implement our Sustainable Communities Strategy	Governance and Communications
Review the way we work with the voluntary and community sectors to deliver services in line with best practice	Participation in regular volunteering (NI 6) Environment for a thriving third sector (NI 7) Amount of council money spent on grants (£1.1m in 2007/08)	Complete Strategic Business Review to identify opportunities Use of community grants to support the voluntary sector	Governance

Northampton Borough Council

Corporate Plan Proposals for Northampton – 2008/2011

Results

Contents

1.0 INTRODUCTION

BACKGROUND

- 1.1 Northampton Borough Council is committed to working with local people to improve the services that it provides and to deliver them in the most efficient way. One of the Council's priorities is to improve the interaction with the public and to listen to local people and provide services they need. In that spirit, the Corporate Plan consultation process for setting the priorities for 2008/2011 has been more wide reaching than in previous years. We will learn from our experiences this year and continue to improve our consultation techniques and how we use this information year on year.

AIMS OF THE EXERCISE

- 1.2 The aim of this consultation exercise is to build upon the initial consultation undertaken in November 2007 where a number of focus groups were held. Their purpose was to revisit and validate the current Corporate Plan's priorities and to provide a basis on which to develop a draft Corporate Plan for 2008-2011.

2.0 METHODOLOGY

- 2.1 The methods used to capture views included:
- A detailed draft plan, with a questionnaire attached,
 - Workshops for the original focus groups, such as Citizen's Panel, Tenants, business community, voluntary sector, Neighbourhood Partnership 8, Representatives from the Community Forums and the Youth Forum.
 - Open public meetings,
 - Key stakeholder and partners
 - Detailed draft Corporate Plan left in public locations across Northampton (libraries, supermarkets, community centres, post offices, council receptions, police stations).
- 2.2 There are many methods of conducting research and in this instance, this consultation exercise was conducted using sampling methods and therefore the results do not statistically represent the views of the population of Northampton. However, given the nature of the Corporate Plan proposals and the number of responses, whilst the results may not be

statistically significant they are indicative of the views of the people and organisations of Northampton and provide a flavour of their feelings regarding the proposals.

WHAT DID WE DO?

2.3 The following groups of people were included within the process:

- **General public**
- **NBC employees**
- **Business Community**
- **Local strategic Partnership**
- **Key partners including Northamptonshire County Council, Northants Police, WNDC, etc**
- **Area Partnerships and Community Forums**
- **Including 160 Voluntary Sector organisations**
- **Community Forums**
- **Tenants and Residents Associations**
- **Citizens Panel**
- **NBC Employees**
- **Faith Groups**
- **Neighbourhood Partnerships**
- **NBC Overview and Scrutiny**

2.4 The detailed draft Corporate Plan was left in the following public locations

- **Community Centres**
- **Post Offices**
- **Supermarkets**
- **Public Libraries**
- **Children's Centres**
- **Medical Centres**
- **Northampton Borough Council reception areas**
- **Northamptonshire County Council reception areas**

- **Police Stations**
- **Northampton Borough Council web site**

- 2.5 The draft Corporate Plan with an enclosed questionnaire was developed based around proposing five strategic priorities agreed by our partner organisations and developing new ways of working within the Council.
- 2.6 The draft Corporate Plan with an enclosed questionnaire were available to download and complete on-line via the Council's web site and intranet. An e-mail address, freepost address and consultation phone line were set up to receive comments/views etc.
- 2.7 The workshops, open meetings and staff briefings were designed to present the draft Corporate Plan and to note views, comments and questions.
- 2.8 In total the above approach included in excess of 1,000 contacts excluding NBC staff.
- 2.9 A copy of the draft Corporate Plan, the detailed consultation programme and a breakdown of the numbers of locations and contacts made via e-mail and mail-shot etc are available by contacting (01604) 838569.
- 2.10 The consultation exercise was well advertised through the media. Including adverts and press releases.
- 2.11 The results from the questionnaire have produced quantitative and qualitative data. The results from both the quantitative and qualitative data are detailed within this report.

WHAT RESPONSE DID WE GET?

- 2.12 The following meetings were held and responses made:
- Approximately **22** local people attended the public open meetings
 - Approximately **44** people attended the workshops
 - **41** completed questionnaires
 - **11** comments made via letter, phone call and e mail

3 KEY FINDINGS

3.1 The results and findings from the consultation exercise presented in two sections:

1. Results from the questionnaire, and
2. What people had to say

RESULTS FROM THE QUESTIONNAIRES:

3.2 The results from the questionnaires are collated in the following ways. **It must be noted that when considering the number of responses below that not every person complete the entire questionnaire and some people also chose more than one option to tick and therefore the total responses do not match the total number of people responding.**

- Those in support of the priorities, and
- Is there anything missing from the priorities, and
- Considering the priorities, which are the most important to people

Question 1: Do you agree with the priorities?

3.3 We asked people did they agree with the five strategic priorities

3.4 The following table shows the numbers responded from a total of 41 completed questionnaires, with two neither agreeing or disagreeing.

Yes	No
39	0

Question 2: Is there anything missing from the above priorities?

3.5 We asked people to comment

3.6 The following table shows the responses from 41 completed questionnaires, and the numbers responded. Not all 41 questionnaires contained comments

Comments	No
Have a meaningful Public Transport Policy	1
Consult the public more	3
Just do it	3
Improve efficiency of NBC as an organisation	1
Page 7 priority 4 – quality section – an overt link needs to be made with SSNP	1
Commitment to community cohesion and develop mixed and welcoming town	2
Faith buildings to be more inclusive	1
Relationship of NBC and NCC to be clear	2
Explain jargon, terms and acronyms	3
Make links to equality schemes	1
A section to include what NBC expects of it's residents	1
Forms available in Polish	1
Cultural and diverse communities	2
Ask Government for more money instead of tax payer to deliver these	1
Work more with Voluntary Sector	2
Needs to be more specific , so we can understand	9
Needs to relate to Northampton, it could be anywhere	9
Needs a commitment from Housing to deliver plans and release land holding	1 partner
Corporate Plan does not relate to Housing Strategy or individual service plans	HSG Strategy
Corporate Plan and budget needs to be linked together	Vol Sec

People who sent in letters and attended workshops and open meetings also commented as follows:

- People would not disagree with the five priorities, however the language used is not clear and needs some explanation of what we really mean. I.e What does Cleaner, greener mean?
- People wanted to see specifics details about how this corporate plan effects them rather than strategically
- Not written to the audience we have consulted
- Questions were difficult to answer as people did not know what the detail is
- People are clearly sceptical and cynical about NBC plans
- People were concerned that this could have been written for any town, and not specific to Northampton
- Good starting point, however, people do not believe anymore. People want quick wins to inspire confidence
- We are trying to do too much and therefore are unable to deliver, we are spread too thinly
- People were expecting more, this is written like a mission statement rather than a business plan
- All aims and no objectives
- Too many consultants - use our own competent staff and managers
- Corporate Plan and Budget needs to be linked, where is budget proposals to support this activity? It is missing in Budget consultation
- More recognition to be made by key partner organisations which help NBC achieve it's aims and objectives
- How is the Corporate Plan consultation results going to be fed back to citizens?
- The plan does not deliver a picture of the long term direction of the council
- There are insufficient targets set against the priorities and aims.
- There is no mention of the desire for NBC to become a unitary authority
- Why is there annual consultation on a long term plan?

Question 3: From the five strategic priorities, which is the most important

3.7 We asked people to consider the five strategic priorities and to indicate which is the most important to them

Question	No
A. We will work to help communities become Safer, greener and cleaner	10
B. We will improve housing and health to enhance the wellbeing of our communities	7
C. We will be a well managed organisation that puts our customers at the heart of what we do	7
D. We will promote economic development and growth in Northampton	5
E. We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes	7

3.8 People also said:

- What does Cleaner, greener mean?
- What do we mean by community? Define community
- What do we mean by partnership working?
- If we are already doing these things now and cannot do them efficiently, then why ask?
- Listen to the residents and staff on the ground, then you would know what to do
- Reference Cleaner, Safer, Greener, omits support to the creation and maintenance of green infrastructure and open spaces
- Reference to improve housing and health needs to reference the need to improve access and participation to cultural and leisure activity
- Links must be made to Town Centre Strategic Board, of which NBC is a member to promote economic development and growth in Northampton

Question 4: Which is the most important to you: Part A

3.9 We asked people under each priority, from a number of aims to indicate for each section, which is the most important to you.

A. We will help our communities become safer, greener and cleaner, we will:	No
1. Work through the Safer, Stronger, Partnership to reduce crime in the town	25
2. Improve recycling rates across the town	5
3. Reduce the Council's Carbon Footprint	2
4. Support improvements in air quality	0
5. Maintain a high standard of refuse collection and street cleaning	6

3.10 People also said:

- Want weekly refuse collections to achieve this objective
- What is the Safer, Stronger, Partnership? Another brand, yet we are not told about it!

Question 4: Which is the most important to you: Part B

3.11 We asked people under each priority, from a number of aims to indicate for each section, which is the most important to you.

B. We will improve housing and health to enhance the wellbeing of our communities, we will:	No
1. Work towards achieving a Decent Homes Standard at the earliest opportunity	10
2. Deliver additional affordable housing through the requirements of housing strategy	12
3. Reduce homelessness in the town	3
4. Reduce fuel poverty	1
5. Introduce choice based lettings	1
6. Share best practice on improving health and safety in the business community	5
7. Establish a prioritised programme for neighbourhood renewal working with partners and communities	8
8. Improve participation and access to sport	3

3.12 People also said:

- What is the definition of affordable housing?
- Define homeless? People concerned about helping 'genuine' homeless
- Decent or affordable housing will not last for long if we do not invest in the outdoor environment, i.e, pathways, roads, pavements, etc.
- Are we neighbourhood renewal?, neighbourhood management?, please be clear on what we mean
- Define community
- The previous Corporate Plan contained a target of Decent Homes Standard by 2010, this has been changed to 'Earliest opportunity', why has the target been changed?
- Reduce homeless, however, budget proposals suggest we remove street drinker post, this is contradictory
- Point 1, should read, 'Work towards achieving Decent Homes Standard in both private and public sectors

Northampton Borough Council Corporate Plan Proposals 2008/2011

- Point 2, should read, 'Deliver additional affordable housing in accordance with the Housing Strategy
- Point 6, we don't think this is an appropriate and needs to be removed
- Point 7, Promote a prioritised programme for neighbourhood renewal working with partners to develop sustainable communities
- Point 8, links to budget is contradictory as the proposals are to increase leisure charges. How is access to sport and participation going to be financed?
- Voluntary Sector forum already help NBC achieve it's priorities, for example to meet the decent home standard, and the forum would like to see further recognition of this partnership work in NBC documents and within it's budget.

Question 4: Which is the most important to you: Part C

3.13 We asked people under each priority, from a number of aims to indicate for each section, which is the most important to you.

C. We will be a well-managed organisation that puts our customers at the heart of what we do, we will:	No
1. Ensure that all of our customers have access to our services	4
2. Involve our customers in the design and delivery of our services	3
3. Strengthen our system for learning and improving through customer feedback	4
4. Improve customer care	2
5. Organise the council to make it fit for purpose	17
6. Support our staff so that they have all the key skills they need to do their jobs and develop their roles	4
7. Improve the way we make decisions	4
8. Improve our finances in order to optimise the use of our resources	3

3.14 People also said:

- Local partners and local businesses should be included as one and the same to achieve outcomes
- We need enterprise zones to attract shops to the town centre
- People are upset that our buses and notice boards promote Milton Keynes
- People are confused about the 'term' cultural, people think that we mean ethnicity
- If we improve the town centre and attract families, then a busy town is a self policing town

Question 4: Which is the most important to you: Part D

3.15 We asked people under each priority, from a number of aims to indicate for each section, which is the most important to you.

D. We will promote economic development and growth in Northampton, we will:	No
1. Work with external partners to improve the vitality of the town centre	9
2. Work with local businesses to improve the operation of the town centre	12
3. Promote the town centre as a destination for shopping, leisure and relaxation	7
4. Provide events that put Northampton on the map to improve the reputation and profile of Northampton	3
5. Implement the highest priority actions within the Economic Strategy	3
6. Facilitate the delivery of a number a cultural events	2
7. Work with partners to improve education and skills attainment to support the economic regeneration	3
8. Optimise the use of inward investment	3

3.16 People also said:

- Community engagement strategy – how do we get ordinary people involved?
- Use the media more to our advantage, sell the good news
- People are concerned about the growth agenda, and what this means to them as an individual
- If we have all these services, then we must have a budget to deliver on it
- Budget is always in conflict with service delivery
- Needs to make reference to the growth agenda

Question 4: Which is the most important to you: Part E

3.17 We asked people under each priority, from a number of aims to indicate for each section, which is the most important to you.

E. We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes, we will:	No
1. Deliver the community engagement strategy	0
2. Regularly consult with local people on issues that affect their lives	12
3. Develop and deliver services with a more local focus	3
4. Work with partners to improve activities for young people	7
5. Improve access to public services through joint working	5
6. Take a leading role in the Local Strategic Partnership and the implementation of our Sustainable Communities Strategy	0
7. Work with key partners on the planning and delivery of the government's growth agenda	2
8. Engaging partners and communities in shaping Northampton as a place	10

3.18 People also said:

- Stop using and paying too much for external consultants
- Employ competent staff or train staff and managers to do consultation
- Our consultation is passive rather than active
- Learn from Neighbourhood Management and CASPAR projects

4 QUESTIONS AND ANSWERS

4.1 The three open meetings for the public were held at the Guildhall on 14th, 17th and 21st of January 2008.

4.2 The main comments and concerns are:

- Consultation process too quick and not allowing long enough for consultation
- The Corporate Plan is not Northampton specific
- Language and terminology is not in layman's language
- It is not specific enough
- So what? It does not say anything!
- A good start and good to see

5 EQUALITIES

5.1 From its inception the consultation process was designed to make sure that it was accessible to all local people, businesses, partners of the Council and the voluntary community (The third sector). The methods and groups of people included in the consultation plan are available upon request by contacting (01604) 838569. An Equality Impact Assessment was made on the consultation process.

5.2 Cabinet will consider the results of this consultation process in making an informed decision regarding the final draft Corporate Plan which is due to be presented to Cabinet on the 28th of February 2008..

6 LESSONS TO BE LEARNT

6.1 During the consultation process a number of comments were made about the way in which this exercise has been undertaken. In summary they are:

- The language used needs to be clear, we assume people know what we mean
- Why do we consult in office hours at the Guildhall, why not come into our area like CASPAR and Neighbourhood Management and Area Partnerships do
- People need more time to consult properly, they feel this has been rushed
- Our consultation process is passive rather than active
- A clear brief to staff members on what to expect of them to undertake this exercise properly
- Future processes need to include a time for submission of comments etc on the closing date

Report authors: **Denise King and Simone Wade**
Policy and Governance
1st February 2008



COUNCIL

28 February 2008

Agenda Status: Public

Directorate: Governance and Improvement

Report Title	CAPITAL PROGRAMME 2008-09 TO 2012-13
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1. Summary

1.1 The purpose of the report is to:

- To present the proposed capital programme for 2008-09 and outline proposals for 2009-10 to 2012-13.
- To outline the funding issues arising in 2008-09 and future years.
- To present the Council's Capital Strategy for 2008-09 to 2010-11
- To ask Council to approve the recommendations in paragraph 2 below.

2. Recommendations

2.1 That the Council approve:

- a) That Cabinet be authorised, once the programme has been set, to approve new capital schemes, and variations to existing schemes, arising during 2008-09, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.
- b) The capital programme for 2008-09 as set out at **Annex A** amounting to £19.003m.
- c) The capital financing principles to be applied in 2008-09, as set out at paragraph 3.2.6.
- d) The proposed financing of the capital programme for 2008-09 as set out at paragraphs 3.2.7 to 3.2.8 and **Annex B**.
- e) The Capital Strategy for 2008-09 to 2010-11, set out at **Annex E**

2.2 That the Cabinet note:

- a) The contribution of each 2008-09 capital scheme to the Council's corporate priorities for 2008-2011, as set out in **Annex C**.
- b) The expenditure and financing projections and potential funding gap for future years as set out at **Annex D**.

3. Report Background

See Cabinet report attached

4. Implications (including financial implications)

4.1 Resources and Risk

See Cabinet report attached

4.2 Legal

See Cabinet report attached

4.3 Other Implications

See Cabinet report attached

5. Background Papers

See Cabinet report attached

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Appendices



Item No.

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title

CAPITAL PROGRAMME 2008-09 TO 2012-13

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	20 February 2008
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	Capital Strategy
Directorate:	Governance and Improvement
Accountable Cabinet Member:	Malcolm Mildren
Ward(s)	Not Applicable

1. Purpose

1.1 The purpose of the report is to:

- To present the proposed capital programme for 2008-09 and outline proposals for 2009-10 to 2012-13.
- To outline the funding issues arising in 2008-09 and future years.
- To present the Council's Capital Strategy for 2008-09 to 2010-11
- To ask Cabinet to recommend to Council that they approve the recommendations in paragraph 2 below.

2. Recommendations

2.1 That the Cabinet recommend to Council that they approve:

- a) That Cabinet be authorised, once the programme has been set, to approve new capital schemes, and variations to existing schemes, arising during 2008-09, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.
- b) The capital programme for 2008-09 as set out at **Annex A** amounting to £19.003m.
- c) The capital financing principles to be applied in 2008-09, as set out at paragraph 3.2.6.
- d) The proposed financing of the capital programme for 2008-09 as set out at paragraphs 3.2.7 to 3.2.8 and **Annex B**.
- e) The Capital Strategy for 2008-09 to 2010-11, set out at **Annex E**

2.2 That the Cabinet note:

- a) The contribution of each 2008-09 capital scheme to the Council's corporate priorities for 2008-2011, as set out in **Annex C**.
- b) The expenditure and financing projections and potential funding gap for future years as set out at **Annex D**.

3. Issues and Choices

3.1 Report Background

The Capital Programme and the Council's Corporate Priorities.

- 3.1.1 Project appraisals have been completed for all 2008-09 capital programme bids. Each project appraisal demonstrates how the scheme will contribute to the Council's corporate priorities. **Annex C** sets out how the schemes in the proposed capital programme contribute to the Council's corporate priorities for 2008-2011.
- 3.1.2 The project appraisals also outline the contribution of the scheme to statutory duties and legal commitments, partnership working, performance indicators, service strategies and plans, equalities, other corporate initiatives, national priorities and targets, and environmental impacts. These factors are all taken into account in formulating a proposed capital programme that, within the resources available, will best target the Council's corporate priorities.
- 3.1.3 Officers maintain a file of all signed project appraisals and copies of individual appraisals are available on request.
- 3.1.4 Cabinet are asked to recommend to Council that Cabinet be authorised, once the programme has been set, to approve new capital schemes, and variations to existing schemes, arising during 2008-09, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.
- 3.1.5 Bids for future year starts have been put forward in outline only, and these are included in the programme for planning purposes. Project appraisals will be completed for these bids during the year preceding the proposed start, and Council will decide which bids will be agreed for inclusion in the programme in the preceding February or March of each year.

3.2 Issues

Capital Programme

- 3.2.1 The proposed capital programme for 2008-09 to 2012-13 is attached at **Annex A**. The programme is split between General Fund (GF) and Housing Revenue Account (HRA) schemes, and is made up of:
- Continuation schemes from 2007-08 (GF only);
 - New bids for 2008-09 starts;
 - Earmarked amounts for essential works, for which specific schemes have not yet been agreed (GF only);
 - Outline proposals for future year starts.

3.2.2 The total value of bids for the 2008-09 capital programme was £27.695m and was substantially in excess of available resources. Those bids that have not been prioritised for inclusion in the 2008-09 proposed capital programme due to lack of resources do not form part of the programme presented to Cabinet. These schemes may be re-bid for at a future date.

3.2.3 Potential slippage from 2007-08 has not been included in the proposed programme on the basis that any slippage that does occur will be fully funded from resources also brought forward from 2007-08. Cabinet will be advised of the 2007-08 slippage position, and its impact on the 2008-09 capital programme, at their July meeting, following the closure of the 2007-08 accounts.

3.2.4 The value of the total proposed capital programme is £19.003m, as set out in the following table.

Capital Programme 2008-09	£m	£m
General Fund		
Continuations from prior years	400	
New bids supported by project appraisals	3,387	
Earmarked amounts for essential works	600	
		4,387
Housing Revenue Account (HRA)		
New bids supported by project appraisals	14,616	
		14,616
Total		19,003

2008-09 Funding Issues

3.2.5 Funding for the Council's 2008-09 proposed capital programme comes from a variety of sources as set out below:

- a) Grants. These are usually received from government departments or agencies, are ring fenced to a specific scheme or to a specific area of expenditure or government initiative, and are not available for use across other areas of the programme. An example is the HRA Major Repairs Allowance (MRA), a government allocation that is specifically given to local authorities for the purposes of raising their housing stock to decent homes standards.

- b) Third party contributions. These are usually received from non-government bodies, and are generally linked directly to a specific scheme. An example might be a parish contribution for specific works in their locality. This category also includes Section 106 funding from developers.
- c) Revenue contributions. These may be used across the programme, although HRA contributions may only be used on HRA expenditure. In practice revenue contributions tend to be related to either specific schemes or service areas.
- d) Capital receipts. These are received as a result of asset sales, which may be from right to buy sales of housing stock, or from the sale of other council owned property assets, either general fund or HRA. In respect of some HRA receipts, including right to buy receipts, a portion of the receipt has to be returned to government under pooling arrangements; the balance is referred to as the usable capital receipt.
- e) Supported borrowing. This is so-called because the government supports the revenue costs of repayment of principal and interest through the formula grant settlement. It is usually directed at specific services.
- f) Unsupported (prudential) borrowing. The Council has to ensure that all unsupported borrowing is prudent, affordable and sustainable; hence it is often referred to as prudential borrowing. The revenue costs of repayment of principal and interest must be provided for in the Council's debt financing budget.

3.2.6 It is proposed that the following principles are used in respect of capital programme funding for 2008-09.

- a) Hypothecated funding – i.e. funding linked directly to a specific scheme or service area, such as grants, third part contributions, revenue contributions and supported borrowing – is allocated 100% to the relevant scheme or service.
- b) Usable capital receipts from the sale of council housing stock under right to buy legislation is directed at the HRA capital programme to meet the requirements of decent homes targets. This is a change in policy from previous years, as these receipts have previously been used towards General Fund expenditure.
- c) Usable capital receipts from general asset sales, whether HRA or GF, are used towards GF capital projects. This reflects the fact that the Council is not currently in a financial position to be able to direct these general HRA receipts towards the HRA programme. However this policy may be reviewed in future years.

It is proposed that a prudent ceiling of £1m of funding from these usable capital receipts is assumed, and that any receipts over and above this figure are put into an unearmarked capital reserve. This represents sound financial management; it will significantly reduce funding uncertainty and risk around the programme.

The unearmarked capital reserve will be built up during the year, with a view to creating a minimum capital reserve of £500k by 31 March 2009, £750k by 31 March 2010 and £1m by 31 March 2011. Any amounts over and above this will be held back for allocation against the following years capital programme. The only call on the unearmarked capital reserve during 2008-09 will be for unforeseen 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 Cabinet.

- d) Unsupported (prudential) borrowing of £1.892m will be used to support the proposed General Fund capital programme in 2008-09. A further amount of £1.208m of prudential borrowing will be set aside as a contingency to deal with urgent and emerging capital expenditure issues identified during the year or schemes identified as a result of strategic decisions or corporate business cases. This has been provided for in the Council's debt-financing budget, creating a total prudential borrowing pot of £3.1m.

The £3.1m borrowing will create a revenue commitment of £28k in 2008-09 (interest only, from 1 Jan 09) and £212k per annum in future years (principal and interest).

3.2.7 The table below outlines the way the capital programme will be funded in 2008-09.

Funding source	GF	HRA	Total
	£m	£m	£m
Supported borrowing			0
Prudential borrowing	1,892		1,892
Capital receipts	1,000	1,500	2,500
Major Repairs Allowance		7,831	7,831
Grants	1,095		1,095
Third party contributions			0
Revenue contributions	400	5,285	5,685
Total	4,387	14,616	19,003

- 3.2.8 **Annex B** shows the proposed financing for 2008-09 on a scheme-by-scheme basis. Members should note that actual financing at year-end might differ at detailed level from the proposals in the annex in order to optimise the resources available to the Council at that time.
- 3.2.9 **Annex D** shows the expenditure and financing projections for the full five-year period from 2008-09 to 2012-13 (rounded to nearest £000), and identifies the potential funding gap for each year. This information has been put together based on information supplied by budget managers, and the figures will change as plans are firmed up and further details become available. The funding gap can be addressed either through a reduction in expenditure – i.e not all bids being agreed – or through the identification of additional funding sources, which may include the use of prudential borrowing or capital receipts. Members will agree a fully funded capital programme in the February or March prior to the start of each future financial year.
- 3.2.10 The unfunded bids from the current year have not been included in the future year forecasts, but may be re-bid for in next year's budget round.

Capital Strategy

- 3.2.11 The proposed Capital Strategy for 2008-09 to 2012-13 is attached at **Annex E**. This updates the Capital Strategy approved by Cabinet on 29 January 2007.

3.3 Choices (Options)

- 3.3.1 Cabinet are asked to approve the recommendations at paragraph 2.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The capital programme is set in the context of the Council's Capital Strategy. The proposed Capital Strategy for 2008-09 to 2012-13 is attached at **Annex E**.
- 4.1.2 The approval of the capital programme 2008-09 forms part of the annual budget setting process, and if approved the programme will become a policy document.

4.2 Resources and Risk

- 4.2.1 Members are required to agree a balanced capital programme. The 2008-09 programme at **Annex A** is fully funded and will meet this obligation.
- 4.2.2 The revenue implications of each scheme included in the proposed capital programme for 2008-09 have been included in the revenue budget projections for 2008-09 and future years. This includes debt financing budget impacts arising from prudential borrowing to support the programme.

4.2.3 Each scheme will be subject to risk assessment and risk management in respect of both financial and non-financial aspects of the project. This is the responsibility of the project manager. Overall risks around capital programme financing are monitored by the Finance Manager (Capital & Treasury) and any emerging issues are reported to the Council's Chief Financial Officer (the Corporate Director for Finance).

4.3 Legal

4.3.1 A number of the schemes in the programme are necessary to fulfil the Council's legal or statutory obligations. The legal and statutory issues relating to each scheme are set out in the individual project appraisals.

4.4 Equality

4.4.1 Each completed project appraisal includes responses to the following questions:

- State specifically the equalities issues that have been identified that this project will address?
- How will this project address the equalities issues that have been identified?

4.4.2 An Equalities Impact Assessment will be completed for each scheme in the agreed capital programme.

4.5 Consultees (Internal and External)

4.5.1 Consultations are undertaken in respect of individual schemes within the programme, and these are explained in the project appraisals.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 See paragraphs 3.1.1 and Annex C

4.7 Other Implications

4.7.1 Other implications may arise in relation to specific capital schemes. These are addressed in the individual project appraisals.

5. Background Papers

None

Bev Dixon, Finance Manager – Capital & Treasury, ext 7401

Capital Programme 2008-09 to 2012-13

Appraisal Ref	Scheme Title	Revenue Implications (2008-09 starts only)	Scheme Total (All Years) £	2008-09	2009-10	2010-11	2011-12	2012-13
				Prior Years	Scheme Total	Scheme Total	Scheme Total	Scheme Total
				£	£	£	£	£
Capital Programme - General Fund								
Continuations from 2007-08								
2007-08/GI0005	Core Financials inc 5.5 & AR		600,000	200,000	400,000			
2008-09 New Starts								
2008-09/GF 026	Relocation of Call Care		60,000		60,000			
2008-09/GF 036B	Carbon Management Programme Part (1) 1 - PowerPerfactor - Voltage Optimisation Technology employed across nine corporate buildings	Yes	124,886		124,886			
2008-09/GF 036B	Carbon Management Programme Part (1) 2 - St John's Lighting - Energy efficient (forneon high frequency) lighting upgrades at St John's MSCP	Yes	31,608		31,608			
2008-09/GF 036B	Carbon Management Programme Part (1) 3 - Loft and Cavity Wall insulation - upgrades to thermal efficiency of Lings Forum Leisure Centre & Weston Favell District Office	Yes	10,392		10,392			
2008-09/GF 036B	Carbon Management Programme Part (1) 4 - Pipework Insulation - thermal insulation of exposed pipework across NBC's boiler rooms	Yes	5,000		5,000			
2008-09/GF 036B	Carbon Management Programme Part (1) 5 - Time Clocks - installation of time clocks to automate switch off onto NBC's suitable high energy demand appliances	Yes	1,370		1,370			
2008-09/GF 040	Disabled Facilities Grants (Private Sector)		1,700,000	1,300,000	400,000			
2008-09/GF 042	Government Office of East Midlands (G.O.E.M.) Projects. Provision of Decent Homes		700,000	700,000				
2008-09/GF 043	E-Benefits Application	Yes	80,000	80,000				
2008-09/GF 044	Upgrade of NBC Website		15,000	15,000				
2008-09/GF 047	IT Network Replacement Programme		416,700	282,500	134,200			
2008-09/GF 045B	Carbon Management Programme Part (2) 1 - Energy Monitoring & Targeting Software	Yes	2,080	2,080				
2008-09/GF 045B	Carbon Management Programme Part (2) 2 - Chevin Fleet Management Software Package (for Fleet Manager)	Yes	9,540	9,540				
2008-09/GF 045B	Carbon Management Programme Part (2) 3 - Thermostatic Radiator Valves		2,500	2,500				
2008-09/GF 045B	Carbon Management Programme Part (2) 4 - Steam Control Valve (for Mounts Baths Hot Room)	Yes	2,000	2,000				
2008-09/GF 045B	Carbon Management Programme Part (2) 5 - Variable Speed Drive (Lings Forum)	Yes	2,500	2,500				
2008-09/GF 045B	Carbon Management Programme Part (2) 6 - Building Energy Management System (Guildhall)	Yes	8,000	8,000				
2008-09/GF 051	2008/09 Capitalisation Directive		750,000	750,000				

Capital Programme 2008-09 to 2012-13

Appraisal Ref	Scheme Title	Revenue Implications (2008-09 starts only)	Scheme Total (All Years) £	2008-09	2009-10	2010-11	2011-12	2012-13	
				Prior Years	Scheme Total	Scheme Total	Scheme Total	Scheme Total	Scheme Total
				£	£	£	£	£	£
Capital Programme - General Fund									
Earmarked Amounts									
	Parks & Open Spaces - Enhancements & Essential Works		200,000	200,000					
	Leisure Centres - Enhancements & Essential Works		200,000	200,000					
	Corporate Properties - Essential Works		200,000	200,000					
Total 2008-09 Continuations, New Starts, & Earmarked Amounts - General Fund			5,121,576	200,000	4,387,376	534,200	0	0	

Capital Programme 2008-09 to 2012-13

Appraisal Ref	Scheme Title	Revenue Implications (2008-09 starts only)	Scheme Total (All Years) £	2008-09	2009-10	2010-11	2011-12	2012-13	
				Prior Years	Scheme Total	Scheme Total	Scheme Total	Scheme Total	Scheme Total
				£	£	£	£	£	£
Capital Programme - General Fund									
Outline Proposals 2009-10 Starts									
	Replacement of 20 old parking ticket machines		70,000		35,000	35,000			
	Wheelie Bins & Recycling Boxes		435,599		103,988	107,108	110,321	114,182	
	Glass Recycling Boxes - If Trial Is Successful		350,000		350,000				
	Mounts Baths Health Suite Improvements		150,000		150,000				
	Mounts Baths & Lings Forum Trend Building Management System		20,000		20,000				
	Danes Camp Teaching Pool		1,000,000		1,000,000				
	Teaching Pool Hall retile		10,000		10,000				
	Main & Teaching Pool Filters refurb		15,000		15,000				
	Squash Court refurbishment		20,000		20,000				
	Lings Forum Health Suite Improvements		50,000		50,000				
	Land development for Car parking		250,000		250,000				
	Haystack Dryer - Danes Camp		15,000		15,000				
	St Johns Phase 1 and 2 Topographical Survey and Services Investigation		15,000		15,000				
	St Johns Phase 1 and 2 - Geotechnical Investigation		35,000		35,000				
	Beckets Park Improvements		560,000		500,000	30,000	30,000		
	Eastfield Park Improvements [Match Funding]		100,000		100,000				
	Ecton Brook Project [Match Funding]		100,000		100,000				
	St Johns Business Start up		5,000,000		5,000,000				
	Niche Retail		1,000,000		1,000,000				
	Market Square Shop fronts		4,000,000		4,000,000				
	Market Square		10,000,000		10,000,000				
	Grosvenor		240,000		60,000	60,000	60,000	60,000	
	Dallington Grange Project Management		140,000		35,000	35,000	35,000	35,000	
	Community regeneration		140,000		35,000	35,000	35,000	35,000	
	Car Parking		100,000		100,000				
	Leisure Centre		1,400,000		200,000	200,000	1,000,000		
	Purchase Tfi-80 folder inserter for the Post Room		20,000		20,000				
	Purchase new machinery for the Print & Design Unit		26,500		26,500				
	Q-max software		18,000		18,000				
	Voice recognition software		40,000		40,000				
	Renovation and Housing repair grants		950,000		200,000	200,000	250,000	300,000	
	Disabled Facility grants (Private sector only)		2,500,000		800,000	700,000	500,000	500,000	
	Energy Efficiency (Heat streets, hot property etc)		140,000		35,000	35,000	35,000	35,000	
	Decent Homes grants		4,000,000		1,000,000	1,000,000	1,000,000	1,000,000	
	Empty Homes strategy		400,000		100,000	100,000	100,000	100,000	
	I.T. Infrastructure Upgrade and Replacement Programme		338,000		50,000	58,000	30,000	200,000	
	Corporate Reporting Software		30,000		30,000				
	Implementation of BS7799 Security Standard		35,000		20,000	5,000	5,000	5,000	
	Government Connect		60,000		20,000	20,000	20,000		
	Network Upgrade / Tools		422,000		300,000	40,000	32,000	50,000	
	PC replacement Programme		365,000		12,000	51,000	7,000	295,000	
	Partnership Shared Services Infrastructure & Network		150,000		50,000	50,000	50,000		
	Thin Client PCs and Servers		110,000		50,000	20,000	20,000	20,000	
	CRM On-going Development		120,000		30,000	30,000	30,000	30,000	
	Exchange and Office		162,000		81,000	81,000			
	Window 2008 CALS		15,600		15,600				
	Intranet / Internet Upgrade		70,000		20,000		50,000		
	Replacement UPS Hardware		30,000		10,000	10,000	10,000		
	Corporate EDRM System (Comino)		300,000		150,000	150,000			
	CCTV Data Management System		32,000		32,000				

Capital Programme 2008-09 to 2012-13

Appraisal Ref	Scheme Title	Revenue Implications (2008-09 starts only)	Scheme Total (All Years) £	2008-09	2009-10	2010-11	2011-12	2012-13	
				Prior Years	Scheme Total	Scheme Total	Scheme Total	Scheme Total	Scheme Total
				£	£	£	£	£	£
Capital Programme - General Fund									
Outline Proposals 2010-11 Starts									
	Gateway sites		30,000			30,000			
	Museum expansion		1,200,000			200,000	1,000,000		
	Mounts Baths & Lings Forum Pool Pipework and valve replacement		50,000			50,000			
	Refurb & DDA Improvements 78 Robert Street		25,000			25,000			
	Underwater repairs to all Pools		10,000			10,000			
	Teaching Pool Changing Air Handling equipment		25,000			25,000			
	Swimming Pool re tile - Lings Forum		15,000			15,000			
	Installation of Lifts - Lings Forum		25,000			25,000			
	Pool Hall Steelwork Structural Check - all leisure centres		15,000			15,000			
Outline Proposals 2011-12 Starts									
	Telecoms Voice Over IP		500,000				250,000	250,000	
	Mounts Baths Pool Party/Function Room		50,000				50,000		
	Major Sports equipment replacement		20,000				20,000		
	Replacement of Lifts - Danes Camp		10,000				10,000		
Outline Proposals 2012-13 Starts									
	Mounts Baths, Lings Forum and Danes Camp CCTV Upgrade		25,000						25,000
	Replacement Steam Generator		15,000						15,000
	Refurbishment of Gyms		25,000						25,000
	Ultraviolet Pool disinfection systems		30,000						30,000
	Cinema Equipment replacement		5,000						5,000
	Remote control blinds for 2 further elevations of the One Stop Shop		20,000						20,000
	Upgrade of reception area and counter at Weston Favell Office		30,000						30,000
Total Outline Proposals - Future Year Starts - General Fund			37,674,699	0	0	26,309,088	3,447,108	4,739,321	3,179,182
Total General Fund			42,796,275	200,000	4,387,376	26,843,288	3,447,108	4,739,321	3,179,182

Capital Programme 2008-09 to 2012-13

Appraisal Ref	Scheme Title	Revenue Implications (2008-09 starts only)	Scheme Total (All Years) £	2008-09	2009-10	2010-11	2011-12	2012-13	
				Prior Years	Scheme Total	Scheme Total	Scheme Total	Scheme Total	Scheme Total
				£	£	£	£	£	£
Capital Programme - HRA									
2008-09 New Starts									
2008-09/HRA 001	Asbestos Remedial Action		60,000	60,000					
2008-09/HRA 002	Decent Homes and Poor Condition Improvement Contract 2008-2011		21,240,000	7,080,000	7,080,000	7,080,000			
2008-09/HRA 003	External Envelope Works for Decency and Poor Condition 2008-2011		2,508,000	836,000	836,000	836,000			
2008-09/HRA 004	Heating Replacement 2008-2011		6,000,000	2,000,000	2,000,000	2,000,000			
2008-09/HRA 005	Lifts and Door Entry Refurbishment		500,000	500,000					
2008-09/HRA 006	Minor Adaptations for People with disabilities		130,000	130,000					
2008-09/HRA 007	Re-roofing for Decent homes and Poor Condition 2008-2011		6,030,000	2,010,000	2,010,000	2,010,000			
2008-09/HRA 008	Structural Repairs		200,000	200,000					
2008-09/HRA 009	Capital Voids 2008-2011		2,100,000	700,000	700,000	700,000			
2008-09/HRA 010	Disabled Adaptations (Council Stock)	Yes	1,100,000	800,000	300,000				
2008-09/HRA 011	Environmental Enhancements to housing land		300,000	300,000					
Total 2008-09 Continuations, New Starts, & Earmarked Amounts - HRA			40,168,000	0	14,616,000	12,926,000	12,626,000	0	
								0	

Capital Programme 2008-09 to 2012-13

Appraisal Ref	Scheme Title	Revenue Implications (2008-09 starts only)	Scheme Total (All Years) £	2008-09	2009-10	2010-11	2011-12	2012-13	
				Prior Years	Scheme Total	Scheme Total	Scheme Total	Scheme Total	Scheme Total
				£	£	£	£	£	£
Capital Programme - HRA									
Outline Proposals 2009-10 Starts									
	Asbestos Remedial Action		60,000		60,000				
	Lifts and Door Entry Refurbishment		500,000		500,000				
	Minor Adaptations for People with disabilities		130,000		130,000				
	Structural Repairs		200,000		200,000				
	Disabled Adaptations (Council stock)		500,000		500,000				
	Environmental Enhancements to housing land		300,000		300,000				
Outline Proposals 2010-11 Starts									
	Asbestos Remedial Action		60,000			60,000			
	Lifts and Door Entry Refurbishment		500,000			500,000			
	Minor Adaptations for People with disabilities		130,000			130,000			
	Structural Repairs		200,000			200,000			
	Disabled Adaptations (Council stock)		500,000			500,000			
	Environmental Enhancements to housing land		300,000			300,000			
Outline Proposals 2011-12 Starts									
	Asbestos Remedial Action		60,000				60,000		
	Decent Homes and Poor Condition Improvement		7,080,000				7,080,000		
	External Envelope Works for Decency and Poor Condition		836,000				836,000		
	Heating Replacement		2,000,000				2,000,000		
	Lifts and Door Entry Refurbishment		500,000				500,000		
	Minor Adaptations for People with disabilities		130,000				130,000		
	Re-roofing for Decent homes and Poor Condition		2,010,000				2,010,000		
	Structural Repairs		200,000				200,000		
	Capital Voids		700,000				700,000		
	Disabled Adaptations (Council stock)		500,000				500,000		
	Environmental Enhancements to housing land		300,000				300,000		
Outline Proposals 2012-13 Starts									
	Asbestos Remedial Action		60,000					60,000	
	Decent Homes and Poor Condition Improvement		7,080,000					7,080,000	
	External Envelope Works for Decency and Poor Condition		836,000					836,000	
	Heating Replacement		2,000,000					2,000,000	
	Lifts and Door Entry Refurbishment		500,000					500,000	
	Minor Adaptations for People with disabilities		130,000					130,000	
	Re-roofing for Decent homes and Poor Condition		2,010,000					2,010,000	
	Structural Repairs		200,000					200,000	
	Capital Voids		700,000					700,000	
	Disabled Adaptations (Council stock)		500,000					500,000	
	Environmental Enhancements to housing land		300,000					300,000	
Total Outline Proposals - Future Year Starts - HRA			32,012,000	0	0	1,690,000	1,690,000	14,316,000	14,316,000
Total HRA			72,180,000	0	14,616,000	14,616,000	14,316,000	14,316,000	14,316,000
TOTAL GENERAL FUND & HRA			114,976,275	200,000	19,003,376	41,459,288	17,763,108	19,055,321	17,495,182

Capital Programme Financing 2008-09

Appraisal Ref	Scheme Title	2008-09 Funding Source					
		2008-09 Scheme Total £	Unsupported (Prudential) Borrowing £	Capital Receipts £	Major Repairs Reserve £	Grants £	Third Party Financing £
Capital Programme Financing 2008-09 - General Fund							
Continuations from 2007-08							
2007-08/GI0005	Core Financials inc 5.5 & AR	400,000					400,000
2008-09 New Starts							
2008-09/GF 026	Relocation of Call Care	60,000	60,000				
2008-09/GF 036B	Carbon Management Programme Part (1) 1 - PowerPerfactor - Voltage Optimisation Technology employed across nine corporate buildings	124,886	62,443			62,443	
2008-09/GF 036B	Carbon Management Programme Part (1) 2 - St John's Lighting - Energy efficient (forneon high frequency) lighting upgrades at St John's MSCP	31,608	15,804			15,804	
2008-09/GF 036B	Carbon Management Programme Part (1) 3 - Loft and Cavity Wall insulation - upgrades to thermal efficiency of Lings Forum Leisure Centre & Weston Favell District Office	10,392	5,196			5,196	
2008-09/GF 036B	Carbon Management Programme Part (1) 4 - Pipework Insulation - thermal insulation of exposed pipework across NBC's boiler rooms	5,000	2,500			2,500	
2008-09/GF 036B	Carbon Management Programme Part (1) 5 - Time Clocks - installation of time clocks to automate switch off onto NBC's suitable high energy demand appliances	1,370	685			685	
2008-09/GF 040	Disabled Facilities Grants (Private Sector)	1,300,000	500,000	500,000		300,000	
2008-09/GF 042	Government Office of East Midlands (G.O.E.M.) Projects. Provision of Decent Homes	700,000				700,000	
2008-09/GF 043	E-Benefits Application	80,000	80,000				
2008-09/GF 044	Upgrade of NBC Website	15,000	15,000				
2008-09/GF 047	IT Network Replacement Programme	282,500	282,500				
2008-09/GF 045B	Carbon Management Programme Part (2) 1 - Energy Monitoring & Targeting Software	2,080	1,040			1,040	
2008-09/GF 045B	Carbon Management Programme Part (2) 2 - Chevin Fleet Management Software Package (for Fleet Manager)	9,540	9,540				
2008-09/GF 045B	Carbon Management Programme Part (2) 3 - Thermostatic Radiator Valves	2,500	1,250			1,250	
2008-09/GF 045B	Carbon Management Programme Part (2) 4 - Steam Control Valve (for Mounts Baths Hot Room)	2,000	1,000			1,000	
2008-09/GF 045B	Carbon Management Programme Part (2) 5 - Variable Speed Drive (Lings Forum)	2,500	1,250			1,250	
2008-09/GF 045B	Carbon Management Programme Part (2) 6 - Building Energy Management System (Guildhall)	8,000	4,000			4,000	
2008-09/GF 051	2008/09 Capitalisation Directive	750,000	250,000	500,000			

Capital Programme Financing 2008-09

Appraisal Ref	Scheme Title	2008-09	2008-09 Funding Source					
		Scheme Total £	Unsupported (Prudential) Borrowing £	Capital Receipts £	Major Repairs Reserve £	Grants £	Third Party Financing £	Revenue Financing £
Capital Programme Financing 2008-09 - General Fund								
Earmarked Amounts								
	Parks & Open Spaces - Enhancements & Essential Works	200,000	200,000					
	Leisure Centres - Enhancements & Essential Works	200,000	200,000					
	Corporate Properties - Essential Works	200,000	200,000					
Total 2008-09 Continuations, New Starts, & Earmarked Amounts - General Fund		4,387,376	1,892,208	1,000,000	0	1,095,168	0	400,000
Capital Programme Financing 2008-09 - HRA								
2008-09 New Starts								
2008-09/HRA 001	Asbestos Remedial Action	60,000						60,000
2008-09/HRA 002	Decent Homes and Poor Condition Improvement Contract 2008-2011	7,080,000			7,080,000			
2008-09/HRA 003	External Envelope Works for Decency and Poor Condition 2008-2011	836,000			751,000			85,000
2008-09/HRA 004	Heating Replacement 2008-2011	2,000,000		1,500,000				500,000
2008-09/HRA 005	Lifts and Door Entry Refurbishment	500,000						500,000
2008-09/HRA 006	Minor Adaptations for People with disabilities	130,000						130,000
2008-09/HRA 007	Re-roofing for Decent homes and Poor Condition 2008-2011	2,010,000						2,010,000
2008-09/HRA 008	Structural Repairs	200,000						200,000
2008-09/HRA 009	Capital Voids 2008-2011	700,000						700,000
2008-09/HRA 010	Disabled Adaptations (Council Stock)	800,000						800,000
2008-09/HRA 011	Environmental Enhancements to housing land	300,000						300,000
Total 2008-09 Continuations, New Starts, & Earmarked Amounts - HRA		14,616,000	0	1,500,000	7,831,000	0	0	5,285,000
TOTAL GENERAL FUND & HRA		19,003,376	1,892,208	2,500,000	7,831,000	1,095,168	0	5,685,000

**2008-09 Capital Programme Bids and the Council's Corporate Priorities
2008-2011**

Appraisal Ref. No.	Scheme Title	Council Priority 1	Council Priority 2	Council Priority 3	Council Priority 4	Council Priority 5
		We will help our communities become safer, greener and cleaner	We will improve housing and health to enhance the wellbeing of our communities	We will be a well-managed organization that puts our customers at the heart of what we do	We will promote economic development and growth in Northampton	We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes
General Fund (GF)						
2007-08/ GI0005	Core Financials inc 5.5 & AR			✓		✓
2008-09/ GF 026	Relocation of Call Care			✓		
2008-09/ GF 036B	Carbon Management Programme Part 1	✓				✓
2008-09/ GF 040	Disabled Facilities Grants (Private Sector)		✓			✓
2008-09/ GF 042	Government Office of East Midlands (GOEM) Projects. Provision of Decent Homes		✓			✓
2008-09/ GF 043	E-Benefits Application			✓		
2008-09/ GF 044	Upgrade of NBC Website			✓		
2008-09/ GF 045B	Carbon Management Programme Part 2	✓				✓
2008-09/ GF 047	IT Network Replacement Programme			✓		
2008-09/ GF 051	2008/09 Capitalisation Directive			✓		

**2008-09 Capital Programme Bids and the Council's Corporate Priorities
2008-2011**

Appraisal Ref. No.	Scheme Title	Council Priority 1	Council Priority 2	Council Priority 3	Council Priority 4	Council Priority 5
		We will help our communities become safer, greener and cleaner	We will improve housing and health to enhance the wellbeing of our communities	We will be a well-managed organization that puts our customers at the heart of what we do	We will promote economic development and growth in Northampton	We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes
Housing Revenue Account (HRA)						
2008-09/ HRA 001	Asbestos Remedial Action		✓	✓		
2008-09/ HRA 002	Decent Homes and Poor Condition Improvement Contract 2008-2011		✓	✓		
2008-09/ HRA 003	External Envelope Works for Decency and Poor Condition 2008-2011		✓	✓		
2008-09/ HRA 004	Heating Replacement 2008-2011		✓	✓		
2008-09/ HRA 005	Lifts and Door Entry Refurbishment		✓			
2008-09/ HRA 006	Minor Adaptations for People with disabilities		✓			
2008-09/ HRA 007	Re-roofing for Decent homes and Poor Condition 2008-2011		✓	✓		
2008-09/ HRA 008	Structural Repairs		✓	✓		
2008-09/ HRA 009	Capital Voids 2008-09 to 2010-11		✓	✓		
2008-09/ HRA 010	Disabled Adaptations (Council Stock)		✓			✓
2008-09/ HRA 011	Environmental Enhancements to housing land	✓	✓			

Northampton Borough Council

Capital Strategy

2008-09 to 2010-11

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Introduction and Background

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 development of the Council's services.

Since 2004-05 the Government has expected each local authority to produce a capital strategy, but there is no requirement to submit this to the Government Office. This document is the Council's three-year capital strategy for 2008-09 to 2010-11. It updates the Capital Strategy for 2006-07 that was agreed by Cabinet in January 2007.

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 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.

The strategy covers both the present position and future plans - the former setting the context for the latter. It also includes an action plan for future improvements.

The capital strategy also outlines the management and monitoring arrangements that the Council has in place for effective delivery of the strategy.

The three-year capital strategy will be updated on an annual rolling basis. The strategy for 2009-10 to 2011-12 will be prepared during the summer of 2008, for agreement by the Council's elected members in autumn 2008.

Local Context

Introduction

Northampton Borough is mainly made up of the town of Northampton itself. The town has an interesting and varied history, which is reflected in the various historic buildings that can be seen within the town.

Northampton has been chosen by the Government as a major focus for expansion in the Milton Keynes & South Midlands (MKSM) Sub-regional Strategy (March 2005). The MKSM Strategy relates to the 'Sustainable Communities Plan' published by the Department for Communities and Local Government (DCLG) (formerly the Office of the Deputy Prime Minister – ODPM) - in 2003. It sets challenging housing targets for the region to 2031, with the town of Northampton providing a significant part of the growth itself.

Transport Networks

Northampton is well placed for access to major cities including London, Birmingham, Cambridge and Oxford, being roughly equidistant from all of these.

It has good road links to the surrounding towns of Bedford, Milton Keynes, Coventry and Leicester. The city is situated near the M1 (Junctions 15 and 15a) and is ideally placed for both London's and the Midlands' airports. It is situated on the main west coast rail line linking London Euston with Birmingham.

Area and Population

Northampton is the largest of the district councils with a population estimated to be 200,100 at mid 2006 (ONS revised mid 2006 population estimates published August 2007).

The area of the Borough of Northampton covers 8,080 hectares within which the town has well over 80,000 houses. This is due to increase significantly by the year 2021, while the population is projected to expand to approximately 300,000 people on the same timescale.

Council Services

The Council currently provides or commissions more than 50 public services throughout Northampton, including refuse collection, housing and community safety.

Asset Management Planning

The Corporate Asset Management Plan

The Council's delivery of an effective and efficient capital investment strategy can only be achieved if the process is closely aligned with a clear and robust asset management plan.

The Corporate Asset Management Plan 2006-8 reviews the external environment, including the property Market, environmental issues, and legislative issues, and its implications for asset management together with service delivery and related accommodation needs.

It incorporates the corporate asset policy including objectives and headline performance measures.

The asset management plan is closely linked with both the revenue and capital budgets, so it is important that this is recognised in the capital strategy. The plan is due to be updated shortly, and the capital strategy will be updated to incorporate any changes that are made as part of that review.

The Capital and Treasury team are now working closely with the Asset Management Team through the Capital Accounting User Group, and this joined up working will help to ensure that the Capital Programme and Asset Management Plan are effectively linked.

This will become increasingly important with the greater emphasis placed on asset management planning in the proposed CAA criteria.

Fixed Assets Overview

Analysis of Fixed Assets – Movements in Year

The following table is a summary analysis of the Council's fixed assets as they appear in the Balance Sheet in the 2006-07 Statement of Accounts.

Operational Assets

	Council Dwellings	Other Housing Property	Other Land & Buildings	Vehicles, Plant, etc	Infra-structure	Com-munity Assets	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Certified Valuation at 31 March 2006	532,902	15,523	67,623	9,406	514	3,170	629,138
Accumulated Dep'n & Impairment	0	-8	-917	-4,479	-163	-32	-5,599
Net Book Value 31 March 2006	532,902	15,515	66,706	4,927	351	3,138	623,539
Movement in 2006/07							
Additions	7,392	0	2,405	939	826	1,199	12,761
Disposals	-7,668	-905	-260	0	0	0	-8,833
Revaluations	41,521	1,043	-37	0	-826	-137	41,534
Depreciation	-8,290	-264	-2,347	-1,928	-16	-13	-12,858
Depreciation Written Back	0	0	450	0	0	0	450
Impairments	0	0	0	0	0	0	0
Adjustments/Transfers	0	0	942	0	0	337	1,279
Depr'n Adjs/Transfers	0	0	45	0	0	-10	35
Net Book Value 31 March 2007	565,857	15,389	67,904	3,938	335	4,484	657,907
Gross Valuations at 31 March 2007	574,147	15,661	70,673	10,345	514	4,539	675,879
Impairments at 31 March 2007	0	0	0	0	0	0	0
Depreciation at 31 March 2007	-8,290	-272	-2,769	-6,407	-179	-55	-17,972
Net Book Value at 31 March 2007	565,857	15,389	67,904	3,938	335	4,484	657,907

Non Operational Assets

	Work In Progress	Investments & Commercial	Other Land & Buildings	Total
	£,000	£,000	£,000	£,000
Certified Valuation at 31 March 2006	4,205	37,107	975	42,287
Accumulated Dep'n & Impairment	0	-8	-2	-10
Net Book Value 31 March 2006	4,205	37,099	973	42,277
Movement in 2006/07				
Additions	1,163	141	0	1,304
Disposals	0	-589	0	-589
Revaluations	0	4,159	-110	4,049
Depreciation	0	-15	0	-15
Depreciation Written Back	0	36	2	38
Impairments	0	0	0	0
Adjustments/Transfers	-2,189	910	0	-1,279
Depr'n Adjs/Transfers	0	-35	0	-35
Net Book Value 31 March 2007	3,179	41,706	865	45,750
Gross Valuations at 31 March 2007	3,179	41,728	865	45,772
Impairments at 31 March 2007	0	0	0	0
Depreciation at 31 March 2007	0	-22	0	-22
Net Book Value at 31 March 2007	3,179	41,706	865	45,750

Analysis of Fixed Assets by Category

Number 31/03/2006		Number 31/03/2007
	Operational Assets	
12,417	Council Dwellings	12,334
	Other Land and Buildings	
26	Council Houses not used as dwellings	26
99	Shared Ownership Properties	98
3,049	Council Garages	3,024
26	Other Housing Properties	21
69	Operational Shops	69
194	Other Garages	194
1	Guildhall	1
4	Sports and Leisure Centres	4
24	Community Centres	26
2	Museums and Art Galleries	2
1	Open Markets	1
24	Public Conveniences	26
5	Multi Storey Pay & Display Car Parks	5
4	Local Area Offices	4
5	Central Administrative Offices	5
1	Theatres	1
1	Gypsy Sites	1
1	Bus Stations	1
16	Surface Pay & Display Car Parks	17
1	Depots	1
18	Sub-Depots	15
276	Commercial Properties (Units)	275
1	Golf Courses	1
74	Infrastructure	74
162	Vehicles, Plant, Furniture, and Equipment	162
	Community Assets	
62.88ha	Allotments	62.88ha
887.45ha	Parks and Open Spaces	887.45ha
65.97ha	Agricultural Land	65.97ha
2	Historical Buildings	4
33	Monuments, Memorials, Exhibitions	33
6	Pavillions	6
6	Cemeteries	6
1	Civic/Mayoral Regalia	1
	Non Operational Assets	
1	Indoor Markets/Arts Venues	1
70	Intangible Assets	70

Capital 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 other NBC plans and strategies
- Supports NBC service-specific plans and strategies
- Is affordable, financially prudent and sustainable, and contributes to improved value for money

Particular emphasis will be given to schemes that:

- Improve performance against national and local targets
- Promote diversity and address equalities issues
- Improve efficiency and effectiveness in service delivery
- Promote partnership working
- Involve local consultation

The capital strategy will be delivered through:

- Effective political and corporate leadership
- Adequate and effective performance management arrangements
- Clearly defined processes for building and monitoring the capital programme
- Clear policies on financing capital expenditure
- Adequate and effective risk management arrangements
- A clear purchasing protocol

The Council's Vision, Values, Priorities, and Objectives

The Council has a major role in delivering the community vision for Northamptonshire. The framework for achieving this is the Corporate Plan which outlines the Council's vision and values, objectives and priorities.

The Council's vision, values, objectives and priorities are set out below.

Council Priorities 2008/09

We will ensure that our communities become safer, cleaner and greener

We will improve housing and health to enhance the wellbeing of our communities

We will be a well managed organisation that puts our customers at the heart of what we do.

We will promote economic development and growth in Northampton

We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes

The Council's Vision and Values

Northampton Borough Council's Vision is that " we will work with and for the people of Northampton to build an increasingly prosperous, healthy, safe, and attractive town of which we are all proud. We will strive to maximise and sustain opportunities for all."

This is supported by the following values:

- Citizen focus
- Working together
- Empowering leadership
- Being open and accountable
- Embracing Diversity
- Striving for excellence
- Working for the future

Council Plans and Strategies

The Corporate Plan

The Corporate Plan for 2008-11 will be taken to Cabinet on 20 February 2008 for recommendation to Council, which meets on 28 February 2008.

The Plan is important because it sets out the priorities and objectives for the next 3 years.

The Capital Strategy

The medium term planning process is used to identify the best strategies to meet the Council's stated vision and priorities - these may have revenue or capital investment implications. Each individual bid for capital resources is evaluated, through the capital appraisal process, for its contribution to meeting the Council's vision and priorities as expressed in the Corporate Plan, as well as its contribution to performance indicators.

In addition the medium term planning framework ensures that the revenue implications of capital projects are built into the Council's forward planning process.

Service Plans and Strategies

The Council's overall aims, objectives and priorities are cascaded down and translated into specific targets and actions through its other strategies and plans. At this level detailed analysis of all the factors impacting on service provision is undertaken and the results consolidated into a single document. The Council has a large number of plans and strategies, ranging from cross-cutting strategies to service specific plans. Below this level there may also be individual team plans.

The Council's strategies and service plans include the following:

- Best Value Performance Plan 2007/08
- Northampton Economic Regeneration Strategy 2007-2021
- Housing Strategy 2006-11
- Northamptonshire Waste Management Strategy
- Community Engagement Strategy/Communications and Consultation Strategy
- Data Quality Strategy
- Information Strategy
- NBC Statutory Contaminated Land Strategy Framework
- Northampton Energy Strategy
- Contaminated Land Inspection Strategy
- Anti Social Behaviour Strategy 2006-8

- Customer Services Strategy 2007-10
- CCTV Strategy
- Risk Management Policy and Strategy
- Medium Term Financial Strategy

Note that the above list is not exhaustive.

Capital investment needs identified in the strategies and plans are fed into the Council's capital investment plans through medium term planning and the capital project appraisal process.

Meeting the Council's Corporate Priorities

Housing Revenue Account

Expenditure in the Housing Revenue Account (the HRA) is limited by rent controls, the need to meet the Government's Decent Homes Standard by December 2010.

The capital programme is formulated alongside an annual revenue programme for routine repairs to prevent or delay a future need for replacement of components such as heating systems. These works are carried out in accordance with the Council's repairs priorities.

The Decent Homes programme and other contingency works concentrate on the fabric of the properties themselves leading to underinvestment in other areas. The HRA also 'owns' paths, garages, hard-standings and soft landscape areas within the estates, and is responsible for maintaining these assets.

Affordability, Sustainability, Prudence and Value for Money

The Prudential Code

The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) was introduced by the Local Government Act 2003. It sets out the concepts of affordability, sustainability and prudence as they apply to capital expenditure.

A key objective of the Prudential Code is to ensure that the capital investment plans of the local authority are affordable, prudent and sustainable. To demonstrate that these objectives have been met the Code sets out the prudential indicators that must be used, and the factors that must be taken into account. These are designed to support and record local decision-making in a manner that is publicly accountable.

Affordability

The fundamental objective in determining the affordability of the authority's capital plans is to ensure that the total capital investment remains within sustainable limits. This includes considering its impact on council tax, or in the case of housing projects, housing rents. The Council is required to take into account all its current and forecast resources, together with the capital expenditure plans and revenue income and expenditure forecasts for the coming year and the following two years. This is done on a rolling basis, with regard to risk analysis and risk management strategies. Any significant known variations beyond this time frame must also be considered.

There are a number of prudential indicators that directly address the issues of affordability, including:

- The ratio of financing costs to net revenue stream
- The incremental impact of capital investment decisions on the Council Tax (or Housing Rents)
- Capital expenditure
- The capital financing requirement (i.e. the underlying need to borrow for a capital purpose)
- The authorised limit for external debt
- The operational boundary for external debt

Prudence and Sustainability

Prudence and sustainability year on year are addressed through the prudential indicators for external debt, which must be set and revised taking into account their affordability.

The key indicator of prudence laid down by the Code is that net external borrowing should not, except in the short term, exceed the total of capital financing requirement in the preceding year, plus the estimates of any additional capital financing requirement for the current and next two financial years. This ensures that, over the medium term, net borrowing will only be for a capital purpose.

It is also prudent to carry out treasury management activities in accordance with good practice, and the Prudential Code sets a number of indicators to address this. These are:

- Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services
- Upper limits on fixed and variable interest rate exposures
- Upper and lower limits on the maturity structure of borrowings
- Upper limit for principal sums invested for periods longer than 364 days

Northampton Borough Council and The Prudential Code

The Council addresses the issues of affordability, prudence and sustainability in its capital investment plans by complying with the requirements of the Prudential Code.

This includes the production and monitoring of prudential indicators. The timetable for reporting to Cabinet and Council is set out in the following table.

Setting of prudential indicators	February
First monitoring report (April to July)	September
Second monitoring report (April to November)	January
Outturn report	September

Additional reports may be taken at any time if the need arises – for example if the Council’s Chief Finance Officer were to identify an actual or likely breach of the existing approved indicators.

Value for Money

Taking into account value for money considerations in capital investment is essential if the best services are to be provided to local citizens for the best price. The Council is committed to making continuous improvements to processes and practices to increase value for money. Those that are embedded or being developed include:

- Improvements to procurement
- Investing to improve performance
- Working with partners to improve efficiency

Partnership Working

The Council is committed to working with its local partners to create a sustainable community for all and to deliver high quality services for its citizens.

WNDC is the main partner relevant to the Council's capital strategy and is the body responsible for the development funds for projects in the area.

WNDC's overall aim is:

'To promote and deliver the sustainable regeneration and growth of West Northamptonshire within the context of the national policy set out in the Sustainable Communities Plan, the plans for the wider Milton Keynes and South Midlands sub-region, and for the East Midlands region as a whole.

Other important partnerships relevant to the capital strategy include the Local Strategic Partnership (LSP), the Town Centre Partnership, and the Community Safety Partnership.

The Council is also a member of the Northamptonshire Partnership, recognised by the East Midlands Development Agency (EMDA) as a sub regional strategic partnership. Such partnerships have an economic focus and are to be the main vehicle for the disbursement of EMDA funding in the future.

Local Area Agreement

Local Area Agreements (LAAs) are a new approach to the way local authorities and their partners can use government funding to support the implementation of national and local priorities in local areas.

The LAA is a 3-year agreement decided between government, the local authority and its partners in an area (working through the local strategic partnership) to improve public services. The agreement will be refreshed annually.

The primary objectives of the Northamptonshire LAA are to maximise opportunities for all communities through growth (specifically arising from the Sustainable Communities Plan and the Milton Keynes South Midlands growth policy): and tackle urban and rural deprivation and improve life chances for all.

The LAA is structured around four blocks:

- Children & Young People
- Safer & Stronger Communities
- Healthier Communities & Older People
- Economic Development & Enterprise

The LAA is based upon outcomes, indicators and targets, a number of which are mandatory.

The benefits of the LAA are that it:

- Simplifies arrangements for pooled funding streams from central government to Local Authorities

- Helps join up public services more effectively, thus allowing greater flexibility for local solutions to local circumstances
- Helps to devolve decision making away from government
- Reduces bureaucracy associated with administering multiple funding streams.

Other Partnerships

Since the Council puts a heavy emphasis on partnership working, it is also involved in a number of other partnership arrangements, both service specific and cross-cutting, to help deliver its capital investment plans. These range from third party contributions to the funding of projects – for example from local Parish Councils, to multi-agency initiatives involving a number of partners.

The Council's capital appraisal process specifically asks for information on the nature and duration of any partnership arrangements for schemes bidding for capital funding, and positive feedback on this point contributes to the overall score of the project when prioritising schemes to meet available funding limits.

Consultation

Northampton Borough Council recognises that it is important to actively involve the community in the decision making process through consultation in order to provide good quality services and delivery them well.

Consultation helps the Council to carry out its work better. It helps the Council to:

- Plan and deliver better quality services
- Discover which services need to be improved and what the Council's priorities should be
- Make sure that services focus upon what people need
- Have a good relationship between the Council and the people who use its services
- Show people that the Council is committed to being open and accountable
- Make sure that the standards set by the Council to judge its performance are relevant to people's needs

Area Partnerships

These meetings may discuss council services and are attended by local councillors from both Northampton Borough Council and Northamptonshire County Council. They also provide an opportunity to discuss issues and future plans for Northampton or particular wards with other organisations such as the Police, who attend each partnership regularly to provide an update on local law and order issues.

Northampton Tenant and Council Together

N-TACT is a tenant led group of which all tenants and leaseholders are automatically members and are welcome to attend open meetings, which are held quarterly. They are also able to stand for the committee at the AGM.

The Repairs and Investment Action Group (RIAG) is a sub group on N-TACT, and is made up of committee members who volunteer to help improve the Repairs and Maintenance service of Northampton borough council.

Housing Strategy Steering Panel

This is a panel of Members and Corporate Managers, which has been established as a working group within the structure of the council to enable member involvement in the production, review, and delivery of the Northampton Housing Strategy.

Consultation and Capital Investment

Consultation feeds into decision-making on the Council's capital investment priorities at a number of levels.

The community vision and strategy and the Council's vision, values, objectives and priorities, which underpin the overall investment strategy, are themselves the result of extensive consultation.

The Local Strategic Partnership spent time listening to the people who live and work in Northamptonshire as they developed the community vision and strategy to 2031

The Council consults widely with its citizens and stakeholders when it sets its vision, values and Council priorities.

The Council operates a Citizens' Panel in order to give residents the opportunity to take part in consultation.

As well as the high level consultation outlined above, project managers are also expected to consult with citizens and stakeholders when developing their specific capital investment plans. Project appraisals specifically ask for details of any consultations with stakeholders and others.

Local and National Targets

Local Targets

Meaningful targets are set at all levels of the organisation, from the Council as a corporate body, through directorates, services and teams down to individual employees. The cascading effect is largely achieved through annual service plans, team plans and staff appraisals. These local targets link to the Community Strategy aims and the Council's strategic objectives and priorities.

Progress against targets is managed primarily through performance measurement, including performance indicators, and these are widely reported, both internally and externally. The capital option appraisal process expressly picks up the extent to which bids for funding will impact on local targets, and these are taken into account when prioritising projects. The project appraisal form has specific questions around:

- Performance Indicators – i.e. - Describe briefly any performance indicators supported by the project (including the name and reference), and any improvement in performance the project will deliver
- Efficiency Savings – i.e. - Give brief details of the efficiencies that are included in the Medium Term Plan and give details of any ways in which the project will support these efficiencies
- Service Strategies and Service Plans – i.e. - Give brief details of any ways in which the project supports the delivery of service objectives outlined in the service strategy or plan
- Other corporate initiatives (including Best Value Improvement Plans/Value for Money Reviews/Systems Thinking) – i.e. - Give brief details of any ways in which the project supports any other corporate initiatives

National Targets

Since the aim of both national and local government is to deliver quality services for citizens, in most cases national targets dovetail with local targets and the two can be dealt with in tandem. Many of the statutory Best Value Performance Indicators (BVPIs) fall under this umbrella. However, in a political environment, there are cases where the Council has to keep in mind national targets that may not necessarily correlate with local priorities, creating a further perspective that has to be addressed.

To this end, the capital bidding process also collects information on the extent to which a project will contribute towards national priorities and targets.

Efficiency Targets

As part of the Government's 2007 Comprehensive Spending Review it is announced that all local authorities are expected to achieve a 3% cashable annual efficiency savings target over the spending review period (2008/09 to 2010/11).

The Council's strategy for delivering efficiency savings is embedded in the Council's Medium Term Planning process

Equalities

The Council's Approach to Equality

As a service provider and commissioner, employer and community leader, the Council is committed to promoting equality of opportunity, good community relations, and to tackling all forms of discrimination, through the Council's role. The Council will work with its partners in the private, public and community sectors to achieve these objectives.

The Council values the diversity of Northampton and recognises it as one of its greatest assets.

Equalities work focuses on developing and implementing policies, procedures and practices to promote equality for:

- Individuals and communities covered by UK and European anti-discrimination legislation
- People who experience direct and indirect discrimination and the subsequent disadvantages that can follow from this discrimination

The Council has adopted the Equality Standard for Local Government and is aiming to achieve Level 2 of the Standard by the end of 2007/08.

Promoting Equalities through the Capital Programme

The capital project appraisal process is designed to pick up schemes which address equalities issues, and to give these a high priority.

Each completed project appraisal includes responses to the following questions:

- State specifically the equalities issues that have been identified that this project will address?
- How will this project address the equalities issues that have been identified?

An Equalities Impact Assessment will be completed for each scheme in the agreed capital programme.

Political and Corporate Management Structures

Political Management Structures

The operational key decisions of Northampton Borough Council are taken by the Cabinet. Each Councillor in the Cabinet is responsible for a portfolio of specific services

A schedule of the portfolios of Cabinet Members is attached at Annex A.

The Cabinet's decisions can be called-in by any two members of the council or by the chair of one of the three Overview and Scrutiny Committees.

There are three Overview and Scrutiny Committees, which, apart from being able to review decisions of the Cabinet, carry out a number of other functions including scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas

Corporate Management Structures

The Council operates a directorate structure, overseen by the Management Board, which is led by the Chief Executive.

The organisation is undergoing a management restructure and is currently in a state of transition.

Project Management

All projects on the capital programme and, all new bids for capital investment, are managed by a named budget/project manager, who is responsible for delivering the project according to the agreed budget and timescales. In some cases the operational responsibilities may be delegated, in which case the accountability remains with the budget manager, with the operational responsibilities being managed by the project manager.

Financial support, advice to budget/project managers, capital strategy and reporting to members comes from the Capital and Treasury team, including budget/project manager support and co-ordination of the building, monitoring and reporting requirements of the capital programme at a directorate level and for the Council as a whole.

Performance Management

Corporate Capital Groups

In addition to the standard reporting hierarchy and management structure outlined above, a new corporate group of officers has been set up in 2007 to work on bringing the authority to a position where it can meet the requirements of the new SORP in relation to assets and to address the issues raised in relation to capital and assets by internal audit.

This group brings together officers from both the Finance and Assets teams of the Council with a view to improving in a joined up fashion.

Best Value

The Local Government Act 1999 requires the Council to "make arrangements to secure continuous improvement in the way it exercises its functions, having regard to a combination of economy (cost), efficiency and effectiveness". However, Best Value is much more than a statutory framework. It is an approach designed to make a real difference to the way services are provided for local people, and to produce a significant and continuous improvement to services across the whole spectrum of Council activities.

Comprehensive Performance Assessment and Performance Management

The Council views effective performance management as a key component in delivering consistent high quality services that meet the demands of change and growth.

Since its introduction in 2002, CPA has proved an important driver for improving local authorities' performance in delivering services for local people. The assessments are carried out by the Audit Commission and are updated on an annual basis, bringing together existing information on service performance in councils into a corporate assessment of each council's ability to improve. This is used to reach an overall conclusion about whether a council is: excellent, good, fair, poor, or weak.

The Council is currently judged as poor, but is working to improve with the aim that this assessment is upgraded to fair by June 2008. Improvement has already been seen on the Use of Resources assessment, which was released in January 2008.

CPA will change from 2009, and will be replaced by the CAA (Comprehensive Area Assessment). The process for the CAA and the proposed Use of Resources were recently out for consultation, and this strategy will be reviewed closer to the time to ensure the council is able to meet the new requirements. While the CAA will continue to provide assurance about how well services are run and how effectively taxpayers' funds are used, it will provide a greater focus on issues that are of importance to the local community, and places a particular focus on asset management

It is clear that the development and management of the Council's capital programme and its management of assets are fundamental to achieving a positive assessment, whether under the CPA or the CAA.

Performance Measurement

Performance Indicators (PIs) have been a part of local government for a number of years and were originally developed as a way of measuring how well individual services performed.

They became a statutory requirement in 1992 as part of the Local Government Act. Since the introduction of Best Value in 1999, they have assumed an even greater significance and now form a crucial part of Comprehensive Performance Assessment (CPA).

PIs exist in a number of categories, some statutory, others discretionary. The main categories are as follows:

- Best Value Performance Indicators (Statutory) (BVPI's)
- Other statutory indicators – Env Health, IPF/PLUS (cultural) etc
- Local Performance Indicators (LPI's)
- Quality of Life indicators

The Council has a process in place to collect, monitor and review the indicators. PI data is reported on a monthly basis to Cabinet alongside revenue and capital budget monitoring as a package of financial and non-financial performance reports.

In addition, the Corporate Plan and the Best Value Performance Plan are the main documents for reporting to members and the public how the Council has performed.

Building and Monitoring the Capital Programme

Capital Programme 2008-09 to 2010-11

Project appraisals have been completed for all 2008-09 capital programme bids. Each project appraisal demonstrates how the scheme will contribute to the Council's corporate priorities as set out in the Council's Corporate Plan.

The project appraisals also outline the contribution of the scheme to statutory duties and legal commitments, partnership working, performance indicators, service strategies and plans, equalities, other corporate initiatives, national priorities and targets, and environmental impacts. These factors are all taken into account in formulating a proposed capital programme that, within the resources available, will best target the Council's corporate priorities.

Cabinet will be asked to recommend to Council that Cabinet be authorised, once the programme has been set, to approve new capital schemes, and variations to existing schemes, arising during 2008-09, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.

Bids for future year starts have been put forward in outline only, and these are included in the programme for planning purposes. Project appraisals will be completed for these bids during the year preceding the proposed start, and Council will decide which bids will be agreed for inclusion in the programme in the preceding February or March of each year.

Building the Capital Programme

Timetables

The Council's policy is to agree its capital programme on an annual basis between January and March 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 for the subsequent four years
- Bids for new starts for the subsequent four years

The latter are not guaranteed for inclusion in the future programme, but they are important for medium term planning.

In future the setting of the programme by Council will come at the end of a thorough process that begins in the previous summer and involves officers in all parts and at all levels of the organisation. A broad indication of the planned timetable and those involved is as follows:

May to July	Medium term planning process begins. Plans prepared by Heads of Service, to include capital programme requirements and their revenue implications, for the next four financial years
June-July	Capital programme launch workshops offered to all project managers and finance staff Draft project appraisals for new starts for the following years and future year proformas for new starts for the subsequent four years completed by project managers and reviewed by Finance
August	First draft programme (including continuations) and first draft financing spreadsheet put together by Finance Debt financing budget implications calculated by Finance
September	All project appraisals, future year bids and revenue implications checked against Medium Term Planning Options by Finance Appraisals for all new bids signed off and returned to Finance
October	Project appraisals 'scored' by Finance 'Scoring' of project appraisals reviewed by Heads of Service
December	Notification of government funding allocations
January	Reports to Overview and Scrutiny Committees - prioritised programme
February	Cabinet recommend draft programme to full Council for agreement Council agree the Capital Programme

The Council's Treasury Strategy and Prudential Indicators for Capital Finance, which are put together by Finance, will also be agreed by Council at the budget setting meeting in February or early March.

Once approved by Council the five-year programme will be published, at a summary level, in the Council's Revenue and Capital Budget Book.

Project Appraisals

All bids for inclusion in the capital programme are supported by a project appraisal, the preparation of which is the responsibility of the budget holder or project manager. The appropriate council officers and Cabinet Member(s) sign off the appraisal. This is to show that they are aware of and support the scheme, but these signatures do not constitute approval for the scheme to go ahead.

There are two versions of the project appraisal format:

- Single projects
- Block appraisals

Block appraisals are used to group similar projects that share the same basic details. An example might be enhancement works at various leisure centres, or security works at various car parks.

The project appraisals provide a summary analysis of the project and cover all the essential details required for the project to move ahead once agreed (subject, where relevant, to any external funding being in place).

This ensures that there are no unnecessary delays to the start of projects in the new financial year. The monitoring process then accommodates any proposed changes or additions to the programme throughout the year.

The project appraisal format is reviewed on an annual basis as part of a policy of continuous improvement and to take into account any relevant changes that may have an impact. Copies of the current project appraisal formats (as used for the Council's 2008-09 to 2012-13 capital programme build) are available from the Capital and Treasury Team.

Prioritising projects

All bids for inclusion in the following years programme are scored according to a set of objective criteria to assist with the prioritisation of schemes and the allocation of funds. This ensures that, in a context of limited resources, the community vision and strategy and the Council's vision, values, objectives and priorities form the framework for decisions about investment priorities, and that capital allocations are made using clear impartial criteria.

The scoring is linked directly to the information given on the completed project appraisals, with weighting given to schemes that strongly support the Council's objectives and priorities, and those which fulfil an urgent legal or statutory requirement.

In summary, each bid is scored on the extent to which the project contributes to:

- The Council's objectives and priorities
- Partnership working
- Improvements in performance indicators
- Efficiency savings
- The delivery of service objectives
- Equalities
- Value for money
- Other corporate objectives
- Legal commitments or statutory duties
- Environmental impacts
- Extent of ring fenced or specific funding
- Levels of financial risk involved.
- Impact on the revenue budget

Scoring the bids enables officers to put forward a recommended programme that is within available resources. The prioritised programme is for guidance only. Members are responsible for agreeing the capital programme and have the discretion to include or exclude schemes as they deem appropriate.

A copy of the Council's capital scheme scoring sheet for the 2008-09 programme is attached at Annex D. The scoring framework will be reviewed on an annual basis as part of a policy of continuous improvement and to take into account any relevant changes that may have an impact.

Future year starts

Outline plans for proposed new starts for the subsequent four years of the capital programme planning cycle are included for outline planning purposes and are not subject to prioritisation at this stage. A full appraisal will be submitted for each of these schemes in the capital programme build that takes place during the year before they

Project Managers

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
- Any slippage of expenditure from current to future years is identified
- 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 needs to develop further, and it is intended that corporate guidance will be issued during 2008/09.

Directorate Management Teams

Each Directorate Management Team is responsible for receiving reports on the capital expenditure position for their directorate and for ensuring that any corrective action needed to address any monitoring issues is agreed and implemented.

Finance – Capital and Treasury Team

Responsibility for capital within Finance sits with the Capital and Treasury Team. The team is responsible for providing support and advice to assist project managers in managing and monitoring their capital budgets.

They also have a key role in consolidating and co-ordinating the monitoring information that is required for reporting purposes. This involves reporting to Directorate Management Teams, Management Board and Cabinet. The team is also responsible for ensuring that the agreed programme is fully financed at all times.

Capital Programme Monitoring

The capital programme position is reported to Cabinet on a monthly basis throughout the year, commencing from period 2 (end of May). The report covers the latest programme and any amendments to be notified or approved, expenditure to date, and the forecast outturn. It also discusses the financing position and any steps needed to deal with potential financing difficulties.

As part of the monitoring process, an annex to the report explains the background to any forecast under or overspends, and gives brief details of any variations to the original programme.

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

Changes to the Agreed Programme

The programme for the coming year is set and agreed by Council prior to 1st April, and it is essential to also have a process that then allows for changes during the year.

Changes may be required as a result of proposed additions to the programme, amendments to existing schemes or deletions from the programme. For example tenders may come in above or below estimate; difficulties may be encountered in implementation, which require a change of approach; funding may need to be released to support another more urgent priority.

Proposed additions to the programme

The need to add a scheme to the programme usually arises from either access to additional funding, such as a grant or third party contribution, or as a response to an unforeseen urgent issue (often related to legal or health and safety concerns).

In order to bid for an addition to the programme, a project appraisal must be completed and signed off in the usual way. 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 – for example from reduced costs on an existing project, or by withdrawing an existing scheme of lower priority. In these cases a matching project variation must be simultaneously submitted to release the funding (see below).

The request for the decision will usually be incorporated into the regular capital monitoring report to Cabinet. In cases where an urgent decision is required arrangements can be made by Strategic Finance to submit the request for a decision to an earlier Cabinet or to seek an officer decision under delegated powers.

Amendments to Existing Schemes

If the proposed amendment is one of substance, which results in a scheme materially different from the original project appraisal, then the original project must be withdrawn, and a new project appraisal completed to support the new bid. If, however, the substance of the scheme remains the same, then the change can be dealt with through the completion and approval of a project variation form.

Formal variations to budgets for existing projects must be completed and authorised in the following circumstances:

- Forecast total scheme outturn is materially in excess of budget
- Additional funding has become available to support a scheme
- A forecast overspend is to be funded by a forecast underspend in another service block
- Funding is released due to a forecast underspend on a scheme
- A scheme is to be withdrawn from the programme

Financing Capital Expenditure

Overview

Decisions on capital investment are made against the background of constrained resources, and the Council is heavily dependent upon capital receipts and grants from central government to support its capital programme. Other available funding sources include prudential borrowing, capital receipts, third party contributions, and revenue contributions. These are all actively pursued to support capital investment.

Capital Receipts

Capital receipts are derived from both General Fund (GF) and Housing Revenue Account (HRA) asset sales.

NBC do not always receive the full value of these asset sales as some of them are subject to “clawback” arrangements whereby a proportion of the capital receipt must be paid over to English Partnerships (EP).

GF asset sales come from a variety of sources. Generally speaking, 100% of GF asset sales (after any ‘clawback’) 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 or even a service block.

HRA asset sales come from the sale of council houses under ‘right to buy’ legislation, and from the sale of shared ownership properties. Furthermore, 75% of the monies that are received (after any clawback) have to be sent to the Department for Communities and Local Government (DCLG) for re-distribution under ‘pooling’ arrangements, leaving 25% to fund new HRA capital programme expenditure.

Since the cessation of new council house build, the housing stock has gradually decreased year on year. As at 31 March 2007, the Council’s housing stock stands at 12,334 dwellings, a reduction of 83 on the previous year. The amount of receipts released by right to buy sales is dependent on both the stock itself and on economic and market conditions.

Prudential Borrowing

The Local Government Act 2003 introduced new flexibilities into the capital expenditure and financing rules governing local authorities. The new rules, contained in the ‘Prudential Code’, allow local authorities to set their own limits with regard to borrowing undertaken to support capital expenditure. Additional borrowing may now 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 prudential 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.

Supported Borrowing

The other form of borrowing available for funding the capital programme is supported borrowing. This is where the costs of the borrowing are recognised in the formula grant settlement and are therefore 'supported'. Note however that the formula grant does not cover the full cost of the any borrowing undertaken following a supported borrowing allocation. As a district authority supported borrowing allocations are limited.

Government Grants

The conditions attached to government grants 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. Not surprisingly, government grants tend to be focussed towards central government priorities.

The largest government grant received by NBC to support the capital programme is the Major Repairs Allowance (MRA) - £7.61m in 2007-08 - provided for the express purpose of maintaining the Council's housing stock in its current condition. Other examples from the 2007-08 programme include £300k towards the provision of mandatory disabled facilities grants.

Third Party Contributions

As with government grants the conditions attached to third party contributions vary.

This category of funding is becoming of increasing importance to the Council in a climate of stretched local government resources. Included here are:

- Planning obligations funding from Section 106 agreements (developer contributions)
- National Lottery grants
- Contributions from local bodies, for example parish councils
- Contributions from national bodies, for example the Football Association

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.

Revenue contributions from the HRA have also been a valuable source of finance in helping to deliver the Decent Homes programme.

Funding Strategy

The capital funding strategy is proposed as part of the overall capital strategy and is therefore also reviewed on an annual basis.

This will not fetter the discretion of elected members to make changes during the year – any such changes will be incorporated into the following years Capital Strategy.

The Council's capital funding strategy for 2008/09 is set out below:

Funding streams are allocated in the following ways:

- General Fund capital receipts are not allocated or committed prior to receipt, unless inextricably linked to a specific project.
- Usable capital receipts from general asset sales, whether HRA or General Fund, are used towards General Fund capital projects. This reflects the fact that the Council is not currently in a financial position to be able to direct these general HRA receipts towards the HRA programme. However this policy may be reviewed in future years
- General fund capital receipts received during the year will be added to the un-earmarked general fund capital reserve (see below) and 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.
- Capital Reserves – In order to create some funding resilience in the capital programme it is proposed that a minimum level of capital reserves be built up over the next three years. It is proposed that after the application of any capital receipts required for funding the main capital programme as approved in February 2008 un-earmarked general fund capital receipts be set aside in an un-earmarked general fund capital reserve up to a value of £500k for 2008/09.
- It is proposed that the capital reserve be built up gradually in this way to a minimum level of £750k in 2009/10 and rising to the desired minimum level of £1m in 2010/11.
- The only call on the un-earmarked general fund capital reserve during the year would be for unforeseen 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 Cabinet.
- Usable capital receipts from the sale of council housing stock under right to buy legislation is directed at the HRA capital programme to meet the requirements of decent homes targets. This is a change in policy from previous years, as these receipts have previously been used towards General Fund expenditure.
- All general asset sales, including those relating to the HRA are earmarked for General Fund capital expenditure.

- Hypothecated funding – i.e. funding linked directly to a specific scheme or service area, such as grants, third part contributions, revenue contributions and supported borrowing – is allocated 100% to the relevant scheme or service.
- 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

The funding strategy is used to determine the allocation of funding to the programme at the start of the year and throughout the year. However at year-end the Capital and Treasury Team, under the direction of the Chief Finance Officer, will apply the available funding to the outturn expenditure in line with the best interests of the Council.

Revenue Implications of Capital Projects

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

Leasing

Leases are classified in accounting terms as either finance or operating leases. This distinction is important because it dictates whether the lease must be classified as capital (finance leases) or revenue (operating leases).

Recent changes to the rules around local authority leasing have moved the regulatory framework from a very prescriptive regime, in which finance leases were avoided because of the prohibitive impact on the capital programme, to an emphasis on generally accepted accounting practice (GAAP).

In order to demonstrate and achieve best value, before leases are entered into, a full evaluation is carried out by the Council's leasing advisors, Sector Consulting Ltd. This compares the whole life costs of an operating lease, a finance lease and prudential borrowing and also the quality of the lease being offered. A decision is then made by the Council as to which option offers the best value for money.

Capital items financed through an operating lease are coded to and financed as part of the Council's revenue budget. It is the responsibility of the budget holder to ensure that there is sufficient capacity in the revenue budget to fund the operating lease costs.

The Capital and Treasury Team is responsible for advising on and arranging all leases for the Council in conjunction with the Procurement Team. This includes ensuring that all requirements are met, as the rules around leasing are complex.

Risk Management

Risk management is a key feature in the management of capital projects.

When putting together the Council's capital programme and when setting the Council's prudential indicators for capital expenditure, officers take into consideration both the opportunities and the threats which could affect Council plans and performance, and their desired levels of affordability and prudence.

Uncertainty arises in both the policy, planning, development and execution phases of capital projects. Uncertainty can be controlled through the risk management process. Exposure is further managed by qualified finance staff who review project proposals and appraisals, prepared by service managers, to ensure that financial assumptions are robust, and that revenue implications have been taken into account.

So that the risks associated with capital projects put forward for inclusion in the capital programme are fully considered, from 2007-08 the appraisal forms have included sections on both financial and non-financial risks. The appraisal form is set out below at Annex C.

Once the programme has been agreed, the likelihood and consequences of variations to planned expenditure against the capital programme remain significant. Variations can arise for many reasons including tenders coming in over budget, changes to specifications and slippage or acceleration of project phasing. There is also the possibility of needing to provide for urgent or unplanned capital works. These uncertainties are risk managed by officers, proactively, on an ongoing basis and by active financial risk management, including monitoring, with monthly reports going to Cabinet.

The availability of financing from capital receipts, grants and external contributions also carries opportunity and threat. These risks are managed by officers on an ongoing basis, and include horizon scanning and financial monitoring.

Projects are not authorised to proceed unless and until the associated funding has been identified and secured.

Each project in the capital programme is categorised financially as a high, medium or low risk to budget, and this assessment is reviewed regularly. The financial risk assessment takes into account the likelihood of a budget variance, the consequence of any potential variance, and the significance of these two factors for the budget assumptions.

A capital reserve, made up of unbudgeted capital receipts, will provide a safety net to deal with otherwise unbudgeted urgent items that cannot be accommodated by any other means. (See funding strategy above).

In respect of the borrowing requirements of the capital programme, debt financing revenue costs relating to past and current capital programmes are estimated in accordance with proper practices, and with an inclination to prudence. The debt maturity profile is actively managed to a limit of no more than 15% of total debt maturing in any one year, ensuring that the Council is not exposed to unmanageable risks if interest rates become volatile.

Purchasing protocols

Procurement Strategy

Capital expenditure by its nature can involve significant sums of money, and it is therefore vital that a comprehensive procurement strategy is in place to protect the Council's interests and to ensure that the Council achieves value for money.

In addition, national developments in procurement such as the National Procurement Strategy for Local Government (LGA 2003) and the Spending Efficiency Review 2004 make it plain that procurement is viewed by central government as one of the major drivers for efficiency savings.

Government requirements from April 2006 also require a fundamental change in sustainable procurement by councils in order to put the UK among the leaders in this area in the European Union by 2009.

Furthermore an effective procurement strategy can also be used to help achieve wider objectives – for example, as a major purchaser the Council has the opportunity to influence the market in respect of economic development, environmental issues, equalities and health and safety.

The Council's procurement strategy has recently been re-written and is due to be approved shortly.

Procurement Team

The Council has a team dedicated to ensuring that the most appropriate procurement methods are used. The team have a variety of procurement experience and can advise on EU requirements for tendering, as well as general purchasing.

Advice should be taken from procurement section for all capital projects.

- Annex A -

Committee Structure and Cabinet Member Portfolios

Portfolios of Cabinet Members

Cllr Anthony Woods Leader of the Council	Partnership and Improvement
Cllr Brendan Glynane Deputy Leader of the Council	Community Engagement and Safety
Cllr Sally Beardsworth	Housing
Cllr Richard Church	Regeneration
Cllr Maria-Trinidad Crane	Environment
Cllr Brian Hoare	Performance
Cllr Malcolm Mildren	Finance

Northampton Borough Council Committee Structure

Council

Cabinet

Appointments and Appeals Committee

General Purposes Committee

Licensing Committee

Licensing Sub Committee

Standards Committee

Planning Committee

Audit Committee

Overview and Scrutiny Committees

- Annex B -

Extracts from Financial Regulations

(as agreed by Council 19 November 2007)

3.9 Capital Strategy

3.9.1 Capital expenditure is an important element in the development of the Council's services since it represents major investment in new and improved assets. Each financial year the Section 151 Officer shall prepare and submit to Cabinet a Capital Strategy for the Authority. All capital expenditure and income for the authority should be undertaken in line with the agreed Capital Strategy and in compliance with the CIPFA Prudential Code for Capital Finance in Local Authorities and all prevailing statutory and professional regulations.

3.10 Capital Budget

3.10.1 The S151 Officer will be responsible for ensuring that a capital budget for at least the coming three financial years is prepared and brought forward for approval by the Council, upon recommendation of the Cabinet.

3.10.2 The Capital Programme will be prepared in accordance with the Capital Strategy and Asset Management Plan of the Authority and be consistent with, and designed to further the achievement of, the Council's priorities. It should be updated as monitoring and the annual budget timetable dictate.

3.10.3 Project managers are required to prepare project appraisals including whole life capital and revenue costs for all capital projects to be included in the Council's Capital Programme. The project appraisal must be approved by the Section 151 Officer or other officer authorised by her/him before any expenditure is committed.

3.10.4 The first call on capital resources should be for schemes agreed as part of the prior year budget process and which have already commenced. Chief Officers should therefore take this into account when preparing bids for future years.

3.10.5 The S151 Officer, will propose to Cabinet a scoring scheme to prioritise capital projects and update it annually. This scheme will be used to prioritise projects within available resources and used to guide members in the setting of the capital programme.

3.10.6 The Section 151 Officer shall report to the Cabinet on the overall cost of the draft capital programme compared with the resources likely to be available to finance it in both capital and revenue terms.

3.11 Asset Management Plan

3.11.1 The Asset Manager under the direction of the Section 151 Officer will be responsible for ensuring that an Asset Management Plan covering a minimum of three to five years is prepared and updated at least annually for consideration by the Cabinet and approval by the Council. The plan will be consistent with, and designed to further the achievement of, the Council's priorities.

4.6 Capital Monitoring

- 4.6.1 Chief Officers through their capital project managers are responsible for managing the financial risks of their projects and must monitor income and expenditure against the in-year budget, as well as total expenditure over the life of each scheme.
- 4.6.2 Project managers shall provide monthly monitoring information, on a scheme-by-scheme basis, together with a forecast outturn including any re-phasing between years, to the Section 151 Officer.
- 4.6.3 Where forecasts identify an overspend or underspend from the approved budget these variations should be reported promptly to the Section 151 officer along with the proposed action.
- 4.6.4 In circumstances where it is not possible to take programme changes to Cabinet or Council due to a requirement for a quick decision, the Section 151 officer in consultation with the relevant Cabinet Member will have authority to approve the decision, which must be notified retrospectively to Cabinet.
- 4.6.5 The Section 151 Officer shall report the overall capital monitoring position, and the level of resources available to finance the programme, to Cabinet on at least a quarterly basis.

5.8 Assets

- 5.8.1 The Section 151 Officer, in conjunction with the Asset Manager, shall be responsible for maintaining an adequate and up to date register of all the Council's capital assets and for calculating and processing the appropriate capital financing charges in accordance with CIPFA Capital Accounting Guidelines.
- 5.8.2 Each Director and Service Head will be responsible for ensuring that the Section 151 Officer is advised promptly of all additions, deletions or other changes to the Council's portfolio of assets, such as might affect the preparation of the Council's accounts.

- Annex C -

**Northampton Borough Council
CAPITAL PROJECT APPRAISAL**

2008-09 Programme Build

1	Project Title		For Finance's use only
2	Appraisal Reference Number		
3	Directorate		
4	Service Block		
5	Outline description of the project (including specific works to be undertaken)		

Consequences of not undertaking the project and impact on the community or employees						
0						

Project budget	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
Capital costs	0.000	0.000	0.000	0.000	0.000	0.000
Revenue consequences	0.000	0.000	0.000	0.000	0.000	0.000

Source of capital funding	SCE (R) Single Capital Pot £000	SCE (R) Separate Programme Element £000	Unsupported (Prudential) Borrowing £000	Major Repairs Reserve £000	Other £000	Total £000
	0.000	0.000	0.000	0.000	0.000	0.000

0

COR (Capital Outturn Return) Code		Weighted Score	N/A	S106 Related	No	Whole Life Costing Completed	No
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Authorisations	Signature	Name	Date
Project Manager		0	
Budget Manager		0	
Finance Manager		Bev Dixon	

6	Project Dates	Planned Start Date		Planned End Date	
7	Nature of expenditure				
	Land - purchase, reclamation or enhancement	Please mark with an X where applicable		Is the land/building owned by NBC, or does NBC have an interest in it? Yes/No	
	Buildings and infrastructure - new construction (including extensions to existing buildings)			If no, who is, or who will be, the owner of the asset?	
	Buildings and infrastructure - enhancement (including refurbishment)				
	Information Technology assets - please specify whether hardware, software or licences, and whether it is to be internally developed, developed by consultants or purchased				
	Other tangible and intangible fixed assets - please describe (eg. vehicles, furniture, non-IT licences)				
	Loan, grant or financial assistance to a third party towards capital expenditure - please describe				
8	Agresso Structure (Finance to complete)				
a)	Agresso Cost Centre				
9	Responsible Officers				
	i) Project Manager		iv) Key Service Area		
	ii) Budget Manager				
	iii) Service Head		v) Cost Centre - (Capital)		
10	Location - (Please select from the dropdown list)				
	Ward		Parish		

11	Statutory duty or other legal commitments <i>Indicate whether, if investment is not made, the Council will fail to deliver a statutory duty, now or in the future.</i>																								
a)	Brief outline of statutory duty or legal commitment project will address																								
b)	Objectives, Consequences and Urgency																								
i)	Objective of project																								
	<i>Describe the problem or issue the project will address, and how this was identified</i>																								
ii)	Consequences of not undertaking the project																								
	<i>Give brief details of the consequences and the impact on the community or employees</i>																								
iii)	Urgency of project																								
	<i>Give brief details and justification of the time span</i>																								
12	Consultation with stakeholders																								
	<i>Specify any consultations undertaken with stakeholders and others</i>																								
13	Extent to which project meets Council's Objectives and Priorities																								
	<i>Indicate with an X in the appropriate section(s) below which of the Council's Priorities will be met by the project, and for each priority that the project meets, please state which target(s) (from the Corporate Plan) the project will address</i>																								
	<table border="1"> <thead> <tr> <th>Council Priorities 2007-08</th> <th>X</th> <th>Key Action(s) & Target(s) addressed by the project</th> </tr> </thead> <tbody> <tr> <td>Improve the quality of the environment in which we live</td> <td></td> <td></td> </tr> <tr> <td>To deliver an excellent housing service and provide affordable housing for those in need</td> <td></td> <td></td> </tr> <tr> <td>Promote equality and social inclusion and improve health</td> <td></td> <td></td> </tr> <tr> <td>To continue to improve our weakest services</td> <td></td> <td></td> </tr> <tr> <td>To ensure clear, decisive political and managerial leadership to drive culture change</td> <td></td> <td></td> </tr> <tr> <td>To continue to strengthen our financial management</td> <td></td> <td></td> </tr> <tr> <td>To work with partners to support economic and infrastructure development to promote communities that are sustainable</td> <td></td> <td></td> </tr> </tbody> </table>	Council Priorities 2007-08	X	Key Action(s) & Target(s) addressed by the project	Improve the quality of the environment in which we live			To deliver an excellent housing service and provide affordable housing for those in need			Promote equality and social inclusion and improve health			To continue to improve our weakest services			To ensure clear, decisive political and managerial leadership to drive culture change			To continue to strengthen our financial management			To work with partners to support economic and infrastructure development to promote communities that are sustainable		
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To continue to strengthen our financial management																									
To work with partners to support economic and infrastructure development to promote communities that are sustainable																									

14a	Extent to which project contributes towards partnership working, medium term planning, delivery of service objectives, equalities issues & other corporate priorities (including delivery of statutory performance indicators and Best Value Improvement Plans)
i)	Partnership working
	Briefly describe the nature and duration of any partnership arrangements
ii)	Performance Indicators
	Describe briefly any performance indicators supported by the project (including the name & reference), and any improvement in performance the project will deliver
iii)	Gershon Programme and Efficiencies
	Give brief details of the efficiencies that are included in the MTP and give details of any ways in which the project will support these efficiencies
iv)	Value for Money
	Explain how the delivery of this project in the proposed manner represents good value for money
v)	Service Strategies and Service Plans
	Give brief details of any ways in which the project supports the delivery of service objectives outlined in the service strategy or plan
vi)	State specifically the equalities issues that have been identified that this project will address
	How will this project address the equalities issues that have been identified?
vii)	Other corporate initiatives (including Improvement Plans and Value for Money Reviews)
	Give brief details of any ways in which the project supports any other corporate initiatives
14b	Extent to which project contributes towards national or regional priorities or targets
	Please state the national priorities or targets and briefly describe how the project will contribute towards these.

16	Environmental impacts - This will ensure that sustainability issues are identified and addressed (positive and negative) <i>For each issue in each sub-section below, indicate the impact with an X in the appropriate column</i>	Direction of impact/contribution			
		Negative	Nil	Positive	
i)	Economy:				
	Consider the nature of the project, its service to the community, effect on already established businesses and in particular its contribution to:				
	Employment	Increasing employment opportunities			
		Increasing vocational training opportunities			
		Increasing equal opportunities for employment			
		Improving environmental awareness of local business			
	Consumption Patterns	Linking the extent to which wages earned locally are spent locally			
		Encouraging sustainable consumption patterns, eg: recycling			
	Business development	Encouraging development of new businesses			
		Maintaining the integrity of existing businesses			
	Details - Explain positive and negative impacts				
ii)	Infrastructure				
	Consider the impact of the project and its operation on public services and infrastructure. Consider the impact in terms of:				
	Housing	Providing affordable housing/housing to rent			
		Improving the quality of existing housing			
		Increasing the energy efficiency of housing			
	Transport	Promoting the development/maintenance of pedestrian and cycle lanes			
		Promoting the use of public transport			
		Reducing traffic congestion and delays improving/adding local facilities			
	Waste & Recycling	Reducing waste			
		Encouraging recycling/reuse/repair			
	Emergency Services	The adequacy of emergency services			
	Details - Explain positive and negative impacts				
iii)	Community Welfare				
	Consider community issues associated with the project. How the project will perform in terms of:				
	Safety / Security	Public safety on roadways & public areas			
		Minimising crime and fear of crime			
		Providing adequate lighting/security			
	Cultural & Leisure Facilities	Increasing access to/provision of cultural and recreational facilities			
		Encouraging wide participation in recreational activities			
	Participation	Improving the sense of community			
		Involving the community in the development of the project			

16 cont.	Environmental impacts - This will ensure that sustainability issues are identified and addressed (positive and negative) <i>For each issue in each sub-section below, indicate the impact with an X in the appropriate column</i>		Direction of impact/contribution		
			Negative	Nil	Positive
iv)	Aesthetics				
	<i>Consider the nature of the project and how it blends with its surroundings aesthetically and historically. Consider contribution in terms of:</i>				
	Environment	The nature and beauty of the landscape			
		Encouraging the use of open spaces for community benefit			
		Encouraging nature/wildlife habitats			
	Heritage	Preserving local heritage including buildings, monuments or sites of historic significance			
	Details - Explain positive and negative impacts				
v)	Natural Resources				
	<i>Consider the resources used by/supplied by the project during its construction and operation and its contribution to:</i>				
	Land	The redevelopment of Brownfield sites in preference to Greenfield sites			
	Conservation & biodiversity	Promoting biodiversity and conservation values			
	Pollution	Reducing local pollution, eg: air, noise, vibration, water, land			
	Details - Explain positive and negative impacts				
vi)	Design of Buildings & Structures				
	<i>Consider the project design in terms of energy consumption, efficiency & use of renewable resources in construction</i>				
	Energy	Maximising energy efficiency			
		Increasing the use of renewable energy resources			
	Materials	Increasing the use landscaping			
		Increasing the use of renewable construction materials			
		Reusing/conserving buildings			
	Locality	Enhancing the built environment			
		Providing a range of local amenities			
		Improving access for the disabled			
	Details - Explain positive and negative impacts				

17.1	Preferred option						
a/b	Description of preferred option, and contribution of the option to the project's objectives.						
	0						
c	Likely impacts that will result from pursuing an option (including impact on day-to-day activities during project implementation)						
d	Financial evaluation						
i)	Project budget - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings						0.000
	New construction, conversion and renovation						0.000
	Vehicles						0.000
	Plant, Machinery and Equipment						0.000
	Grants						0.000
	Total project budget	0.000	0.000	0.000	0.000	0.000	0.000
ii)	Project funding - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Supported Borrowing - SCE (R) - Single Capital Pot Element						0.000
	Supported Borrowing - SCE (R) - Separate Programme Element						0.000
	Unsupported (Prudential) Borrowing						0.000
	Major Repairs Reserve						0.000
	Grant*						0.000
	Third party contribution (inc Sec 106)*						0.000
	Revenue contribution*						0.000
	Capital receipt*						0.000
	Unspecified						0.000
	Total funding	0.000	0.000	0.000	0.000	0.000	0.000
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						
iv)	Is the scheme funded, or part funded by WNDC? - Indicate with an X						
	WNDC Related						
v)	Revenue budget implications (if applicable) - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	
	Employees						
	Running costs						
	Income						
	Net Cost/(Saving) To Directorate	0.000	0.000	0.000	0.000	0.000	
vi)	Source of revenue funding (if applicable)						
	<i>e.g. Revenue growth item, virement from existing (identified) budget, revenue grant funding</i>						
vii)	Staffing implications (if applicable)	2008/09 F.T.E	2009/10 F.T.E	2010/11 F.T.E	2011/12 F.T.E	2012/13 F.T.E	
	Increase/(decrease)						
viii)	Please confirm that both capital and revenue impacts have been included in the Medium Term Plan						
	Which service ?						
		Capital	Yes/No	Revenue	Yes/No		
ix)	Financial Risk						
	<i>Complete the risk assessment section below by identifying all financial risks that this project poses to the authority</i>						
	Financial Risk	Likelihood 1 (low) - 5 (high)	Severity 1 (low) - 5 (high)	What has been done to mitigate this risk?	What ongoing monitoring will be performed to reduce the likelihood of the risk materialising / its severity?		
	Overspend						

17.2	Alternative Option 1 - Alternative options required for schemes over £100,000 only						
a	Description of alternative option						
b	Contribution of option to the achievement of the project's objectives						
c	Likely impacts that will result from pursuing an option (including impact on day-to-day activities during project implementation)						
d	Financial evaluation						
i)	Project budget - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings						0.000
	New construction, conversion and renovation						0.000
	Vehicles						0.000
	Plant, Machinery and Equipment						0.000
	Grants						0.000
	Total project budget	0.000	0.000	0.000	0.000	0.000	0.000
ii)	Project funding - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Supported Borrowing - SCE (R) - Single Capital Pot Element						0.000
	Supported Borrowing - SCE (R) - Separate Programme Element						0.000
	Unsupported (Prudential) Borrowing						0.000
	Major Repairs Reserve						0.000
	Grant*						0.000
	Third party contribution (Inc Sec 106)*						0.000
	Revenue contribution*						0.000
	Capital receipt*						0.000
	Unspecified						0.000
	Total funding	0.000	0.000	0.000	0.000	0.000	0.000
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						
iv)	Is the scheme funded, or part funded byWNDC? - <i>Indicate with an X</i>						
	WNDC Related						
v)	Revenue budget implications (if applicable) - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	
	Employees						
	Running costs						
	Income						
	Net Cost/(Saving) To Directorate	0.000	0.000	0.000	0.000	0.000	
vi)	Source of revenue funding (if applicable)						
	<i>e.g. Revenue growth item, virement from existing (identified) budget, revenue grant funding</i>						
vii)	Staffing implications (if applicable)	2008/09 F.T.E	2009/10 F.T.E	2010/11 F.T.E	2011/12 F.T.E	2012/13 F.T.E	
	Increase/(decrease)						
viii)	Please confirm that both capital and revenue impacts have been included in the Medium Term Plan						
	Which service ?						
		Capital	Yes/No	Revenue	Yes/No		
ix)	Financial Risk						
	<i>Complete the risk assessment section below by identifying all financial risks that this project poses to the authority</i>						
	Financial Risk	Likelihood 1 (low) - 5 (high)	Severity 1 (low) - 5 (high)	What has been done to mitigate this risk?	What ongoing monitoring will be performed to reduce the likelihood of the risk materialising / its severity?		
	Overspend						

17.3	Alternative Option 2						
a	Description of alternative option						
b	Contribution of option to the achievement of the project's objectives						
c	Likely impacts that will result from pursuing an option (including impact on day-to-day activities during project implementation)						
d	Financial evaluation						
i)	Project budget - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings						0.000
	New construction, conversion and renovation						0.000
	Vehicles						0.000
	Plant, Machinery and Equipment						0.000
	Grants						0.000
	Total project budget	0.000	0.000	0.000	0.000	0.000	0.000
ii)	Project funding - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Supported Borrowing - SCE (R) - Single Capital Pot Element						0.000
	Supported Borrowing - SCE (R) - Separate Programme Element						0.000
	Unsupported (Prudential) Borrowing						0.000
	Major Repairs Reserve						0.000
	Grant*						0.000
	Third party contribution (inc Sec 106)*						0.000
	Revenue contribution*						0.000
	Capital receipt*						0.000
	Unspecified						0.000
	Total funding	0.000	0.000	0.000	0.000	0.000	0.000
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						
iv)	Is the scheme funded, or part funded by WDC? - Indicate with an X						
	WDC Related						
v)	Revenue budget implications (if applicable) - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	
	Employees						
	Running costs						
	Income						
	Net Cost/(Saving) To Directorate	0.000	0.000	0.000	0.000	0.000	
vi)	Source of revenue funding (if applicable)						
	e.g. Revenue growth item, virement from existing (identified) budget, revenue grant funding						
vii)	Staffing implications (if applicable)	2008/09 F.T.E	2009/10 F.T.E	2010/11 F.T.E	2011/12 F.T.E	2012/13 F.T.E	
	Increase/(decrease)						
viii)	Please confirm that both capital and revenue impacts have been included in the Medium Term Plan						
	Which service ?						
		Capital	Yes/No	Revenue	Yes/No		
ix)	Financial Risk						
	Complete the risk assessment section below by identifying all financial risks that this project poses to the authority						
	Financial Risk	Likelihood 1 (low) - 5 (high)	Severity 1 (low) - 5 (high)	What has been done to mitigate this risk?	What ongoing monitoring will be performed to reduce the likelihood of the risk materialising / its severity?		
	Overspend						

- Annex D -

SCORING SHEET - PROJECT APPRAISAL

		Actual Score	Possible Maximum Score
1	Project Title 0		
2	Appraisal Reference Number 0		
3	Directorate 0		
4	Service Block 0		
11	Statutory duty or other legal commitments		
(i)	Is there a statutory duty or legal commitment that goes beyond the basic legal power to provide a service ? If yes score 2	0	2
(ii)	Only score this section if there is a statutory or legal commitment at 11(i) above. Assessment of consequences of not undertaking the project. Score 0 for no impact, 1 for low impact, 2 for medium impact, 3 for high impact	0	3
(iii)	Only score this section if there is a statutory or legal commitment at 11(i) above. Assessment of urgency of the project. Score 0 for no urgency, 1 for low urgency, 2 for medium urgency, 3 for high urgency	0	3
12	Extent to which Project meets Council's Objectives and Priorities		
(i)	Score 9 if one of the Council's Priorities is met by the project. Score 18 if two or more of the Council's Priorities are met by the project.	0	18
13	Extent to which project contributes towards partnership working, best value improvements, delivery of service objectives, equalities issues & other corporate priorities (including delivery of statutory performance indicators)		
(a)	Assessment of extent to which the project contributes towards partnership working, best value improvements, delivery of service objectives, equalities issues and other corporate objectives. Score 1 for a significant contribution to each of the following, to a maximum of 5 - partnership working; improved performance under statutory PIs; service strategies and service plans; equalities; any one of the remaining categories in this section.	0	5
14	Environmental impacts		
	Assessment of extent to which the project contributes towards environmental impacts. Score - 1 for overall negative contribution, 0 for no overall impact, 3 for overall positive contribution.	0	3
15	Financial Evaluation		
(ii)	Extent to which the project is supported by ring-fenced or specific funding. Score 0 for no ring-fenced funding, 1 for up to 33% funding, 2 for up to 67% funding, 3 for up to and including 100% funding.	0	3
(v)	Impact on revenue budget (total over five years). Score 0 for revenue cost or no impact, 1 for revenue savings up to 33% of scheme costs, 2 for revenue savings of up to 67% of scheme costs, 3 for revenue savings of up to and including 100% of scheme costs	0	3
Total Score		0	40

- Annex E -

**Northampton Borough Council
CAPITAL PROJECT VARIATION**

2008-09 In Year

1	Project Title		For Finance Use				
2	Original Appraisal Reference Number						
3	Variation Reference Number						
4	Directorate						
5	Service Block						
6	Reason for variation						
7	Summary of Budget Increases/(Decreases) - See Section 9 for detailed analysis						
i)	Project budget	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
ii)	Project funding	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
8	Authorisations						
		Signature	Name			Date	
	Project Manager						
	Budget Manager						
	Finance Manager		Bev Dixon				
	Corporate Director / Chief Executive						
	Member with Portfolio						
	Section 151 Officer		Isabell Procter				

9 Financial evaluation							
9a Proposed Budget							
i)	Project budget - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings New construction, conversion and renovation Vehicles Plant, Machinery and Equipment Grants						
	Total project budget						
ii)	Project funding - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	SCE (R) - Single Capital Pot Element SCE (R) - Separate Programme Element Prudential Borrowing Major Repairs Reserve Grant* Third party contribution* Revenue contribution* Capital receipt* Unspecified*						
	Total funding						
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						
9b Latest Approved Budget		Date of approval					
i)	Project budget - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings New construction, conversion and renovation Vehicles Plant, Machinery and Equipment Grants						
	Total project budget						
ii)	Project funding - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	SCE (R) - Single Capital Pot Element SCE (R) - Separate Programme Element Prudential Borrowing Major Repairs Reserve Grant* Third party contribution* Revenue contribution* Capital receipt* Unspecified*						
	Total funding						
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						

9c Budget Increases/(Decreases)							
i)	Project budget - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings						
	New construction, conversion and renovation						
	Vehicles						
	Plant, Machinery and Equipment						
	Grants						
	Total project budget						
ii)	Project funding - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	SCE (R) - Single Capital Pot Element						
	SCE (R) - Separate Programme Element						
	Prudential Borrowing						
	Major Repairs Reserve						
	Grant*						
	Third party contribution*						
	Revenue contribution*						
	Capital receipt*						
	Unspecified*						
	Total funding						

- Annex F -

Key to Abbreviations and Acronyms

AMP	Asset Management Plan
BVPI	Best Value Performance Indicator
BVPP	Best Value Performance Plan
CAA	Comprehensive Area Assessment
CIPFA	Chartered Institute of Public Finance and Accountancy
CPA	Comprehensive Performance Assessment
CSR	Comprehensive Spending Review
DCLG	Department for Communities and Local Government
DDA	Disability Discrimination Act 1995
EP	English Partnerships
GAAP	Generally Accepted Accounting Practice
GF	General Fund
GOEM	Government Office for the East Midlands
HRA	Housing Revenue Account
ICT	Information and Communications Technology
IDEA	Improvement and Development Agency
IT	Information Technology
LAA	Local Area Agreement
LGA	Local Government Association
LPI	Local Performance Indicator
LSP	Local Strategic Partnership
MKSM	Milton Keynes & South Midlands
MRA	Major Repairs Allowance

MRR	Major Repairs Reserve
MTP	Medium Term Plan
NBC	Northampton Borough Council
NCC	Northamptonshire County Council
PI	Performance Indicator
RNF	Relative Needs Formulae
SCE (R)	Supported Capital Expenditure (Revenue)
WNDC	West Northamptonshire Development Corporation

- Annex G -

Glossary of Terms

Asset Management Plan (AMP)

A plan maintained by the authority of the condition and suitability of its buildings, updated regularly and utilised to assess future capital investment needs. An AMP may be corporate or service specific.

Benchmarking

The comparison of selected activities, costs and processes, between organisations in order to achieve improvements.

Best Value

The duty which local authorities owe to their stakeholders to provide relevant, cost effective services.

Best Value Performance Plan

An annual statement published by the authority setting out the improvements that it plans to make in the performance of its services and how it intends to do so (now superseded by the Corporate Plan).

Capital Expenditure

Expenditure on the acquisition of fixed assets (such as land, buildings, and major items of plant, vehicles or equipment), or expenditure that extends the life or value of an existing fixed asset.

Capital Programme

The authority's plan of capital works for the current and future years, including details on the funding of the programme.

Capital Receipts

Income from the sale of fixed assets. These can only be used to finance other capital expenditure or to repay outstanding debt on assets financed by loan.

Capital Reserve

An internal fund set up to finance capital expenditure in future years.

Capital Strategy

A corporate document providing clear strategic guidance about the Council's objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives.

Community Strategy

A document developed by a partnership of local agencies and organisations, including the Council, which sets out:

- A framework for the way the different stakeholders can work in partnership
- A set of clear actions against which progress can be constantly monitored
- The basis for making good and effective decisions to achieve a growing and sustainable environment.
- Identified priorities for action
- A framework for other public service planning
- An action plan to identify the action required to bring the strategy into being

Comprehensive Performance Assessment (CPA)

An annual government inspection rating all local authorities on how they perform. There are five ratings: no star (poor), 1 star (weak), 2 stars (fair), 3 stars (good) and 4 stars (excellent).

Comprehensive Area Assessment (CAA)

The replacement inspection scheme replacing the CPA.

Comprehensive Spending Review

The public expenditure planning process introduced by the government in 1997 to replace the system of annual public expenditure surveys. Each CSR covers a three-year period.

Corporate Plan

An annual statement published by the authority setting out the improvements that it plans to make in the performance of its services and how it intends to do so.

Cross Cutting

Issues or actions which concern or impact across a number of different areas such as demographic groups, geographic localities, services or service providers. These require co-ordination across departments and with other statutory and non statutory partners.

Debt Financing Budget

A budget to cover the repayment of principal and interest charges on the debt incurred through the building or purchase of the long term assets used in the provision of services.

Disability Discrimination Act 1995

Government legislation that places a statutory obligation on local authorities to make their services accessible to disabled people.

Fixed Assets

Tangible assets that yield benefits to the authority for a period of more than one year. This includes land, buildings, and major items of plant, vehicles or equipment.

Intangible fixed assets consist mainly of purchased software licences and custom built software prepared for use for a period of at least one year.

Government Office for the East Midlands

The Government Office for the East Midlands represents central government in the region. Their role is to promote better and more effective integration of Government policies and programmes at a regional and local level.

Improvement and Development Agency

A national independent body created by and for local government in England and Wales to stimulate and support continual and self-sustaining improvement and development within local government.

Local Strategic Partnership

A high level local partnership to bring together a wide range of public private, voluntary and community interests with the aim of promoting the sustainable, social, economic and environmental well being of the people of Northamptonshire

Medium Term Plan

The Council's prioritised service and financial plans for the next three years.

Performance Measures

The process of taking aspects of performance for measurement and comparison.

Performance Indicators

Any numerical data or ratios collected and used for the purpose of evaluating performance against targets.

Procurement

The purchase of goods and services, with a strategy being developed to assist with the definition of quality standards and securing provision of the best possible services for local people for a given price.

Prudential borrowing

Funding source for capital expenditure where the revenue costs of borrowing (repayments of principal and interest) do not come from central government, but have to be met by the local authority from its own revenue resources.

Prudential Code

The code of practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority's duty to determine the affordability, prudence and sustainability of its capital investment plans.

Prudential Indicators

Required by the Prudential Code, these take the form of limits, estimates or actual figures used to support the local decision making process for capital investment.

Pump Priming

The process of assisting with the set up costs of projects which may bring long term service delivery improvements and cost savings.

Regional Development Agency

An agency set up by government to promote sustainable economic development in one of nine designated areas that between them cover the whole of England.

Ring Fenced Funding

Funding that is for specific projects and therefore cannot be allocated to other general projects.

Section 151 Officer

The local authority's chief finance officer as defined and required by statute (Section 151 of the Local Government Act 1972).

Service Plans

Part of the business planning processes for service departments, ensuring that their objectives meet the overall priorities of the Council, and that targets are set for improvements in service delivery.

Supported Capital Expenditure (Revenue)

Funding source for capital expenditure where the revenue costs of borrowing (repayments of principal and interest) are recognised by central government, through the Local Government Finance Settlement. Includes Single Capital Pot element and Separate Programme element. Referred to as “supported borrowing”.

Useful Life

The period over which the local authority will derive benefits from the use of a fixed asset.

Whole Life Costing

The costs of acquiring or creating an asset, operating it, maintaining it over its useful life, and finally the costs of disposal (i.e. the total cost of ownership).

- Annex H -

Feedback Form

Did you find out what you wanted to know about the Council's Capital Strategy?

If you have any comments on the format or content of this document we would be pleased to hear from you.

Please email comments to:

bdixon@northampton.gov.uk

or write your comments in the box below and return to:

Finance Manager - Capital and Treasury
Finance Department
Northampton Borough Council
Cliftonville House
Bedford Road
Northampton

Northampton Borough Council

Capital Strategy

2008-09 to 2010-11

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Introduction and Background

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 development of the Council's services.

Since 2004-05 the Government has expected each local authority to produce a capital strategy, but there is no requirement to submit this to the Government Office. This document is the Council's three-year capital strategy for 2008-09 to 2010-11. It updates the Capital Strategy for 2006-07 that was agreed by Cabinet in January 2007.

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 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.

The strategy covers both the present position and future plans - the former setting the context for the latter. It also includes an action plan for future improvements.

The capital strategy also outlines the management and monitoring arrangements that the Council has in place for effective delivery of the strategy.

The three-year capital strategy will be updated on an annual rolling basis. The strategy for 2009-10 to 2011-12 will be prepared during the summer of 2008, for agreement by the Council's elected members in autumn 2008.

Local Context

Introduction

Northampton Borough is mainly made up of the town of Northampton itself. The town has an interesting and varied history, which is reflected in the various historic buildings that can be seen within the town.

Northampton has been chosen by the Government as a major focus for expansion in the Milton Keynes & South Midlands (MKSM) Sub-regional Strategy (March 2005). The MKSM Strategy relates to the 'Sustainable Communities Plan' published by the Department for Communities and Local Government (DCLG) (formerly the Office of the Deputy Prime Minister – ODPM) - in 2003. It sets challenging housing targets for the region to 2031, with the town of Northampton providing a significant part of the growth itself.

Transport Networks

Northampton is well placed for access to major cities including London, Birmingham, Cambridge and Oxford, being roughly equidistant from all of these.

It has good road links to the surrounding towns of Bedford, Milton Keynes, Coventry and Leicester. The city is situated near the M1 (Junctions 15 and 15a) and is ideally placed for both London's and the Midlands' airports. It is situated on the main west coast rail line linking London Euston with Birmingham.

Area and Population

Northampton is the largest of the district councils with a population estimated to be 200,100 at mid 2006 (ONS revised mid 2006 population estimates published August 2007).

The area of the Borough of Northampton covers 8,080 hectares within which the town has well over 80,000 houses. This is due to increase significantly by the year 2021, while the population is projected to expand to approximately 300,000 people on the same timescale.

Council Services

The Council currently provides or commissions more than 50 public services throughout Northampton, including refuse collection, housing and community safety.

Asset Management Planning

The Corporate Asset Management Plan

The Council's delivery of an effective and efficient capital investment strategy can only be achieved if the process is closely aligned with a clear and robust asset management plan.

The Corporate Asset Management Plan 2006-8 reviews the external environment, including the property Market, environmental issues, and legislative issues, and its implications for asset management together with service delivery and related accommodation needs.

It incorporates the corporate asset policy including objectives and headline performance measures.

The asset management plan is closely linked with both the revenue and capital budgets, so it is important that this is recognised in the capital strategy. The plan is due to be updated shortly, and the capital strategy will be updated to incorporate any changes that are made as part of that review.

The Capital and Treasury team are now working closely with the Asset Management Team through the Capital Accounting User Group, and this joined up working will help to ensure that the Capital Programme and Asset Management Plan are effectively linked.

This will become increasingly important with the greater emphasis placed on asset management planning in the proposed CAA criteria.

Fixed Assets Overview

Analysis of Fixed Assets – Movements in Year

The following table is a summary analysis of the Council's fixed assets as they appear in the Balance Sheet in the 2006-07 Statement of Accounts.

Operational Assets

	Council Dwellings	Other Housing Property	Other Land & Buildings	Vehicles, Plant, etc	Infra-structure	Com-munity Assets	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Certified Valuation at 31 March 2006	532,902	15,523	67,623	9,406	514	3,170	629,138
Accumulated Dep'n & Impairment	0	-8	-917	-4,479	-163	-32	-5,599
Net Book Value 31 March 2006	532,902	15,515	66,706	4,927	351	3,138	623,539
Movement in 2006/07							
Additions	7,392	0	2,405	939	826	1,199	12,761
Disposals	-7,668	-905	-260	0	0	0	-8,833
Revaluations	41,521	1,043	-37	0	-826	-137	41,534
Depreciation	-8,290	-264	-2,347	-1,928	-16	-13	-12,858
Depreciation Written Back	0	0	450	0	0	0	450
Impairments	0	0	0	0	0	0	0
Adjustments/Transfers	0	0	942	0	0	337	1,279
Depr'n Adjs/Transfers	0	0	45	0	0	-10	35
Net Book Value 31 March 2007	565,857	15,389	67,904	3,938	335	4,484	657,907
Gross Valuations at 31 March 2007	574,147	15,661	70,673	10,345	514	4,539	675,879
Impairments at 31 March 2007	0	0	0	0	0	0	0
Depreciation at 31 March 2007	-8,290	-272	-2,769	-6,407	-179	-55	-17,972
Net Book Value at 31 March 2007	565,857	15,389	67,904	3,938	335	4,484	657,907

Non Operational Assets

	Work In Progress	Investments & Commercial	Other Land & Buildings	Total
	£,000	£,000	£,000	£,000
Certified Valuation at 31 March 2006	4,205	37,107	975	42,287
Accumulated Dep'n & Impairment	0	-8	-2	-10
Net Book Value 31 March 2006	4,205	37,099	973	42,277
Movement in 2006/07				
Additions	1,163	141	0	1,304
Disposals	0	-589	0	-589
Revaluations	0	4,159	-110	4,049
Depreciation	0	-15	0	-15
Depreciation Written Back	0	36	2	38
Impairments	0	0	0	0
Adjustments/Transfers	-2,189	910	0	-1,279
Depr'n Adjs/Transfers	0	-35	0	-35
Net Book Value 31 March 2007	3,179	41,706	865	45,750
Gross Valuations at 31 March 2007	3,179	41,728	865	45,772
Impairments at 31 March 2007	0	0	0	0
Depreciation at 31 March 2007	0	-22	0	-22
Net Book Value at 31 March 2007	3,179	41,706	865	45,750

Analysis of Fixed Assets by Category

Number 31/03/2006		Number 31/03/2007
	Operational Assets	
12,417	Council Dwellings	12,334
	Other Land and Buildings	
26	Council Houses not used as dwellings	26
99	Shared Ownership Properties	98
3,049	Council Garages	3,024
26	Other Housing Properties	21
69	Operational Shops	69
194	Other Garages	194
1	Guildhall	1
4	Sports and Leisure Centres	4
24	Community Centres	26
2	Museums and Art Galleries	2
1	Open Markets	1
24	Public Conveniences	26
5	Multi Storey Pay & Display Car Parks	5
4	Local Area Offices	4
5	Central Administrative Offices	5
1	Theatres	1
1	Gypsy Sites	1
1	Bus Stations	1
16	Surface Pay & Display Car Parks	17
1	Depots	1
18	Sub-Depots	15
276	Commercial Properties (Units)	275
1	Golf Courses	1
74	Infrastructure	74
162	Vehicles, Plant, Furniture, and Equipment	162
	Community Assets	
62.88ha	Allotments	62.88ha
887.45ha	Parks and Open Spaces	887.45ha
65.97ha	Agricultural Land	65.97ha
2	Historical Buildings	4
33	Monuments, Memorials, Exhibitions	33
6	Pavillions	6
6	Cemeteries	6
1	Civic/Mayoral Regalia	1
	Non Operational Assets	
1	Indoor Markets/Arts Venues	1
70	Intangible Assets	70

Capital 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 other NBC plans and strategies
- Supports NBC service-specific plans and strategies
- Is affordable, financially prudent and sustainable, and contributes to improved value for money

Particular emphasis will be given to schemes that:

- Improve performance against national and local targets
- Promote diversity and address equalities issues
- Improve efficiency and effectiveness in service delivery
- Promote partnership working
- Involve local consultation

The capital strategy will be delivered through:

- Effective political and corporate leadership
- Adequate and effective performance management arrangements
- Clearly defined processes for building and monitoring the capital programme
- Clear policies on financing capital expenditure
- Adequate and effective risk management arrangements
- A clear purchasing protocol

The Council's Vision, Values, Priorities, and Objectives

The Council has a major role in delivering the community vision for Northamptonshire. The framework for achieving this is the Corporate Plan which outlines the Council's vision and values, objectives and priorities.

The Council's vision, values, objectives and priorities are set out below.

Council Priorities 2008/09

We will ensure that our communities become safer, cleaner and greener

We will improve housing and health to enhance the wellbeing of our communities

We will be a well managed organisation that puts our customers at the heart of what we do.

We will promote economic development and growth in Northampton

We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes

The Council's Vision and Values

Northampton Borough Council's Vision is that " we will work with and for the people of Northampton to build an increasingly prosperous, healthy, safe, and attractive town of which we are all proud. We will strive to maximise and sustain opportunities for all."

This is supported by the following values:

- Citizen focus
- Working together
- Empowering leadership
- Being open and accountable
- Embracing Diversity
- Striving for excellence
- Working for the future

Council Plans and Strategies

The Corporate Plan

The Corporate Plan for 2008-11 will be taken to Cabinet on 20 February 2008 for recommendation to Council, which meets on 28 February 2008.

The Plan is important because it sets out the priorities and objectives for the next 3 years.

The Capital Strategy

The medium term planning process is used to identify the best strategies to meet the Council's stated vision and priorities - these may have revenue or capital investment implications. Each individual bid for capital resources is evaluated, through the capital appraisal process, for its contribution to meeting the Council's vision and priorities as expressed in the Corporate Plan, as well as its contribution to performance indicators.

In addition the medium term planning framework ensures that the revenue implications of capital projects are built into the Council's forward planning process.

Service Plans and Strategies

The Council's overall aims, objectives and priorities are cascaded down and translated into specific targets and actions through its other strategies and plans. At this level detailed analysis of all the factors impacting on service provision is undertaken and the results consolidated into a single document. The Council has a large number of plans and strategies, ranging from cross-cutting strategies to service specific plans. Below this level there may also be individual team plans.

The Council's strategies and service plans include the following:

- Best Value Performance Plan 2007/08
- Northampton Economic Regeneration Strategy 2007-2021
- Housing Strategy 2006-11
- Northamptonshire Waste Management Strategy
- Community Engagement Strategy/Communications and Consultation Strategy
- Data Quality Strategy
- Information Strategy
- NBC Statutory Contaminated Land Strategy Framework
- Northampton Energy Strategy
- Contaminated Land Inspection Strategy
- Anti Social Behaviour Strategy 2006-8

- Customer Services Strategy 2007-10
- CCTV Strategy
- Risk Management Policy and Strategy
- Medium Term Financial Strategy

Note that the above list is not exhaustive.

Capital investment needs identified in the strategies and plans are fed into the Council's capital investment plans through medium term planning and the capital project appraisal process.

Meeting the Council's Corporate Priorities

Housing Revenue Account

Expenditure in the Housing Revenue Account (the HRA) is limited by rent controls, the need to meet the Government's Decent Homes Standard by December 2010.

The capital programme is formulated alongside an annual revenue programme for routine repairs to prevent or delay a future need for replacement of components such as heating systems. These works are carried out in accordance with the Council's repairs priorities.

The Decent Homes programme and other contingency works concentrate on the fabric of the properties themselves leading to underinvestment in other areas. The HRA also 'owns' paths, garages, hard-standings and soft landscape areas within the estates, and is responsible for maintaining these assets.

Affordability, Sustainability, Prudence and Value for Money

The Prudential Code

The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) was introduced by the Local Government Act 2003. It sets out the concepts of affordability, sustainability and prudence as they apply to capital expenditure.

A key objective of the Prudential Code is to ensure that the capital investment plans of the local authority are affordable, prudent and sustainable. To demonstrate that these objectives have been met the Code sets out the prudential indicators that must be used, and the factors that must be taken into account. These are designed to support and record local decision-making in a manner that is publicly accountable.

Affordability

The fundamental objective in determining the affordability of the authority's capital plans is to ensure that the total capital investment remains within sustainable limits. This includes considering its impact on council tax, or in the case of housing projects, housing rents. The Council is required to take into account all its current and forecast resources, together with the capital expenditure plans and revenue income and expenditure forecasts for the coming year and the following two years. This is done on a rolling basis, with regard to risk analysis and risk management strategies. Any significant known variations beyond this time frame must also be considered.

There are a number of prudential indicators that directly address the issues of affordability, including:

- The ratio of financing costs to net revenue stream
- The incremental impact of capital investment decisions on the Council Tax (or Housing Rents)
- Capital expenditure
- The capital financing requirement (i.e. the underlying need to borrow for a capital purpose)
- The authorised limit for external debt
- The operational boundary for external debt

Prudence and Sustainability

Prudence and sustainability year on year are addressed through the prudential indicators for external debt, which must be set and revised taking into account their affordability.

The key indicator of prudence laid down by the Code is that net external borrowing should not, except in the short term, exceed the total of capital financing requirement in the preceding year, plus the estimates of any additional capital financing requirement for the current and next two financial years. This ensures that, over the medium term, net borrowing will only be for a capital purpose.

It is also prudent to carry out treasury management activities in accordance with good practice, and the Prudential Code sets a number of indicators to address this. These are:

- Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services
- Upper limits on fixed and variable interest rate exposures
- Upper and lower limits on the maturity structure of borrowings
- Upper limit for principal sums invested for periods longer than 364 days

Northampton Borough Council and The Prudential Code

The Council addresses the issues of affordability, prudence and sustainability in its capital investment plans by complying with the requirements of the Prudential Code.

This includes the production and monitoring of prudential indicators. The timetable for reporting to Cabinet and Council is set out in the following table.

Setting of prudential indicators	February
First monitoring report (April to July)	September
Second monitoring report (April to November)	January
Outturn report	September

Additional reports may be taken at any time if the need arises – for example if the Council’s Chief Finance Officer were to identify an actual or likely breach of the existing approved indicators.

Value for Money

Taking into account value for money considerations in capital investment is essential if the best services are to be provided to local citizens for the best price. The Council is committed to making continuous improvements to processes and practices to increase value for money. Those that are embedded or being developed include:

- Improvements to procurement
- Investing to improve performance
- Working with partners to improve efficiency

Partnership Working

The Council is committed to working with its local partners to create a sustainable community for all and to deliver high quality services for its citizens.

WNDC is the main partner relevant to the Council's capital strategy and is the body responsible for the development funds for projects in the area.

WNDC's overall aim is:

'To promote and deliver the sustainable regeneration and growth of West Northamptonshire within the context of the national policy set out in the Sustainable Communities Plan, the plans for the wider Milton Keynes and South Midlands sub-region, and for the East Midlands region as a whole.

Other important partnerships relevant to the capital strategy include the Local Strategic Partnership (LSP), the Town Centre Partnership, and the Community Safety Partnership.

The Council is also a member of the Northamptonshire Partnership, recognised by the East Midlands Development Agency (EMDA) as a sub regional strategic partnership. Such partnerships have an economic focus and are to be the main vehicle for the disbursement of EMDA funding in the future.

Local Area Agreement

Local Area Agreements (LAAs) are a new approach to the way local authorities and their partners can use government funding to support the implementation of national and local priorities in local areas.

The LAA is a 3-year agreement decided between government, the local authority and its partners in an area (working through the local strategic partnership) to improve public services. The agreement will be refreshed annually.

The primary objectives of the Northamptonshire LAA are to maximise opportunities for all communities through growth (specifically arising from the Sustainable Communities Plan and the Milton Keynes South Midlands growth policy): and tackle urban and rural deprivation and improve life chances for all.

The LAA is structured around four blocks:

- Children & Young People
- Safer & Stronger Communities
- Healthier Communities & Older People
- Economic Development & Enterprise

The LAA is based upon outcomes, indicators and targets, a number of which are mandatory.

The benefits of the LAA are that it:

- Simplifies arrangements for pooled funding streams from central government to Local Authorities

- Helps join up public services more effectively, thus allowing greater flexibility for local solutions to local circumstances
- Helps to devolve decision making away from government
- Reduces bureaucracy associated with administering multiple funding streams.

Other Partnerships

Since the Council puts a heavy emphasis on partnership working, it is also involved in a number of other partnership arrangements, both service specific and cross-cutting, to help deliver its capital investment plans. These range from third party contributions to the funding of projects – for example from local Parish Councils, to multi-agency initiatives involving a number of partners.

The Council's capital appraisal process specifically asks for information on the nature and duration of any partnership arrangements for schemes bidding for capital funding, and positive feedback on this point contributes to the overall score of the project when prioritising schemes to meet available funding limits.

Consultation

Northampton Borough Council recognises that it is important to actively involve the community in the decision making process through consultation in order to provide good quality services and delivery them well.

Consultation helps the Council to carry out its work better. It helps the Council to:

- Plan and deliver better quality services
- Discover which services need to be improved and what the Council's priorities should be
- Make sure that services focus upon what people need
- Have a good relationship between the Council and the people who use its services
- Show people that the Council is committed to being open and accountable
- Make sure that the standards set by the Council to judge its performance are relevant to people's needs

Area Partnerships

These meetings may discuss council services and are attended by local councillors from both Northampton Borough Council and Northamptonshire County Council. They also provide an opportunity to discuss issues and future plans for Northampton or particular wards with other organisations such as the Police, who attend each partnership regularly to provide an update on local law and order issues.

Northampton Tenant and Council Together

N-TACT is a tenant led group of which all tenants and leaseholders are automatically members and are welcome to attend open meetings, which are held quarterly. They are also able to stand for the committee at the AGM.

The Repairs and Investment Action Group (RIAG) is a sub group on N-TACT, and is made up of committee members who volunteer to help improve the Repairs and Maintenance service of Northampton borough council.

Housing Strategy Steering Panel

This is a panel of Members and Corporate Managers, which has been established as a working group within the structure of the council to enable member involvement in the production, review, and delivery of the Northampton Housing Strategy.

Consultation and Capital Investment

Consultation feeds into decision-making on the Council's capital investment priorities at a number of levels.

The community vision and strategy and the Council's vision, values, objectives and priorities, which underpin the overall investment strategy, are themselves the result of extensive consultation.

The Local Strategic Partnership spent time listening to the people who live and work in Northamptonshire as they developed the community vision and strategy to 2031

The Council consults widely with its citizens and stakeholders when it sets its vision, values and Council priorities.

The Council operates a Citizens' Panel in order to give residents the opportunity to take part in consultation.

As well as the high level consultation outlined above, project managers are also expected to consult with citizens and stakeholders when developing their specific capital investment plans. Project appraisals specifically ask for details of any consultations with stakeholders and others.

Local and National Targets

Local Targets

Meaningful targets are set at all levels of the organisation, from the Council as a corporate body, through directorates, services and teams down to individual employees. The cascading effect is largely achieved through annual service plans, team plans and staff appraisals. These local targets link to the Community Strategy aims and the Council's strategic objectives and priorities.

Progress against targets is managed primarily through performance measurement, including performance indicators, and these are widely reported, both internally and externally. The capital option appraisal process expressly picks up the extent to which bids for funding will impact on local targets, and these are taken into account when prioritising projects. The project appraisal form has specific questions around:

- Performance Indicators – i.e. - Describe briefly any performance indicators supported by the project (including the name and reference), and any improvement in performance the project will deliver
- Efficiency Savings – i.e. - Give brief details of the efficiencies that are included in the Medium Term Plan and give details of any ways in which the project will support these efficiencies
- Service Strategies and Service Plans – i.e. - Give brief details of any ways in which the project supports the delivery of service objectives outlined in the service strategy or plan
- Other corporate initiatives (including Best Value Improvement Plans/Value for Money Reviews/Systems Thinking) – i.e. - Give brief details of any ways in which the project supports any other corporate initiatives

National Targets

Since the aim of both national and local government is to deliver quality services for citizens, in most cases national targets dovetail with local targets and the two can be dealt with in tandem. Many of the statutory Best Value Performance Indicators (BVPIs) fall under this umbrella. However, in a political environment, there are cases where the Council has to keep in mind national targets that may not necessarily correlate with local priorities, creating a further perspective that has to be addressed.

To this end, the capital bidding process also collects information on the extent to which a project will contribute towards national priorities and targets.

Efficiency Targets

As part of the Government's 2007 Comprehensive Spending Review it is was announced that all local authorities are expected to achieve a 3% cashable annual efficiency savings target over the spending review period (2008/09 to 2010/11).

The Council's strategy for delivering efficiency savings is embedded in the Council's Medium Term Planning process

Equalities

The Council's Approach to Equality

As a service provider and commissioner, employer and community leader, the Council is committed to promoting equality of opportunity, good community relations, and to tackling all forms of discrimination, through the Council's role. The Council will work with its partners in the private, public and community sectors to achieve these objectives.

The Council values the diversity of Northampton and recognises it as one of its greatest assets.

Equalities work focuses on developing and implementing policies, procedures and practices to promote equality for:

- Individuals and communities covered by UK and European anti-discrimination legislation
- People who experience direct and indirect discrimination and the subsequent disadvantages that can follow from this discrimination

The Council has adopted the Equality Standard for Local Government and is aiming to achieve Level 2 of the Standard by the end of 2007/08.

Promoting Equalities through the Capital Programme

The capital project appraisal process is designed to pick up schemes which address equalities issues, and to give these a high priority.

Each completed project appraisal includes responses to the following questions:

- State specifically the equalities issues that have been identified that this project will address?
- How will this project address the equalities issues that have been identified?

An Equalities Impact Assessment will be completed for each scheme in the agreed capital programme.

Political and Corporate Management Structures

Political Management Structures

The operational key decisions of Northampton Borough Council are taken by the Cabinet. Each Councillor in the Cabinet is responsible for a portfolio of specific services

A schedule of the portfolios of Cabinet Members is attached at Annex A.

The Cabinet's decisions can be called-in by any two members of the council or by the chair of one of the three Overview and Scrutiny Committees.

There are three Overview and Scrutiny Committees, which, apart from being able to review decisions of the Cabinet, carry out a number of other functions including scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas

Corporate Management Structures

The Council operates a directorate structure, overseen by the Management Board, which is led by the Chief Executive.

The organisation is undergoing a management restructure and is currently in a state of transition.

Project Management

All projects on the capital programme and, all new bids for capital investment, are managed by a named budget/project manager, who is responsible for delivering the project according to the agreed budget and timescales. In some cases the operational responsibilities may be delegated, in which case the accountability remains with the budget manager, with the operational responsibilities being managed by the project manager.

Financial support, advice to budget/project managers, capital strategy and reporting to members comes from the Capital and Treasury team, including budget/project manager support and co-ordination of the building, monitoring and reporting requirements of the capital programme at a directorate level and for the Council as a whole.

Performance Management

Corporate Capital Groups

In addition to the standard reporting hierarchy and management structure outlined above, a new corporate group of officers has been set up in 2007 to work on bringing the authority to a position where it can meet the requirements of the new SORP in relation to assets and to address the issues raised in relation to capital and assets by internal audit.

This group brings together officers from both the Finance and Assets teams of the Council with a view to improving in a joined up fashion.

Best Value

The Local Government Act 1999 requires the Council to "make arrangements to secure continuous improvement in the way it exercises its functions, having regard to a combination of economy (cost), efficiency and effectiveness". However, Best Value is much more than a statutory framework. It is an approach designed to make a real difference to the way services are provided for local people, and to produce a significant and continuous improvement to services across the whole spectrum of Council activities.

Comprehensive Performance Assessment and Performance Management

The Council views effective performance management as a key component in delivering consistent high quality services that meet the demands of change and growth.

Since its introduction in 2002, CPA has proved an important driver for improving local authorities' performance in delivering services for local people. The assessments are carried out by the Audit Commission and are updated on an annual basis, bringing together existing information on service performance in councils into a corporate assessment of each council's ability to improve. This is used to reach an overall conclusion about whether a council is: excellent, good, fair, poor, or weak.

The Council is currently judged as poor, but is working to improve with the aim that this assessment is upgraded to fair by June 2008. Improvement has already been seen on the Use of Resources assessment, which was released in January 2008.

CPA will change from 2009, and will be replaced by the CAA (Comprehensive Area Assessment). The process for the CAA and the proposed Use of Resources were recently out for consultation, and this strategy will be reviewed closer to the time to ensure the council is able to meet the new requirements. While the CAA will continue to provide assurance about how well services are run and how effectively taxpayers' funds are used, it will provide a greater focus on issues that are of importance to the local community, and places a particular focus on asset management

It is clear that the development and management of the Council's capital programme and its management of assets are fundamental to achieving a positive assessment, whether under the CPA or the CAA.

Performance Measurement

Performance Indicators (PIs) have been a part of local government for a number of years and were originally developed as a way of measuring how well individual services performed.

They became a statutory requirement in 1992 as part of the Local Government Act. Since the introduction of Best Value in 1999, they have assumed an even greater significance and now form a crucial part of Comprehensive Performance Assessment (CPA).

PIs exist in a number of categories, some statutory, others discretionary. The main categories are as follows:

- Best Value Performance Indicators (Statutory) (BVPI's)
- Other statutory indicators – Env Health, IPF/PLUS (cultural) etc
- Local Performance Indicators (LPI's)
- Quality of Life indicators

The Council has a process in place to collect, monitor and review the indicators. PI data is reported on a monthly basis to Cabinet alongside revenue and capital budget monitoring as a package of financial and non-financial performance reports.

In addition, the Corporate Plan and the Best Value Performance Plan are the main documents for reporting to members and the public how the Council has performed.

Building and Monitoring the Capital Programme

Capital Programme 2008-09 to 2010-11

Project appraisals have been completed for all 2008-09 capital programme bids. Each project appraisal demonstrates how the scheme will contribute to the Council's corporate priorities as set out in the Council's Corporate Plan.

The project appraisals also outline the contribution of the scheme to statutory duties and legal commitments, partnership working, performance indicators, service strategies and plans, equalities, other corporate initiatives, national priorities and targets, and environmental impacts. These factors are all taken into account in formulating a proposed capital programme that, within the resources available, will best target the Council's corporate priorities.

Cabinet will be asked to recommend to Council that Cabinet be authorised, once the programme has been set, to approve new capital schemes, and variations to existing schemes, arising during 2008-09, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.

Bids for future year starts have been put forward in outline only, and these are included in the programme for planning purposes. Project appraisals will be completed for these bids during the year preceding the proposed start, and Council will decide which bids will be agreed for inclusion in the programme in the preceding February or March of each year.

Building the Capital Programme

Timetables

The Council's policy is to agree its capital programme on an annual basis between January and March 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 for the subsequent four years
- Bids for new starts for the subsequent four years

The latter are not guaranteed for inclusion in the future programme, but they are important for medium term planning.

In future the setting of the programme by Council will come at the end of a thorough process that begins in the previous summer and involves officers in all parts and at all levels of the organisation. A broad indication of the planned timetable and those involved is as follows:

May to July	Medium term planning process begins. Plans prepared by Heads of Service, to include capital programme requirements and their revenue implications, for the next four financial years
June-July	Capital programme launch workshops offered to all project managers and finance staff Draft project appraisals for new starts for the following years and future year proformas for new starts for the subsequent four years completed by project managers and reviewed by Finance
August	First draft programme (including continuations) and first draft financing spreadsheet put together by Finance Debt financing budget implications calculated by Finance
September	All project appraisals, future year bids and revenue implications checked against Medium Term Planning Options by Finance Appraisals for all new bids signed off and returned to Finance
October	Project appraisals 'scored' by Finance 'Scoring' of project appraisals reviewed by Heads of Service
December	Notification of government funding allocations
January	Reports to Overview and Scrutiny Committees - prioritised programme
February	Cabinet recommend draft programme to full Council for agreement Council agree the Capital Programme

The Council's Treasury Strategy and Prudential Indicators for Capital Finance, which are put together by Finance, will also be agreed by Council at the budget setting meeting in February or early March.

Once approved by Council the five-year programme will be published, at a summary level, in the Council's Revenue and Capital Budget Book.

Project Appraisals

All bids for inclusion in the capital programme are supported by a project appraisal, the preparation of which is the responsibility of the budget holder or project manager. The appropriate council officers and Cabinet Member(s) sign off the appraisal. This is to show that they are aware of and support the scheme, but these signatures do not constitute approval for the scheme to go ahead.

There are two versions of the project appraisal format:

- Single projects
- Block appraisals

Block appraisals are used to group similar projects that share the same basic details. An example might be enhancement works at various leisure centres, or security works at various car parks.

The project appraisals provide a summary analysis of the project and cover all the essential details required for the project to move ahead once agreed (subject, where relevant, to any external funding being in place).

This ensures that there are no unnecessary delays to the start of projects in the new financial year. The monitoring process then accommodates any proposed changes or additions to the programme throughout the year.

The project appraisal format is reviewed on an annual basis as part of a policy of continuous improvement and to take into account any relevant changes that may have an impact. Copies of the current project appraisal formats (as used for the Council's 2008-09 to 2012-13 capital programme build) are available from the Capital and Treasury Team.

Prioritising projects

All bids for inclusion in the following years programme are scored according to a set of objective criteria to assist with the prioritisation of schemes and the allocation of funds. This ensures that, in a context of limited resources, the community vision and strategy and the Council's vision, values, objectives and priorities form the framework for decisions about investment priorities, and that capital allocations are made using clear impartial criteria.

The scoring is linked directly to the information given on the completed project appraisals, with weighting given to schemes that strongly support the Council's objectives and priorities, and those which fulfil an urgent legal or statutory requirement.

In summary, each bid is scored on the extent to which the project contributes to:

- The Council's objectives and priorities
- Partnership working
- Improvements in performance indicators
- Efficiency savings
- The delivery of service objectives
- Equalities
- Value for money
- Other corporate objectives
- Legal commitments or statutory duties
- Environmental impacts
- Extent of ring fenced or specific funding
- Levels of financial risk involved.
- Impact on the revenue budget

Scoring the bids enables officers to put forward a recommended programme that is within available resources. The prioritised programme is for guidance only. Members are responsible for agreeing the capital programme and have the discretion to include or exclude schemes as they deem appropriate.

A copy of the Council's capital scheme scoring sheet for the 2008-09 programme is attached at Annex D. The scoring framework will be reviewed on an annual basis as part of a policy of continuous improvement and to take into account any relevant changes that may have an impact.

Future year starts

Outline plans for proposed new starts for the subsequent four years of the capital programme planning cycle are included for outline planning purposes and are not subject to prioritisation at this stage. A full appraisal will be submitted for each of these schemes in the capital programme build that takes place during the year before they

Project Managers

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
- Any slippage of expenditure from current to future years is identified
- 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 needs to develop further, and it is intended that corporate guidance will be issued during 2008/09.

Directorate Management Teams

Each Directorate Management Team is responsible for receiving reports on the capital expenditure position for their directorate and for ensuring that any corrective action needed to address any monitoring issues is agreed and implemented.

Finance – Capital and Treasury Team

Responsibility for capital within Finance sits with the Capital and Treasury Team. The team is responsible for providing support and advice to assist project managers in managing and monitoring their capital budgets.

They also have a key role in consolidating and co-ordinating the monitoring information that is required for reporting purposes. This involves reporting to Directorate Management Teams, Management Board and Cabinet. The team is also responsible for ensuring that the agreed programme is fully financed at all times.

Capital Programme Monitoring

The capital programme position is reported to Cabinet on a monthly basis throughout the year, commencing from period 2 (end of May). The report covers the latest programme and any amendments to be notified or approved, expenditure to date, and the forecast outturn. It also discusses the financing position and any steps needed to deal with potential financing difficulties.

As part of the monitoring process, an annex to the report explains the background to any forecast under or overspends, and gives brief details of any variations to the original programme.

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

Changes to the Agreed Programme

The programme for the coming year is set and agreed by Council prior to 1st April, and it is essential to also have a process that then allows for changes during the year.

Changes may be required as a result of proposed additions to the programme, amendments to existing schemes or deletions from the programme. For example tenders may come in above or below estimate; difficulties may be encountered in implementation, which require a change of approach; funding may need to be released to support another more urgent priority.

Proposed additions to the programme

The need to add a scheme to the programme usually arises from either access to additional funding, such as a grant or third party contribution, or as a response to an unforeseen urgent issue (often related to legal or health and safety concerns).

In order to bid for an addition to the programme, a project appraisal must be completed and signed off in the usual way. 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 – for example from reduced costs on an existing project, or by withdrawing an existing scheme of lower priority. In these cases a matching project variation must be simultaneously submitted to release the funding (see below).

The request for the decision will usually be incorporated into the regular capital monitoring report to Cabinet. In cases where an urgent decision is required arrangements can be made by Strategic Finance to submit the request for a decision to an earlier Cabinet or to seek an officer decision under delegated powers.

Amendments to Existing Schemes

If the proposed amendment is one of substance, which results in a scheme materially different from the original project appraisal, then the original project must be withdrawn, and a new project appraisal completed to support the new bid. If, however, the substance of the scheme remains the same, then the change can be dealt with through the completion and approval of a project variation form.

Formal variations to budgets for existing projects must be completed and authorised in the following circumstances:

- Forecast total scheme outturn is materially in excess of budget
- Additional funding has become available to support a scheme
- A forecast overspend is to be funded by a forecast underspend in another service block
- Funding is released due to a forecast underspend on a scheme
- A scheme is to be withdrawn from the programme

Financing Capital Expenditure

Overview

Decisions on capital investment are made against the background of constrained resources, and the Council is heavily dependent upon capital receipts and grants from central government to support its capital programme. Other available funding sources include prudential borrowing, capital receipts, third party contributions, and revenue contributions. These are all actively pursued to support capital investment.

Capital Receipts

Capital receipts are derived from both General Fund (GF) and Housing Revenue Account (HRA) asset sales.

NBC do not always receive the full value of these asset sales as some of them are subject to “clawback” arrangements whereby a proportion of the capital receipt must be paid over to English Partnerships (EP).

GF asset sales come from a variety of sources. Generally speaking, 100% of GF asset sales (after any ‘clawback’) 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 or even a service block.

HRA asset sales come from the sale of council houses under ‘right to buy’ legislation, and from the sale of shared ownership properties. Furthermore, 75% of the monies that are received (after any clawback) have to be sent to the Department for Communities and Local Government (DCLG) for re-distribution under ‘pooling’ arrangements, leaving 25% to fund new HRA capital programme expenditure.

Since the cessation of new council house build, the housing stock has gradually decreased year on year. As at 31 March 2007, the Council’s housing stock stands at 12,334 dwellings, a reduction of 83 on the previous year. The amount of receipts released by right to buy sales is dependent on both the stock itself and on economic and market conditions.

Prudential Borrowing

The Local Government Act 2003 introduced new flexibilities into the capital expenditure and financing rules governing local authorities. The new rules, contained in the ‘Prudential Code’, allow local authorities to set their own limits with regard to borrowing undertaken to support capital expenditure. Additional borrowing may now 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 prudential 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.

Supported Borrowing

The other form of borrowing available for funding the capital programme is supported borrowing. This is where the costs of the borrowing are recognised in the formula grant settlement and are therefore 'supported'. Note however that the formula grant does not cover the full cost of the any borrowing undertaken following a supported borrowing allocation. As a district authority supported borrowing allocations are limited.

Government Grants

The conditions attached to government grants 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. Not surprisingly, government grants tend to be focussed towards central government priorities.

The largest government grant received by NBC to support the capital programme is the Major Repairs Allowance (MRA) - £7.61m in 2007-08 - provided for the express purpose of maintaining the Council's housing stock in its current condition. Other examples from the 2007-08 programme include £300k towards the provision of mandatory disabled facilities grants.

Third Party Contributions

As with government grants the conditions attached to third party contributions vary.

This category of funding is becoming of increasing importance to the Council in a climate of stretched local government resources. Included here are:

- Planning obligations funding from Section 106 agreements (developer contributions)
- National Lottery grants
- Contributions from local bodies, for example parish councils
- Contributions from national bodies, for example the Football Association

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.

Revenue contributions from the HRA have also been a valuable source of finance in helping to deliver the Decent Homes programme.

Funding Strategy

The capital funding strategy is proposed as part of the overall capital strategy and is therefore also reviewed on an annual basis.

This will not fetter the discretion of elected members to make changes during the year – any such changes will be incorporated into the following years Capital Strategy.

The Council's capital funding strategy for 2008/09 is set out below:

Funding streams are allocated in the following ways:

- General Fund capital receipts are not allocated or committed prior to receipt, unless inextricably linked to a specific project.
- Usable capital receipts from general asset sales, whether HRA or General Fund, are used towards General Fund capital projects. This reflects the fact that the Council is not currently in a financial position to be able to direct these general HRA receipts towards the HRA programme. However this policy may be reviewed in future years
- General fund capital receipts received during the year will be added to the un-earmarked general fund capital reserve (see below) and 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.
- Capital Reserves – In order to create some funding resilience in the capital programme it is proposed that a minimum level of capital reserves be built up over the next three years. It is proposed that after the application of any capital receipts required for funding the main capital programme as approved in February 2008 un-earmarked general fund capital receipts be set aside in an un-earmarked general fund capital reserve up to a value of £500k for 2008/09.
- It is proposed that the capital reserve be built up gradually in this way to a minimum level of £750k in 2009/10 and rising to the desired minimum level of £1m in 2010/11.
- The only call on the un-earmarked general fund capital reserve during the year would be for unforeseen 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 Cabinet.
- Usable capital receipts from the sale of council housing stock under right to buy legislation is directed at the HRA capital programme to meet the requirements of decent homes targets. This is a change in policy from previous years, as these receipts have previously been used towards General Fund expenditure.
- All general asset sales, including those relating to the HRA are earmarked for General Fund capital expenditure.

- Hypothecated funding – i.e. funding linked directly to a specific scheme or service area, such as grants, third part contributions, revenue contributions and supported borrowing – is allocated 100% to the relevant scheme or service.
- 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

The funding strategy is used to determine the allocation of funding to the programme at the start of the year and throughout the year. However at year-end the Capital and Treasury Team, under the direction of the Chief Finance Officer, will apply the available funding to the outturn expenditure in line with the best interests of the Council.

Revenue Implications of Capital Projects

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

Leasing

Leases are classified in accounting terms as either finance or operating leases. This distinction is important because it dictates whether the lease must be classified as capital (finance leases) or revenue (operating leases).

Recent changes to the rules around local authority leasing have moved the regulatory framework from a very prescriptive regime, in which finance leases were avoided because of the prohibitive impact on the capital programme, to an emphasis on generally accepted accounting practice (GAAP).

In order to demonstrate and achieve best value, before leases are entered into, a full evaluation is carried out by the Council's leasing advisors, Sector Consulting Ltd. This compares the whole life costs of an operating lease, a finance lease and prudential borrowing and also the quality of the lease being offered. A decision is then made by the Council as to which option offers the best value for money.

Capital items financed through an operating lease are coded to and financed as part of the Council's revenue budget. It is the responsibility of the budget holder to ensure that there is sufficient capacity in the revenue budget to fund the operating lease costs.

The Capital and Treasury Team is responsible for advising on and arranging all leases for the Council in conjunction with the Procurement Team. This includes ensuring that all requirements are met, as the rules around leasing are complex.

Risk Management

Risk management is a key feature in the management of capital projects.

When putting together the Council's capital programme and when setting the Council's prudential indicators for capital expenditure, officers take into consideration both the opportunities and the threats which could affect Council plans and performance, and their desired levels of affordability and prudence.

Uncertainty arises in both the policy, planning, development and execution phases of capital projects. Uncertainty can be controlled through the risk management process. Exposure is further managed by qualified finance staff who review project proposals and appraisals, prepared by service managers, to ensure that financial assumptions are robust, and that revenue implications have been taken into account.

So that the risks associated with capital projects put forward for inclusion in the capital programme are fully considered, from 2007-08 the appraisal forms have included sections on both financial and non-financial risks. The appraisal form is set out below at Annex C.

Once the programme has been agreed, the likelihood and consequences of variations to planned expenditure against the capital programme remain significant. Variations can arise for many reasons including tenders coming in over budget, changes to specifications and slippage or acceleration of project phasing. There is also the possibility of needing to provide for urgent or unplanned capital works. These uncertainties are risk managed by officers, proactively, on an ongoing basis and by active financial risk management, including monitoring, with monthly reports going to Cabinet.

The availability of financing from capital receipts, grants and external contributions also carries opportunity and threat. These risks are managed by officers on an ongoing basis, and include horizon scanning and financial monitoring.

Projects are not authorised to proceed unless and until the associated funding has been identified and secured.

Each project in the capital programme is categorised financially as a high, medium or low risk to budget, and this assessment is reviewed regularly. The financial risk assessment takes into account the likelihood of a budget variance, the consequence of any potential variance, and the significance of these two factors for the budget assumptions.

A capital reserve, made up of unbudgeted capital receipts, will provide a safety net to deal with otherwise unbudgeted urgent items that cannot be accommodated by any other means. (See funding strategy above).

In respect of the borrowing requirements of the capital programme, debt financing revenue costs relating to past and current capital programmes are estimated in accordance with proper practices, and with an inclination to prudence. The debt maturity profile is actively managed to a limit of no more than 15% of total debt maturing in any one year, ensuring that the Council is not exposed to unmanageable risks if interest rates become volatile.

Purchasing protocols

Procurement Strategy

Capital expenditure by its nature can involve significant sums of money, and it is therefore vital that a comprehensive procurement strategy is in place to protect the Council's interests and to ensure that the Council achieves value for money.

In addition, national developments in procurement such as the National Procurement Strategy for Local Government (LGA 2003) and the Spending Efficiency Review 2004 make it plain that procurement is viewed by central government as one of the major drivers for efficiency savings.

Government requirements from April 2006 also require a fundamental change in sustainable procurement by councils in order to put the UK among the leaders in this area in the European Union by 2009.

Furthermore an effective procurement strategy can also be used to help achieve wider objectives – for example, as a major purchaser the Council has the opportunity to influence the market in respect of economic development, environmental issues, equalities and health and safety.

The Council's procurement strategy has recently been re-written and is due to be approved shortly.

Procurement Team

The Council has a team dedicated to ensuring that the most appropriate procurement methods are used. The team have a variety of procurement experience and can advise on EU requirements for tendering, as well as general purchasing.

Advice should be taken from procurement section for all capital projects.

- Annex A -

Committee Structure and Cabinet Member Portfolios

Portfolios of Cabinet Members

Cllr Anthony Woods Leader of the Council	Partnership and Improvement
Cllr Brendan Glynane Deputy Leader of the Council	Community Engagement and Safety
Cllr Sally Beardsworth	Housing
Cllr Richard Church	Regeneration
Cllr Maria-Trinidad Crane	Environment
Cllr Brian Hoare	Performance
Cllr Malcolm Mildren	Finance

Northampton Borough Council Committee Structure

Council

Cabinet

Appointments and Appeals Committee

General Purposes Committee

Licensing Committee

Licensing Sub Committee

Standards Committee

Planning Committee

Audit Committee

Overview and Scrutiny Committees

- Annex B -

Extracts from Financial Regulations

(as agreed by Council 19 November 2007)

3.9 Capital Strategy

3.9.1 Capital expenditure is an important element in the development of the Council's services since it represents major investment in new and improved assets. Each financial year the Section 151 Officer shall prepare and submit to Cabinet a Capital Strategy for the Authority. All capital expenditure and income for the authority should be undertaken in line with the agreed Capital Strategy and in compliance with the CIPFA Prudential Code for Capital Finance in Local Authorities and all prevailing statutory and professional regulations.

3.10 Capital Budget

3.10.1 The S151 Officer will be responsible for ensuring that a capital budget for at least the coming three financial years is prepared and brought forward for approval by the Council, upon recommendation of the Cabinet.

3.10.2 The Capital Programme will be prepared in accordance with the Capital Strategy and Asset Management Plan of the Authority and be consistent with, and designed to further the achievement of, the Council's priorities. It should be updated as monitoring and the annual budget timetable dictate.

3.10.3 Project managers are required to prepare project appraisals including whole life capital and revenue costs for all capital projects to be included in the Council's Capital Programme. The project appraisal must be approved by the Section 151 Officer or other officer authorised by her/him before any expenditure is committed.

3.10.4 The first call on capital resources should be for schemes agreed as part of the prior year budget process and which have already commenced. Chief Officers should therefore take this into account when preparing bids for future years.

3.10.5 The S151 Officer, will propose to Cabinet a scoring scheme to prioritise capital projects and update it annually. This scheme will be used to prioritise projects within available resources and used to guide members in the setting of the capital programme.

3.10.6 The Section 151 Officer shall report to the Cabinet on the overall cost of the draft capital programme compared with the resources likely to be available to finance it in both capital and revenue terms.

3.11 Asset Management Plan

3.11.1 The Asset Manager under the direction of the Section 151 Officer will be responsible for ensuring that an Asset Management Plan covering a minimum of three to five years is prepared and updated at least annually for consideration by the Cabinet and approval by the Council. The plan will be consistent with, and designed to further the achievement of, the Council's priorities.

4.6 Capital Monitoring

- 4.6.1 Chief Officers through their capital project managers are responsible for managing the financial risks of their projects and must monitor income and expenditure against the in-year budget, as well as total expenditure over the life of each scheme.
- 4.6.2 Project managers shall provide monthly monitoring information, on a scheme-by-scheme basis, together with a forecast outturn including any re-phasing between years, to the Section 151 Officer.
- 4.6.3 Where forecasts identify an overspend or underspend from the approved budget these variations should be reported promptly to the Section 151 officer along with the proposed action.
- 4.6.4 In circumstances where it is not possible to take programme changes to Cabinet or Council due to a requirement for a quick decision, the Section 151 officer in consultation with the relevant Cabinet Member will have authority to approve the decision, which must be notified retrospectively to Cabinet.
- 4.6.5 The Section 151 Officer shall report the overall capital monitoring position, and the level of resources available to finance the programme, to Cabinet on at least a quarterly basis.

5.8 Assets

- 5.8.1 The Section 151 Officer, in conjunction with the Asset Manager, shall be responsible for maintaining an adequate and up to date register of all the Council's capital assets and for calculating and processing the appropriate capital financing charges in accordance with CIPFA Capital Accounting Guidelines.
- 5.8.2 Each Director and Service Head will be responsible for ensuring that the Section 151 Officer is advised promptly of all additions, deletions or other changes to the Council's portfolio of assets, such as might affect the preparation of the Council's accounts.

- Annex C -

**Northampton Borough Council
CAPITAL PROJECT APPRAISAL**

2008-09 Programme Build

1	Project Title		For Finance's use only
2	Appraisal Reference Number		
3	Directorate		
4	Service Block		
5	Outline description of the project (including specific works to be undertaken)		

Consequences of not undertaking the project and impact on the community or employees						
0						

Project budget	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
Capital costs	0.000	0.000	0.000	0.000	0.000	0.000
Revenue consequences	0.000	0.000	0.000	0.000	0.000	0.000

Source of capital funding	SCE (R) Single Capital Pot £000	SCE (R) Separate Programme Element £000	Unsupported (Prudential) Borrowing £000	Major Repairs Reserve £000	Other £000	Total £000
	0.000	0.000	0.000	0.000	0.000	0.000

0

COR (Capital Outturn Return) Code		Weighted Score	N/A	S106 Related	No	Whole Life Costing Completed	No
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Authorisations	Signature	Name	Date
Project Manager		0	
Budget Manager		0	
Finance Manager		Bev Dixon	

6	Project Dates	Planned Start Date		Planned End Date	
7	Nature of expenditure				
	Land - purchase, reclamation or enhancement	Please mark with an X where applicable		Is the land/building owned by NBC, or does NBC have an interest in it? Yes/No	
	Buildings and infrastructure - new construction (including extensions to existing buildings)			If no, who is, or who will be, the owner of the asset?	
	Buildings and infrastructure - enhancement (including refurbishment)				
	Information Technology assets - please specify whether hardware, software or licences, and whether it is to be internally developed, developed by consultants or purchased				
	Other tangible and intangible fixed assets - please describe (eg. vehicles, furniture, non-IT licences)				
	Loan, grant or financial assistance to a third party towards capital expenditure - please describe				
8	Agresso Structure (Finance to complete)				
a)	Agresso Cost Centre				
9	Responsible Officers				
	i) Project Manager		iv) Key Service Area		
	ii) Budget Manager				
	iii) Service Head		v) Cost Centre - (Capital)		
10	Location - (Please select from the dropdown list)				
	Ward		Parish		

11	Statutory duty or other legal commitments <i>Indicate whether, if investment is not made, the Council will fail to deliver a statutory duty, now or in the future.</i>																								
a)	Brief outline of statutory duty or legal commitment project will address																								
b)	Objectives, Consequences and Urgency																								
i)	Objective of project																								
	<i>Describe the problem or issue the project will address, and how this was identified</i>																								
ii)	Consequences of not undertaking the project																								
	<i>Give brief details of the consequences and the impact on the community or employees</i>																								
iii)	Urgency of project																								
	<i>Give brief details and justification of the time span</i>																								
12	Consultation with stakeholders																								
	<i>Specify any consultations undertaken with stakeholders and others</i>																								
13	Extent to which project meets Council's Objectives and Priorities																								
	<i>Indicate with an X in the appropriate section(s) below which of the Council's Priorities will be met by the project, and for each priority that the project meets, please state which target(s) (from the Corporate Plan) the project will address</i>																								
	<table border="1"> <thead> <tr> <th>Council Priorities 2007-08</th> <th>X</th> <th>Key Action(s) & Target(s) addressed by the project</th> </tr> </thead> <tbody> <tr> <td>Improve the quality of the environment in which we live</td> <td></td> <td></td> </tr> <tr> <td>To deliver an excellent housing service and provide affordable housing for those in need</td> <td></td> <td></td> </tr> <tr> <td>Promote equality and social inclusion and improve health</td> <td></td> <td></td> </tr> <tr> <td>To continue to improve our weakest services</td> <td></td> <td></td> </tr> <tr> <td>To ensure clear, decisive political and managerial leadership to drive culture change</td> <td></td> <td></td> </tr> <tr> <td>To continue to strengthen our financial management</td> <td></td> <td></td> </tr> <tr> <td>To work with partners to support economic and infrastructure development to promote communities that are sustainable</td> <td></td> <td></td> </tr> </tbody> </table>	Council Priorities 2007-08	X	Key Action(s) & Target(s) addressed by the project	Improve the quality of the environment in which we live			To deliver an excellent housing service and provide affordable housing for those in need			Promote equality and social inclusion and improve health			To continue to improve our weakest services			To ensure clear, decisive political and managerial leadership to drive culture change			To continue to strengthen our financial management			To work with partners to support economic and infrastructure development to promote communities that are sustainable		
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14a	Extent to which project contributes towards partnership working, medium term planning, delivery of service objectives, equalities issues & other corporate priorities (including delivery of statutory performance indicators and Best Value Improvement Plans)
i)	Partnership working
	<i>Briefly describe the nature and duration of any partnership arrangements</i>
ii)	Performance Indicators
	<i>Describe briefly any performance indicators supported by the project (including the name & reference), and any improvement in performance the project will deliver</i>
iii)	Gershon Programme and Efficiencies
	<i>Give brief details of the efficiencies that are included in the MTP and give details of any ways in which the project will support these efficiencies</i>
iv)	Value for Money
	<i>Explain how the delivery of this project in the proposed manner represents good value for money</i>
v)	Service Strategies and Service Plans
	<i>Give brief details of any ways in which the project supports the delivery of service objectives outlined in the service strategy or plan</i>
vi)	State specifically the equalities issues that have been identified that this project will address
	How will this project address the equalities issues that have been identified?
vii)	Other corporate initiatives (including Improvement Plans and Value for Money Reviews)
	<i>Give brief details of any ways in which the project supports any other corporate initiatives</i>
14b	Extent to which project contributes towards national or regional priorities or targets
	<i>Please state the national priorities or targets and briefly describe how the project will contribute towards these.</i>

16	Environmental impacts - This will ensure that sustainability issues are identified and addressed (positive and negative) <i>For each issue in each sub-section below, indicate the impact with an X in the appropriate column</i>	Direction of impact/contribution			
		Negative	Nil	Positive	
i)	Economy:				
	Consider the nature of the project, its service to the community, effect on already established businesses and in particular its contribution to:				
	Employment	Increasing employment opportunities			
		Increasing vocational training opportunities			
		Increasing equal opportunities for employment			
		Improving environmental awareness of local business			
	Consumption Patterns	Linking the extent to which wages earned locally are spent locally			
		Encouraging sustainable consumption patterns, eg: recycling			
	Business development	Encouraging development of new businesses			
		Maintaining the integrity of existing businesses			
	Details - Explain positive and negative impacts				
ii)	Infrastructure				
	Consider the impact of the project and its operation on public services and infrastructure. Consider the impact in terms of:				
	Housing	Providing affordable housing/housing to rent			
		Improving the quality of existing housing			
		Increasing the energy efficiency of housing			
	Transport	Promoting the development/maintenance of pedestrian and cycle lanes			
		Promoting the use of public transport			
		Reducing traffic congestion and delays improving/adding local facilities			
	Waste & Recycling	Reducing waste			
		Encouraging recycling/reuse/repair			
	Emergency Services	The adequacy of emergency services			
	Details - Explain positive and negative impacts				
iii)	Community Welfare				
	Consider community issues associated with the project. How the project will perform in terms of:				
	Safety / Security	Public safety on roadways & public areas			
		Minimising crime and fear of crime			
		Providing adequate lighting/security			
	Cultural & Leisure Facilities	Increasing access to/provision of cultural and recreational facilities			
		Encouraging wide participation in recreational activities			
	Participation	Improving the sense of community			
		Involving the community in the development of the project			

16 cont.	Environmental impacts - This will ensure that sustainability issues are identified and addressed (positive and negative) <i>For each issue in each sub-section below, indicate the impact with an X in the appropriate column</i>		Direction of impact/contribution		
			Negative	Nil	Positive
iv)	Aesthetics				
	<i>Consider the nature of the project and how it blends with its surroundings aesthetically and historically. Consider contribution in terms of:</i>				
	Environment	The nature and beauty of the landscape			
		Encouraging the use of open spaces for community benefit			
		Encouraging nature/wildlife habitats			
	Heritage	Preserving local heritage including buildings, monuments or sites of historic significance			
	Details - Explain positive and negative impacts				
v)	Natural Resources				
	<i>Consider the resources used by/supplied by the project during its construction and operation and its contribution to:</i>				
	Land	The redevelopment of Brownfield sites in preference to Greenfield sites			
	Conservation & biodiversity	Promoting biodiversity and conservation values			
	Pollution	Reducing local pollution, eg: air, noise, vibration, water, land			
	Details - Explain positive and negative impacts				
vi)	Design of Buildings & Structures				
	<i>Consider the project design in terms of energy consumption, efficiency & use of renewable resources in construction</i>				
	Energy	Maximising energy efficiency			
		Increasing the use of renewable energy resources			
	Materials	Increasing the use landscaping			
		Increasing the use of renewable construction materials			
		Reusing/conserving buildings			
	Locality	Enhancing the built environment			
		Providing a range of local amenities			
		Improving access for the disabled			
	Details - Explain positive and negative impacts				

17.1	Preferred option						
a/b	Description of preferred option, and contribution of the option to the project's objectives.						
	0						
c	Likely impacts that will result from pursuing an option (including impact on day-to-day activities during project implementation)						
d	Financial evaluation						
i)	Project budget - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings						0.000
	New construction, conversion and renovation						0.000
	Vehicles						0.000
	Plant, Machinery and Equipment						0.000
	Grants						0.000
	Total project budget	0.000	0.000	0.000	0.000	0.000	0.000
ii)	Project funding - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Supported Borrowing - SCE (R) - Single Capital Pot Element						0.000
	Supported Borrowing - SCE (R) - Separate Programme Element						0.000
	Unsupported (Prudential) Borrowing						0.000
	Major Repairs Reserve						0.000
	Grant*						0.000
	Third party contribution (inc Sec 106)*						0.000
	Revenue contribution*						0.000
	Capital receipt*						0.000
	Unspecified						0.000
	Total funding	0.000	0.000	0.000	0.000	0.000	0.000
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						
iv)	Is the scheme funded, or part funded by WNDC? - Indicate with an X						
	WNDC Related						
v)	Revenue budget implications (if applicable) - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	
	Employees						
	Running costs						
	Income						
	Net Cost/(Saving) To Directorate	0.000	0.000	0.000	0.000	0.000	
vi)	Source of revenue funding (if applicable)						
	<i>e.g. Revenue growth item, virement from existing (identified) budget, revenue grant funding</i>						
vii)	Staffing implications (if applicable)	2008/09 F.T.E	2009/10 F.T.E	2010/11 F.T.E	2011/12 F.T.E	2012/13 F.T.E	
	Increase/(decrease)						
viii)	Please confirm that both capital and revenue impacts have been included in the Medium Term Plan						
	Which service ?						
		Capital	Yes/No	Revenue	Yes/No		
ix)	Financial Risk						
	<i>Complete the risk assessment section below by identifying all financial risks that this project poses to the authority</i>						
	Financial Risk	Likelihood 1 (low) - 5 (high)	Severity 1 (low) - 5 (high)	What has been done to mitigate this risk?	What ongoing monitoring will be performed to reduce the likelihood of the risk materialising / its severity?		
	Overspend						

17.2	Alternative Option 1 - Alternative options required for schemes over £100,000 only						
a	Description of alternative option						
b	Contribution of option to the achievement of the project's objectives						
c	Likely impacts that will result from pursuing an option (including impact on day-to-day activities during project implementation)						
d	Financial evaluation						
i)	Project budget - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings						0.000
	New construction, conversion and renovation						0.000
	Vehicles						0.000
	Plant, Machinery and Equipment						0.000
	Grants						0.000
	Total project budget	0.000	0.000	0.000	0.000	0.000	0.000
ii)	Project funding - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Supported Borrowing - SCE (R) - Single Capital Pot Element						0.000
	Supported Borrowing - SCE (R) - Separate Programme Element						0.000
	Unsupported (Prudential) Borrowing						0.000
	Major Repairs Reserve						0.000
	Grant*						0.000
	Third party contribution (Inc Sec 106)*						0.000
	Revenue contribution*						0.000
	Capital receipt*						0.000
	Unspecified						0.000
	Total funding	0.000	0.000	0.000	0.000	0.000	0.000
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						
iv)	Is the scheme funded, or part funded byWNDC? - Indicate with an X						
	WNDC Related						
v)	Revenue budget implications (if applicable) - <i>Figures should be expressed in £000</i>	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	
	Employees						
	Running costs						
	Income						
	Net Cost/(Saving) To Directorate	0.000	0.000	0.000	0.000	0.000	
vi)	Source of revenue funding (if applicable)						
	<i>e.g. Revenue growth item, virement from existing (identified) budget, revenue grant funding</i>						
vii)	Staffing implications (if applicable)	2008/09 F.T.E	2009/10 F.T.E	2010/11 F.T.E	2011/12 F.T.E	2012/13 F.T.E	
	Increase/(decrease)						
viii)	Please confirm that both capital and revenue impacts have been included in the Medium Term Plan						
	Which service ?						
		Capital	Yes/No	Revenue	Yes/No		
ix)	Financial Risk						
	<i>Complete the risk assessment section below by identifying all financial risks that this project poses to the authority</i>						
	Financial Risk	Likelihood 1 (low) - 5 (high)	Severity 1 (low) - 5 (high)	What has been done to mitigate this risk?	What ongoing monitoring will be performed to reduce the likelihood of the risk materialising / its severity?		
	Overspend						

17.3	Alternative Option 2						
a	Description of alternative option						
b	Contribution of option to the achievement of the project's objectives						
c	Likely impacts that will result from pursuing an option (including impact on day-to-day activities during project implementation)						
d	Financial evaluation						
i)	Project budget - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings						0.000
	New construction, conversion and renovation						0.000
	Vehicles						0.000
	Plant, Machinery and Equipment						0.000
	Grants						0.000
	Total project budget	0.000	0.000	0.000	0.000	0.000	0.000
ii)	Project funding - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Supported Borrowing - SCE (R) - Single Capital Pot Element						0.000
	Supported Borrowing - SCE (R) - Separate Programme Element						0.000
	Unsupported (Prudential) Borrowing						0.000
	Major Repairs Reserve						0.000
	Grant*						0.000
	Third party contribution (inc Sec 106)*						0.000
	Revenue contribution*						0.000
	Capital receipt*						0.000
	Unspecified						0.000
	Total funding	0.000	0.000	0.000	0.000	0.000	0.000
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						
iv)	Is the scheme funded, or part funded by WDC? - Indicate with an X						
	WDC Related						
v)	Revenue budget implications (if applicable) - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	
	Employees						
	Running costs						
	Income						
	Net Cost/(Saving) To Directorate	0.000	0.000	0.000	0.000	0.000	
vi)	Source of revenue funding (if applicable)						
	e.g. Revenue growth item, virement from existing (identified) budget, revenue grant funding						
vii)	Staffing implications (if applicable)	2008/09 F.T.E	2009/10 F.T.E	2010/11 F.T.E	2011/12 F.T.E	2012/13 F.T.E	
	Increase/(decrease)						
viii)	Please confirm that both capital and revenue impacts have been included in the Medium Term Plan						
	Which service ?						
		Capital	Yes/No	Revenue	Yes/No		
ix)	Financial Risk						
	Complete the risk assessment section below by identifying all financial risks that this project poses to the authority						
	Financial Risk	Likelihood 1 (low) - 5 (high)	Severity 1 (low) - 5 (high)	What has been done to mitigate this risk?		What ongoing monitoring will be performed to reduce the likelihood of the risk materialising / its severity?	
	Overspend						

- Annex D -

SCORING SHEET - PROJECT APPRAISAL

		Actual Score	Possible Maximum Score
1	Project Title 0		
2	Appraisal Reference Number 0		
3	Directorate 0		
4	Service Block 0		
11	Statutory duty or other legal commitments		
(i)	Is there a statutory duty or legal commitment that goes beyond the basic legal power to provide a service ? If yes score 2	0	2
(ii)	Only score this section if there is a statutory or legal commitment at 11(i) above. Assessment of consequences of not undertaking the project. Score 0 for no impact, 1 for low impact, 2 for medium impact, 3 for high impact	0	3
(iii)	Only score this section if there is a statutory or legal commitment at 11(i) above. Assessment of urgency of the project. Score 0 for no urgency, 1 for low urgency, 2 for medium urgency, 3 for high urgency	0	3
12	Extent to which Project meets Council's Objectives and Priorities		
(i)	Score 9 if one of the Council's Priorities is met by the project. Score 18 if two or more of the Council's Priorities are met by the project.	0	18
13	Extent to which project contributes towards partnership working, best value improvements, delivery of service objectives, equalities issues & other corporate priorities (including delivery of statutory performance indicators)		
(a)	Assessment of extent to which the project contributes towards partnership working, best value improvements, delivery of service objectives, equalities issues and other corporate objectives. Score 1 for a significant contribution to each of the following, to a maximum of 5 - partnership working; improved performance under statutory PIs; service strategies and service plans; equalities; any one of the remaining categories in this section.	0	5
14	Environmental impacts		
	Assessment of extent to which the project contributes towards environmental impacts. Score - 1 for overall negative contribution, 0 for no overall impact, 3 for overall positive contribution.	0	3
15	Financial Evaluation		
(ii)	Extent to which the project is supported by ring-fenced or specific funding. Score 0 for no ring-fenced funding, 1 for up to 33% funding, 2 for up to 67% funding, 3 for up to and including 100% funding.	0	3
(v)	Impact on revenue budget (total over five years). Score 0 for revenue cost or no impact, 1 for revenue savings up to 33% of scheme costs, 2 for revenue savings of up to 67% of scheme costs, 3 for revenue savings of up to and including 100% of scheme costs	0	3
Total Score		0	40

- Annex E -

**Northampton Borough Council
CAPITAL PROJECT VARIATION**

2008-09 In Year

1	Project Title		For Finance Use				
2	Original Appraisal Reference Number						
3	Variation Reference Number						
4	Directorate						
5	Service Block						
6	Reason for variation						
7	Summary of Budget Increases/(Decreases) - See Section 9 for detailed analysis						
i)	Project budget	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
ii)	Project funding	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
8	Authorisations						
		Signature	Name	Date			
	Project Manager						
	Budget Manager						
	Finance Manager		Bev Dixon				
	Corporate Director / Chief Executive						
	Member with Portfolio						
	Section 151 Officer		Isabell Procter				

9 Financial evaluation							
9a Proposed Budget							
i)	Project budget - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings New construction, conversion and renovation Vehicles Plant, Machinery and Equipment Grants						
	Total project budget						
ii)	Project funding - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	SCE (R) - Single Capital Pot Element SCE (R) - Separate Programme Element Prudential Borrowing Major Repairs Reserve Grant* Third party contribution* Revenue contribution* Capital receipt* Unspecified*						
	Total funding						
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						
9b Latest Approved Budget		Date of approval					
i)	Project budget - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings New construction, conversion and renovation Vehicles Plant, Machinery and Equipment Grants						
	Total project budget						
ii)	Project funding - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	SCE (R) - Single Capital Pot Element SCE (R) - Separate Programme Element Prudential Borrowing Major Repairs Reserve Grant* Third party contribution* Revenue contribution* Capital receipt* Unspecified*						
	Total funding						
iii)	* Describe specific source of capital funding (Planning Application Reference required for S106 funding)						

9c Budget Increases/(Decreases)							
i)	Project budget - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	Acquisition of land & buildings						
	New construction, conversion and renovation						
	Vehicles						
	Plant, Machinery and Equipment						
	Grants						
	Total project budget						
ii)	Project funding - Figures should be expressed in £000	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Total £000
	SCE (R) - Single Capital Pot Element						
	SCE (R) - Separate Programme Element						
	Prudential Borrowing						
	Major Repairs Reserve						
	Grant*						
	Third party contribution*						
	Revenue contribution*						
	Capital receipt*						
	Unspecified*						
	Total funding						

- Annex F -

Key to Abbreviations and Acronyms

AMP	Asset Management Plan
BVPI	Best Value Performance Indicator
BVPP	Best Value Performance Plan
CAA	Comprehensive Area Assessment
CIPFA	Chartered Institute of Public Finance and Accountancy
CPA	Comprehensive Performance Assessment
CSR	Comprehensive Spending Review
DCLG	Department for Communities and Local Government
DDA	Disability Discrimination Act 1995
EP	English Partnerships
GAAP	Generally Accepted Accounting Practice
GF	General Fund
GOEM	Government Office for the East Midlands
HRA	Housing Revenue Account
ICT	Information and Communications Technology
IDEA	Improvement and Development Agency
IT	Information Technology
LAA	Local Area Agreement
LGA	Local Government Association
LPI	Local Performance Indicator
LSP	Local Strategic Partnership
MKSM	Milton Keynes & South Midlands
MRA	Major Repairs Allowance

MRR	Major Repairs Reserve
MTP	Medium Term Plan
NBC	Northampton Borough Council
NCC	Northamptonshire County Council
PI	Performance Indicator
RNF	Relative Needs Formulae
SCE (R)	Supported Capital Expenditure (Revenue)
WNDC	West Northamptonshire Development Corporation

- Annex G -

Glossary of Terms

Asset Management Plan (AMP)

A plan maintained by the authority of the condition and suitability of its buildings, updated regularly and utilised to assess future capital investment needs. An AMP may be corporate or service specific.

Benchmarking

The comparison of selected activities, costs and processes, between organisations in order to achieve improvements.

Best Value

The duty which local authorities owe to their stakeholders to provide relevant, cost effective services.

Best Value Performance Plan

An annual statement published by the authority setting out the improvements that it plans to make in the performance of its services and how it intends to do so (now superseded by the Corporate Plan).

Capital Expenditure

Expenditure on the acquisition of fixed assets (such as land, buildings, and major items of plant, vehicles or equipment), or expenditure that extends the life or value of an existing fixed asset.

Capital Programme

The authority's plan of capital works for the current and future years, including details on the funding of the programme.

Capital Receipts

Income from the sale of fixed assets. These can only be used to finance other capital expenditure or to repay outstanding debt on assets financed by loan.

Capital Reserve

An internal fund set up to finance capital expenditure in future years.

Capital Strategy

A corporate document providing clear strategic guidance about the Council's objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives.

Community Strategy

A document developed by a partnership of local agencies and organisations, including the Council, which sets out:

- A framework for the way the different stakeholders can work in partnership
- A set of clear actions against which progress can be constantly monitored
- The basis for making good and effective decisions to achieve a growing and sustainable environment.
- Identified priorities for action
- A framework for other public service planning
- An action plan to identify the action required to bring the strategy into being

Comprehensive Performance Assessment (CPA)

An annual government inspection rating all local authorities on how they perform. There are five ratings: no star (poor), 1 star (weak), 2 stars (fair), 3 stars (good) and 4 stars (excellent).

Comprehensive Area Assessment (CAA)

The replacement inspection scheme replacing the CPA.

Comprehensive Spending Review

The public expenditure planning process introduced by the government in 1997 to replace the system of annual public expenditure surveys. Each CSR covers a three-year period.

Corporate Plan

An annual statement published by the authority setting out the improvements that it plans to make in the performance of its services and how it intends to do so.

Cross Cutting

Issues or actions which concern or impact across a number of different areas such as demographic groups, geographic localities, services or service providers. These require co-ordination across departments and with other statutory and non statutory partners.

Debt Financing Budget

A budget to cover the repayment of principal and interest charges on the debt incurred through the building or purchase of the long term assets used in the provision of services.

Disability Discrimination Act 1995

Government legislation that places a statutory obligation on local authorities to make their services accessible to disabled people.

Fixed Assets

Tangible assets that yield benefits to the authority for a period of more than one year. This includes land, buildings, and major items of plant, vehicles or equipment.

Intangible fixed assets consist mainly of purchased software licences and custom built software prepared for use for a period of at least one year.

Government Office for the East Midlands

The Government Office for the East Midlands represents central government in the region. Their role is to promote better and more effective integration of Government policies and programmes at a regional and local level.

Improvement and Development Agency

A national independent body created by and for local government in England and Wales to stimulate and support continual and self-sustaining improvement and development within local government.

Local Strategic Partnership

A high level local partnership to bring together a wide range of public private, voluntary and community interests with the aim of promoting the sustainable, social, economic and environmental well being of the people of Northamptonshire

Medium Term Plan

The Council's prioritised service and financial plans for the next three years.

Performance Measures

The process of taking aspects of performance for measurement and comparison.

Performance Indicators

Any numerical data or ratios collected and used for the purpose of evaluating performance against targets.

Procurement

The purchase of goods and services, with a strategy being developed to assist with the definition of quality standards and securing provision of the best possible services for local people for a given price.

Prudential borrowing

Funding source for capital expenditure where the revenue costs of borrowing (repayments of principal and interest) do not come from central government, but have to be met by the local authority from its own revenue resources.

Prudential Code

The code of practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority's duty to determine the affordability, prudence and sustainability of its capital investment plans.

Prudential Indicators

Required by the Prudential Code, these take the form of limits, estimates or actual figures used to support the local decision making process for capital investment.

Pump Priming

The process of assisting with the set up costs of projects which may bring long term service delivery improvements and cost savings.

Regional Development Agency

An agency set up by government to promote sustainable economic development in one of nine designated areas that between them cover the whole of England.

Ring Fenced Funding

Funding that is for specific projects and therefore cannot be allocated to other general projects.

Section 151 Officer

The local authority's chief finance officer as defined and required by statute (Section 151 of the Local Government Act 1972).

Service Plans

Part of the business planning processes for service departments, ensuring that their objectives meet the overall priorities of the Council, and that targets are set for improvements in service delivery.

Supported Capital Expenditure (Revenue)

Funding source for capital expenditure where the revenue costs of borrowing (repayments of principal and interest) are recognised by central government, through the Local Government Finance Settlement. Includes Single Capital Pot element and Separate Programme element. Referred to as “supported borrowing”.

Useful Life

The period over which the local authority will derive benefits from the use of a fixed asset.

Whole Life Costing

The costs of acquiring or creating an asset, operating it, maintaining it over its useful life, and finally the costs of disposal (i.e. the total cost of ownership).

- Annex H -

Feedback Form

. Did you find out what you wanted to know about the Council's Capital Strategy?

If you have any comments on the format or content of this document we would be pleased to hear from you.

Please email comments to:

bdixon@northampton.gov.uk

or write your comments in the box below and return to:

Finance Manager - Capital and Treasury
Finance Department
Northampton Borough Council
Cliftonville House
Bedford Road
Northampton

Appendices



NORTHAMPTON
BOROUGH COUNCIL

Item No.

CABINET REPORT

Report Title	COUNCIL WIDE GENERAL FUND REVENUE BUDGET 2008/09 – 2010/11
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	20 February 2008
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Governance and Improvement
Accountable Cabinet Member:	Malcolm Mildren
Ward(s)	N/A

1. Purpose

- 1.1 To report the outcome of the consultation process on the 2008/09 General Fund budget and the final formula grant settlement for 2008/09.
- 1.2 To agree the Cabinet's proposals for recommendation to Council on 28 February 2008 for the 2008/09 to 2010/11 General Fund budgets, Council Tax level for 2008/09 and indicative levels for 2009/10 – 2010/11.

2. Recommendations

- 2.1 That the feedback from consultation with the public, organisations and the Overview and Scrutiny Committees, be welcomed (detailed at Annexes A and B).
- 2.2 That the Council's representations on the provisional formula grant settlement be noted (Annex C).
- 2.3 That the projected 2007/08 outturn position of £346k underspend (as at the end of January 2008) be noted.

- 2.4 That the changes to the proposed budget (detailed at Annex D), in light of the consultation responses and the final formula grant settlement, be agreed.
- 2.5 That a General Fund budget for 2008/09 of £31.6m (an increase of 3.3%, or £1.0m over the 2007/08 budget), be recommended to the Council (detailed in Annex E).
- 2.6 That the Cabinet acknowledges the issues and risks detailed in the Section 151 Officer's statement on the robustness of estimates and the adequacy of the reserves (Annex I).
- 2.7 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 general fund reserves of £2.75m at the end of 2008/09 having regard to the outcome of the financial risk assessment and increasing this over the medium term to £3m.
- 2.8 That the Council be recommended to increase the Council Tax by 4.5% for 2008/09 for its own purposes, thus excluding police, fire and parish precepts.
- 2.9 That the draft Fees and Charges set out in Annex K be noted.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Cabinet is proposing a budget for 2008/09 that takes into account the Council's corporate priorities and objectives to increase the resources available for front line services.
- 3.1.2 It does this by
 - a) Proposing a council tax increase of 4.5%
 - b) Proposing significant efficiency savings
 - c) Examining all possible efficiency savings and other ways of reducing expenditure or increasing income without affecting service levels.
 - d) Reflecting the views emerging from the public consultation
 - e) Adding unavoidable growth of £4.3m
 - f) Increasing funding for community engagement, graffiti removal, and public conveniences, for example.

3.1.3 The table below illustrates the service budget changes from 2007/08 to 2008/09.

Table 1 –Changes to Service Budgets

	£m
Service Efficiencies	(1.7)
Unavoidable Growth	4.3
Key Growth Items	0.7
Service Adjustments	(0.1)
Income Adjustments	(0.4)
	2.8

3.2 Issues

Draft Budget Position – Cabinet 17 December 2007

3.2.1 The Cabinet met on 17 December 2007 and recommended proposals for consultation. The headlines were:

- a) A Council Tax increase, for the Council's own purposes, of 4.95% for 2008/09, and that indicative annual increases of 4.95% be adopted as planning parameters for the financial years 2008/09 to 2010/11;
- b) A General Fund budget for 2008/09 of £31.6m, an increase of 3.3%, or £1.0m over the 2007/08 budget;

Consultation Feedback

3.2.2 Consultation has been undertaken with the public, business community, and other stakeholders during January 2008.

3.2.3 A number of methods were used to capture views, which included:

- a) Focus group workshops including, tenants, citizens panel, business community, voluntary sector, etc
- b) Open public meetings
- c) A detailed budget proposal brochure with questionnaire

3.2.4 The detailed brochure was made available both through copies being made available at public locations such as community centres, post offices, libraries, and supermarkets. It was also available through the council's website.

3.2.5 Full details of the public consultation and results are provided in Annex A.

3.2.6 In addition, each of the Overview and Scrutiny committees has had an opportunity to comment on the proposals. Their comments are attached at Annex B.

3.2.7 The headline results of the consultation were as follows:

- a) 39% supported the proposed council tax increase of 4.95%, while 60% felt it was too high.
- b) 54% opposed increasing parking charges by 6% in 2008/09 and 2010/11, while 73% opposed increasing them by 10% in the same time period.
- c) A similar response came in relation to proposals to increase leisure charges, with 53% opposing a 5% annual increase and 77% opposing a 10% annual increase.
- d) 79% supported the reinstatement of the graffiti removal team.
- e) 82% of respondents were in favour of reinstating the park rangers provision.
- f) 75% of people agreed with the proposal to invest in public conveniences across the town.

3.2.8 The Cabinet have considered the budget proposal in the light of the results of the public consultation, and has made a number of changes that reflect the views expressed in the consultation.

3.2.9 The following changes (among others) are therefore proposed in line with the comments received:

- a) The proposed council tax increase has been reduced to 4.5%.
- b) The proposals to increase parking charges have been dropped.
- c) The council invests in citizen engagement, public toilets, graffiti removal, and park rangers.

Adjustments

3.2.10 Further work on the budget has been undertaken to refine the budget since 17 December 2007. This has resulted in a small number of adjustments including those of a technical nature. A schedule of these changes can be found at Annex D.

Use of Balances

3.2.11 A prudent level of reserves, along with appropriate application of reserves, should be part of the overall budget. The Section 151 Officer reviews the level of balances required to support the general fund 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 along with the Council's gross expenditure requirement, should be in the order of £3m. It is therefore planned that the reserves will be increased gradually to this level over the medium term, reaching £3m by the end of 2010/11.

- 3.2.12 In determining the potential use of the reserves, the three year financial strategy takes into account previous years' spending trends, in particular the projected general fund 2007/08 outturn.
- 3.2.13 The revenue budget monitoring to the end of January 2008 shows an overall underspend of £0.346m. The 2007/08 budget assumes the use of £0.89m reserves in 2007/08, however an additional £562 has been required, mainly relating to concessionary fares and parking. The use of the General Fund Reserve is summarised in the table below.

Table 2: Forecast of General Fund Reserves as at the end of January 2008

		£,000
	General Fund Balance as at 01.04.2007	2,893
<i>Plus</i>	Budgeted contribution to reserves*	1,250
<i>Less:</i>	Budgeted Use of Reserves	(890)
<i>Less:</i>	Funding for concessionary fares	(312)
<i>Less:</i>	Funding for car parking	(250)
<i>Less:</i>	2007/08 forecast surplus attributable to General Fund as outlined in Table 1	346
	Total estimated General Fund balance at 31.03.2008	3,037
<i>Less:</i>	Funding for car parking	(280)
	Total estimated General Fund balance at 31.03.2009	2,757
<i>Plus:</i>	Planned Contribution to Reserves	100
	Total estimated General Fund balance at 31.03.2009	2,857
<i>Plus:</i>	Planned Contribution to Reserves	150
	Total estimated General Fund balance at 31.03.2009	3,007

- 3.2.14 It is planned to bring the level of reserves up to £3m by the end of 2010/11 by contributing £100k in 2009/10 and £150k in 2010/11.
- 3.2.15 It must be emphasised that the forecast of £3m reserves by the 31st March 2008 and £2.75m by the end of March 2009 is purely that, a forecast, and is not therefore guaranteed.

Final Formula Grant Settlement

- 3.2.16 The provisional 2008/09 finance settlement announced in December 2007 was confirmed on 24 January 2008 without any changes being made: The Councils representation to the government with regard to the settlement is presented at Annex C.

Table 3: 2008/09 Settlement and Proposed 2009/10 and 2010/11 Settlements

	2008/09 £m	2009/10* £m	2010/11* £m
Redistributed Business Rates	16.453	16.540	16.622
Revenue Support Grant	2.290	2.302	2.314
Total Formula Grant	18,743	18,842	18,936

Council Tax Level and Capping

- 3.2.17 As part of the pre budget report and SR2007 announcement the Chancellor emphasised that he expected the funding made available to local authorities together with the 3% cashable savings targets would ensure that council would keep council tax increases well below 5%.

LABGI – Local Authority Business Growth Incentive

- 3.2.18 It is unclear at this stage whether the authority is likely to receive any LABGI funding in the announcement due later in 2008. The announcement for this year is expected to be later than usual as the Government has been consulting on revisions to the methodology for distribution of this funding.
- 3.2.19 If an allocation is made, it would be imprudent to use any of this anticipated money to balance the general fund budget as this is a "one off" sum and is not guaranteed in future years.

Revised Proposals

- 3.2.20 Annex E sets out a summary of the revised budgets covering 2007/08 to 2010/11 to be recommended to the Council. The main features are:
- a) A Council Tax increase, for the Council's own purposes, of 4.5% for 2008/09 excluding parish precepts;
 - b) A General Fund budget for 2008/09 of £31.6m, an increase of 3.3%, or £1m from the 2007/08 budget.
 - c) Indicative annual Council Tax increases, for the Council's own purposes, of a planning parameter of 4.5% for 2009/10 – 2010/11 excluding precepts.

Medium Term Implications

- 3.2.21 In setting a budget for 2008/09, the Cabinet and the Council must take into account the implications for the following two years financial strategy, namely 2009/10–2010/11. There are significant planned efficiency savings in 2008/09 and the following years, which will require action to be taken now if they are to be secured within the planned timescales.
- 3.2.22 Annex E sets out the budget projections for 2008/09 to 2010/11 and the key features of the projections including assumptions of the level of Formula Grant and Council Tax funding.
- 3.2.23 The medium term plan assumes that the Council will achieve at least 3% year on year cashable efficiencies, and this has been built into the financial strategy from 2008/09 onwards. Plans will be developed to deliver the required savings as part of the 2008/09 medium term planning process.

- 3.2.24 The financial projections put into sharp relief the need to continue to:
- a) Continue to press the DCLG (Department of Communities and Local Government), and other government departments, to recognise the costs of growth in 2007/08 and beyond and to use realistic population projections for growth areas;
 - b) Continue the search for efficiencies as required by Government; and
 - c) Make sure the council's ambitions are set within the context of the available funding envelope.
- 3.2.25 The medium term budget projections also highlight the need to continue to develop the organisation's future strategy through the Council Plan. The key medium term financial issues identified are attached at Annex H.

Robustness of Estimates and Adequacy of Reserves

- 3.2.26 The Local Government Act 2003 places a duty on the Section 151 Officer (Chief Financial Officer) to comment on 'the robustness of the estimates' included in the budget and the adequacy of the reserves for which the budget provides. The development of this was a feature of the Overview and Scrutiny Committees review process.
- 3.2.27 The Council has adopted a risk-based approach when assessing the minimum level of reserves. The risk assessment is undertaken annually to ensure that new risks are taken into account as well as re-assessing current risks. Annex I details the recommendation for a minimum prudent level of General Fund reserves. A minimum level of £3.0m should be built up over the medium term.
- 3.2.28 The extent of new and changed demands relating to concessionary fares is as yet uncertain due to the unpredictable take up of the revised scheme and the undeterminable pattern and pace of the growth of the town. In view of these uncertainties it would be prudent to set aside resources to meet the costs of these pressures. This budget has been increased for both inflation and the estimated impact of these pressures. However, after further consideration of the potential volatility of this budget Cabinet is proposing to set aside a sum in an earmarked reserve for this purpose.

Fees and Charges

- 3.2.29 A schedule of draft Fees and Charges for 2008/09 is attached at Annex K. The Cabinet is recommended to note 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.

The Next Steps

- 3.2.30 The timetable for the 2008/09 budget process requires a special meeting of the Council on 28 February 2008, at which consideration will be given to the recommendations of this Cabinet in relation to the expenditure and tax proposals that relate to the Council's own spending.

3.2.31 In addition to the Council's own Council Tax, there are separate Council Taxes for the county and the parishes. These precepting bodies have not yet set these Council Taxes, with the result that these will be reported to the Cabinet if known by that date and at Council on 28 February 2008 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.

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. 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 In carrying out its business, the authority has a number of general and specific duties which must be taken into account through the medium term planning process and on to the setting of the budget. Most duties to which the authority is subject are specific but some are generic to all of its functions, including the setting of the budget.

4.1.2 Current such duties include:

- a) the crime and disorder duty - to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area; and
- b) the race equality duty - in carrying out its functions, to have due regard to the need
 - (i) to eliminate unlawful racial discrimination; and
 - (ii) to promote equality of opportunity and good relations between persons of different racial groups.
- c) the disability equality duty - in carrying out its functions to have 'due regard' in the exercise of all of the authority's functions to:
 - (i) eliminate unlawful disability discrimination, and
 - (ii) promote disability equality
- d) the gender equality duty - in carrying out its functions to have 'due regard' in the exercise of all of the authority's functions to
 - (i) eliminate unlawful gender discrimination, and
 - (ii) promote equality of opportunity between men and women.

4.2 Resources and Risk

- 4.2.1 The resource implications are detailed throughout the report and annexes.
- 4.2.2 Annex I addresses the robustness of the estimates and adequacy of the Council's reserves with reference to risks identified.

4.3 Legal

- 4.3.1 The Council must set a balanced budget by midnight on 11 March 2008 (Local Government Act 1992). Failure to do this would leave the Council potentially vulnerable to court action by way of judicial review on the part of the Audit Commission. Delay in sending out Council Tax demands would result in losses being incurred by the Council.
- 4.3.2 There are no further specific legal issues arising from this report.

4.4 Equality

- 4.4.1 Equality and Diversity were considered as a part of the budget build process, and an equalities assessment was completed as part of each medium term planning option submitted. (See also 4.1.2 above).

4.5 Consultees (Internal and External)

- 4.5.1 Internally Corporate Managers and Budget Managers have been consulted, and Management Board has carried out a detailed challenge of the budget.
- 4.5.2 The budget has also been consulted on with relevant stakeholders including the public, business community, voluntary sector, NBC employees, LSP, tenants and residents associations, citizens panel, key partnerships, faith groups and NBC Overview and Scrutiny. This was undertaken through the public consultation process that took place during January 2008.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 All of the discretionary proposals in the draft budget have been assessed against the corporate priorities as set out in the Corporate Plan. A copy of this assessment can be found at annex J

4.7 Other Implications

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

- A Consultation responses – Public Consultation
- B Consultation responses – Overview and Scrutiny Committees
- C Representations on the Provisional Settlement
- D Changes since 17 December 2007 Cabinet
- E Proposed Budget 2008/09 – 2010/11
- F1-3 Supporting Annexes of budget changes
- G Medium Term Planning Options
- H The Key Medium Term Financial Issues

- I Robustness of Estimates – Statement of the Section 151 Officer under the requirements of Section 25 of the Local Government Act 2003
- J Assessment of Revenue General Fund Budget proposal to Corporate Plan Priorities
- K Draft Fees and Charges 2008/09

5. Background Papers

5.1 Cabinet Reports:

17 December 2007	Council Wide Revenue Budget Proposal 2008-11
7 January 2008	Council Taxbase 2008/09
3 March 2008 (Currently in draft)	Budget Monitoring 2007/08 – Position as at the End of January 2008 (Draft)

5.2 External documents:

- HM Treasury - 2007 Pre-Budget Report and Comprehensive Spending Review.
- CLG – Provisional Local Government Finance settlement 2008/09 – 2010/11
- CLG – Local Government Finance Settlement 2008/09

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CABINET REPORT

SIGNATORIES

Report Title	COUNCIL WIDE GENERAL FUND REVENUE BUDGET 2008/09 – 2010/11
Date Of Call-Over	Not Applicable

Following Call-Over and subsequent approval by Management Board, signatures are required for all Key Decisions before submitting final versions to Meetings Services.

Name	Signature	Date	Ext.
Monitoring Officer or Deputy			
Section 151 Officer or Deputy			



COUNCIL

28 February 2008

Agenda Status: Public

Directorate: Governance and Improvement

Report Title	COUNCIL WIDE GENERAL FUND REVENUE BUDGET 2008/09 – 2010/11
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1. Summary

- 1.1 The purpose of this report is:
 - 1.1.1 To report the outcome of the consultation process on the 2008/09 General Fund budget and the final formula grant settlement for 2008/09.
 - 1.1.2 To ask Council to approve the 2008/09 to 2010/11 General Fund budgets, Council Tax level for 2008/09 and indicative levels for 2009/10 – 2010/11.

2. Recommendations

- 2.1 That the feedback from consultation with the public, organisations and the Overview and Scrutiny Committees, be welcomed (detailed at Annexes A and B).
- 2.2 That the Council's representations on the provisional formula grant settlement be noted (Annex C).
- 2.3 That the projected 2007/08 outturn position of £346k underspend (as at the end of January 2008) be noted.
- 2.4 That the changes to the proposed budget (detailed at Annex D), in light of the consultation responses and the final formula grant settlement, be noted.
- 2.5 That a General Fund budget for 2008/09 of £31.6m (an increase of 3.3%, or £1.0m over the 2007/08 budget), be agreed (detailed in Annex E).
- 2.6 That the Council approves the issues and risks detailed in the Section 151 Officer's statement on the robustness of estimates and the adequacy of the reserves (Annex I).

- 2.7 That the Council confirms the reserves strategy of protecting balances wherever possible to allow the option of supporting future years' budgets, aiming for a minimum level of unallocated general fund reserves of £2.75m at the end of 2008/09 having regard to the outcome of the financial risk assessment and increasing this over the medium term to £3m.
- 2.8 That the Council agrees to increase the Council Tax by 4.5% for 2008/09 for its own purposes, (i.e. excluding police, fire and parish precepts).
- 2.9 That the draft Fees and Charges set out in Annex K be noted.

3. Report Background

See Cabinet report attached

4. Implications (including financial implications)

4.1 Resources and Risk

See Cabinet report attached

4.2 Legal

See Cabinet report attached

4.3 Other Implications

See Cabinet report attached

5. Background Papers

See Cabinet report attached

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Overview and Scrutiny Committee Comments on the Proposed Budget 2008-11

Overview and Scrutiny Committee One. Comments made on the budget at the meeting held 14 January 2008

Public issues raised;

- That more detailed information was presented last year
- The Council should not be allocating £440,000 to funding the Royal and Derngate Theatre as the funding could be used in other ways to meet the needs of residents
- The council should not be funding leisure centres as again this wasn't the best way to meet the needs of all residents
- That the community development function of the council had been 'decimated' in recent years.

Members commented on the Corporate Plan as follows;

- That this was not a budget for consultation as all that had been presented was a series of recommendations without any alternative proposals. Without line-by-line detail, councillors would not be able to make informed comments on a budget that will be collectively agreed by council. Councillor Clarke also commented on accounting issues and potential inaccuracies such as, Car Parking and Leisure Services increase in charges – where the figures presented 2 options but then incorrectly presented the 2 options together as total savings rather than offer a potential total saving reflecting each option.
- That funding for non-priority services appear to remain the same as last year.
- It was queried whether the budgetary implications of last years Task and Finish Groups had been accounted for in the budget this year.
- Clarification was requested on the £90,000 allocated for Community Engagement.

The committee then commented on the Budget Consultation document 'growing your future';

- Clarification was requested on the freezing of Voluntary Sector grants at 2007/08 levels
- The following issues were raised;
 - That the post of an individual had been identified on a document for public consultation
 - The Council is required to provide some elements of Leisure services
 - Car parking charges will either rise by 12% or 20% over the next three years but the document shows this, for example as 6% 2008/09, 0% 2009/10 and 6% 2010/11 rather than a 4%

- increase for 4 years
- The proposal to invest in IT is not supported by an actual figure. Furthermore, there is only 1 figure in the whole consultation document
- The proposal to reinstate the Christmas lights is misleading. It should be made clear that this is not reinstating previous levels of funding, rather it matches the level put forward last year as an emergency fund
- It is unclear why an example of a council newspaper is used as a way of improving engagement with local people when this was not a recommendation of the recent task and finish group.

Overview and Scrutiny Committee Two. Comments made on the budget at the meeting held 31 January 2008

Public issues raised:

- The level of information provided was very poor and the document appeared to be a marketing document rather than a consultation document
- The level of funding for the Royal and Derngate Theatre should be reviewed with reference to the proportion funded by NBC, and the County Council and whether the proportions were appropriate

Members questioned:

- That the percentage increase in vehicle allowances appeared to be high
- What the recasting of the Street Scene Team meant in practice
- Whether the saving of £17,000 on Benefits was achievable
- Whether concessionary fares increase had been included in the budget
- Whether the investment in Carbon Management would be balanced or offset elsewhere in the budget

Overview and Scrutiny Committee Three. Comments made on the budget at the meeting held 14 February 2008

A number of comments were made at the meeting. It was therefore decided by the Chair that the Committee needed to make recommendations to Cabinet.

Recommendations on budget from Overview and Scrutiny Committee Three (Full Cabinet response required)

The Committee examined the Cabinet Budget proposals as outlined in Part 2 of the budget proposals summary document. The committee made the following recommendations;

1. The Committee recommends to Cabinet that they reduce or remove funding for the street drinking outreach worker. The Committee requests that officers examine if the Street drinking outreach worker post has been vacant on a long term basis - and that Officers circulate this further information to committee and cabinet members
2. The Committee recommends to Cabinet that they support the proposal to increase call charges to organisations over a three period to a commercial rate- subject to the word external being added in before organisations
3. The Committee may only support a increase in car parking charges if they saw strong and robust evidence to justify it
4. The Committee recommends to Cabinet that they should support the proposal to put investment in improving Community Engagement
5. The Committee recommends to Cabinet that they support investment in Information Technology to underpin service efficiency
6. The Committee recommends to Cabinet that they should engage the business sector to provide funding for the Christmas lights
7. The Committee recommends to Cabinet that they should support investment in public conveniences across the town
8. The Committee recommends to Cabinet that they should support additional funding to underpin regeneration

Response of Northampton Borough Council on the Provisional Local Government Settlement 2008-11

Introduction

Northampton Borough Council welcomes the certainty provided by the provisional three-year settlement for 2008-11 announced in December 2007.

The borough is the largest non-metropolitan district in England, and is growing rapidly due to its successful response to the Government's growth agenda.

In terms of the draft settlement, the authority does have significant concerns in a number of areas relating to the draft settlement in particular the way in which it has impacted on non-metropolitan districts and growth authorities.

In summary our concerns relate to:

- The total amount of funding allocated to districts each year and the corresponding levels of the grant floor.
- The population projections used in the formula calculations each year.
- The fixed costs calculations for years 2 and 3.

Funding Allocations and Grant Floors

The funding allocation for districts is exceptionally low, and this is reflected in the grant floor levels, which are materially below the level of inflation. This authority receives an increase of 1.2% for 2008/09 and just 0.5% for each of the two following years, and the floors for districts are so low that in years 1 and two the authority is above the floor and has been scaled back. In 2008/09 the amount of the scaling alone is equivalent to 1% on council tax.

The borough council recognises the importance of making efficiency savings, however had anticipated that these would be available to ease pressure on the council tax increase, and not to compensate for exceptionally low formula grant levels.

The low levels of grant increase and floors for the majority of district authorities are such that the impact will, of necessity, fall on the council tax increase and service cuts for the majority of district authorities.

It must be recognised that a number of the services that are essential for delivering sustainable growth, such as economic development, are delivered by district authorities. However, the low priority that the settlement seems to give to EPCS services like this appear to contradict the Government's declared commitment to delivering sustainable housing (and related population) growth. This is further compounded by the considerably lower levels of investment in LABGI during the CSR2007 period, and the fact that

district authorities will not be able to compensate for this through supplementary business rates.

It is essential that the Government revisits the allocation of funding given to district authorities for the next three years and ensures that appropriate levels of funding are made available.

Population Projections

Northampton Borough Council is a 'growth authority' and has responded well to the Government's targets for housing development and is already incurring the population growth that this has generated. We therefore have serious concerns over the population data and forecasts that have been used in the draft settlement.

Figures of 197,184, 197,567, and 197,999 have been used in the draft settlement. These compare to ONS revised mid year population figures for 2004 of 195,800 and 2005 of 197,300 (ONS Table T08) 200,100 for mid 2006 (ONS Table T09). These revised mid year population estimates were published by the ONS in August 2007.

Note that the figure for mid 2006 is materially higher than any of the population figures used in the provisional settlements for the next three years and the figures indicate a much faster rate of population increase than has been projected in the population figures used in the settlement. In terms of the draft settlement this relates to about 3,000 people for whom the council is not being funded in 2008/09 (approximately £285k).

This could make a very material difference to the amount of grant the authority is awarded, which in turn could impact positively on the service cuts and level of council tax increase the council is facing. We therefore believe that it is important that the population forecasts used in the settlement be revised to reflect the ONS' own data relating to 2005 and 2006.

Taxbase Projections

The population issue is compounded by the fact that there is a mismatch between the calculation of the projected taxbase and that of the projected population. As it currently stands the population in the provisional settlement increases by 1.1%, 0.2% and 0.2% respectively for each year (taking the 2007/08 settlement population figure as the base), whereas the taxbase increases by 1.23% each year from the October 2007 CTB1.

The discrepancy in the rates of increase of these key drivers to the formula grant shows a lack of consistency. The effect is to penalise growing authorities unfairly as their population growth is not appropriately recognised in parts of the formula based on population but they are penalised for it in other parts of the formula that are based on taxbase.

ORIGINAL BUDGET 2007/2008	15,214,080	15,214,080	15,214,080	
CONTINUATION BUDGET				
PERMANENT VIREMENTS BETWEEN SERVICES	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Consumables	13,180	13,180	13,180	Transfer of consumables budget from IT
Customer Services	40,880	40,880	40,880	Transfer of post from Planning
Legal Services	(4,020)	(4,020)	(4,020)	£4k for contractual obligations re officer parking
TOTAL PERMANENT VIREMENTS	50,040	50,040	50,040	
INFLATION				
	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Payroll Adjustments				
Pay Inflation & Salary Increments including effect on National Insurance and Superannuation on contracted pay	1,648,797	2,754,021	3,910,935	Estimated Pay award Inflation has been applied at the following rates: 2008/09 @ 2.75%, 2009/10 @ 2.75%, 2010/11 @ 2.75%, the cost of increment entitlement and increase
Total Payroll Adjustments	1,648,797	2,754,021	3,910,935	
Contractual Inflation				
Gas	0	18,957	39,242	Inflation : 2008/09 @ 0% 2009/10 @ 7%, 2010/11 @ 7%
Electric	0	20,938	71,257	Inflation : 2008/09 @ 0%, 2009/10 @ 3%, 2010/11 @ 7%
NNDR	30,000	60,760	92,301	Inflation: 2008/09 @ 2.54%, 2009/10 @ 2.54%, 2010/11 @ 2.54%
Water	7,835	16,058	24,692	Inflation: 2008/09 @ 5%, 2009/10 @ 5%, 2010/11 @ 5%
Vehicle Allowances & Fuel	31,166	57,092	83,833	Inflation: 2008/09 @ 3.3%, 2009/10 @ 3.3%, 2010/11 @ 3.3%
Employee Related Insurance	1,279	2,595	3,950	Inflation: 2008/09 @ 3.3%, 2009/10 @ 3.3%, 2010/11 @ 3.3%
General Related Insurance	7,022	14,229	21,631	Inflation : 2008/09 @ 2.7%, 2009/10 @ 2.7%, 2010/11 @ 2.7%
Premises Related Insurances	3,747	7,591	11,543	Inflation : 2008/09 @ 2.7%, 2009/10 @ 2.7%, 2010/11 @ 2.7%
Motor Related Insurances	3,334	6,758	10,276	Inflation : 2008/09 @ 2.7%, 2009/10 @ 2.7%, 2010/11 @ 2.7%
NNDR Contract	24,000	24,000	24,000	Contract with Wellingborough in relation to NNDR
Total Contractual Inflation	108,383	228,978	382,725	

INFLATION	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Non Pay Inflation				
Inflation on Supplies & Services	240,997	484,817	731,387	Reversed out as a Efficiency Saving
Community Safety	1,980	4,020	6,130	Increase payment to County Council for Provision of Emergency Planning
Community Safety	3,100	6,290	9,600	Increase to CCTV maintenance contract
Community Safety	13,500	27,450	41,860	Increase to CCTV Staffing contract
Community Safety	2,740	5,560	8,480	Increase to Fibre Optic Line rental contract
Parks and Open Spaces	(19,540)	(23,488)	(27,901)	Increase in Agency Income from the County in relation to Parks & open space for work done on their behalf
Street Cleaning	(16,000)	(18,304)	(20,662)	Increase in Agency Income from the County in relation to Street cleaning for work done on their behalf
Total Non Pay Inflation	226,777	486,345	748,894	
TOTAL INFLATION	1,983,957	3,469,344	5,042,554	
EFFECTS OF PREVIOUS YEARS DECISIONS	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Prior Year Budget Decisions				
Approved Savings and Efficiency Options as per 2007/10 Budget Process - Full year saving	(333,730)	(334,100)	(334,100)	Reflects the full year effect of the policy and efficiency savings approved as part of the 2007/8 - 2009/10 budget setting process.
Total PY Budget Decisions	(333,730)	(334,100)	(334,100)	
TOTAL EFFECTS				
VOLUME CHANGES	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Street Cleaning	0	38,530	38,530	1 additional environmental cleanser/streets operative per 1,607 properties plus additional materials costs. One additional employee required from 2009-10.
TOTAL VOLUME CHANGES	0	38,530	38,530	

Efficiency Savings	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
New Efficiency Savings				
Gas	(33,807)	(33,807)	(33,807)	Reduction on Gas prices due to renegotiation of the contract
Recruitment	(13,520)	(13,520)	(13,520)	Recruitment Costs, to be funded from vacancy saving.
Community Safety	(36,000)	(38,000)	(39,000)	Caspar Project ends in March 2008, merging into wider neighbourhood management agenda would generate a saving
Benefits	(3,250)	(8,533)	(17,383)	E Benefits, Intelligent Claim Forms to offer up savings overall
Parks and Open Spaces	(33,000)	(59,000)	(60,000)	Recasting the Streetscene team to enable efficiencies to be made
Grounds Maintenance	(30,000)	(30,000)	(30,000)	Reduce the budget on small tools in Grounds as now have a small running stock
Inflation on Supplies & Services	(240,997)	(484,817)	(731,387)	Inflation on supplies and services reversed out as an efficiency
Trade Waste	8,915	(15,258)	(40,507)	Cost / Saving following the removal of the Trade waste Service
Further Efficiencies	(152,740)	(152,740)	(152,740)	Further Supplies and Services Efficiencies of £10.74k on Software licences & Support, £12k on desks, £9.8k On Printing & Stationary, £4.3k on Postage, £20k on the CCTV Contract, £15k on other CCTV Efficiencies and £7k from the Museums and the rest on other supplies and services.
Homeless Prevention	(9,900)	(9,900)	(9,900)	Efficiency saving
Leisure	(28,030)	(28,030)	(28,030)	Saving as a result of restructuring of duty officers
Total New Efficiency Savings	(572,329)	(873,605)	(1,156,274)	
TOTAL EFFICIENCY SAVINGS	(572,329)	(873,605)	(1,156,274)	
TOTAL CONTINUATION BUDGET	16,342,018	17,564,289	18,854,830	
GROWTH BUDGET				
ESSENTIAL GROWTH/SAVINGS	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Cabinet Decisions				
Events	75,000	75,000	75,000	Subsidy for Balloon festival
Car Parks	13,500	13,500	13,500	Following Cabinet decision to acquire long lease on car park off Edgar Mobbs way this is the net revenue cost of that decision
Car Parking	47,000	47,000	47,000	Reduce Car Parking Income following changes to charges to Sunday parking charges
Car Parking	(80,000)	(80,000)	(80,000)	Income from car parking advertising offset against increased staff costs
Domestic Refuse	35,000	35,000	35,000	Contribution towards Northamptonshire Waste Partnership for cost of Executive officers £15k, Countywide education programme £10k and Development and Implementation of Waste strategy £10k

ESSENTIAL GROWTH/SAVINGS	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Legislative changes				
NNDR	22,431	22,759	(16,777)	NNDR on empty properties
Budget realignment				
Administrative Services	28,000	28,000	28,000	Increased postage costs re council tax
Software licences	26,530	26,530	26,530	Budget correction for software licences due to changes in software and incorrect budgets
Customer Access	24,430	24,430	24,430	Incorrect photocopy lease and click charges budget
Customer Access	98,000	98,000	98,000	Reinstate budget as this saving was double counted in last years budget for The Print Room, One Stop Shop and Post Room
Call Care	(256,350)	(272,310)	(288,840)	Realign the budget by matching where the expenditure occurs with the Income from the Trading account
Community Safety	75,430	67,420	59,140	Unachievable CCTV income
Car Parking	(40,790)	(41,060)	(41,060)	Professional services and bailiffs fees following changes to Penalty Charge Notices service
Car Parking	323,364	323,364	323,364	Downturn in Car Parking Income
Events	216,000	216,000	216,000	Remove income target for the Balloon festival to make it more realistic
Cemeteries	50,000	50,000	50,000	Unachievable income relating to Grants of Right and interment fees.
Construction Services	523,215	561,720	577,118	Loss of income from WS Atkins due to the cessation of the Highways and Drainage Service following the conclusion of well being powers
Parks and Open Spaces	20,000	20,000	20,000	Due to removal of the tennis bubble at the Racecourse, income projections are overstated.
Revenues	(96,991)	(103,841)	(109,080)	Net effect of court costs recovered.
Benefits	(711,033)	(561,172)	(400,357)	Recalculation of Benefit awards and Subsidy Claims has lead to this budget correction to bring in line with actuals
Revenues	6,850	3,435	1,770	Increase in Rent Allowances
Targeted Dwellings	78,910	78,910	78,910	Represents a realignment of homelessness costs (Temporary Accommodation) from the HRA to the General Fund
Benefits	300,000	30,000	0	Cost of Kendrick Ash contract
Revenues & Benefits	118,540	121,270	124,080	Review and restructure of Revenues and Benefits Managerial Support to facilitate the withdrawal of Kendrick ash
Benefits	11,250	11,301	11,355	An extension of E Benefits, greater use of mobile technology for claims by visiting those less able to come to an office.
Benefits	6,000	6,200	6,400	Improved Support of the Take Up Campaign
Food Waste	0	260,000	260,000	Costs of Food waste
Total Essential Growth/Savings	914,286	1,061,456	1,139,483	
TOTAL ESSENTIAL GROWTH/SAVINGS	914,286	1,061,456	1,139,483	
TOTAL GROWTH BUDGET	914,286	1,061,456	1,139,483	

CONTINUATION BUDGET Including Growth	17,256,304	18,625,745	19,994,313	
OPTIONS BUDGET				
INCOME	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Recycling	(200,000)	(200,000)	(200,000)	Income generation through sale of Recycled materials.
TOTAL INCOME	(200,000)	(200,000)	(200,000)	
BUDGET BEFORE SAVINGS AND GROWTH	17,056,304	18,425,745	19,794,313	

Key Issues in Medium Term Financial Planning 2008-11 and Onwards

Ref	Issue	National Issues/Implications	Effect on Northampton Borough Council
1	Continuous improvement	Part of CPA/CAA Framework	Service planning to produce improvements, issue of better measurement. CPA/CAA
2	Medium Term Planning	National push for better planning	Continued development, especially integration of policies, performance, and cost.
3	Growth	Plans for the MKSM area for the future. Require national resolution and funding.	Costs exceed resources. Need to link in with regional and national efforts.
4	Decent Homes Standard	Government target to meet the decent homes standard by 2010	Pressure to fund the programme to meet the Government target
5	Change to CAA	Significant change in criteria, especially use of resources	Criteria tougher and more wide reaching than CPA, including asset management and environment KLoEs
6	Efficiency	More demanding targets from 2008/09. Efficiency savings need to be acted on quickly and embedded.	Monitor and drive the achievement of efficiency savings Encourage more efficient ways of working and procuring goods and services

7	Formula Grant	3 year settlement particularly poor for districts, with ongoing financial implications for both services and council tax levels	Funding allocations, formula and population projection method disadvantages NBC. Need to participate at a county, regional, and national level to make our case.
8	Asset Management Improvements	Ties in with the new CAA proposals for Use of Resources and to ensure best Value for Money	Improvements to planning and management of the Council's assets (property and non-property)
9	Asset Disposals	Ties in with the new CAA proposals for Use of Resources	Planned capital receipts from the sale of the council's assets to be closely managed and monitored.
10	Planning of budgets to match Council's projected funding		Through the medium term planning process the authority must examine its net expenditure to meet the limitations of its funding.
11	LABGI	National amount reduced to £150m over three years compared to over £1bn in the previous three years	Also uncertainty as the method of distribution is to change.
12	Equal Pay and Single Status	National drive for equal pay in local Government	Impact currently being assessed – negotiations ongoing. Pay and Grading work
13	Risks and Reserves		See annex I
14	Concessionary Fares	New National Scheme	Uncertain as yet what the impact will be in terms of take up and related cost.

Statement of the Chief Finance Officer Under the Requirements of Section 25 of the Local Government Act 2003

Robustness of Budget Estimates and Adequacy of Reserves

1. Introduction

- 1.1 This annex focuses on two responsibilities of the Council's Chief Financial Officer under the Local Government Act 2003, which are:
- a) the robustness of the estimates
 - b) the adequacy of the reserves
- 1.2 This document updates the information provided to the Overview and Scrutiny Committees, and will be updated again for the Council meeting on 28 February 2008 if necessary.

2. Processes

- 2.1 Budget estimates are an assessment of future expenditure and income at a point in time. This statement on the robustness of the estimates gives members a reasonable degree of confidence that the budget has been based on the best available information and assumptions at the time it was built. It cannot, however, give any guarantees about the budget.
- 2.2 In order to meet the requirement on the robustness of estimates, the budget process incorporated a number of key elements, including:
- a) Issuing clear guidance to service accountants and budget managers
 - b) Peer review by finance staff involved in preparing the Continuation Budget
 - c) A medium term planning process that highlights priority services and identifies efficiency savings
 - d) Challenge of the budget by Management Board and Cabinet members
 - e) The Chief Finance Officer providing advice throughout the process on robustness, including vacancy factors, avoiding unallocated savings, reflecting current demand and service standards (unless standards and/or eligibility are to be changed through policy changes).
 - f) Scrutiny of the robustness of estimates by the Overview and Scrutiny Committees.

- 2.3 In addition to these arrangements, which aim to test the budget throughout the various stages of its development, considerable reliance is placed on Directors and Corporate Managers having proper arrangements in place to identify issues, project demand data, and consider value for money and efficiency.

3. Robustness of Estimates

General Fund Budget

- 3.1 In addition to improving efficiency, the Council has two choices:
- a) To increase financial resources to meet demand and thereby reduce the risk of overspending in 2008/09; or
 - b) To reduce (where possible) service levels and standards, frequency of service delivery, eligibility for services and thereby reduce the risk of overspending in 2008/09
- 3.2 As part of developing the budget, members of the administration have considered these options and the outcomes of these deliberations are reflected in the budget proposed.
- 3.3 The factors taken into account in developing the draft budget are shown in the tables below.

Table 1 – Robustness of Estimates – Governance & Improvement

Budget Assumption	Commentary on Robustness
The treatment of inflation and interest rates	<p>2.5% has been provided in the 2008/09 budget for the pay award, and also for the 2009/10 and 2010/11 pay awards.</p> <p>A vacancy factor of 2.5% has been built into the budgets for all 3 years, which should be achieved 'naturally'.</p>
The treatment of demand led pressures	<p>All Corporate Managers have reviewed their base budgets, including demand led pressures. Directorates are expected to put forward management and policy actions to manage additional demand within the relevant legislation either within the relevant budget or by reprioritising the Directorate budgets.</p> <p>The budgets for demand led services in the Governance and Improvement Directorate were calculated using previous trends and future forecasts of the volatility of expenditure demands and income streams.</p> <p>Among other items, specific pressures have been identified in relation to the LAA Children and Young People's Partnership Board, which was previously funded by a grant that will be discontinued in 2008/09; the costs of changes relating to NNDR payable by the Council, and pension strain costs which will generate efficiency savings in future years.</p>

<p>The treatment of efficiency savings/productivity gains.</p>	<p>All Directors and Corporate Managers have a responsibility to ensure the efficient delivery of services, and when efficiency savings are proposed that those savings are realistic in terms of both the level of savings and the timing.</p> <p>The Governance and Improvement Directorate has reviewed its services to establish whether services can be delivered more efficiently. Savings have been identified through negotiation of new contracts and changes in working practices. In addition, efficiencies have been identified through a review of the supplies and services budgets</p>
<p>Financial Risks inherent in any significant partnerships, major outsourcing or major capital developments</p>	<p>The Directorate will manage financial risks through consistent monitoring of the revenue budget and capital programme, and by identifying and implementing management actions should any overspends arise.</p>
<p>The availability of other funds to deal with major contingencies.</p>	<p>There are no contingency funds specifically available to this Directorate other than the emergency earmarked reserve for urgent building repair and maintenance. The Directorate will continue to undertake in-year monitoring of volatile budgets and produce a managed response to budget pressures.</p>
<p>The Directorate's track record in budget and financial management.</p>	<p>The Governance and Improvement Directorate's recent track record of budget and financial management is that as at month 10 the Directorate is forecasting an underspend of £215k for 2007/08.</p>
<p>The Directorate's capacity to manage in-year budget pressures</p>	<p>The Governance and Improvement Directorate undertakes regular monthly monitoring to promptly identify budget pressures and savings. It has the ability to develop and monitor action plans and implement solutions to address such pressures as necessary.</p>

Table 2 – Robustness of Estimates – Customers & Service Delivery

Budget Assumption	Commentary on Robustness
The treatment of inflation and interest rates	<p>2.5% has been provided in the 2008/09 budget for the pay award, and also for the 2009/10 and 2010/11 pay awards.</p> <p>A vacancy factor of 2.5% has been built into the budgets for all 3 years, which should be achieved 'naturally'.</p>
The treatment of demand led pressures	<p>All Corporate Managers have reviewed their base budgets, including demand led pressures. Directorates are expected to put forward management and policy actions to manage additional demand within the relevant legislation either within the relevant budget or by reprioritising the Directorate budgets.</p> <p>The budgets for demand led services in the Customers & Service Delivery Directorate have been calculated using previous trends and future forecasts of the volatility of expenditure demands and income streams.</p> <p>Specific demand led pressures have been identified including:</p> <p>The growth in housing in the borough is predicted to lead to additional street cleansing costs will be incurred from 2009/10 as the number of people, properties and streets increases.</p> <p>Budget reviews have taken place during 2007/08 specifically relating to high-risk areas such as construction services, parking, and the balloon festival. These are reflected in demand led pressures, and the volatility of these areas is recognised in the risk assessment of reserves.</p> <p>In addition, a number of pressures (mainly relating to the Kendrick Ash contract) in Revenues and Benefits are offset by revised benefit and subsidy projections.</p>

<p>The treatment of efficiency savings/productivity gains.</p>	<p>All Directors and Corporate Managers have a responsibility to ensure the efficient delivery of services, and when efficiency savings are proposed that those savings are realistic in terms of both the level and timing of savings.</p> <p>The Customers & Service Delivery Directorate has reviewed its services to establish whether they can be delivered more efficiently. Savings have been identified through changes in working practices, e-benefits, and restructuring. In addition, efficiencies have been identified through a review of the supplies and services budgets.</p>
<p>Financial Risks inherent in any significant partnerships, major outsourcing or major capital developments</p>	<p>The Directorate will manage existing financial risks through consistent, evidenced monitoring of the revenue budget and capital programme and by identifying, implementing, and monitoring management actions should any overspends arise.</p>
<p>The availability of other funds to deal with major contingencies.</p>	<p>There are contingency funds specifically available in relation to earmarked reserves for benefits claw back and subsidy equalisation only available to this Directorate.</p> <p>The Directorate will continue to monitor volatile budgets in year and produce a managed response to budget pressures.</p> <p>Steps have been taken to address the major issues that have been identified through the 2007/08 budget monitoring in the 2008/09 budget where appropriate.</p>

<p>The Directorate's track record in budget and financial management.</p>	<p>The Customers & Service Delivery Directorate's recent track record of budget and financial management is that as at month 10 the Directorate has a forecast overspend of £65k for 2007/08.</p> <p>This reflects the high risk and volatile budgets that are held within this Directorate and emphasises the importance of effective budget monitoring in this area.</p>
<p>The Directorate's capacity to manage in-year budget pressures</p>	<p>The Customers & Service Delivery Directorate undertakes regular monthly monitoring to promptly identify budget pressures and savings. It endeavours to develop and monitor action plans and implement solutions to address pressures as necessary.</p>

Table 3 – Robustness of Estimates – People, Planning & Regeneration

<p>Budget Assumption</p>	<p>Commentary on Robustness</p>
<p>The treatment of inflation and interest rates</p>	<p>2.5% has been provided in the 2008/09 budget for the pay award, and also for the 2009/10 and 2010/11 pay awards.</p> <p>A vacancy factor of 2.5% has been built into the budgets for all 3 years, which should be achieved 'naturally'.</p>
<p>The treatment of demand led pressures</p>	<p>All Corporate Managers have reviewed their base budgets, including demand led pressures. Directorates are expected to put forward management and policy actions to manage additional demand within the relevant legislation either within the relevant budget or by reprioritising the Directorate budgets.</p>

	<p>The budgets for demand led services in the People, Planning & Regeneration Directorate have been calculated using previous trends and forecasts of the volatility of income streams and expenditure demands.</p> <p>Specific pressures that have been identified include:</p> <p>Concessionary fares – this is due to the changes to the national scheme as well as population growth.</p> <p>Costs relating to the Local Development Plan documentation and 2 ‘appropriate assessments’.</p>
<p>The treatment of efficiency savings/productivity gains.</p>	<p>All Directors and Corporate Managers have a responsibility to ensure the efficient delivery of services, and when efficiency savings are proposed that those savings are realistic in terms of both the level of savings and the timing.</p> <p>The People, Planning & Regeneration Directorate has reviewed its services to establish whether services can be delivered more efficiently. Savings have been identified through changes in working practices so that recruitment costs are funded through vacancy savings, and also through a review of the supplies and services budgets.</p>
<p>Financial Risks inherent in any significant partnerships, major outsourcing or major capital developments</p>	<p>The Directorate will manage existing financial risks through consistent monitoring of the revenue budget and capital programme and by identifying, implementing, and monitoring management actions should any overspends arise.</p>

<p>The availability of other funds to deal with major contingencies.</p>	<p>An earmarked reserve has been set up to recognise the risks around the future years concessionary fares and the, as yet, unknown impact of the Government's changes to the scheme.</p> <p>The Directorate will continue to monitor volatile budgets in year and produce a managed response to budget pressures.</p> <p>Steps have been taken to address the major issues that have been identified through the 2007/08 budget monitoring in the 2008/09 budget where appropriate.</p>
<p>The Directorate's track record in budget and financial management.</p>	<p>The People, Planning & Regeneration Directorate's recent track record of budget and financial management is that as at month 10 the Directorate is forecasting an overspend of £220k for 2007/08.</p>
<p>The Directorate's capacity to manage in-year budget pressures</p>	<p>The People, Planning & Regeneration Directorate undertakes regular monthly monitoring to promptly identify budget pressures and savings. It endeavours to develop and monitor appropriate action plans and implement solutions to address such pressures as necessary.</p>

Table 4 – Robustness of Estimates – Debt Financing

Budget Assumption	Commentary on Robustness
The treatment of inflation and interest rates	Based on the latest projections from the Council's Treasury advisors, Sector, an average interest rate of 5% has been assumed for 2008/09 on investments, with interest on borrowing budgeted at 4.5%.
Financial Risks inherent in any significant partnerships, major outsourcing or major capital developments	<p>This is a volatile budget and there are recognised risks to delivering this budget depending on the level of borrowing the authority needs to undertake to fund its capital programme and the interest rates available for both borrowing and investment.</p> <p>The Directorate will manage existing financial risks through consistent monitoring of the revenue budget and by identifying, implementing, and monitoring management actions should any overspends arise.</p>
The availability of other funds to deal with major contingencies.	<p>There are no specific contingencies for debt financing, however the volatility of the elements that constitute this budget has been recognised in the risk assessment of general reserves.</p> <p>The Directorate will continue to monitor this volatile budget in year and produce a managed response to budget pressures.</p>
The Directorate's track record in budget and financial management.	The Debt Financing area's recent track record of budget and financial management is that as at month 10 the Directorate is forecasting an underspend of £500k for 2007/08 due mainly to higher interest rates than budgeted and higher cash levels available for investment and more proactive use of investment vehicles such as bank and building society deposit and call accounts.

The Directorate's capacity to manage in-year budget pressures	Regular monthly monitoring is undertaken on the debt financing budget to promptly identify budget pressures and savings. The Directorate endeavours to develop and monitor appropriate action plans and implement solutions to address pressures as necessary.
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Table 5 – Robustness of Estimates – HRA

Budget Assumption	Commentary on Robustness
The treatment of inflation and interest rates	2.5% has been provided in the 2008/09 budget for the pay award, and also for the 2009/10 and 2010/11 pay awards.
The treatment of demand led pressures	<p>All Corporate Managers have reviewed their base budgets, including demand led pressures. Directorates are expected to put forward management and policy actions to manage additional demand within the relevant legislation either within the relevant budget or by reprioritising the Directorate budgets.</p> <p>The budgets for demand led services in the HRA were calculated using previous trends and future forecasts of the volatility of expenditure demands and income streams.</p> <p>Among other items, specific pressures have been identified in relation to the cost of HRA subsidy, rent pressures through the rent restructuring process and repairs costs through the pressure to meet and maintain the decent homes standard.</p>

<p>The treatment of efficiency savings/productivity gains.</p>	<p>All Directors and Corporate Managers have a responsibility to ensure the efficient delivery of services, and when efficiency savings are proposed that those savings are realistic in terms of both the level of savings and the timing.</p> <p>The HRA services have been reviewed to establish whether services can be delivered more efficiently.</p>
<p>Financial Risks inherent in any significant partnerships, major outsourcing or major capital developments</p>	<p>The Directorate will manage financial risks through consistent monitoring of the revenue budget and capital programme, and by identifying and implementing management actions should any overspends arise.</p>
<p>The availability of other funds to deal with major contingencies.</p>	<p>There are no contingency funds specifically available to the HRA.</p> <p>The HRA will continue to undertake in-year monitoring of volatile budgets and produce a managed response to budget pressures.</p>
<p>The Directorate's track record in budget and financial management.</p>	<p>The HRA's recent track record of budget and financial management is that as at month 10 the HRA is forecasting an underspend of £63k for 2007/08.</p>
<p>The Directorate's capacity to manage in-year budget pressures</p>	<p>The HRA undertakes regular monthly monitoring to promptly identify budget pressures and savings. It has the ability to develop and monitor action plans and implement solutions to address such pressures as necessary.</p>

3.4 Overall the Chief Finance Officer considers the estimates to be robust within the assumptions that have been made.

3.5 The assumptions and potential changing circumstances mean that forecasts for future years need to be reviewed each financial year.

4 Capital Budget

- 4.1 Directorate project managers put forward project bids for the capital programme with full adherence to the corporate capital project appraisal procedures and Financial Regulations.
- 4.2 The appropriate Corporate Director and Cabinet Member(s) have been consulted and the proposed programme is fully funded.
- 4.3 Projects have been costed at current year prices with many being subject to tender processes after inclusion in the programme, which may lead to variances in the final cost.
- 4.4 The Council has to work within a fixed cash envelope, so any under provision must be found from within these limits.
- 4.5 The risk of the Council being unable to finance variations to the programme is considered to be low due to the phasing of projects. If necessary the Council may freeze parts of the programme within the financial year (where permitted under contractual obligations) to ensure that spend is kept within the agreed limits.
- 4.6 The main risk in the capital programme is delivery of the projects to time. Slippage from one year to the next can increase pressure on the programme in the following year.
- 4.7 For 2008/09 a new capital reserve of £0.5m is to be set up from capital receipts (receipts generated from General Fund asset sales during 2008/09) for the prudent management of the Council's financial position. This reserve will be built up to a level of £1m over the medium term.

5 Adequacy of Reserves

- 5.1 The Secretary of State has reserve powers under the Local Government Act 2003 to set a minimum level of reserves. It is more likely that this power would be exercised where an authority is running down its reserves against the advice of the Chief Financial Officer.
- 5.2 There is no precise methodology for calculating the adequacy of reserves. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council, unless contributions are made from the revenue budget. The minimum level of balances cannot be judged merely against the current risks facing the Council, but must be regularly updated as these risks can and will change over time.
- 5.3 An appropriate level of reserves is determined by a professional judgement based on local circumstances including overall budget value, risks and robustness of budgets, major initiatives being undertaken, budget assumptions, available earmarked reserves and provisions, and the Council's historic record of effective budget management.

- 5.4 Not keeping a minimum prudent level of reserves can have serious consequences. In the event of a major problem or series of adverse events, the authority could be forced to cut spending on other areas during the year in a potentially damaging and arbitrary way.
- 5.5 The Chief Financial Officer has developed a risk management approach to the level of reserves and determined that the minimum level for 2008/09 is £2.75m, rising to £3m by the end of 20010/11.
- 5.6 In arriving at the recommendation on the minimum prudent level of reserves strategic, operational, and financial risks have been taken into account, as has the robustness of estimates information (above).
- 5.7 Issues taken into account include:
- a) There is always some degree of uncertainty over whether the full effects of any efficiency measures/increased income will be achieved. Corporate managers have been asked to be prudent in their assumptions, particularly in relation to demand led budgets.
 - b) The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The local authority is able to claim assistance with the cost of dealing with an emergency over and above a threshold set by Government. The assistance is usually 85% of eligible costs over the threshold. The scheme applies to any incident where conditions occur that are clearly exceptional by local standards and the damage to local authority infrastructure or communities must be exceptional in relation to normal experience. In the first instance these costs would be met from reserves.
 - c) The risk of major litigation.
 - d) Unplanned volume increases in major demand led budgets, particularly in the context of a growing town.
 - e) Potential short term differences between the Council's Insurance Reserve and outstanding liabilities, although these should be remedied by the following financial year.
 - f) The need to retain a general contingency to provide for any unforeseen circumstances which may arise.
 - g) The need to retain reserves for general day to day cash flow management.

5.8 The Chief Financial Officer therefore recommends

- a) that a minimum prudent level of reserves be set at £2.75m for 2008/09 rising to £3m by the end of 2010/11, to be reviewed at least annually. This minimum level is designed to cope with unpredictable circumstances, which cannot be addressed by management or policy action within the year.
- b) That it be noted that this does not represent a medium-long term safe level of reserves. The level can only accommodate the impact of significant events up to the level set, and would need to be replenished if one or more such events actually occur.

6 Earmarked Reserves

6.1 The table below shows the current forecast balance of all earmarked reserves held by the Council.

Reserve	Balance as at 31/03/2007	Additions to Reserves	Use of/ Reductions to Reserves	Forecast Balances as at 31/03/2008
	£000s	£000s	£000s	£000s
Insurance	1,222	0	0	1,222
Benefits Clawback	1,300	0	-805	495
Subsidy Equalisation	550	500	-550	500
Core Business Systems	500	0	0	500
Building Maintenance	676	0	-176	500
Corporate Initiatives	860	0	-758	102
Service Improvements	500	0	-313	187
General	235	750	-985	0
Arts	28	0	0	28
Concessionary Fares	0	510	0	510
HRA	3,000	0	0	3,000
	8,871	1,760	-3,587	7,044

7 Housing Revenue Account (HRA)

7.1 The opening balance for 2007/08 was £4.7m, and the closing balance is currently forecast to be £7.7m by the end of 2010/11.

Isabell Procter,
Chief Financial Officer

Assessment of Revenue General Fund Budget proposal to Corporate Plan Priorities

A total of £1.087m has been added to the budget for investment in priority services. The table below shows how that investment links to the council's priorities as set out in the Corporate Plan.

		2008/09	2009/10	2010/11	Description
		£	£	£	
Priority 1 – We will help our communities becomes safer, cleaner, greener					
1	Bus Station	10,000	0	0	Annual Deep clean of bus station
1	Carbon Management	41,500	41,500	41,500	This is the revenue cost of implementing the capital bid for the Carbon Management programme.
1	Environmental Protection	5,000	5,000	5,000	Costs of new legislation transferring responsibility for stray dogs to the authority
1	Food Waste	0	260,000	260,000	Costs of Food waste
	Total	56,500	306,500	306,500	
Priority 2 –We will improve housing and health to enhance the wellbeing of our communities					
2	Parks & Open Spaces	50,000	50,000	50,000	Partial Reinstatement Park Rangers Budget
2	Housing Strategy	34,289	35,514	36,505	Housing Green Paper requires greater involvement by local housing authorities in direct delivery of affordable housing. This represents 1 additional post.
	Total	84,289	85,514	86,505	

Priority 3 – We will be a well managed organization that puts our customers at the heart of what we do

3	Information Technology	36,000	46,000	58,000	IT Data Hardware Infrastructure
3	Information Technology	58,000	120,000	194,000	PC Replacement Programme (leasing Option)
3	Performance	43,000	43,000	43,000	BVPI Survey
3	Performance	15,000	15,000	15,000	Place Survey
	Total	152,000	224,000	310,000	

Priority 4 – We will promote economic development and growth in Northampton

4	Cultural Services	30,000	30,000	30,000	Reinstate Christmas Lights Budget
4	Public Conveniences	100,000	100,000	100,000	Invest in public conveniences across the town
4	RG02 - Economic Intelligence	40,000	0	0	Feasibility studies and match funding to enable substantial leverage of external funding
4	Regeneration	120,000	120,000	120,000	Create a Town Centre regeneration team to focus on key critical regeneration projects in the town centre.
4	Events	75,000	75,000	75,000	Subsidy for Balloon festival
4	Events	216,000	216,000	216,000	Remove income target for the Balloon festival to make it more realistic
	Total	581,000	541,000	541,000	

Priority 5 – We will strengthen our commitment to partnership working and engaging with our communities to deliver better outcomes

5	Improve Community engagement	40,000	40,000	40,000	Improve Community Engagement
5	Planning	122,565	331,991	630,121	Planning restructure and creation of Joint planning unit
5	Domestic Refuse	35,000	35,000	35,000	Contribution towards Northamptonshire Waste Partnership for cost of Executive officers £15k, Countywide education programme £10k and Development and Implementation of Waste strategy £10k
5	Multi-Agency Public Protection Arrangement	8,660	8,660	8,660	We have a responsibility to create a Multi-Agency Public Protection Arrangement to support organisations that have the statutory responsibility (police, prison and probation services). These partners are looking for increased contribution from the contributing partners to enable expansion to the support offered
5	Citizens Panel	7,000	7,000	7,000	Funding for a citizens panel to enable us to work closely with the citizens of Northampton
	Total	213,225	422,651	720,781	
	Grand Total	1,087,014	1,579,665	1,964,786	

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Waste Services						
Bulky Waste Collection	Up to three items	Non - S	8.51	10.00	8.51	10.00
Skip Hire	1 - 7 Day Hire					
	12 Yard Light materials/tree cuttings	Non - S	149.12	175.22	149.12	175.22
	10 Yard Light materials/tree cuttings	Non - S	139.73	164.18	139.73	164.18
	8 Yard Soil or Bricks	Non - S	182.17	214.05	182.17	214.05
	6 Yard Soil or Bricks	Non - S	173.50	203.86	173.50	203.86
	4 Yard Soil or Bricks	Non - S	105.80	124.32	105.80	124.32
	2 Yard Soil or Bricks	Non - S	75.36	88.55	75.36	88.55
	8 Yard Mixed Materials	Non - S	234.65	275.71	234.65	275.71
	6 Yard Mixed Materials	Non - S	211.43	248.43	211.43	248.43
	4 Yard Mixed Materials	Non - S	142.42	167.34	142.42	167.34
	2 Yard Mixed Materials	Non - S	111.65	131.19	111.65	131.19
Asbestos Skip	10 Yard Covered	Non - S	295.67	347.41	295.67	347.41
Trade Sacks	per 100	Non - S	108.40	149.46	108.40	149.46
	per 75	Non - S	81.30	112.10	81.30	112.10
	per 50	Non - S	54.20	74.73	54.20	74.73
	per 25	Non - S	27.10	36.54	27.10	36.54
Domestic Sacks	per 25	Non - S	0.97	1.14	0.97	1.14
	per 93	Non - S	3.85	4.52	3.85	4.52

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Car Parks	Up to 1 hour - Premium	Non - S	0.68	0.80	0.68	0.80
	Up to 1 hour	Non - S	0.51	0.60	0.51	0.60
	Up to 2 hours - Premium	Non - S	1.36	1.60	1.36	1.60
	Up to 2 hours	Non - S	1.02	1.20	1.02	1.20
	Up to 3 hours - Premium	Non - S	2.04	2.40	2.04	2.40
	Up to 3 hours	Non - S	1.53	1.80	1.53	1.80
	Up to 4 hours - Premium	Non - S	2.72	3.20	2.72	3.20
	Up to 4 hours	Non - S	2.04	2.40	2.04	2.40
	Up to 5 hours - Premium	Non - S	3.40	4.00	3.40	4.00
	Up to 5 hours	Non - S	2.55	3.00	2.55	3.00
	All Day - Premium	Non - S	5.96	7.00	5.96	7.00
	All Day	Non - S	4.26	5.00	4.26	5.00
	Evening - Premium	Non - S	0.68	0.80	0.68	0.80
	Evening	Non - S	2.13	2.50	2.13	2.50
	Overnight - Premium	Non - S	0.68	* Free	0.68	* Free
Overnight	Non - S	0.68	* Free	0.68	* Free	
Sunday	Non - S	0.68	0.80	0.68	0.80	
Coaches - Premium	Non - S	6.81	-	6.81	-	
Coaches	Non - S	6.81	8.00	6.81	8.00	
* Selected Car Parks						

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009		2007/2008	
			Value Excl VAT £	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £
Season Tickets	Monthly - 5 day - Premium Car Parks	Non - S	97.87	115.00	97.87	115.00
	Monthly - 6 day - Premium Car Parks	Non - S	106.38	125.00	106.38	125.00
	Monthly - 7 day - Premium Car Parks	Non - S	114.89	135.00	114.89	135.00
	Monthly - 5 day - Standard Car Parks	Non - S	80.85	95.00	80.85	95.00
	Monthly - 6 day - Standard Car Parks	Non - S	89.36	105.00	89.36	105.00
	Monthly - 7 day - Standard Car Parks	Non - S	97.87	115.00	97.87	115.00
	Annual - 5 day - Premium Car Parks	Non - S	1,174.47	1,380.00	1,174.47	1,380.00
	Annual - 6 day - Premium Car Parks	Non - S	1,276.60	1,500.00	1,276.60	1,500.00
	Annual - 7 day - Premium Car Parks	Non - S	1,378.72	1,620.00	1,378.72	1,620.00
	Annual - 5 day - Standard Car Parks	Non - S	970.21	1,140.00	970.21	1,140.00
Annual - 6 day - Standard Car Parks	Non - S	1,072.34	1,260.00	1,072.34	1,260.00	
Annual - 7 day - Standard Car Parks	Non - S	1,174.47	1,380.00	1,174.47	1,380.00	
Permits	Town Centre Annual Parking Permits	Non - S	42.55	50.00	42.55	50.00

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009	Value Incl VAT £	Value Excl VAT £	2007/2008	Value Incl VAT £
			Value Excl VAT £			Value Excl VAT £	
Cemetery	Grant of Right Adult Grave for 1 - 5'6" Adult Grave for 2 - 6'6" Adult Grave for 3 - 7'6" Child Cremated Remains Interment Fee Mon - Friday Grave depth 7'6" Grave depth 6'6" Grave depth 5'6" Child up to 12 Years Cremated Remains Scattering of Ashes Mausoleum	Non - S	352.00	352.00	352.00	352.00	352.00
		Non - S	407.00	407.00	407.00	407.00	407.00
		Non - S	462.00	462.00	462.00	462.00	462.00
		Non - S	70.00	70.00	70.00	70.00	70.00
		Non - S	132.00	132.00	132.00	132.00	132.00
		Non - S	440.00	440.00	440.00	440.00	440.00
		Non - S	385.00	385.00	385.00	385.00	385.00
		Non - S	352.00	352.00	352.00	352.00	352.00
		Non - S	55.00	55.00	55.00	55.00	55.00
		Non - S	132.00	132.00	132.00	132.00	132.00
Vault	Grant of Right and First Interment Second Interment	Non - S	704.00	704.00	704.00	704.00	704.00
		Non - S	330.00	330.00	330.00	330.00	330.00
		Non - S	3212.00	3212.00	3212.00	3212.00	3212.00

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009		2007/2008	
			Value Excl VAT £	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £
Memorial Erection Rights	Headstone - Adult	Non - S	94.00	94.00	94.00	94.00
	Headstone - Child	Non - S	24.00	24.00	24.00	24.00
Kerb Sets	Vase - Plain	Non - S	Free	Free	Free	Free
	Vase - Inscribed	Non - S	44.00	44.00	44.00	44.00
Kerb Sets	Kerb only	Non - S	143.00	143.00	143.00	143.00
	Kerb and Headstone	Non - S	237.00	237.00	237.00	237.00
	Memorial Tablet	Non - S	44.00	44.00	44.00	44.00
	Additional Inscription	Non - S	33.00	33.00	33.00	33.00
	Grave Number Marker	Non - S	14.00	14.00	14.00	14.00
	Use of Chapel	Non - S	55.00	55.00	55.00	55.00
Search Fee (inc VAT) - Full search	Use of Chapel - Winter fuel charge	Non - S	6.00	6.00	6.00	6.00
	Search Fee (inc VAT) - Medium search	Non - S	17.02	20.00	17.02	20.00
Search Fee (inc VAT) - Full search	Search Fee (inc VAT) - Full search	Non - S	46.81	55.00	46.81	55.00

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Planning						
New Dwellings						
Outline	Site does not exceed 2.5 Hectares up to a maximum £5,625	S	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare
	Site exceeds 2.5 Hectares £5,625 and additional £80 per 0.1 Hectares to a maximum £25,000	S	£80 per 0.2 hectares	£80 per 0.2 hectares	£80 per 0.2 hectares	£80 per 0.2 hectares
Others	number of dwellings created is 50 or fewer up to a maximum £13,250	S	£265 per dwelling	£265 per dwelling	£265 per dwelling	£265 per dwelling
	number of dwellings exceeds 50 £13,250 plus additional £80 dwelling to a maximum £50,000	S	£80 per dwelling	£80 per dwelling	£80 per dwelling	£80 per dwelling
New Buildings or extensions (except dwellings, agricultural buildings or plant)						
Outline	Site does not exceed 2.5 Hectares up to a maximum £5,625	S	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare
	Site exceeds 2.5 Hectares £5,625 and additional £80 per 0.1 Hectares to a maximum £25,000	S	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares
Others	where no floor area is created	S	£135	£135	£135	£135
	where gross floor area created is below 40 square m	S	£135	£135	£135	£135
	where gross floor area is between 40 & 75 square m	S	£265	£265	£265	£265
	where gross floor area exceeds 75 square m < 3750 square m up to £13,250.00	S	£265 per 75 square m	£265 per 75 square m	£265 per 75 square m	£265 per 75 square m
	where gross floor area exceeds 3750 square m to a maximum £13250 plus £80 for each additional 75 square m to a maximum £50,000	S	£80 per 75 square m	£80 per 75 square m	£80 per 75 square m	£80 per 75 square m

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Agricultural buildings on agricultural land (other than glasshouses)						
Outline	Site does not exceed 2.5 Hectares up to a maximum £6,625 Site exceeds 2.5 Hectares £6,625 & additional £80 per 0.1 hectares to a max £25,000	S	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare
Others	where gross floor area is less than 465 square m	S	£50	£50	£50	£50
	where floor area is between 465 & 540 square m where floor area exceeds 540 square m < 4215 square m to a max £13,250 £265 for the first 540 square m & £265 for each additional square m	S	£265 £265 per 75 square m	£265 £265 per 75 square m	£265 £265 per 75 square m	£265 £265 per 75 square m
Glasshouses on agricultural land	where floor area exceeds 4215 square m £13250 plus £80 for each additional 75 square m up to a maximum £50,000	S	£80 per 75 square m	£80 per 75 square m	£80 per 75 square m	£80 per 75 square m
	up to 465 square m exceeding 465 square m	S	£50 £1,495	£50 £1,495	£50 £1,495	£50 £1,495
Erection alteration or replacement of plant or machinery	Site does not exceed 5 Hectares, £265 for each 0.1 Hectare up to a maximum £13,250	S	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare
	Site exceeds 5 Hectares £13,250 plus £80 per 0.1 Hectares to a maximum £50,000					
Extensions or alterations to existing dwellings	one dwelling	S	£135	£135	£135	£135
	two or more dwellings	S	£265	£265	£265	£265
Operations within the curtilage of a dwelling house for domestic purposes (including gates , fences etc) Car parks , roads and access to serve existing single undertaking)		S	£135	£135	£135	£135
		S	£135	£135	£135	£135

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Operations connected with exploratory drilling for oil or gas	Site does not exceed 7.5 Hectares £265 for each 0.1 Hectare to a maximum £19,875	S	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare	£265 per 0.1 hectare
	Site exceeds 7.5 Hectares £19,875 plus £80 for each 0.1 Hectare to a max £50,000	S	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares
Operations not within above categories	In cases of operations for the mining and working of minerals	S	£135 per 0.1 hectare	£135 per 0.1 hectare	£135 per 0.1 hectare	£135 per 0.1 hectare
		S	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares
USES	Any other case up to a maximum £1,350	S	£135 per 0.1 hectare	£135 per 0.1 hectare	£135 per 0.1 hectare	£135 per 0.1 hectare
		S	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares
Change of use of a building	from a single dwellinghouse to use as a two or more single dwelling houses	S	£265 per additional	£265 per additional	£265 per additional	£265 per additional
		S	£80 per additional	£80 per additional	£80 per additional	£80 per additional
		S	50,000.00	50,000.00	50,000.00	50,000.00
		S	£265 per additional	£265 per additional	£265 per additional	£265 per additional
Change of use of use is 50 dwelling houses or less up to a maximum £13,250	where change of use exceeds 50 dwelling houses £13,250 plus £80 for each additional dwelling house up to a maximum £50,000	S	£265 per additional	£265 per additional	£265 per additional	£265 per additional
		S	£80 per additional	£80 per additional	£80 per additional	£80 per additional
In all other cases	where change of use is 50 dwelling houses or less up to a maximum £13,250	S	£265 per additional	£265 per additional	£265 per additional	£265 per additional
		S	£80 per additional	£80 per additional	£80 per additional	£80 per additional
Change of use of use exceeds 50 dwelling houses £13,250 plus £80 for each additional dwelling house up to a maximum £50,000	where change of use exceeds 50 dwelling houses £13,250 plus £80 for each additional dwelling house up to a maximum £50,000	S	£265 per additional	£265 per additional	£265 per additional	£265 per additional
		S	£80 per additional	£80 per additional	£80 per additional	£80 per additional

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Use for disposal of refuse or waste materials and open mineral storage	Site area does not exceed 15 Hectares, £135 for each 0.1 Hectare up to a max £20,250	S	£135 per 0.1 hectare	£135 per 0.1 hectare	£135 per 0.1 hectare	£135 per 0.1 hectare
	Site exceeds 15 Hectares £20,250 plus £80 for each additional 0.1 Hectare up to a max £50,000	S	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares	£80 per 0.1 hectares
Material change of use other than above		S	265.00	265.00	265.00	265.00
ADVERTISEMENT						
Advertisement relating to business on the premises		S	75.00	75.00	75.00	75.00
Advance directional signs		S	75.00	75.00	75.00	75.00
All other advertisements		S	265.00	265.00	265.00	265.00

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
DETERMINATIONS						
Whether the prior approval of the Council is required for						
	Agricultural / forestry buildings or private ways	S	50.00	50.00	50.00	50.00
	Demolition of building only (where no other development is taking place)	S	50.00	50.00	50.00	50.00
	Installation of a radio mast, radio equipment, housing or public callbox)	S	265.00	265.00	265.00	265.00
OTHER PERMISSION						
Variation of conditions and renewals						
	Variation of any condition on an unexpired planning permission	S	135.00	135.00	135.00	135.00
	Renewal of an unexpired planning permission	S	135.00	135.00	135.00	135.00
Lawful development certificates						
	Existing use or operational development - same as equivalent planning application	S				
	Proposed use or operational development - half the equivalent planning application	S				

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £	
Licensing Fees Gambling Act 2005 New Application	Existing Casino	S	N/A	N/A	N/A	N/A	
	New Small Casino	S	7,200.00	7,200.00	7,200.00	7,200.00	
	New Large Casino	S	9,000.00	9,000.00	9,000.00	9,000.00	
	Regional Casino	S	13,500.00	13,500.00	13,500.00	13,500.00	
	Bingo Club	S	3,150.00	3,150.00	3,150.00	3,150.00	
	Betting Premises	S	2,700.00	2,700.00	2,700.00	2,700.00	
	Tracks	S	2,250.00	2,250.00	2,250.00	2,250.00	
	Family Entertainment Centre	S	1,800.00	1,800.00	1,800.00	1,800.00	
	Adult Gaming Centre	S	1,800.00	1,800.00	1,800.00	1,800.00	
	Apply to Vary	Existing Casino	S	1,800.00	1,800.00	1,800.00	1,800.00
		New Small Casino	S	3,600.00	3,600.00	3,600.00	3,600.00
		New Large Casino	S	4,500.00	4,500.00	4,500.00	4,500.00
		Regional Casino	S	6,750.00	6,750.00	6,750.00	6,750.00
		Bingo Club	S	1,575.00	1,575.00	1,575.00	1,575.00
Betting Premises		S	1,350.00	1,350.00	1,350.00	1,350.00	
Tracks		S	1,125.00	1,125.00	1,125.00	1,125.00	
Family Entertainment Centre		S	900.00	900.00	900.00	900.00	
Adult Gaming Centre		S	900.00	900.00	900.00	900.00	
Apply to Transfer		Existing Casino	S	1,215.00	1,215.00	1,215.00	1,215.00
	New Small Casino	S	1,620.00	1,620.00	1,620.00	1,620.00	
	New Large Casino	S	1,935.00	1,935.00	1,935.00	1,935.00	
	Regional Casino	S	5,850.00	5,850.00	5,850.00	5,850.00	
	Bingo Club	S	1,080.00	1,080.00	1,080.00	1,080.00	
	Betting Premises	S	1,080.00	1,080.00	1,080.00	1,080.00	
	Tracks	S	855.00	855.00	855.00	855.00	
	Family Entertainment Centre	S	855.00	855.00	855.00	855.00	
	Adult Gaming Centre	S	1,080.00	1,080.00	1,080.00	1,080.00	

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Licensing Fees						
Gambling Act 2005						
Apply for Re-Instatement						
Existing Casino		S	1,215.00	1,215.00	1,215.00	1,215.00
New Small Casino		S	1,620.00	1,620.00	1,620.00	1,620.00
New Large Casino		S	1,935.00	1,935.00	1,935.00	1,935.00
Regional Casino		S	5,850.00	5,850.00	5,850.00	5,850.00
Bingo Club		S	1,080.00	1,080.00	1,080.00	1,080.00
Betting Premises		S	1,080.00	1,080.00	1,080.00	1,080.00
Tracks		S	855.00	855.00	855.00	855.00
Family Entertainment Centre		S	855.00	855.00	855.00	855.00
Adult Gaming Centre		S	1,080.00	1,080.00	1,080.00	1,080.00
Copy Licence		S	20.00	20.00	20.00	20.00
Apply for Provisional Statement						
Existing Casino		S	N/a	N/a	N/a	N/a
New Small Casino		S	7,200.00	7,200.00	7,200.00	7,200.00
New Large Casino		S	9,000.00	9,000.00	9,000.00	9,000.00
Regional Casino		S	13,500.00	13,500.00	13,500.00	13,500.00
Bingo Club		S	3,150.00	3,150.00	3,150.00	3,150.00
Betting Premises		S	2,700.00	2,700.00	2,700.00	2,700.00
Tracks		S	2,250.00	2,250.00	2,250.00	2,250.00
Family Entertainment Centre		S	1,800.00	1,800.00	1,800.00	1,800.00
Adult Gaming Center		S	1,800.00	1,800.00	1,800.00	1,800.00
Full Licence Application - Provisional Statement						
Existing Casino		S	N/a	N/a	N/a	N/a
New Small Casino		S	2,700.00	2,700.00	2,700.00	2,700.00
New Large Casino		S	4,500.00	4,500.00	4,500.00	4,500.00
Regional Casino		S	7,200.00	7,200.00	7,200.00	7,200.00
Bingo Club		S	1,080.00	1,080.00	1,080.00	1,080.00
Betting Premises		S	1,080.00	1,080.00	1,080.00	1,080.00
Tracks		S	855.00	855.00	855.00	855.00
Family Entertainment Centre		S	855.00	855.00	855.00	855.00
Adult Gaming Center		S	1,080.00	1,080.00	1,080.00	1,080.00

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £	
Licensing Fees	Gambling Act 2005	Annual Fee	Existing Casino	2,720.00	2,720.00	2,720.00	2,720.00
			New Small Casino	4,530.00	4,530.00	4,530.00	4,530.00
			New Large Casino	9,060.00	9,060.00	9,060.00	9,060.00
			Regional Casino	13,590.00	13,590.00	13,590.00	13,590.00
			Bingo Club	910.00	910.00	910.00	910.00
			Betting Premises	540.00	540.00	540.00	540.00
			Tracks	910.00	910.00	910.00	910.00
			Family Entertainment Centre	680.00	680.00	680.00	680.00
			Adult Gaming Centre	910.00	910.00	910.00	910.00
			Existing Casino	45.00	45.00	45.00	45.00
			New Small Casino	45.00	45.00	45.00	45.00
			New Large Casino	45.00	45.00	45.00	45.00
			Regional Casino	45.00	45.00	45.00	45.00
Bingo Club	45.00	45.00	45.00	45.00			
Betting Premises	45.00	45.00	45.00	45.00			
Tracks	45.00	45.00	45.00	45.00			
Family Entertainment Centre	45.00	45.00	45.00	45.00			
Adult Gaming Center	20.00	20.00	20.00	20.00			
Notifications Section 34	50.00	50.00	50.00	50.00			
Machines New	100.00	100.00	100.00	100.00			
Club Permits Pt 2 & 3 New	100.00	100.00	100.00	100.00			
Notification of Change							

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009		2007/2008	
			Value Excl VAT £	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £
Licensing Act 2003						
Premises Grant & Variation						
	Band A Rateable Property	S	100.00	100.00	100.00	100.00
	Band B Rateable Property	S	190.00	190.00	190.00	190.00
	Band C Rateable Property	S	315.00	315.00	315.00	315.00
	Band D Rateable Property	S	450.00	450.00	450.00	450.00
	Band E Rateable Property	S	635.00	635.00	635.00	635.00
Annual Fees						
	Band A Rateable Property	S	70.00	70.00	70.00	70.00
	Band B Rateable Property	S	180.00	180.00	180.00	180.00
	Band C Rateable Property	S	295.00	295.00	295.00	295.00
	Band D Rateable Property	S	320.00	320.00	320.00	320.00
	Band E Rateable Property	S	350.00	350.00	350.00	350.00
	Personal (Grant or Renewal)	S	37.00	37.00	37.00	37.00
	Temporary Event Notice	S	21.00	21.00	21.00	21.00
	Theft, loss etc. of Premises Licence or Summary	S	10.50	10.50	10.50	10.50
	Provisional Statement	S	315.00	315.00	315.00	315.00
	Personal Notification of Change of Address	S	10.50	10.50	10.50	10.50
	Variation of Specified Person as Premises Supervisor	S	23.00	23.00	23.00	23.00
	Transfer of Premises Licence	S	23.00	23.00	23.00	23.00
	Interim Authority Notice	S	23.00	23.00	23.00	23.00
	Theft, loss etc. of Club Certificate	S	10.50	10.50	10.50	10.50
	Notification of Change of Name or Rules of a Club	S	10.50	10.50	10.50	10.50
	Change of Registered Address of a Club	S	10.50	10.50	10.50	10.50
	Theft, Loss of Temporary Event Notice	S	10.50	10.50	10.50	10.50
	Theft, Loss of Personal Licence	S	10.50	10.50	10.50	10.50
	Premises - Duty to Notify a Change of Address	S	10.50	10.50	10.50	10.50
	Right of Freeholder to be Notified	S	21.00	21.00	21.00	21.00

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £	
Hackney Carriage & Private Hire Fees	New Grant	Non - S	45.50	45.50	40.00	40.00	
	Annual Renewal	Non - S	45.50	45.50	40.00	40.00	
	Combined New Grant	Non - S	50.00	50.00	50.00	50.00	
	Annual Combined Renewal	Non - S	50.00	50.00	50.00	50.00	
	Driving Test Re Test	Non - S	25.00	25.00	25.00	25.00	
	Hackney Carriage Drivers Exam	Non - S	15.00	15.00	15.00	15.00	
	Replacement HC or PH Badge	Non - S	10.00	10.00	10.00	10.00	
	Replacement HC or PH Licence	Non - S	15.00	15.00	15.00	15.00	
	Vehicle Licence every 6 months	Non - S	85.00	85.00	75.00	75.00	
	Replacement Vehicle Plate	Non - S	10.00	10.00	10.00	10.00	
	Replacement Vehicle Licence	Non - S	15.00	15.00	15.00	15.00	
	Replacement Platform Plate	Non - S	10.00	10.00	10.00	10.00	
	Annual Private Hire Operators Licence	Non - S	200.00	200.00	200.00	200.00	
	Driver Induction Course	Non - S	350.00	350.00	N/A	N/A	
	Miscellaneous						
	Car Boot	Pitches 1 - 20 Registration Fee	Non - S	No Fee	No Fee	No Fee	No Fee
		Fee per Event	Non - S	No Fee	No Fee	No Fee	No Fee
Pitches 21 - 50 Registration Fee		Non - S	10.00	10.00	10.00	10.00	
Fee per Event		Non - S	10.00	10.00	10.00	10.00	
Sex Establishments	Pitches 51 - 75 Registration Fee	Non - S	20.00	20.00	20.00	20.00	
	Fee per Event	Non - S	15.00	15.00	15.00	15.00	
	Pitches 76 - 100 Registration Fee	Non - S	20.00	20.00	20.00	20.00	
	Fee per Event	Non - S	20.00	20.00	20.00	20.00	
Street Trading Consents	Per Year	Non - S	3,000.00	3,000.00	3,000.00	3,000.00	
	Fee per Day per Year (i.e Monday - Friday 5 Days x £100.00 + £500.00 per year)	Non - S	100.00	100.00	100.00	100.00	

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £	
Events - Balloon Festival							
Admission Prices							
Three Day Trade Event Pitches	Adults - per day	Non - S	4.00	4.00	4.00	4.00	
	Children - per day	Non - S	Free	Free	Free	Free	
Three Day Trade Event Pitches	Premier Site	6m x 6m	455.00	455.00	440.00	440.00	
		6m x 6m Corner	525.00	525.00	510.00	510.00	
		6m x 9m	635.00	635.00	620.00	620.00	
		6m x 9m Corner	760.00	760.00	755.00	755.00	
		Ground Site					
		3m x 3m	Non - S	150.00	150.00	n/a	n/a
		5m x 5m	Non - S	255.00	255.00	255.00	255.00
		5m x 5m Corner	Non - S	300.00	300.00	300.00	300.00
		6m x 6m	Non - S	360.00	360.00	360.00	360.00
		6m x 6m Corner	Non - S	430.00	430.00	430.00	430.00
6m x 9m	Non - S	510.00	510.00	510.00	510.00		
6m x 9m Corner	Non - S	640.00	640.00	640.00	640.00		

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £
			Value Excl VAT £			
Electricity Supply	Single 13 amp socket up to 3 Kw Double 13 amp socket up to 2 x 3 Kw 16 amp C form plug up to 3 Kw 32 amp C form plug up to 7 Kw Enclosed fluorescent light fitting	Non - S	120.00	120.00	120.00	120.00
		Non - S	175.00	175.00	175.00	175.00
		Non - S	140.00	140.00	140.00	140.00
		Non - S	200.00	200.00	200.00	200.00
		Non - S	100.00	100.00	100.00	100.00
Water Supply	To provide 15mm water supply & stand pipe	Non - S	125.00	125.00	125.00	125.00
Balloon Entry Fees	Category 1 Passenger Balloons Category 2 Commercial Balloons Category 3 Private Balloons	Non - S	225.00	225.00	225.00	225.00
		Non - S	115.00	115.00	115.00	115.00
		Non - S	Free	Free	Free	Free
		Non - S	Free	Free	Free	Free

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Community Centres						
Public Rate						
Mon - Friday	Main Hall - per hour	Non - S	4.25	4.25	4.25	4.25
	Activity Room - per hour	Non - S	2.75	2.75	2.75	2.75
	Committee Room (if applicable) - per hour	Non - S	2.75	2.75	2.75	2.75
Sat - Sun	Main Hall - per hour	Non - S	7.00	7.00	7.00	7.00
	Activity Room - per hour	Non - S	5.25	5.25	5.25	5.25
	Committee Room (if applicable) - per hour	Non - S	5.25	5.25	5.25	5.25
Commercial Rate						
Mon - Sunday	Main Hall - per hour	Non - S	18.00	18.00	18.00	18.00
	Activity Room - per hour	Non - S	9.00	9.00	9.00	9.00
	Committee Room (if applicable) - per hour	Non - S	9.00	9.00	9.00	9.00

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Community Centres						
Jumble Sales	Main Hall - per hour Activity Room - per hour	Non - S Non - S	7.00 7.00	7.00 7.00	7.00 7.00	7.00 7.00
Parties						
Under 13's						
before 7.30pm	Main Hall - per hour Activity Room - per hour	Non - S Non - S	7.00 7.00	7.00 7.00	7.00 7.00	7.00 7.00
after 7.30pm	Main Hall - per hour Activity Room - per hour	Non - S Non - S	18.00 18.00	18.00 18.00	18.00 18.00	18.00 18.00
Over 13's						
	Main Hall - per hour Activity Room - per hour	Non - S Non - S	18.00 18.00	18.00 18.00	18.00 18.00	18.00 18.00
Private Parties						
	Main Hall - per hour Activity Room - per hour	Non - S Non - S	18.00 9.00	18.00 9.00	18.00 9.00	18.00 9.00
* Community Centres exempt from VAT (with option to tax) except for Kingsthorpe Hall Community Centre which is standard rated.						

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Environmental Health						
Animal boarding establishment	Issue of annual licence	S	115.00	115.00	115.00	115.00
Dog breeding	Issue of new licence	S	105.00 + vet fee	105.00 + vet fee	105.00 + vet fee	105.00 + vet fee
	Licence renewal	S	105.00	105.00	105.00	105.00
	Licence to keep certain animals	S	230.00 +vet fee	230.00 +vet fee	230.00 +vet fee	230.00 +vet fee
Dangerous wild animal	Annual licence	Non - S	105.00	105.00	105.00	105.00
Pet shops	Annual licence	Non - S	80.00 +vet fee	80.00 +vet fee	80.00 +vet fee	80.00 +vet fee
Riding establishment	3 year registration	Non - S	75.00	75.00	75.00	75.00
Motor salvage operator	Registration - one off fee	Non - S	115.00	115.00	115.00	115.00
Tattooing, Ear piercing, Acupuncture, Electrolysis	No notice displayed - Fixed Penalty Notice reduced to £150 if paid in 14 days	Non - S	200.00	200.00	200.00	200.00
Smoke Free Areas	Maximum fine on conviction £1000	S				
	Smoke Free Areas - reduced to £30 if paid within 15 days					
	Maximum fine for managers of smoke free areas £2500					
	Maximum fine for managers of smoke free areas £2500					
Health Export Certificate	Within 3 working days of request	S	55.00	55.00	55.00	55.00
	Urgent rate	S	80.00	80.00	80.00	80.00
Stray dogs – collection and taking to kennels	Contaminated land etc	S	35.00 + 5.00 admin fee	35.00 + 5.00 admin fee	35.00 + 5.00 admin fee	35.00 + 5.00 admin fee
Environmental Searches	Hourly rate	Non - S	55.00	55.00	55.00	55.00
Consultancy	Up to 9 pages	Non - S	55.00	55.00	55.00	55.00
Statement and Legal Advice (Private Cases)	Additional pages	Non - S	160.00	160.00	160.00	160.00
	Works in default	Non - S	25.00	25.00	25.00	25.00
Drainage works	Burglar, car etc	Non - S	Cost of work + 35.00 admin	Cost of work + 35.00 admin	Cost of work + 35.00 admin	Cost of work + 35.00 admin
Silencing of alarms	Seizure and storage of noise equipment	Non - S	Cost of work + 35.00 admin	Cost of work + 35.00 admin	Cost of work + 35.00 admin	Cost of work + 35.00 admin
Domestic noise		Non - S	200.00 First 28 days	200.00 First 28 days	200.00 First 28 days	200.00 First 28 days
			1.00 / day after	1.00 / day after	1.00 / day after	1.00 / day after
WNDC consultancy	Hourly rate	Non - S	Team leader / manager 55.00	Team leader / manager 55.00	Team leader / manager 55.00	Team leader / manager 55.00
LA Environmental Regulations of Industrial Plant	LAPC / LAPPC / LA-IPPC application for permit / renewal	S	Set by DEFRA	Set by DEFRA	Set by DEFRA	Set by DEFRA
Animal Welfare Service	Attendance at evictions	Non - S	150.00	150.00	150.00	150.00
	Micro chipping	Non - S	20.00 at house	20.00 at house	20.00 at house	20.00 at house
			15.00 at event	15.00 at event	15.00 at event	15.00 at event
	Dog fouling (FPN)	S	50.00	50.00	50.00	50.00
	Dog control (FPN) new for CN & E Act	S	80.00	80.00	80.00	80.00
	Stray dogs – collection and taking to kennels	S	35.00	35.00	35.00	35.00
	Processing application & granting licence to high risk HMO's	S	Fee structure	Fee structure	Fee structure	Fee structure
HMO Licence	Request for letter confirming property is satisfactory for intended immigrant	Non - S	10.00	10.00	10.00	10.00
Student Accreditation	Changing for taking enforcement action including works in default	Non - S	100.00	100.00	100.00	100.00
Immigration	Free office viewing or internet (where applicable) – charge for copy	S	Cost of work + 35.00 admin	Cost of work + 35.00 admin	Cost of work + 35.00 admin	Cost of work + 35.00 admin
Housing Act - Enforcement	Copies of documents etc	Non - S	Food Register 200.00	Food Register 200.00	Food Register 200.00	Food Register 200.00
Viewing of Registers	First A4 sheet	Non - S	2.50	2.50	2.50	2.50
Photocopying and Printing	A3	Non - S	0.25	0.25	0.25	0.25
	Additional sheets	Non - S	3.00	3.00	3.00	3.00
	A3	Non - S	0.30	0.30	0.30	0.30
	Copying Statutory Notices	Non - S	20.00	20.00	20.00	20.00

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Parks	Football	Senior Pitch	19.32	22.70	19.32	22.70
		Junior Pitch	4.68	5.50	4.68	5.50
Rugby	Senior Pitch Junior Pitch Flags per match	Non - S	19.32	22.70	19.32	22.70
		Non - S	9.70	11.40	9.70	11.40
		Non - S	1.87	2.20	1.87	2.20
Hockey	Senior Pitch Junior Pitch	Non - S	19.32	22.70	19.32	22.70
		Non - S	9.70	11.40	9.70	11.40
Cricket	Winter changing facilities for the above Mon - Sat Sunday	Non - S	5.79	6.80	5.79	6.80
		Non - S	8.77	10.30	8.77	10.30
		Non - S	28.94	34.00	28.94	34.00
		Non - S	19.32	22.70	19.32	22.70
		Non - S	9.70	11.40	9.70	11.40
	Hire of Scorers Tent	Non - S	12.51	14.70	12.51	14.70

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Parks	Rink per person , per hour OAP's & Unemployed Matches - 3 rinks per hour Matches - 4 rinks per hour Matches - 5 rinks per hour Hire of Bowls per game Hire of Shoes per game	Non - S	1.45	1.70	1.45	1.70
		Non - S	0.98	1.15	0.98	1.15
		Non - S	14.47	17.00	14.47	17.00
		Non - S	19.32	22.70	19.32	22.70
		Non - S	24.17	28.40	24.17	28.40
		Non - S	0.43	0.50	0.43	0.50
		Non - S	0.30	0.35	0.30	0.35
		Non - S	2.89	3.40	2.89	3.40
		Non - S	4.94	5.80	4.94	5.80
		Non - S	1.45	1.70	1.45	1.70
Tennis	Per court per hour Per court per hour with floodlights Children per hour Junior School parties per hour	Non - S	2.89	3.40	2.89	3.40
		Non - S	4.94	5.80	4.94	5.80
		Non - S	1.45	1.70	1.45	1.70
Putting	Per round per player	Non - S	2.89	3.40	2.89	3.40
		Non - S	4.85	5.70	4.85	5.70
Summer changing facilities for the above		Non - S	8.77	10.30	8.77	10.30
Mon - Sat		Non - S				
Sunday		Non - S				

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Northampton Leisure Card	Standard Concession Family Card * Family Concession	Non - S Non - S Non - S Non - S	11.91 5.53 29.36 16.60	14.00 6.50 34.50 19.50	11.91 5.53 29.36 16.60	14.00 6.50 34.50 19.50
	* up to 5 members no more than two adults					
LINGS FORUM General Swim	Leisure Card Adults Concessions Junior Under 5 's Family Swim (2 Adults & 2 Children) Two month swim saver adult £50 concession (must purchase a leisure card) Non Leisure Card Adults Concessions Junior Under 5 's Family Swim (2 Adults & 2 Children)	Non - S Non - S Non - S Non - S Non - S Non - S Non - S Non - S Non - S Non - S	2.40 1.90 1.70 0.75 6.50	2.40 1.90 1.70 0.75 6.50	2.40 1.80 1.70 0.75 6.50	2.40 1.80 1.70 0.75 6.50

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Special Sessions	Leisure Card	Non - S	3.25	3.25	3.25	3.25
		Non - S	1.90	1.90	1.80	1.80
		Non - S	3.00	3.00	3.00	3.00
		Non - S	3.75	3.75	3.75	3.75
		Non - S	3.00	3.00	3.00	3.00
		Non - S	3.00	3.00	3.00	3.00
		Non - S	1.80	1.80	1.80	1.80
		Non - S	2.00	2.00	2.00	2.00
		Non - S	3.80	3.80	3.80	3.80
		Non - S	3.60	3.60	3.60	3.60
		Non - S	4.95	4.95	4.95	4.95
		Non - S	4.95	4.95	4.95	4.95
		Non - S	4.95	4.95	4.95	4.95
		Non - S	3.00	3.00	3.00	3.00
		Non - S	3.60	3.60	3.60	3.60
		Non - S	3.00	3.00	3.00	3.00
		Health Suite	Leisure Card	Non - S	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Non - S	3.00			3.00	3.00	3.00
Health Suite	Sauna	Non - S	3.23	3.80	3.23	3.80
		Non - S	2.04	2.40	2.04	2.40
		Non - S	2.38	2.80	2.38	2.80
		Non - S	2.04	2.40	2.04	2.40
		Non - S	2.72	3.20	2.47	2.90
		Non - S	5.11	6.00	4.77	5.60
		Non - S	27.23	32.00	24.68	29.00
		Non - S	2.72	3.20	2.47	2.90
		Non - S	5.11	6.00	4.77	5.60
		Non - S	27.23	32.00	24.68	29.00

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009		2007/2008		
			Value Excl VAT £	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £	
Dry Side Activities							
Table Tennis - Peak		Non - S	5.36	6.30	3.66	4.30	
Table Tennis - Off Peak		Non - S	3.74	4.40	2.89	3.40	
Badminton - Peak		Non - S	6.12	7.20	5.87	6.90	
Badminton - Off Peak		Non - S	5.02	5.90	4.68	5.50	
Come & Try It		Non - S	3.40	4.00	3.40	4.00	
50+ Bowls		Non - S	1.62	1.90	1.62	1.90	
Squash - Peak		Non - S	5.36	6.30	5.11	6.00	
Squash - Off Peak		Non - S	3.91	4.60	3.74	4.40	
Tea Dance		Non - S	2.43	2.85	2.34	2.75	
Five - a - Side		Non - S	35.74	42.00	35.74	42.00	
Fitness Classes / Spinning							
Adults		Non - S	3.62	4.25	3.19	3.75	
Concessions		Non - S	2.98	3.50	2.55	3.00	
Non Leisure Card							
Sauna							
Adults Peak		Non - S	4.68	5.50	4.68	5.50	
Adults Off Peak		Non - S	4.68	5.50	4.68	5.50	
Concessions Peak							
Concessions Off Peak							
		Non - S	4.68	5.50	4.68	5.50	
		Non - S	4.68	5.50	4.68	5.50	

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009		2007/2008	
			Value Excl VAT £	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £
Sunbeds Sunbed (5 mins) Sunbed (10 mins) Sunbed Vouchers (60 mins)		Non - S	2.98	3.50	2.72	3.20
		Non - S	5.62	6.60	5.28	6.20
		Non - S	29.79	35.00	28.09	33.00
Dry Side Activities						
Table Tennis - Peak		Non - S	6.81	8.00	4.88	5.50
Table Tennis - Off Peak		Non - S	6.81	8.00	4.58	5.50
Badminton - Peak		Non - S	7.57	8.90	7.57	8.90
Badminton - Off Peak		Non - S	7.57	8.90	7.57	8.90
Come & Try It		Non - S	4.26	5.00	4.26	5.00
50+ Bowls		Non - S	3.06	3.60	3.06	3.60
Squash - Peak		Non - S	7.23	8.50	7.23	8.50
Squash - Off Peak		Non - S	7.23	8.50	7.23	8.50
Tea Dance		Non - S	3.40	4.00	3.40	4.00
Five - a - Side		Non - S	41.70	49.00	41.70	49.00
Fitness Classes / Spinning						
Adults		Non - S	4.95	4.95	4.95	4.95
Concessions		Non - S	4.95	4.95	4.95	4.95

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Other Areas	Bar & Disco times 1900 - 2400	Non - S	125.00	125.00	125.00	125.00
	Bar & Disco - Wedding Reception All Day	Non - S	250.00	250.00	250.00	250.00
Parties	Disco - Leisure Card	Non - S	85.00	85.00	85.00	85.00
	Disco - Non Leisure Card	Non - S	75.00	75.00	75.00	75.00
	Bouncy Castle Party - Leisure Card	Non - S	85.00	85.00	85.00	85.00
	Bouncy Castle Party - Non Leisure Card	Non - S	75.00	75.00	75.00	75.00
	Sports Party - Leisure Card	Non - S	85.00	85.00	85.00	85.00
	Sports Party - Non Leisure Card	Non - S	75.00	75.00	75.00	75.00
	Pool Party - Leisure Card	Non - S	85.00	85.00	85.00	85.00
Pool Party - Non Leisure Card	Non - S	75.00	75.00	75.00	75.00	

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
MOUNTS BATHS						
General Swim						
	Leisure Card					
	Adults Peak	Non - S	2.40	2.40	2.40	2.40
	Adults Off Peak	Non - S	1.90	1.90	1.90	1.90
	Concessions Peak	Non - S	1.90	1.90	1.80	1.80
	Concessions Off Peak	Non - S	1.90	1.90	1.80	1.80
	Junior Peak	Non - S	1.70	1.70	1.70	1.70
	Junior Off Peak	Non - S	1.70	1.70	1.70	1.70
	Under 5 's	Non - S	0.75	0.75	0.75	0.75
	Family Swim (2 Adults & 2 Children)	Non - S	6.50	6.50	6.50	6.50
	Two month swim saver adult £50 concession £38 (must purchase a leisure card)					
	Non Leisure Card					
	Adults Peak	Non - S	3.60	3.60	3.60	3.60
	Adults Off Peak	Non - S	3.60	3.60	3.60	3.60
	Concessions Peak	Non - S	3.60	3.60	3.60	3.60
	Concessions Off Peak	Non - S	3.60	3.60	3.60	3.60
	Junior Peak	Non - S	2.60	2.60	2.60	2.60
	Junior Off Peak	Non - S	2.40	2.40	2.40	2.40
	Under 5 's	Non - S	0.75	0.75	0.75	0.75
	Family Swim (2 Adults & 2 Children)	Non - S	9.80	9.80	9.80	9.80

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Special Sessions	Leisure Card	Non - S	2.40	2.40	2.40	2.40
	Early Bird Adults Only	Non - S	1.90	1.90	1.80	1.80
	Concessions	Non - S	2.30	2.30	2.30	2.30
	Parents & Tots Session	Non - S	3.25	3.25	3.25	3.25
	Aqua Natal	Non - S	1.90	1.90	1.80	1.80
	50+ Swim	Non - S	3.00	3.00	3.00	3.00
	50+ Aqua Aerobics	Non - S	3.75	3.75	3.75	3.75
	Aqua Aerobics	Non - S	3.00	3.00	3.00	3.00
	Concessions	Non - S	1.80	1.80	1.80	1.80
	Aquacise	Non - S	3.00	3.00	3.00	3.00
	GP Referral	Non - S	2.00	2.00	2.00	2.00
	Wet n Wild	Non - S	3.60	3.60	3.60	3.60
	Non Leisure Card	Non - S	3.60	3.60	3.60	3.60
	Early Bird Adults Only	Non - S	3.30	3.30	3.30	3.30
Concessions	Non - S	3.80	3.80	3.80	3.80	
Parents & Tots Session	Non - S	3.60	3.60	3.60	3.60	
Aqua Natal	Non - S	4.95	4.95	4.95	4.95	
50+ Swim	Non - S	4.95	4.95	4.95	4.95	
50+ Aqua Aerobics	Non - S	4.95	4.95	4.95	4.95	
Aqua Aerobics	Non - S	2.65	2.65	2.65	2.65	
Concessions	Non - S	3.00	3.00	3.00	3.00	
Aquacise	Non - S	3.00	3.00	3.00	3.00	
GP Referral	Non - S	3.00	3.00	3.00	3.00	
Wet n Wild	Non - S	3.00	3.00	3.00	3.00	

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009		2007/2008		
			Value Excl VAT £	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £	
Health Suite	Leisure Card	Non - S	4.80	4.80	4.80	4.80	
		Adults Peak	4.20	4.20	4.20	4.20	
		Adults Off Peak	3.50	3.50	3.50	3.50	
		Concessions Peak	3.50	3.50	3.50	3.50	
		Concessions Off Peak	3.00	3.00	3.00	3.00	
		50+ Health Suite	Non - S	3.00	3.00	3.00	3.00
Sunbeds	Sunbed (5 mins)	Non - S	3.20	3.20	2.90	2.90	
		Sunbed (10 mins)	6.00	6.00	5.60	5.60	
		Sunbed Vouchers (60 mins)	29.00	29.00	29.00	29.00	
		Non - S	110.00	110.00	110.00	110.00	
Pool Parties	Main Pool	Non - S	110.00	110.00	110.00	110.00	
		Teaching Pool	Non - S				
		Up to 30 Children	Non - S	60.00	60.00	60.00	60.00
		Up to 60 Children	Non - S	75.00	75.00	75.00	75.00
Fitness Classes / Spinning	Adults	Non - S	3.62	4.25	3.75	3.75	
		Concessions	Non - S	2.98	3.50	3.00	3.00
		Non Leisure Card	Non - S	6.50	6.50	6.50	6.50
Health Suite	Adults Off Peak	Non - S	6.50	6.50	6.50	6.50	
		Concessions Peak	Non - S	6.50	6.50	6.50	6.50
		Concessions Off Peak	Non - S	6.50	6.50	6.50	6.50
		50+ Health Suite	Non - S	4.50	4.50	4.50	4.50
Sunbeds	Sunbed (5 mins)	Non - S	3.20	3.20	3.20	3.20	
		Sunbed (10 mins)	6.20	6.20	6.20	6.20	
		Sunbed Vouchers (60 mins)	33.00	33.00	33.00	33.00	

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009		2007/2008	
			Value Excl VAT £	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £
Pool Parties	Main Pool	Non - S	120.00	120.00	120.00	120.00
	Teaching Pool Up to 30 Children	Non - S	75.00	75.00	75.00	75.00
	Teaching Pool Up to 60 Children	Non - S	90.00	90.00	90.00	90.00
	Adults	Non - S	4.95	4.95	4.95	4.95
Fitness Classes / Spinning	Concessions	Non - S	4.95	4.95	4.95	4.95
Canoe Club	Main Pool Teaching Pool	Non - S Non - S	41.00 41.00	41.00 41.00	41.00 41.00	41.00 41.00
Age Concern			70.00	70.00	70.00	70.00
Rooms	Robert Street - Meetings	Non - S	10.00	10.00	10.00	10.00
	Robert Street - All Day	Non - S	50.00	50.00	50.00	50.00
	Robert Street - Half Day	Non - S	25.00	25.00	25.00	25.00

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Lings Forum Cinema Adults Concessions (child, unemployed, student, QAP's & disabled)		Non - S Non - S	5.50 4.30	5.50 4.30	5.50 4.30	5.50 4.30
Children screen tickets		Non - S				
Adults Child		Non - S Non - S	3.65 3.30	3.65 3.30	3.65 3.30	3.65 3.30
Silver Screen		Non - S	3.50	3.50	3.50	3.50
Northampton Trilogy Membership						
Activation Fee	One off payment includes induction fee Concession Induction	Non - S Non - S	25.00 15.00	25.00 15.00	25.00 10.00	25.00 10.00
Supergold Membership	Single - per month Couple per person per month Student per month 60+ per month (payable by direct debit)	Non - S	33.00	33.00	33.00	33.00
		Non - S	25.50	25.50	25.50	25.50
		Non - S	19.50	19.50	19.50	19.50
		Non - S	19.50	19.50	19.50	19.50
Gold Membership						
Activation Fee	One off payment includes induction fee	Non - S	25.00	25.00	25.00	25.00
Casual Gym Use	Single - per month Peak Off Peak Concessions Peak Concessions Off Peak	Non - S	27.00	27.00	25.00	25.00
		Non - S	4.80	4.80	4.75	4.75
		Non - S	3.80	3.80	3.75	3.75
		Non - S	4.00	4.00	3.50	3.50
	Concessions Off Peak	Non - S	3.00	3.00	3.00	3.00

Fees and Charges

Activity / Item	Basis	S / Non - S	2008/2009		2007/2008	
			Value Excl VAT £	Value Incl VAT £	Value Excl VAT £	Value Incl VAT £
Danes Camp						
Main Hall	Whole Hall	Non - S	39.00	39.00	39.00	39.00
	5 a Side	Non - S	39.00	39.00	39.00	39.00
	Half Main Hall	Non - S	15.00	15.00	15.00	15.00
	Per Court	Non - S	8.90	8.90	8.90	8.90
	Commercial Event	Non - S	80.00	80.00	80.00	80.00
	50+ Badminton	Non - S	2.21	2.60	2.13	2.50
	50+ Healthy Hearts	Non - S	2.55	3.00	2.34	2.75
	Climbing Wall - Adult	Non - S	2.75	2.75	1.75	1.75
	Room 1	Non - S	19.00	19.00	19.00	19.00
	Room 2	Non - S	21.40	21.40	21.40	21.40
Room 1 & 2 together	Non - S	40.00	40.00	40.00	40.00	
Creche	Non - S	12.00	12.00	12.00	12.00	
Reception Area	Non - S	7.00	7.00	7.00	7.00	
Creche per child	Non - S	1.50	1.50	1.45	1.45	
Swimming Pool	1hr up to 50 people	Non - S	115.00	115.00	115.00	115.00
	1hr up to 100 people	Non - S	155.00	155.00	155.00	155.00
	2hr up to 50 people	Non - S	155.00	155.00	155.00	155.00
	2hr up to 100 people	Non - S	225.00	225.00	225.00	225.00
	2hr up to 200 people	Non - S	295.00	295.00	295.00	295.00
Parties	Disco - Leisure Card	Non - S	75.00	75.00	75.00	75.00
	Disco - Non Leisure Card	Non - S	85.00	85.00	85.00	85.00
	Bouncy Castle - Leisure Card	Non - S	75.00	75.00	75.00	75.00
	Bouncy Castle - Non Leisure Card	Non - S	85.00	85.00	85.00	85.00
	Sports - Leisure Card	Non - S	75.00	75.00	75.00	75.00
	Sports - Non Leisure Card	Non - S	85.00	85.00	85.00	85.00
	Pool (General public session) - Leisure Card	Non - S	60.00	60.00	60.00	60.00
	Pool (General public session) - Non Leisure	Non - S	75.00	75.00	75.00	75.00
	12 week set of lessons -Adult	Non - S	56.40	56.40	54.00	54.00
	Adult Lesson per week	Non - S	4.70	4.70	4.50	4.50
Swimming Lessons	12 week set of lessons -Junior	Non - S	48.00	48.00	46.80	46.80
	Junior Lesson Per week	Non - S	4.00	4.00	3.90	3.90

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
LAND CHARGES						
Standard Fees	Official LLC1 + CON29 Part1 Search	Non - S	130.00	130.00	130.00	130.00
	Official LLC1 Search	Non - S	26.00	26.00	26.00	26.00
Non Standard Fees	Part II Optional Enq with CON29 - each	Non - S	10.00	10.00	10.00	10.00
	Part II Optional Enq without an accompanying CON29 plus £10.00 per question	Non - S	11.87	11.87	11.87	11.87
	Additional Enquiries - each	Non - S	15.00	15.00	15.00	15.00
Additional Parcel Fees	Additional parcels of land (up to additional 16 parcels) - each when submitted with an official LLC1 + CON29 Part1 - each	Non - S	11.50	11.50	11.50	11.50
	LLC1 only Additional Parcel Fee	Non - S	1.00	1.00	1.00	1.00
Personal Search Fees	Personal Search	Non - S	11.00	11.00	11.00	11.00
	Personal Search Additional parcels of land (up to additional 16 parcels) - each	Non - S	1.00	1.00	1.00	1.00
Copies of Documents	Planning Consent	Non - S	5.00	5.00	5.00	5.00
	Section 106 Agreement	Non - S	10.00	10.00	10.00	10.00
	Tree Preservation Order	Non - S	5.00	5.00	5.00	5.00
	Other remaining copy documents	Non - S	10.00	10.00	10.00	10.00

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Housing Rents	Average Rental per week	Non - S	62.80	62.80	62.80	62.80
Garages	Average Rental per week - Domestic	Non - S	6.37	6.37	6.37	6.37
	Average Rental per week - Non Domestic	Non - S	6.37	7.48	6.37	7.48

Fees and Charges

ANNEX K

Activity / Item	Basis	S / Non - S	2008/2009 Value Excl VAT £	Value Incl VAT £	2007/2008 Value Excl VAT £	Value Incl VAT £
Call Care						
Non - HRA	Lifelines - Inside Borough Yearly Charge	Non - S	196.06	230.44	189.80	223.08
	Lifelines - Outside Borough Yearly Charge	Non - S	212.72	249.78	205.92	241.80
	Installation Charges - Inside Borough	Non - S	42.81	50.30	41.44	48.69
	Installation Charges - Inside Borough	Non - S	52.44	61.61	50.76	59.64
	Monitoring Charges Yearly Charge	Non - S	64.46	75.74	62.40	73.32
	Environmental Health Yearly Charge	Non - S	45.12	53.18	43.68	51.48



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

28 February 2008

Agenda Status: Public

Directorate: Governance and Improvement

Report Title	Council Tax Setting 2008/09
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1. Summary

- 1.1 The final precept determinations from the major precepting authorities (Northamptonshire County Council and Northamptonshire Police Authority), parish councils, and the budget setting decision of Northampton Borough Council earlier on this agenda lead directly to the council tax determinations set out in **Annex A** and **Annex B**.

2. Recommendations

- 2.1 That Council approve the Council Tax resolution shown at **Annex A** and **Annex B**.

3. Report Background

- 3.1 The revenue budget (approved earlier on this agenda) and the consequential Council Tax (approved as part of the revenue budget for Northampton Borough Council but formally approved as an overall Council Tax Resolution at this agenda item) provide the resources to allow the delivery of the approved level of Council services.
- 3.2 If the recommendation above is approved the average Council Tax increase for Northampton Borough Council's services will be as set out at Annex B (schedules A and B). After taking account of the Parishes, the Police Authority, and the County Council, the average increase in tax levels will vary depending on the relevant parish precept charge. The details behind these increases are set out at Annex B (schedules C and D). Table 1 below details the average Band D council tax figure for 2008/09.

Table 1: Average Band D council tax

	2007/08	2008/09	Increase		% increase
			£ per annum	£ per week	
Northampton BC	£188.44	£196.92	£8.48	£0.16	4.5
Parish Precepts	£12.73	£12.71	(£0.02)	£0.00	(0.18)
Northamptonshire Police Authority	£170.21	£178.62	£8.41	£0.16	4.94
Northamptonshire County Council	£917.55	£956.05	£38.50	£0.74	4.20
Total	£1,288.93	£1,344.30	£55.37	£1.06	4.3

- 3.3 In order to set the Council Tax legally, the Council must agree a complex set of resolutions shown at Annex A. These resolutions build up from the Council's budget requirement including Parish precepts, through deducting formula grant and collection fund surpluses (or adding a deficit) to arrive at a basic Council Tax including and excluding Parish precepts. To that is added the precepts for the Police and County Council to arrive at a total Council Tax by Parish and by Council Tax Band.

4. Implications (including financial implications)

4.1 Resources and Risk

See Cabinet report on the revenue budget earlier on the agenda.

4.2 Legal

See Cabinet report on the revenue budget earlier on the agenda.

4.3 Other Implications

See Cabinet report on the revenue budget earlier on the agenda.

5. Background Papers

See Cabinet report on the revenue budget earlier on the agenda; and
Formal precept demands of precepting authorities.

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COUNCIL

28 February 2008

Agenda Status: Public

Directorate: Governance and Improvement

Report Title	HRA Budget, Rent Setting 2008/09 and Budget Projections 2009/10 and 2010/11
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1. Summary

1

- 1.1 To approve the HRA Rent increases and other charges, (**Annex C**), for 2008/09 and consider and approve the overall HRA budgets for 2008/09 and the forecasts for 2009/10 and 2010/11, (summarised in **Annex A** and detailed in **Annex B**).
- 1.2 To consider and approve the Medium Term Planning Options submitted, (listed in **Annex D**).
- 1.3 To provide and update on the ongoing work on the direction of the HRA.

2. Recommendations

2.1 That Council approve:

- a) An average rent increase of 4.72% per dwelling per week, in line with the Government's rent restructuring regime, convergence in 2016/17, to take effect from 1 April 2008.
- b) The Medium Term Planning options at **Annex D** and the revised contributions to /from working balances;
- c) The HRA budget for 2008/09 set out in **Annex A** and note the indicative budgets for 2009/10 and 2010/11;
- d) That Warden and Call Care charges (including Eleanore House) should be held at 2007/08 levels in line with Northampton Supporting People (as shown in **Annex C**);
- e) That heating service charges are increased by 5.00% (as shown in **Annex C**);
- f) That garage charges are increased by 5.00% (as shown in **Annex C**);

3. Report Background

See Cabinet report attached

4. Implications (including financial implications)

4.1 Resources and Risk

See Cabinet report attached

4.2 Legal

See Cabinet report attached

4.3 Other Implications

See Cabinet report attached

5. Background Papers

See Cabinet report attached

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CABINET REPORT

Report Title	HRA Budget, Rent Setting 2008/09 and Budget Projections 2009/10 and 2010/11
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	20 th February 2008
Key Decision:	Yes
Listed on Forward Plan:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Governance and Improvement
Accountable Cabinet Member:	Malcolm Mildren
Ward(s)	N/a

1. Purpose

- 1.1 To approve the HRA Rent increases and other charges, (**Annex C**), for 2008/09 and consider and approve the overall HRA budgets for 2008/09 and the forecasts for 2009/10 and 2010/11, (summarised in **Annex A** and detailed in **Annex B**).
- 1.2 To consider and approve the Medium Term Planning Options submitted, (listed in **Annex D**).
- 1.3 To provide and update on the ongoing work on the direction of the HRA.

2. Recommendations

- 2.1 That Cabinet recommend to Council to approve:
 - a) An average rent increase of 4.72% per dwelling per week, in line with the Government's rent restructuring regime, convergence in 2016/17, to take effect from 1 April 2008.

- b) The Medium Term Planning options at **Annex D** and the revised contributions to /from working balances;
- c) The HRA budget for 2008/09 set out in **Annex A** and note the indicative budgets for 2009/10 and 2010/11;
- d) That Warden and Call Care charges (including Eleanore House) should be held at 2007/08 levels in line with Northampton Supporting People (as shown in **Annex C**);
- e) That heating service charges are increased by 5.00% (as shown in **Annex C**);
- f) That garage charges are increased by 5.00% (as shown in **Annex C**);

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Housing Revenue Account (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. Rental income, by far the largest single budget within the HRA, is calculated by applying the rent restructuring formula as defined by the Government.
- 3.1.2 The HRA Budget proposed for 2008/09 reflects the current service levels in the current service methods of delivery. The budgets are likely to be reworked early in the new financial year to reflect the outcomes of the Asset Management Strategy review and the HRA Business Plan currently underway.

3.2 Issues

Rents and Rent Restructuring

- 3.2.1 Rents within the HRA are currently being restructured in line with the Government Rent Restructuring formula. The intention of this restructuring is to have a consistent approach to rental charges across the whole of the Public Sector housing stock. However the government has announced that it will be undertaking a fundamental review of rent restructuring and the entire subsidy regime over the next year as it recognises that the National HRA subsidy position is now in surplus and is not operating as originally intended.
- 3.2.2 The average rent increase and the methodology by which rents on individual properties move towards the calculated (formula) rent is determined by the Government Rent Restructuring formula, which is allocated for 2008/09 in line with the Government's Comprehensive Spending Review and disseminated through the HRA subsidy determination. The settlement for 2008/09 is for one year only and extends the rent convergence path out from the original target of

2011/12 to 2016/17 in an attempt to negate the need for larger rent increases to achieve convergence. Due to the time it will take to complete a fundamental review and consult on results it is likely that the settlement for 2009/10 will also be for one year only.

3.2.3 The percentage change in rental charges will vary from property to property depending on the formula rent calculation. It is proposed that the Council continues to follow the rent restructuring policies and adopts the revised convergence target date of 2016/17 specified in the Determination. This will result in an average rent increase of 4.72% for 2008/09.

3.2.4 Revised rents will take effect from 1st April 2008. The tables below show the range of rent increases for 2008/09 in percentage and pounds per week terms.

Rent Increase	No of Properties
Above 10%	0
8% to 10%	1
6% to 8%	83
3% to 6%	12,138
Less than 3%	33

Rent Increase £/week	No of Properties
Between £4 - £5	144
Between £3 - £4	5,245
Between £2 - £3	6,650
Between £1 - £2	216
Between £0 - £1	0

Rent Rebate Subsidy Limitation

3.2.5 The Government set a 'limit rent' which defines the maximum amount of rent rise on which a Council receives rent rebate subsidy. This was colloquially known as the 'rent cap'. Until the introduction of rent restructuring in the 2001/02 financial year, Councils could raise rents by more than the level set by the Government, an approach adopted by Northampton, but would receive a financial penalty for doing so. This had an impact in the year of the rent rise and continues to have an impact on into future years.

3.2.6 By complying with rent restructuring, the rent levels within the subsidy calculation, the limit rent for rent rebate subsidy purposes, and the actual rent charged to tenants are all being brought into line.

3.2.7 Councils that raised rents by more than the amounts specified by the Government and benefited by doing so are now gradually seeing the corresponding benefit being removed through the rent restructuring process. This will continue to put additional increasing pressure on the HRA until the point at which all rents have been restructured.

HRA Subsidy

3.2.8 The subsidy budget is based on the Determination received from the Government. An analysis of the Determination indicates the following changes to the subsidy between 2007/08 and 2008/09. These are: -

- Management and Maintenance Allowances, which tend to decrease the amount of money paid to the Government. The calculation of these are formula based around types of properties and is intended to reflect the impact on HRA costs of different types of dwelling;
- Notional income from rents, which tend to increase the amount of money paid to the Government. The calculation of this is formula based and forms part of the overall move to restructure rents towards a standard level for subsidy purposes and the actual rent charged to HRA tenants.

3.2.9 Also paid through the subsidy system is the Major Repairs Allowance, (MRA), which is used as part of the financing of the HRA capital programme.

3.2.10 The summary below shows the estimate for 2008/09 compared to 2007/08.

	2007/08	2008/09	Changes in Subsidy
	£'000	£'000	£'000
Management and Maintenance	-19,241	-20,270	-1,029
Major Repairs Allowance	-7,611	-7,831	-220
Capital Charges	-1,041	-1,245	-204
Interest on Receipts	5	4	-1
Notional Income for Rents	36,617	38,335	1718
Rental Constraint Allowance	0	0	0
HRA Subsidy Entitlement	8,729	8,993	264

HRA Budget

3.2.11 The Housing Revenue Account budget includes the effect of rent and charges increases as recommended.

3.2.12 Summary draft budget figures are contained in Annex A.

3.2.13 The incidence of charges between the HRA and the General Fund is under continual review and there may be some effects to budgets arising from this which will impact in future years.

Un-pooling of service charges

3.2.14 The Government set a policy for social housing rents in the December 2000 policy statement, 'The Way Forward for Housing'. This policy included separating certain charges for service from the standard rent in order to make the charging policy to tenants clearer and fairer for the tenants of housing authorities. There are a number of these service charges that are still charged through rent including caretaking and cleaning. The effects of un-pooling service charges will be analysed during the 2008/09 financial year with recommendations coming forward as to when the Council should un-pool in light of the Government subsidy regime and rent restructuring review.

Housing Repairs Account

3.2.15 A Housing Repairs Account is used to keep a separate record of income and expenditure relating to the repair and maintenance – but not the supervision and management – of an authority's HRA houses or other HRA property. It operates within the HRA ring-fence and, as such, no transfers can be made to or from any accounts other than the HRA. Other key points are:

- (i) the account must be kept in accordance with proper practices;
- (ii) the account must be kept to **avoid a debit balance** in any year;
- (iii) authorities may make **transfers** to the account from the HRA and, in practice, will need to do so to avoid a deficit. They may also transfer some or all of any balance from the account to the HRA;
- (iv) the account must cover the **whole** of an authority's HRA stock;
- (v) if the account is closed, any balance must be transferred to the HRA.

3.2.16 From 2006/07 Northampton has operated a Housing Repairs Account. The Housing Repairs Account is intended to equalise the effect to the HRA of Housing Repairs and can carry its own balance from one year to another.

Capital Programme

3.2.17 The budget for 2008/09 includes £7.8m for the Major Repairs Allowance. This can only be used to finance HRA capital expenditure. Also included within the HRA budgets within the Interest and Financing Costs budget for 2008/09 to 2009/10 is an amount of £2m Revenue Contribution to Capital Expenditure (RCCE). The HRA capital programme has a direct impact on the revenue position of the HRA. Expenditure for capital purposes and the effect on revenue expenditure continue to be considered together.

MTFP Position

3.2.18 The financial pressure on the HRA is increasing over time. This arises from a number of factors, the main ones being: -

- Rents pressure through the rent restructuring process;
- The sale of council houses through Right to Buy whereby, broadly speaking, the better quality housing stock will be sold; and
- Repairs costs through the pressure to meet and maintain the decent homes standard.

- 3.2.19 Over the next few months an HRA financial model will be produced to forecast HRA income and expenditure for the next 5 years. This model will then be extended to indicate a forecast 30-year position. External consultants Housing Quality Network have been successful in their bid for this work.
- 3.2.20 The indications provided by this model will be considered alongside the Housing Asset Management Strategy which is currently being developed.
- 3.2.21 Other future options, including buying the HRA out of the subsidy regime, will be considered when appropriate.

3.3 Choices (Options)

MTP Options

- 3.3.1 The Cabinet can suggest changes to the budget proposals subject to the advice of the Chief Financial Officer.
- 3.3.2 The Cabinet can identify service areas to be scrutinized prior to consideration and approval in February.
- 3.3.3 Two MTP options for additional budgets are summarised at **Annex D**. The Cabinet are invited to indicate if they wish any specific services to be considered. These have not been included in the figures at **Appendix A**. If approved, the contribution to working balances would change from £299,000 to £174,000 for 2008/09.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None

4.2 Resources and Risk

- 4.2.1 The HRA subsidy determination is for one year only making forecasting forward difficult especially in light of the Governments announced fundamental review of the rent restructuring policy and subsidy regime.

4.3 Legal

- 4.3.1 There are no specific legal issues arising from this report.

4.4 Equality

4.4.1 Equality and Diversity were considered as a part of the budget build process, and an equalities assessment will be completed as part of each medium term planning option submitted.

4.5 Consultees (Internal and External)

4.5.1 Internally Corporate Managers and Budget Managers have been consulted.

4.5.2 Tenants will be consulted through NTACTION and through the Tenant Sounding Board.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Any discretionary proposals considered during the budget process will be assessed against the corporate priorities as set out in the Corporate Plan.

4.7 Other Implications

The Annexes are set out as follows:

- A. Proposed Budget 2008/09 and Budget Projections 2009/10 - 2010/11
- B. Summary and Detailed Service Budgets - HRA
- C. Other Charges Current charges and Proposed Charges.
- D. MTP Options Summary

5. Background Papers

5.1 CLG – Final HRA Subsidy Determination 2008/09

Bill Lewis, Assistant Head of Finance, ext. 7167

2008/09, 2009/10 and 2010/11 Proposed HRA Budget

	2007/08 Base Budget £'000	2008/09 Projected Budget £'000	2009/10 Projected Budget £'000	2010/11 Projected Budget £'000
INCOME				
Rents - Dwellings Only	(39,908)	(40,580)	(41,556)	(42,638)
Rents - Non Dwellings Only	(1,366)	(1,157)	(1,200)	(1,246)
Service Charges	(1,749)	(1,646)	(1,667)	(1,688)
Total Income	(43,023)	(43,383)	(44,423)	(45,572)
EXPENDITURE				
Repairs and Maintenance	8,726	9,311	9,459	9,720
General Management	3,743	3,859	3,982	4,115
Special Services	3,251	3,277	3,376	3,492
Rents, Rates, Taxes & Other Charges	139	70	50	40
Increase in Bad Debt Provision	200	450	400	400
Rent rebate Subsidy Deductions	1,800	1,600	1,400	1,200
Housing Revenue Account Subsidy	8,729	8,993	9,399	9,908
Total Expenditure	26,589	27,560	28,066	28,875
Net Cost of Services	(16,434)	(15,822)	(16,357)	(16,697)
Net Recharges to the General Fund	6,026	6,220	6,378	6,542
Interest & Financing Costs	(228)	(528)	(540)	(580)
Revenue contribution to Capital	2,000	2,000	2,000	2,000
Major Repairs Allowance	7,611	7,831	8,057	8,480
Net Transfer From / (To) Working Balance	(1,026)	(299)	(462)	(255)
Working Balance B/fwd	(4,677)	(6,695)	(6,994)	(7,456)
Working Balance Outturn	(5,703)	(6,994)	(7,456)	(7,711)

ORIGINAL BUDGET 2007/2008	(16,434,490)	(16,434,490)	(16,434,490)	
CONTINUATION BUDGET				
PERMANENT VIREMENTS BETWEEN SERVICES	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Consumables	14,010	14,010	14,010	Transfer of consumables budget from IT
TOTAL PERMANENT VIREMENTS	14,010	14,010	14,010	
INFLATION	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Payroll Adjustments				
Pay Inflation & Salary Increments including effect on National Insurance and Superannuation on contracted pay	414,251	739,193	1,167,741	Estimated Pay award Inflation has been applied at the following rates: 2008/09 @ 2.75%, 2009/10 @ 2.75%, 2010/11 @ 2.75%, the cost of increment entitlement and increase
Total Payroll Adjustments	414,251	739,193	1,167,741	
Contractual Inflation				
Gas	0	15,390	31,857	Inflation : 2008/09 @ 0% 2009/10 @ 7%, 2010/11 @ 7%
Electric	0	9,704	33,026	Inflation : 2008/09 @ 0%, 2009/10 @ 3%, 2010/11 @ 7%
NNDR	207	418	635	Inflation: 2008/09 @ 2.54%, 2009/10 @ 2.54%, 2010/11 @ 2.54%
Water	3,100	6,351	9,764	Inflation: 2008/09 @ 5%, 2009/10 @ 5%, 2010/11 @ 5%
Vehicle Allowances & Fuel	7,745	15,742	24,004	Inflation: 2008/09 @ 3.3%, 2009/10 @ 3.3%, 2010/11 @ 3.3%
Postages	0	0	0	Inflation has been applied at the following rates: 2008/09 @ 12.6%, 2009/10 @ 3%,
Employee Related Insurance	947	1,920	1,522	Inflation: 2008/09 @ 3.3%, 2009/10 @ 3.3%, 2010/11 @ 3.3%
General Related Insurance	7,279	14,754	22,431	Inflation : 2008/09 @ 2.7%, 2009/10 @ 2.7%, 2010/11 @ 2.7%
Premises Related Insurances	11,021	22,337	33,960	Inflation : 2008/09 @ 2.7%, 2009/10 @ 2.7%, 2010/11 @ 2.7%
Motor Related Insurances	1,378	2,792	4,245	Inflation : 2008/09 @ 2.7%, 2009/10 @ 2.7%, 2010/11 @ 2.7%
Total Contractual Inflation	31,677	89,408	161,444	
INFLATION	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Non Pay Inflation				
Inflation on Supplies & Services	54,349	53,811	54,003	Reversed out as a Gershon Efficiency Saving
Total Non Pay Inflation	54,349	53,811	54,003	
TOTAL INFLATION	500,277	882,412	1,383,188	

EFFECTS OF PREVIOUS YEARS DECISIONS				
	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Prior Year Budget Decisions				
Total PY Budget Decisions	0	0	0	
TOTAL EFFECTS				
SPECIFIC GRANTS				
	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
HRA Subsidy	264,000	670,000	1,179,000	Increase in subsidy payment based upon the Determination received from Government.
SPECIFIC GRANT CHANGES				
	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
TOTAL VOLUME CHANGES	264,000	670,000	1,179,000	
Efficiency Savings (Gershon)				
	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
New Efficiency Savings				
Gas	(27,172)	(27,172)	(27,172)	Reduction on Gas prices due to renegotiation of the contract
Inflation on Supplies & Services	(54,349)	(53,811)	(54,003)	Inflation on supplies and services reversed out as a Gershon efficiency
Total New Efficiency Savings	(81,521)	(80,983)	(81,175)	
TOTAL EFFICIENCY SAVINGS	(81,521)	(80,983)	(81,175)	
TOTAL CONTINUATION BUDGET	(15,737,724)	(14,949,051)	(13,939,467)	

ESSENTIAL GROWTH/SAVINGS	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Budget realignment				
Rent, Rates & Taxes	(71,700)	(93,700)	(105,700)	Reduction in costs relating to void properties - NNDR / Council Tax / Water charges. Reflects quicker turnaround times on void properties.
Housing General Management	(90,394)	(90,394)	(90,394)	Reduced court costs as a result of lower fees and a fall in the overall caseload. This is offset by a reduction in the amount of court costs recovered shown below.
Rent Income	127,700	127,700	127,700	External consultancy costs within the rent income service require to improve efficiency within the service.
Tenancy Management	(4,800)	(4,800)	(4,800)	Reduction in pest control work required.
Housing Needs HRA	7,000	7,000	7,000	Required budget for the provision of medical advice.
General Housing Management	(3,220)	(3,220)	(3,220)	Employee recruitment budgets no longer required.
Tenant Participation	4,800	800	800	Cost of increased TP activities and new TP agreement to be produced in 2008/09.
Estate Services	2,000	2,000	2,000	Budget required for protective clothing & equipment required by staff.
Community Rooms	4,570	4,570	4,570	Increase in cost of fire alarm / equipment testing and an increase in water charges.
Wardens	2,000	2,000	2,000	Increase in printing & stationary costs.
Property Maintenance	8,121	8,121	8,121	Increase in rateable value.
Property Maintenance	238,566	231,786	243,236	Increased payroll costs as a result of the transfer of 9 ex highway staff to the Property Maintenance service.
Total Essential Growth/Savings	224,643	191,863	191,313	
TOTAL ESSENTIAL GROWTH/SAVINGS	224,643	191,863	191,313	
TOTAL GROWTH BUDGET	224,643	191,863	191,313	
CONTINUATION BUDGET Including Growth	(15,513,081)	(14,757,188)	(13,748,154)	
OPTIONS BUDGET				
INCOME	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Dwelling Rents	(671,695)	(1,647,656)	(2,730,309)	Increase to rents in line with the Government Rent Restructuring formula. The rent convergence target date is 2016/17.
Non Dwelling Rents	209,485	165,757	120,085	Adjustment to commercial rent budgets to reflect income.
Service Charges	102,670	82,070	61,470	Recovery of court costs has reduced in line with costs incurred shown above. An inflationary increase has been applied to service charges
Contribution to Bad Debt Provision	250,000	200,000	200,000	A prudent increase has been made to reflect the arrears position.
Rent Rebate Subsidy Penalty	(200,000)	(400,000)	(600,000)	Reducing in line with the rent convergence target date of 2016/17.
TOTAL INCOME	(309,540)	(1,599,829)	(2,948,754)	
BUDGET BEFORE SAVINGS AND GROWTH	(15,822,621)	(16,357,017)	(16,696,908)	<i>This is the Budget that appears on the Funding sheet</i>

HOUSING REVENUE ACCOUNT

CONTINUATION BUDGET - SUMMARY

	2008/09 £	2009/10 £	2010/11 £
Base Budget (inc Virements)	(16,420,480)	(16,420,480)	(16,420,480)
Inflation	500,277	882,412	1,383,188
Effects of prior Year Budget Decisions	0	0	
Volume Changes	0	0	
Efficiency savings	(81,521)	(80,983)	(81,175)
Revenue Implications of Capital	0	0	
Specific Grants	264,000	670,000	1,179,000
Unavoidable Growth / Savings	224,643	191,863	191,313
Income Analysis	(309,540)	(1,599,829)	(2,948,754)
Total Continuation Budget	(15,822,621)	(16,357,017)	(16,696,908)

SUMMARY OF PROPOSED RENT AND CHARGES INCREASES

	Present £	Proposed £
Garages (+VAT in some cases)	6.37	6.69
Commuter Surcharge on Garages (+VAT in some cases)	10.12	10.63
Communal Heating	7.35	7.72
Sheltered Charges per Review		
- Level 1 Low	5.53	5.53
- Level 2 Medium	12.01	12.01
- Level 3 High	17.64	17.64
Eleonore House - Level 4		
- Prior to 31/3/03	8.72	8.72
- After 31/3/03	62.03	62.03

Notes

N.B The final charges may differ slightly due to roundings

MTP SAVINGS (FROM OPTIONS)	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
TOTAL Savings	0	0	0	

INVESTMENT IN PRIORITY SERVICES	2008/09 Latest £	2009/10 £	2010/11 £	COMMENTS
Community Engagement				
Tenant Participaption	25,000	0	0	Full introduction of Community Housing Panels to increase involvement of tenants in the continual improvement of Housing Services. Initial set up costs required. To be delivered by existing staffing resources.
Housing Services	100,000	112,500	0	Partnership working to deliver Positive Action Training Highway (PATH) for 3- 5 trainees appointed on a two year placement. Approved by Management Board in November 2007.
TOTAL Priority Growth	125,000	112,500	0	



COUNCIL

28 February 2008

Agenda Status: Public

Directorate: Governance and Improvement

Report Title	PRUDENTIAL INDICATORS FOR CAPITAL FINANCE 2008-09 to 2010-11
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1. Summary

1.1 The CIPFA Prudential Code for Capital Finance in Local Authorities requires the Council to set a range of prudential indicators for 2008-09 and the two following years. This must be done formally as part of the budget setting process each year.

1.2 This report sets out:

- The background to the prudential indicators
- Updated prudential indicators for 2007-08 where applicable
- Proposed prudential indicators for 2008-09 and the following two years
- A commentary to support the individual prudential indicators (Annex A)

2. Recommendations

2.1 That Council approve the prudential indicators required under the CIPFA Prudential Code for Capital Finance in Local Authorities as set out at paragraph 3.2.2 of the Cabinet Report.

2.2 That in line with Guidance Notes to the Prudential Code issued by CIPFA, Council approve the delegation of authority to the Section 151 Officer to make adjustments between the “borrowing” and “other long term liabilities” categories within the overall total of the indicators for the operational boundary and the authorised limit for external debt, as shown at paragraph 3.2.2 (g) and (h) below. This will allow movements between borrowing and other long-term liabilities, should the Section 151 Officer deem that the use of finance leases for capital expenditure constitutes good and prudent financial management.

3. Report Background

See Cabinet report attached

4. Implications (including financial implications)

4.1 Resources and Risk

See Cabinet report attached

4.2 Legal

See Cabinet report attached

4.3 Other Implications

See Cabinet report attached

5. Background Papers

See Cabinet report attached

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Appendices



Item No.

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	PRUDENTIAL INDICATORS FOR CAPITAL FINANCE 2008-09 to 2010-11
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	20 February 2008
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	Governance and Improvement
Accountable Cabinet Member:	Malcolm Mildren
Ward(s)	Not Applicable

1. Purpose

- 1.1 The CIPFA Prudential Code for Capital Finance in Local Authorities requires the Council to set a range of prudential indicators for 2008-09 and the two following years. This must be done formally as part of the budget setting process each year.
- 1.2 This report sets out:
- The background to the prudential indicators
 - Updated prudential indicators for 2007-08 where applicable
 - Proposed prudential indicators for 2008-09 and the following two years
 - A commentary to support the individual prudential indicators (Annex A)

2. Recommendations

- 2.1 That Cabinet recommend to Council that they approve the prudential indicators required under the CIPFA Prudential Code for Capital Finance in Local Authorities as set out at paragraph 3.2.2 below.
- 2.2 That in line with Guidance Notes to the Prudential Code issued by CIPFA, Cabinet recommend to Council that they approve the delegation of authority to the Section 151 Officer to make adjustments between the “borrowing” and “other long term liabilities” categories within the overall total of the indicators for the operational boundary and the authorised limit for external debt, as shown at paragraph 3.2.2 (g) and (h) below. This will allow movements between borrowing and other long-term liabilities, should the Section 151 Officer deem that the use of finance leases for capital expenditure constitutes good and prudent financial management.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) is a professional code of practice. Local authorities have a statutory requirement to comply with the Prudential Code when making capital investment decisions and carrying out their duties under Part 1 of the Local Government Act 2003 (Capital Finance etc and Accounts).
- 3.1.2 The key objectives of the Prudential Code are to ensure, within a clear framework, that:
 - Capital investment plans are affordable, prudent and sustainable
 - Treasury management decisions are taken in accordance with good professional practice, and in a manner that supports prudence, affordability and sustainability
 - There is consistency with local strategic planning, local asset management planning and proper option appraisal
- 3.1.3 To ensure that local authorities have fulfilled these objectives, the Prudential Code sets out the indicators that must be used (the prudential indicators) and the factors that must be taken into account.
- 3.1.4 The Prudential Code requires all local authorities to set prudential indicators for capital finance the forthcoming and the two following financial years. The prudential indicators must then be monitored, and revised, as appropriate, during the year.
- 3.1.5 The Prudential Code sets out a clear governance structure for the setting and revising of the prudential indicators. This must be done by the same body that takes decisions for the local authority’s budget – i.e. by full Council.
- 3.1.6 The Chief Financial Officer is responsible for ensuring that matters required to be taken into account are reported to the decision making body for consideration, and for establishing procedures to monitor performance.

3.1.7 The Prudential Code requires the following matters to be taken into account when setting or revising the prudential indicators:

- a) Affordability - e.g. implications for Council Tax and Council housing rents
- b) Prudence & sustainability - e.g. implications for external borrowing
- c) Value for money - e.g. option appraisal
- d) Stewardship of assets - e.g. asset management planning
- e) Service objectives - e.g. strategic planning for the authority
- f) Practicality – achievability of the forward plan

3.2 Issues

Prudential Indicators

3.2.1 There are thirteen prudential indicators, covering between them the areas of capital expenditure, affordability, prudence, external debt, and treasury management, as follows:

Capital expenditure

- a) Estimate of capital expenditure
- b) Estimate of Capital Financing Requirement (CFR)

Affordability

- c) Estimate of the ratio of financing to net revenue stream
- d) Estimate of the incremental impact of capital investment decisions on the Council Tax
- e) Estimate of the incremental impact of capital investment decisions on average weekly housing rents

Prudence

- f) Net borrowing to Capital Financing Requirement

External Debt

- g) Authorised limit for external debt
- h) Operational boundary for external debt

Treasury Management

- i) Upper limit for fixed interest rate exposure
- j) Upper limit for variable interest rate exposure

- k) Principal sums invested for more periods of more than 364 days
- l) Upper and lower limits on the maturity structure of borrowing
- m) Adoption of the CIPFA code of Practice for Treasury Management in the Public Services

3.2.2 The proposed prudential indicators for 2008-09 to 2010-11 are set out below. They are also shown in the attached Annex with a commentary that explains each of the indicators in more detail.

a) Estimate of capital expenditure

Capital Expenditure				
	2007-08	2008-09	2009-10	2010-11
	Latest Estimate £000	Estimate £000	Estimate £000	Estimate £000
General Fund	10,363	5,595	26,843	3,447
HRA	9,075	14,616	14,616	14,316
Total	19,438	20,211	41,459	17,763

b) Estimate of Capital Financing Requirement (CFR)

Capital Financing Requirement (Closing CFR)				
	2007-08	2008-09	2009-10	2010-11
	31 March 2008 Estimate £000	31 March 2009 Estimate £000	31 March 2010 Estimate £000	31 March 2011 Estimate £000
Non-HRA	21,771	24,335	23,696	23,082
HRA	(8,175)	(8,175)	(8,175)	(8,175)
Total	13,596	16,160	15,521	14,907

c) Estimate of the ratio of financing costs to net revenue stream

Ratio of financing costs to net revenue stream				
	2007-08	2008-09	2009-10	2010-11
	Adjusted %	Estimate %	Estimate %	Estimate %
General Fund	(1.24%)	0.48%	0.98%	0.88%
HRA	16.58%	16.82%	16.91%	17.33%

d) Estimate of the incremental impact of capital investment decisions on the Council Tax

Estimates of incremental impact of new capital investment decisions on the Council Tax	
	General Fund
	£ p
2008-09	1.96
2009-10	3.15
2010-11	3.07

e) Estimate of the incremental impact of capital investment decisions on average weekly housing rents

Estimates of incremental impact of new capital investment decisions on the Council Housing Rents	
	HRA
	£ p
2008-09	3.14
2009-10	3.17
2010-11	3.20

f) Net borrowing to Capital Financing Requirement

Net external debt less than CFR	
	2008-09 £000
Borrowing	31,306
Less investments	58,069
Net external debt	0
2007-08 Closing CFR (Forecast)	13,596
Changes to CFR:	
2008-09	2,563
2009-10	(639)
2010-11	(613)
Adjusted CFR	14,907
Net external debt less than adjusted CFR	Yes

g) Authorised limit for external debt

Authorised limit for external debt				
	2007-08	2008-09	2009-10	2010-11
	Limit £000	Limit £000	Limit £000	Limit £000
Borrowing	47,000	41,000	41,000	41,000
Other long-term liabilities	0	2,000	2,000	2,000
TOTAL	47,000	43,000	43,000	43,000

h) Operational boundary for external debt

Operational boundary for external debt				
	2007-08	2008-09	2009-10	2010-11
	Boundary £000	Boundary £000	Boundary £000	Boundary £000
Borrowing	40,500	36,000	36,000	36,000
Other long-term liabilities	0	2,000	2,000	2,000
TOTAL	40,500	38,000	38,000	38,000

i) Upper limit for fixed interest rate exposure

Upper limits on fixed interest rate exposures		
	Upper Limit %	Upper Limit £000
2007-08	100%	-
2008-09	-	0
2009-10	-	0
2010-11	-	0

j) Upper limit for variable interest rate exposure

Upper limits on variable interest rate exposures		
	Upper Limit %	Upper Limit £000
2007-08	50%	-
2008-09	-	38,000
2009-10	-	38,000
2010-11	-	38,000

k) Principal sums invested for more periods of more than 364 days

Upper limit on investments for periods longer than 364 days		
	Upper Limit %	Upper Limit £000
2007-08	75%	
2008-09		5,000
2009-10		5,000
2010-11		5,000

l) Upper and lower limits on the maturity structure of borrowing

Maturity structure of borrowing		
	Lower Limit %	Upper Limit %
Under 12 months	0%	25%
1-2 years	0%	25%
2-5 years	0%	50%
5-10 years	0%	100%
Over 10 years	0%	100%

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

The Council adopted the CIPFA Code of Practice for Treasury Management in the Public Services following its publication in 2001. This was formally minuted as a decision at the meeting of 21 January 2008.

3.3 Choices (Options)

- 3.3.1** Cabinet are asked to recommend to Council that they approve the prudential indicators set out at paragraph 3.2.2 above.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The setting of the prudential indicators for 2008-09 to 2010-11 sets the policy for the coming year, and plans for future years.

4.2 Resources and Risk

- 4.2.1 The prudential indicators will provide a framework in 2008-09 in which the Council conducts its treasury activities, consistent with good treasury risk management. They will be monitored throughout the year and reported to Cabinet on a regular basis.
- 4.2.2 The Code indicates that “in all cases, the process of setting prudential indicators for treasury management should be accompanied by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority’s borrowing and investment portfolios.” The indicators proposed here have been proposed taking account of the existing structure of borrowing and all reasonable restructuring activity that might occur.
- 4.2.3 Officers have considered whether there are any significant risks that could potentially prevent the Council from achieving its plans at the desired levels of affordability and prudence. These are considered at Annex A at individual indicator level.

4.3 Legal

- 4.3.1 Under the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 the Council must set prudential limits and indicators as part of the overall budget setting process. The CIPFA Prudential Code for Capital Finance in Local Authorities, which regarded as mandatory guidance associated with the statute, requires the authority’s Chief Finance officer to establish procedures for monitoring the Council’s performance against prudential indicators for the forthcoming and following two financial years, to report significant deviations from expectations, and to take any proposed revisions to Council for approval.

4.4 Equality

4.4.1 No equalities issues have been identified as a result of this report.

4.5 Consultees (Internal and External)

4.5.1 The capital investment plans that drive much of the capital finance activity that underpins the prudential indicators are subject to consultation, as follows:

- The capital project appraisals and project variations for the schemes in the capital programme are put together by project managers, in consultation with officers and members.
- Consultation with stakeholders is undertaken as appropriate on individual capital schemes.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Adherence to the Prudential Code is a statutory requirement and also represents best practice. It also contributes to improving the CPA Use of Resources score. This supports the Council's priorities of:

- Continuing to improve our weakest services, and
- Continuing to strengthen our financial management.

4.7 Other Implications

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

5. Background Papers

5.1 Legislative and Regulatory Framework

- CIPFA Treasury Management in the Public Services - Code of Practice and Cross-Sectoral Guidance Notes 2001
- Local Government Act 2003
- Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- ODPM Guidance on Local Government Investments 2004
- CIPFA Treasury Management in the Public Services - Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (Fully Revised Second Edition 2006)
- The Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008

- CIPFA Prudential Code for Capital Finance in Local Authorities 2003
- CIPFA Prudential Code for Capital Finance in Local Authorities – Fully Revised Guidance Notes for Practitioners 2007

5.2 Cabinet Reports

- Capital Programme 2006-07 Monitoring – Report to Cabinet 3 July 2006 (Contains the Council's Treasury Management Practices (TMPs))
- Prudential Indicators for Capital Finance 2007-08 - Position as at 30 November 2007 - Report to Council 21 January 2008 (Contains formal adoption of the CIPFA Code of Practice for Treasury Management)
- Capital Programme – Position as at the end of December 2007 – Report to Cabinet 11 February 2008
- Capital Programme 2008-09 to 2012-13 - Report to Cabinet 20 February 2008

Bev Dixon, Finance Manager – Capital & Treasury, ext 7401

Prudential Indicators 2008-09 to 2010-11

Capital Expenditure Prudential Indicators

a) Estimate of capital expenditure

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 2008-09 to 2012-13 is included elsewhere on this agenda and the 2008-09 to 2010-11 figures below are taken from that report. The 2008-09 estimates include £1.082m capital contingency on the General Fund.

The 2007-08 figures, which are included for completeness, are taken from the latest proposed budget in the Capital Monitoring – Position as at 31 December 2007 report, which was agreed by Cabinet on 11 February.

Estimates for 2009-10 and 2010-11 include continuation schemes from previous years and outline proposals for new bids. The programme will be adjusted as necessary in line with the actual bids submitted and the resources available when the annual programmes for the two years are agreed.

Capital Expenditure				
	2007-08	2008-09	2009-10	2010-11
	Latest Estimate £000	Estimate £000	Estimate £000	Estimate £000
General Fund	10,363	5,595	26,843	3,447
HRA	9,075	14,616	14,616	14,316
Total	19,438	20,211	41,459	17,763

Risk – 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 budget, changes to specifications, and slippage or acceleration of project phasing. There is also the possibility of needing to provide for urgent and unplanned capital works. The risks are managed by officers on an ongoing basis, by means of active financial monitoring, with monthly reports to Cabinet.

The availability of financing from capital receipts, grants and external contributions also carries significant risk. This is particularly true of capital receipts, as projects in the programme are dependant on forecast receipts, which may or may not materialise in year. Where capital receipts are not received in year the funding gap has to be plugged by prudential borrowing, which has a knock on impact of the Council's debt financing position, and on the other prudential indicators. The

financing position of the capital programme is also closely monitored by officers on an ongoing basis and reported to Cabinet.

b) Estimate of capital financing requirement (CFR)

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.

The council is required to make reasonable estimates of the total CFR at the end of 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 borrowing impacts of the Council's proposed capital programme. The current years estimated closing CFR is also shown for completeness.

Capital Financing Requirement (Closing CFR)				
	2007-08	2008-09	2009-10	2010-11
	31 March 2008 Estimate £000	31 March 2009 Estimate £000	31 March 2010 Estimate £000	31 March 2011 Estimate £000
Non-HRA	21,771	24,335	23,696	23,082
HRA	(8,175)	(8,175)	(8,175)	(8,175)
Total	13,596	16,160	15,521	14,907

Prudential Indicators of Affordability

c) Estimates of ratio of financing costs to net revenue stream

The indicator has been calculated as estimated debt interest costs for the year divided by the net budget requirement for the non-HRA element and total HRA income for the HRA element. The objective is to enable trends to be identified.

The Code requires separate indicators for the HRA and non-HRA element.

The 2007-08 figure is shown for completeness; Members should note that it has been adjusted from the previously reported figure to take into account latest forecasts on the debt-financing budget and to include HRA depreciation as required by the guidance. The negative GF figure for 2007-08 is as a result of the levels of cash balances available for investment and prevailing interest rates both being in excess of budget.

The relatively high ratio for the HRA across all years (compared to General Fund) reflects the requirement to include depreciation in the financing costs, as represented by the value of the Major Repairs Allowance (MRA). This is not required in the General Fund figures.

The figures used for the net revenue stream for 2008-09 and onwards are dependent upon the General Fund and HRA revenue budgets to be agreed by Council and are therefore subject to change. If applicable, updated figures will be provided to Cabinet and Council at the earliest opportunity.

Ratio of financing costs to net revenue stream				
	2007-08	2008-09	2009-10	2010-11
	Adjusted %	Estimate %	Estimate %	Estimate %
General Fund	(1.24%)	0.48%	0.98%	0.88%
HRA	16.58%	16.82%	16.91%	17.33%

Risk – Debt financing costs relating to past and current capital programmes have been estimated in accordance with proper practices. Actual costs will be dependant on the phasing of capital expenditure and prevailing interest rates, and will be closely managed and monitored on an ongoing basis.

d) Estimates of the incremental impact of new capital investment decisions on the Council Tax

This indicator represents an estimate of the incremental impact of new capital investment decisions on the annual Council Tax (Band D). It is intended to show the effect on the Council Tax of approving more capital expenditure.

It is estimated that new borrowing of £2.5m (net of MRP) in 2008-09 will support the draft General Fund capital expenditure figures, shown at (a) above. No further borrowing is currently planned for 2009-10 or 2010-11. The costs shown below represent the incremental impact on Council Tax of the unsupported borrowing that is being met directly from revenue budgets (i.e. interest and principal repayments)

Estimates of incremental impact of new capital investment decisions on the Council Tax	
	General Fund
	£ p
2008-09	1.96
2009-10	3.15
2010-11	3.07

e) Estimate of incremental impact of new capital investment decisions on average weekly housing rent

This represents an estimate of the incremental impact of new capital investment decisions on average weekly housing rents.

Revenue contributions of £2m in each of the years 2008-09, 2009-10 and 2010-11 will support the HRA capital expenditure programme, which is directed at achieving decent homes standards. The impact on average weekly rents is set out in the table below. The annual increase is a result of the fall in stock each year through right to buy sales.

Estimates of incremental impact of new capital investment decisions on the Council Housing Rents	
	HRA
	£ p
2008-09	3.14
2009-10	3.17
2010-11	3.2

Prudence

f) Net borrowing and capital financing requirement

This is the key indicator of prudence. It is intended to show that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital requirement for the current and new two financial years.

The Council's net external debt figure is a negative figure – ie investments are in excess of debt. The net external debt figure has therefore been presented as zero.

The increases in CFR for future years (2009-10 and 2010-11) are subject to future Council decisions in respect of the capital programme for those years. The Council currently has no plans to undertake further prudential borrowing in 2009-10 and 2010-11, and the forecasts have been prepared on that basis.

Net external debt less than CFR	
	2008-09 £000
Borrowing	31,306
Less investments	58,069
Net external debt	0
2007-08 Closing CFR (Forecast)	13,596
Changes to CFR:	
2008-09	2,563
2009-10	(639)
2010-11	(613)
Adjusted CFR	14,907
Net external debt less than adjusted CFR	Yes

External Debt Prudential Indicator

g) Authorised limit for total external debt

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 for years 1, 2 and 3.

This requires the setting for the forthcoming financial year and the following two 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.

The Council is asked to approve these limits and to confirm the existing delegated authority to the S.151 Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the Council. Any such changes would be reported to the Council at its next meeting following the change.

Authorised limit for external debt				
	2007-08	2008-09	2009-10	2010-11
	Limit £000	Limit £000	Limit £000	Limit £000
Borrowing	47,000	41,000	41,000	41,000
Other long-term liabilities	0	2,000	2,000	2,000
TOTAL	47,000	43,000	43,000	43,000

Other long-term liabilities, shown above, relate to insurance reserves. Any future finance leases entered into would also be included in this category

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 cash flow requirements for all purposes.

h) Operational Boundary for total external debt

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 S.151 Officer. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified.

The Council is also asked to confirm the existing delegated authority to the S.151 Officer, within the same operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long-term liabilities, in a similar fashion to the authorised limit. Any such changes will be reported to the Council at the next meeting following the change.

Operational boundary for external debt				
	2007-08	2008-09	2009-10	2010-11
	Boundary £000	Boundary £000	Boundary £000	Boundary £000
Borrowing	40,500	36,000	36,000	36,000
Other long-term liabilities	0	2,000	2,000	2,000
TOTAL	40,500	38,000	38,000	38,000

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 cash flow requirements for all purposes.

Treasury Management Prudential Indicators

i) Upper limits on fixed interest rate exposures

This indicator sets the upper limits to which the Council is exposed to the effects of changes in fixed interest rates, and is calculated as borrowing that is at fixed rates less investments that are at fixed rates.

The prudential code guidance states that where in doubt borrowing and investments should be treated as being at variable rates for the purposes of this and the following indicator. With this in mind, borrowing in the form of LOBOs (Lenders Option,

Borrowers Option) has been treated as being at variable rates as the rates are reviewed at agreed intervals of typically 6 months or a year.

The limit can be in terms of principal sums or the associated interest; the Council has chosen the former approach. It can be expressed as a percentage or as an absolute amount. Previously this Council has set a limit based on a percentage of total investments. For 2008-09 onwards a cash limited amount is proposed, since this is more transparent and more straightforward to monitor. The 2007-08 indicator is shown for completeness.

The limit has been set at a level that allows for flexibility. It allows for all new long-term borrowing for 2007-08 and 2008-09 to be at fixed rates (e.g. PWLB loans) and for the option of rescheduling of existing LOBOs to fixed rate loans. All borrowing decisions will be taken in line with best practice and prevailing market conditions and in consultation with the Council’s treasury management advisers.

The limit also allows for a range of possibilities in respect of the value of temporary investments at any one point in time, as this is dependant on the cash position of the authority, and also for all the Council’s temporary investments at the budgeted level of £58m to be in the form of fixed rate investments; typically the figure is around 80% to 90%.

Since the Council has an excess of temporary investments over debt, the calculation should result in a negative figure. The upper limit has therefore been set at zero – i.e. a positive result representing an excess of fixed rate debts over temporary investment would exceed the limit.

Upper limits on fixed interest rate exposures		
	Upper Limit %	Upper Limit £000
2007-08	100%	-
2008-09	-	0
2009-10	-	0
2010-11	-	0

j) Upper limits on variable interest rate exposures

This indicator sets the upper limits to which the Council is exposed to the effects of changes in variable interest rates, and is calculated as borrowing that is at variable rates less investments that are at variable rates.

The prudential code guidance states that where in doubt borrowing and investments should be treated as being at variable rates for the purposes of this and the following indicator. With this in mind, borrowing in the form of LOBOs (Lenders Option,

Borrowers Option) has been treated as being at variable rates as the rates are reviewed at agreed intervals of typically 6 months or a year.

The limit can be in terms of principal sums or the associated interest; the Council has chosen the former approach. It can be expressed as a percentage or as an absolute amount. Previously this Council has set a limit based on a percentage of total investments. For 2008-09 onwards a cash limited amount is proposed, since this is more transparent and more straightforward to monitor. The 2007-08 indicator is shown for completeness.

The limit has been set at a level that allows for flexibility. It allows for all new long-term borrowing for 2007-08 and 2008-09 to be at variable rates or in the form of LOBOs. All borrowing decisions will be taken in line with best practice and prevailing market conditions and in consultation with the Council’s treasury management advisers.

The limit also allows for a range of possibilities in respect of the value of temporary investments at any one point in time, as this is dependant on the cash position of the authority, and also for none of the Council’s temporary investments at the budgeted level of £58m to be in the form of variable rate investments; typically the figure is around 10% to 20%.

The limit has been set in line with the Council’s operational boundary for external borrowing (excluding long term liabilities at (h) above).

Upper limits on variable interest rate exposures		
	Upper Limit %	Upper Limit £000
2007-08	50%	-
2008-09	-	38,000
2009-10	-	38,000
2010-11	-	38,000

k) Principal sums invested for periods longer than 364 days

Under the Local Government Act 2003 and the DCLG (formerly ODPM Guidance on Local Authority Investments 2004, all Councils are now permitted to invest for periods exceeding 1 year (or 364 days). The Council is required to set a limit to the level of such investments it might wish to make.

Previously this Council has set a limit based on a percentage of total investments. For 2008-09 onwards a cash limited amount is proposed, since this is more transparent and more straightforward to monitor. The limit has been set at a level that

would allow for monies not anticipated to be spent in year e.g. capital receipts, to be invested for longer periods if interest rates are favourable.

Upper limit on investments for periods longer than 364 days		
	Upper Limit %	Upper Limit £000
2007-08	75%	-
2008-09	-	5,000
2009-10	-	5,000
2010-11	-	5,000

Risk – This upper limit has been set at a prudent level (approx 10% of forecast total external investments) in order not to compromise cash flow liquidity.

l) Prudential limits for the maturity structure of borrowing

This represents the amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate 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 above.

This sets both upper and lower limits for 2008-09 with respect to the maturity structure of the Council's borrowing.

Maturity structure of borrowing		
	Lower Limit %	Upper Limit %
Under 12 months	0%	25%
1-2 years	0%	25%
2-5 years	0%	50%
5-10 years	0%	100%
Over 10 years	0%	100%

Risk – 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.

m) Adoption of the CIPFA Code of Practice for Treasury Management

The Prudential Code requires that the local authority has adopted the CIPFA Code of Practice for Treasury Management in Public Services.

The Council adopted the CIPFA Code of Practice for Treasury Management in the Public Services following its publication in 2001. This was formally minuted as a decision at the meeting of 21 January 2008.

Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities, were approved by Cabinet on 3 July 2006. They should be reviewed on a regular basis, and this will be undertaken during 2008-09 and reported to Cabinet.



COUNCIL

28 February 2008

Agenda Status: Public

Directorate: Governance and Improvement

Report Title	TREASURY STRATEGY 2008-09 TO 2010-11
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1. Summary

1.1 The purpose of the report is to:

- a) Bring to Council the proposed Treasury Strategy for 2008-09 to 2010-11.
- b) In the context of (a) above, to inform Council of the treasury issues to be considered over that timeframe.

2. Recommendations

2.1 That the Council approve the Treasury Strategy for 2008-09 to 2010-11, incorporating:

- a) The Capital Financing and Borrowing Strategy for 2008-09 to 2010-11 (paragraphs 3.2.1 to 3.2.6) as required by the Council's Treasury Management Policy Statement (TMP6 Reporting Requirements and Management Information Arrangements), and including:
 - (i) The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
 - (ii) The Affordable Borrowing Limit for 2008-09 to 2010-11 as required by the Local Government Act 2003.
- b) The Investments Strategy for 2008-09 to 2010-11 (paragraphs 3.2.7 to 3.2.11) as required by the DCLG (formerly ODPM) Guidance on Local Government Investments issued in 2004.

3. Report Background

See Cabinet report attached

4. Implications (including financial implications)

4.1 Resources and Risk

See Cabinet report attached

4.2 Legal

See Cabinet report attached

4.3 Other Implications

See Cabinet report attached

5. Background Papers

See Cabinet report attached

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Appendices



Item No.

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title

TREASURY STRATEGY 2008-09 TO 2010-11

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	20 February 2008
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	Governance and Improvement
Accountable Cabinet Member:	Malcolm Mildren
Ward(s)	Not Applicable

1. Purpose

1.1 The purpose of the report is to:

- a) Bring to Cabinet and Council the proposed Treasury Strategy for 2008-09 to 2010-11.
- b) In the context of (a) above, to inform Cabinet and Council of the treasury issues to be considered over that timeframe.

2. Recommendations

2.1 That the Council be recommended to approve the Treasury Strategy for 2008-09 to 2010-11, incorporating:

- a) The Capital Financing and Borrowing Strategy for 2008-09 to 2010-11 (paragraphs 3.2.1 to 3.2.6) as required by the Council's Treasury Management Policy Statement (TMP6 Reporting Requirements and Management Information Arrangements), and including:
 - (i) The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.
 - (ii) The Affordable Borrowing Limit for 2008-09 to 2010-11 as required by the Local Government Act 2003.
- b) The Investments Strategy for 2008-09 to 2010-11 (paragraphs 3.2.7 to 3.2.11) as required by the DCLG (formerly ODPM) Guidance on Local Government Investments issued in 2004.

2.2 That the Cabinet note:

- a) The measures being taken to manage the sensitivity of the forecasts (paragraph 3.2.12).
- b) The proposed Debt Financing Budget 2008-09 to 2010-11 (Annex A and paragraph 3.2.13).
- c) Adherence to the Council's policy on reserves and balances (paragraph 3.2.14).
- d) Compliance with the requirement under the Local Government Act 2003 to produce a balanced budget (paragraph 3.2.15).
- e) The forthcoming review of the Council's Treasury Management Practices (TMPs) (paragraph 3.2.16).

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council has to consider its annual Treasury Strategy under the requirements of the CIPFA Code of Practice on Treasury Management. The Council adopted the code of practice following its publication in 2001; this was formally minuted as a decision at the Council meeting of 21 January 2008
- 3.1.2 The CIPFA Prudential Code for Capital Finance in Local Authorities, published in October 2003, introduced enhanced requirements for the manner in which capital spending plans are to be considered and approved, and in conjunction with this, the requirement for an integrated treasury management strategy.
- 3.1.3 The Prudential Code requires the Council to set a number of prudential indicators for capital finance and a report setting out the prudential indicators for 2008-09 to 2010-11 is included elsewhere on this agenda. This report includes those prudential indicators to which regard should be given when determining the Council's Treasury Management Strategy for the next three financial years.
- 3.1.4 The Council's Treasury Management Strategy is made up of the following:
- The Capital Financing and Borrowing Strategy; and
 - The Investments Strategy.

3.2 Issues

Capital Financing and Borrowing Strategy

- 3.2.1 The Capital Financing and Borrowing Strategy covers:
- Capital financing (3.2.2)
 - New borrowing (3.2.3)
 - Interest rate exposure (3.2.4)
 - Prudential indicators (3.2.5)
 - Temporary borrowing (3.2.6)
- 3.2.2 Capital Financing
- a) The capital programme is financed mainly by sources other than borrowing, including capital receipts, grants, third party contributions and revenue contributions. However borrowing may be used where government award borrowing approvals in the form of Supported Capital Expenditure (Revenue) (SCE(R)) and provide associated revenue support, or when other financing sources are not available, in which instance prudential borrowing may be undertaken.

- b) The Council makes limited use of operating leases to fund some types of expenditure that would otherwise be treated as capital. This policy is currently under review, and where operating leases offer better value for money these will now be considered as a financing source in place of capital outlay. Examples of the types of expenditure that might be suitable are IT equipment and office furniture. The annual costs of operating leases are treated as revenue expenditure in the accounts and are not included in the Council's capital programme.

The Council's policy is not to enter into finance leases, which have to be treated as capital expenditure in the accounts, and generally do not offer any financial benefits to the authority.

- c) Existing borrowing to fund capital expenditure in previous years stands at £26.6m. This borrowing is primarily in the form of Money Market LOBO (Lenders Option, Borrowers Option) loans.
- d) Previously the Council has been required by statute to repay a minimum amount of 4% of debt principal each year. This debt repayment is known as the Minimum Revenue Provision (MRP).

The Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008, which are due to come into force on or before 31st March 2008, now require local authorities 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 more closely aligned to the useful life of the asset or assets for which the borrowing has been carried out.

As a transitional measure, authorities will be able to calculate MRP for all capital expenditure prior to 1 April 2008 as if the previous regulations were still in force.

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 is to use the transitional arrangements to continue to provide for MRP under existing regulations pending the development of a more detailed policy following the publication of the regulations (which are currently still only available in draft form). The detailed policy will be brought to Council for consideration in 2008-09.

For the next 3 years MRP, calculated under existing regulations, is estimated at:

	2008-09	2009-10	2010-11
	£m	£m	£m
Repayment of debt principal (MRP)	0.54	0.64	0.64

These figures incorporate the ongoing revenue impact of the new borrowing set out at paragraph 3.2.3 below.

3.2.3 New Borrowing

- a) Under the Local Government Act 2003 local authorities are able to borrow in year for the current year capital programme and for the following two years. It is estimated that the new borrowing required to fund the 2008-09 capital programme will be £3.5m (gross of MRP).
- b) The Council currently has no plans to undertake further prudential borrowing in 2009-10 and 2010-11. The new long-term borrowing requirement for the next three years is estimated at:

		2008-09	2009-10	2010-11
		£m	£m	£m
(i)	New borrowing to cover new capital expenditure	3.50	0.00	0.00
(ii)	Replacement of loans maturing in year	0.00	0.00	0.00
(iii)	Less: debt repayment (see paragraph 3.2.2(d) above)	(0.54)	(0.64)	(0.64)
	Total new borrowing/(provision for debt repayment)	2.96	(0.64)	(0.64)

- c) The Council is entitled to use Public Works Loan Board (PWLB) loans for its long term borrowing needs. In addition loans, including LOBO loans, are available from major banks via the Money Market and these may be considered when they offer better value than PWLB loans. Decisions on the timing and type of the borrowing will be taken in consultation with the Council's treasury advisors, Sector Treasury Services.
- d) **Annex A** shows the maturity profile of existing debt, and the debt profile by interest rates. As is the current practice, the debt portfolio will be kept under review throughout 2008-09 and beyond; with debt rescheduling opportunities being investigated for potential interest savings. Recent changes to regulations, and to the structure of PWLB rates mean that rescheduling opportunities are more limited than in the past, but decisions will be based on appropriate advice and the maturity profile of the portfolio.
- e) The Council also has a £1m overdraft facility with its bankers, the Co-operative Bank. This is only used on rare occasions to cover unforeseen events. Interest is charged at 1% above base rate for the use of this facility.

3.2.4 Interest Rate Exposure

- a) Long Term Rates – Interest rates on PWLB and Money Market loans fluctuate daily according to market conditions, related in particular to the position on the gilt market.

The table below illustrates the prevailing PWLB rates and forecasts to March 2010, as at 1st February 2008.

Long Term Borrowing Rates - PWLB Maturity Loan Interest Rates			
	10 Years	25 Years	50 Years
2007-08			
Actual at 1 February 2008	4.63%	4.54%	4.45%
2008-09			
Forecast Quarter 1	4.60%	4.55%	4.50%
Forecast Quarter 2	4.55%	4.50%	4.45%
Forecast Quarter 3	4.50%	4.50%	4.50%
Forecast Quarter 4	4.50%	4.50%	4.50%
2009-10			
Forecast Quarter 1	4.55%	4.50%	4.45%
Forecast Quarter 2	4.55%	4.55%	4.50%
Forecast Quarter 3	4.65%	4.60%	4.55%
Forecast Quarter 4	4.70%	4.65%	4.60%

LOBO rates on offer for 70-year loans at 1 February 2008 were at 4.25% and below, dependant on the initial fixed period of the loan.

The Council's Borrowing Strategy for 2007-08 will be to use fixed rate borrowing where long-term rates are favourable. Where variable rate borrowing is used, short-term loans will be arranged in order that they can be replaced by long-term fixed rate loans at a later date when rates are more favourable.

- b) Short-term rates – The bank base rate commenced this current year 2007/08 at 5.25% but due to fears of high inflation and other spending indicators the Bank of England increased the rate throughout the year to its highest level of 5.75%. This was reduced on 13th Dec to 5.50%, and again on 7th February to its present level of 5.25%.

The current forecasts indicate that the base rate will be further reduced during 2008 but there appears to be some difference of opinion as to how much and when this will occur. However Sector, our Treasury Advisors, forecast a base rate fall to 5.00% in June 2008 and a further reduction to 4.75% in Sept 2008. It is forecast that this rate will continue into 2009 and possibly as far as 2011. The table below illustrates the actual and forecast bank base rates for 2007-08 and 2008-09.

	Base Rate
2007-08	
Actual at 1 April 07	5.25%
Actual at 10 May 07*	5.50%
Actual at 12 July 07*	5.75%
Actual at 13 Dec 07*	5.50%
Actual at 7 Feb 08*	5.25%
Forecast at 31 March 08	5.25%
2008-09	
Forecast Quarter 1	5.25%
Forecast Quarter 2	5.00%
Forecast Quarter 3	4.75%
Forecast Quarter 4	4.75%
2009-10	
Forecast Quarter 1	4.75%
Forecast Quarter 2	4.75%
Forecast Quarter 3	4.75%
Forecast Quarter 4	5.00%

* Date of Rate Change

3.2.5 Prudential indicators

The prudential indicators that relate to the Capital Financing and Borrowing Strategy are reproduced at **Annex B**. These are:

- a) Authorised limit for external debt for 2007-08, 2008-09, 2009-10 and 2010-11.
- b) Operational boundary for external debt for 2007-08, 2008-09, 2009-10 and 2010-11.
- c) Maturity structure of borrowing.

The Local Government Act 2003 requires the authority to set an Affordable Borrowing Limit. This is equivalent to the authorised limit at paragraph 3.2.5(a) above.

Affordable Borrowing Limit			
2007-08 Limit £000	2008-09 Limit £000	2009-10 Limit £000	2010-11 Limit £000
47,000	43,000	43,000	43,000

As indicated above (paragraph 3.2.3(a)) current accounting rules allow local authorities to forward funding for their capital programmes up to a maximum of three years. The affordable borrowing limit figures include a provision for future forward funding should it be advantageous to do so.

Cabinet are asked to recommend to Council that they approve the Affordable Borrowing Limits for 2008-09 to 2010-11.

3.2.6 Temporary Borrowing

The Council occasionally undertakes short term temporary borrowing to cover its cash flow position.

In addition the Council manages deposits from a small number of local organisations – Orchestras Live (Eastern Orchestra Board), Northampton Volunteer Bureau, and Billing Parish Council. (Orchestras Live have given notice that they are to cease this arrangement with effect from 31 March 2008.) No formal agreements have been set up with these organisations, and interest rates have traditionally been set on a custom and practice basis, with reference to the prevailing bank rate. Officers will shortly take action to set up formal agreements with these organisations, incorporating a defined method of calculating the interest rate to be applied.

Investments Strategy

3.2.7 The Investments Strategy covers:

- Investments (3.2.8)
- Liquidity of Investments (3.2.9)
- Interest Rates (3.2.10)
- Prudential indicators (3.2.11)

3.2.8 Investments

- a) Under the Local Government Act 2003 the Council is required to have regard to the DCLG (formerly ODPM) Guidance on Local Government Investments issued in March 2004 and CIPFA's Treasury Management in the Public Services Code of Practice (2001) and updated Guidance Notes (2006).

- b) The DCLG Guidance on Local Government Investments requires that investments are split into two categories:
 - (i) Specified investments – broadly, sterling investments, not exceeding 364 days and with a high credit rating.
 - (ii) Non-specified investments – do not satisfy the conditions for specified investments.

The detailed conditions attached to each of these categories are set out in **Annex C**.

All investments, with the exception of those to other local authorities, will be placed only with those banks, building societies and authorised deposit takers under the Financial Services and Markets Act 2000 and allocated a satisfactory colour rating by Sector Treasury Services, whose list is updated monthly. This list is based upon credit ratings issued by the three main rating agencies. Any changes to ratings during the month are notified to the authority immediately and action taken to remove from/add to the list as appropriate.

c) Specified Investments

The majority of the Council's investments in 2008-09 will fall into the category of specified investments.

d) Non-Specified Investments

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

The officer recommendation for 2008-09 is that long-term investments (those for periods exceeding 364 days) could prudently be used where interest rates are favourable and funds are not required for short-term cashflow management.

The maximum amount that the Council will hold at any time during the year as long-term investments is £5m. This is within 10% of the forecast average level of total investments in 2008-09, which is around £58m. This could be undertaken without having an adverse effect on cashflow (see paragraph 3.2.9(a) below).

Advice will be taken from Sector Treasury Services before entering into any long-term investments.

3.2.9 Liquidity of Investments

- a) 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. Investment periods range from overnight to 364 days as specified investments or longer as a non-specified investment.

- b) The average period of each investment in the current financial year, measured up to 31 December 2007, is 55.6 days. When deciding the length of each investment, regard is had to both cashflow needs and prevailing interest rates.
- c) As referred to in paragraph 3.2.8(d) above it is recommended that a maximum of £5m be invested for periods exceeding 364 days (if interest rates are favourable) and the balance be held in short term investments (under 365 days).

3.2.10 Interest Rates

- a) London Interbank Bid (LIBID) rates have risen during 2007-08 as illustrated below. Seven-day rates are more volatile as they are more susceptible to changes driven by market forces.

Movement in LIBID Rates

Date	7 Day	1 Month	3 Month
1 April 2007	5.32%	5.41%	5.55%
30 June 2007	5.80%	5.82%	5.94%
30 September 2007	5.78%	5.92%	6.13%
31 December 2007	5.79%	5.91%	5.89%

- b) As referred to in paragraph 3.2.4(b) above, bank base rate currently stands at 5.25% and is forecast to reduce to 4.75% during 2008-09. Short-term interest rates are likely to average around these levels.
- c) The Council maintains predominately temporary, short-term investments, which are made with reference to cash flow requirements.
- d) For short term and overnight investment the Council makes full use of appropriate bank and building society call and deposit accounts which offer very competitive rates and in most instances instant access to funds.

3.2.11 Prudential indicators

The prudential indicators that relate to the Investments Strategy are reproduced at **Annex B**. These are:

- a) Upper limits on variable interest rate exposure;
- b) Upper limits on fixed interest rate exposures; and
- c) Investments exceeding 364 days.

Other Issues

3.2.12 Sensitivity of Forecast

The majority of the Council's long-term debt is in the form of Money Market LOBO (Lenders Option, Borrowers Option) loans. Officers consider that the degree of risk on these loans attached to small variations in interest rates is low.

The main sensitivities of the forecast are likely to be the two scenarios below and only apply to new borrowing and investments. Officers, in conjunction with the Council's treasury advisors, will continually monitor both the prevailing interest rates and market forecasts, adopting the following responses to a change of view:

- a) If it was felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity or further increases in inflation. In this event the portfolio position will be re-appraised with the likely action that fixed rate loans will be taken whilst interest rates are still relatively cheap.
- b) If it was felt that there was a significant risk of a sharp fall in long and short term rates due to growth rates weakening. In this event long term borrowings will be postponed, and potential rescheduling from fixed rate funding into variable or short rate funding will be considered.

3.2.13 Debt Financing Budget 2008-09 to 2010-11

The Debt Financing Budget has been prepared in accordance with the assumptions outlined above, and is attached at **Annex D** for information. The Cabinet is asked to note the proposed Debt Financing Budget, which is included in the Council Wide Revenue Budget, elsewhere on this agenda.

3.2.14 Council Policy on Reserves and Balances

The Council Wide Revenue Budget 2008-09 to 2010-11 report, elsewhere on this agenda, includes the Council's policy on reserves and balances – i.e. to protect balances wherever possible to allow the option of supporting future years' budgets, aiming for a minimum level of unallocated general fund reserves of £2.75m at the end of 2008/09 having regard to the outcome of the financial risk assessment

The Debt Financing Strategy has been prepared on the basis of that underlying policy.

3.2.15 Balanced Budget Requirement

The CIPFA Code of Practice on Treasury Management requires this report to include a reference to compliance under the Local Government Act 2003 to produce a balanced budget. Such compliance is demonstrated within the Council Wide Revenue Budget 2008-09 to 2010-11 report contained elsewhere on this agenda.

3.2.16 Treasury Management Practices (TMPs)

The Council's Treasury Management Practices (TMPs) set out the manner in which the Council will seek to achieve its treasury management policies and objectives and how it will manage and control those activities. The TMPs were agreed by Cabinet on 3 July 2006. They should be reviewed on a regular basis, and this will be undertaken during 2008-09 and reported to Cabinet.

3.3 Choices (Options)

3.3.1 Cabinet are asked to agree the recommendations at paragraph 2 above.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Treasury Strategy report sets the Council's policy on its debt and investment portfolios over the next and following two financial years. It is revisited annually and reported to Cabinet and Council as part of the budget setting process

4.2 Resources and Risk

4.2.1 The report pertains to the management of the Council's debt and investment portfolios, and resources and risk are dealt with in the main body of the report.

4.2.2 The risk management of the treasury function is considered as an integral part of day-to-day treasury activities, and is also specifically covered in the Council's Treasury Management Practices (TMPs).

4.3 Legal

4.3.1 The Council is obliged to carry out its treasury management activities in line with statutory requirements and associated regulations and professional guidance. The relevant legislative and regulatory documents are referred to within the report and listed in the background papers.

4.4 Equality

4.4.1 There are no specific equalities issues or implications associated with this report.

4.5 Consultees (Internal and External)

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

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The Audit Commission Key Lines of Enquiry for the Use of Resources (Financial Standing) requires the Council to "keep its treasury management strategy under review and monitor against it. The strategy [should] reflect the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services"

4.7 Other Implications

- 4.7.1 No other implications have been identified.

5. Background Papers

Statute, Regulation and Guidance

CIPFA Treasury Management in the Public Services - Code of Practice and Cross-Sectoral Guidance Notes 2001

Local Government Act 2003

Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

ODPM Guidance on Local Government Investments 2004

CIPFA Treasury Management in the Public Services - Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (Fully Revised Second Edition 2006)

The Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008

CIPFA Prudential Code for Capital Finance in Local Authorities 2003

CIPFA Prudential Code for Capital Finance in Local Authorities – Fully Revised Guidance Notes for Practitioners 2007

Reports to Cabinet & Council

Capital Programme 2006-07 Monitoring – Report to Cabinet 3 July 2006 (Contains the Council's Treasury Management Practices (TMPs))

Capital Programme 2008-09 to 2012-13 - Report to Cabinet 20 February 2008

Council Wide Revenue Budget 2008-09 to 2010-11 - Report to Cabinet 20 February 2008

Housing Revenue Account (HRA) Budget 2008/09 and Rent Setting - Report to Cabinet 20 February 2008

Prudential Indicators for Capital Finance 2008-09 to 2010-11 - Report to Cabinet 20 February 2008

Prudential indicators for Capital Finance 2007-08 - Position as at 30 November 2007 - Report to Council 21 January 2008 (Contains formal adoption of the CIPFA Code of Practice for Treasury Management)

Bev Dixon, Finance Manager – Capital & Treasury, ext 7401

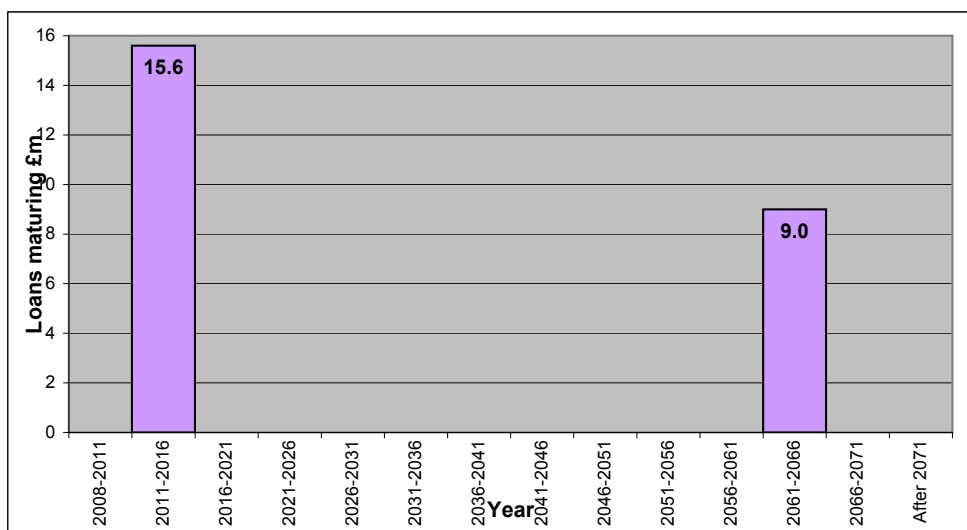
CABINET REPORT

SIGNATORIES

Report Title	TREASURY STRATEGY 2008-09 TO 2010-11
Date Of Call-Over	

Following Call-Over and subsequent approval by Management Board, signatures are required for all Key Decisions before submitting final versions to Meetings Services.

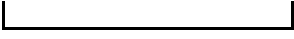
Name	Signature	Date	Ext.
Monitoring Officer or Deputy			
Section 151 Officer or Deputy			

Debt Maturity & Interest Rates - As at 15th February 2008**Debt Maturity Profile by Year (Graph)****Debt Maturity Profile by Year (Table)**

Year	Loans Maturing £m	Year	Loans Maturing £m	Year	Loans Maturing £m	Year	Loans Maturing £m
2008/09	-	2026/27	-	2035/36	-	2053/54	-
2009/10	-	2027/28	-	2036/37	-	2054/55	-
2010/11	-	2028/29	-	2037/38	-	2055/56	-
2011/12	-	2029/30	-	2038/39	-	2056/57	-
2012/13	-	2030/31	-	2039/40	-	2057/58	-
2013/14	-	2031/32	-	2040/41	-	2058/59	-
2014/15	15.6	2032/33	-	2041/42	-	2059/60	-
2015/16	-	2033/34	-	2042/43	-	2060/61	-
2016/17	-	2035/36	-	2043/44	-	2061/62	-
2017/18	-	2036/37	-	2044/45	-	2062/63	-
2018/19	-	2027/28	-	2045/46	-	2063/64	-
2019/20	-	2028/29	-	2046/47	-	2064/65	-
2020/21	-	2029/30	-	2047/48	-	2065/66	9
2021/22	-	2030/31	-	2048/49	-	2066/67	-
2022/23	-	2031/32	-	2049/50	-	2067/68	-
2023/24	-	2032/33	-	2050/51	-	2068/69	-
2024/25	-	2033/34	-	2051/52	-	2069/70	-
2025/26	-	2034/35	-	2052/53	-	After 2070	-
Total							24.6

Debt Profile by Interest Rate

Range %	Principal Outstanding £m
3.70 - 3.99	0
4.00 - 4.99	9
5.00 - 5.99	11.5
6.00 - 6.99	0
7.00 - 7.99	4.1
8.00 - 8.99	0
9.00 - 10.00	0
Total	24.6



ANNEX B

PRUDENTIAL INDICATORS RELATING TO THE CAPITAL FINANCING AND BORROWING STRATEGY

- a) Proposed **authorised limits for total external debt** gross of investments for the current and next three financial years

Authorised limit for external debt				
	2007-08	2008-09	2009-10	2010-11
	Limit £000	Limit £000	Limit £000	Limit £000
Borrowing	47,000	41,000	41,000	41,000
Other long-term liabilities	0	2,000	2,000	2,000
TOTAL	47,000	43,000	43,000	43,000

- b) Proposed **operational boundary for total external debt** for the current and next three financial years

Operational boundary for external debt				
	2007-08	2008-09	2009-10	2010-11
	Boundary £000	Boundary £000	Boundary £000	Boundary £000
Borrowing	40,500	36,000	36,000	36,000
Other long-term liabilities	0	2,000	2,000	2,000
TOTAL	40,500	38,000	38,000	38,000

- c) Proposed **prudential limits for the maturity structure of borrowing** for 2008-09:

Maturity structure of borrowing		
	Lower Limit %	Upper Limit %
Under 12 months	0	25
1-2 years	0	25
2-5 years	0	50
5-10 years	0	100
Over 10 years	0	100

PRUDENTIAL INDICATORS RELATING TO THE INVESTMENTS STRATEGY

- a) Proposed **upper limits on fixed interest rate exposures** for the current and following three years are:

Upper limits on fixed interest rate exposures		
	Upper Limit %	Upper Limit £000
2007-08	100%	-
2008-09	-	0
2009-10	-	0
2010-11	-	0

b) Proposed **upper limits on variable interest rate exposures** for the current and following three years are:

Upper limits on variable interest rate exposures		
	Upper Limit %	Upper Limit £000
2007-08	50%	-
2008-09	-	38,000
2009-10	-	38,000
2010-11	-	38,000

c) Proposed **upper limits on investments for periods longer than 364 days**

Upper limit on investments for periods longer than 364 days		
	Upper Limit %	Upper Limit £000
2007-08	75%	-
2008-09	-	5,000
2009-10	-	5,000
2010-11	-	5,000

SPECIFIED INVESTMENTS

An investment is a specified investment if it satisfies the conditions set out below:

- a) The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
- b) The investment is not a long-term investment (i.e. it does not exceed 364 days duration).
- c) The investment does not involve the acquisition of share capital or loan capital in any body corporate.
- d) Either of the following conditions is met:
 - (i) The investment is made with the UK Government or a local authority (as defined in section 23 of the 2003 Act) or a parish council or community council.
 - (ii) The investment is made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency (either Standard and Poor's, Moody's Investment Service Ltd or Fitch ratings Ltd).

UNSPECIFIED INVESTMENTS

An investment is a non-specified investment if it does not satisfy any one of the conditions above.

DEBT FINANCING & DEBT MANAGEMENT

	Original Budget 2008-09	Original Budget 2009-10	Original Budget 2010-11
Debt Financing & Interest			
<u>INTEREST PAYABLE</u>			
Interest on Long Term Debt			
Existing Borrowing	1,377,930	1,377,930	1,377,930
New Borrowing 2007-08	126,000	126,000	126,000
New Borrowing 2008-09	28,125	112,500	112,500
Total Interest on Long Term Debt	1,532,055	1,616,430	1,616,430
Interest on Temporary Borrowing	10,000	10,000	10,000
Commission for New Towns - Annual Annuity	130,500	130,500	130,500
TOTAL INTEREST PAYABLE	1,672,555	1,756,930	1,756,930
<u>INTEREST RECEIVABLE</u>			
Interest on Investments	(2,903,441)	(2,931,993)	(2,972,018)
Interest on Mortgages	(10,000)	(10,000)	(10,000)
TOTAL INTEREST RECEIVABLE	(2,913,441)	(2,941,993)	(2,982,018)
NET INTEREST PAYABLE/RECEIVABLE	(1,240,886)	(1,185,063)	(1,225,088)
<u>OTHER ADJUSTMENTS</u>			
<u>Recharges to/from HRA</u>			
Interest on Cash Balances	428,127	440,165	480,153
HRA Mortgage Interest	10,000	10,000	10,000
Premia on Rescheduling	(315,144)	(315,144)	(315,144)
HRA Interest (Negative CFR)	408,758	408,758	408,758
Total Recharges to/from HRA	531,741	543,779	583,767
<u>Repayment of Debt</u>			
Minimum Revenue Provision	536,528	639,067	613,504
Voluntary Repayment MRP adjustment	3,238	3,238	3,238
Payment of HRA Premia to Balance Sheet	315,144	315,144	315,144
Total Recharges to/from HRA	854,910	957,449	931,886
TOTAL OTHER ADJUSTMENTS	1,386,651	1,501,228	1,515,653
Total Debt Financing & Interest	145,765	316,165	290,565
<u>Debt Management</u>			
Professional Services	11,600	12,200	12,800
Bank Charges	100,000	100,000	100,000
Total Debt Management	111,600	112,200	112,800
TOTAL DEBT FINANCING & DEBT MANAGEMENT	257,365	428,365	403,365



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

28th February 2008

Agenda Status: PUBLIC

Directorate: GOVERNANCE & COMMUNICATIONS

Report Title	APPOINTMENT TO OUTSIDE BODIES - COMMUNITY ENABLING FUND ADVISORY PANEL
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1. Summary

This report sets out the proposed membership of the Community Enabling Fund Advisory Panel (CEFAP).

2. Recommendations

It is recommended that the following Councillors be appointed to CEFAP:

Councillor Brendan Glynane
Councillor Jenny Conroy
Councillor Irene Markham
Councillor David Palethorpe
Councillor Penelope Flavell
Councillor Tess Scott

3. Report Background

- 3.1 The Community Enabling Fund enables the voluntary sector and community groups to assist the Council deliver against the priorities set out in the Corporate Plan through the delivery of various community services, schemes and projects.
- 3.2 The role of CEFAP is to consider applications made by the voluntary sector and community groups against a set of criteria. CEFAP then makes a number of recommendations to the Chief Executive who has delegated powers related to the disbursement and management of grants.
- 3.3 CEFAP consists of Councillors from each of the political parties with a proportionality of 3:2:1. The following Councillors have been nominated by each political group as members of CEFAP:
Councillor Brendan Glynane
Councillor Jenny Conroy
Councillor Irene Markham
Councillor David Palethorpe
Councillor Penelope Flavell
Councillor Tess Scott

- 3.4 In addition to Borough Councillors, CEFAP also includes representatives of the voluntary and community sector and officers of the Council. Representatives from the voluntary and community sectors are included as members of CEFAP as it is considered by Government to be good practice. Additionally, their involvement is in line with the underlying values and principles of the Northamptonshire COMPACT agreement. The Northamptonshire COMPACT is an agreement on relations between public bodies (including the Council) and the voluntary and community sectors with the aim to improve their relationship for mutual advantage.
- 3.5 Historically CEFAP met four times a year to consider applications from the voluntary and community sector. The panel met four times to allocate funding from the Small Grants Programme (funding up to £2,500), and once a year to allocate funding from the Partnership Fund (for large projects). However, as from April 2006 the make up of CEFAP changed to include representation from the voluntary and community sector and from 2007/08 the Small Grants Programme was merged into the Partnership Fund and all funds allocated in one meeting of CEFAP.
- 3.6 It is anticipated that CEFAP will now meet once to allocate funds from the Partnership Fund for two years - 2008/09 and 2009/10.

4. Implications (including financial implications)

4.1 Resources and Risk

Two working days will be allocated for CEFAP to consider the 32 applications that have been received. The voluntary sector receives recompense to cover their attendance at the meetings at the rate of £15 per hour including meeting preparation. The costs will be met from within existing budgets.

4.2 Legal

CEFAP is not a formally constituted panel, so it cannot make decisions on behalf of the Council. CEFAP will act as an advisory panel to the Chief Executive, who will then make decisions under Part 8 of the Scheme of Delegations in the Council's Constitution.

4.3 Other Implications

Equality Impact Assessments will be undertaken on the process and in addition on the recommendations made by CEFAP so that we can fully understand the implications of our funding decisions on all communities.

5. Background Papers

- 5.1 Constitution of Northampton Borough Council, Part 8, page 8-3, point 3.
5.2 www.n-compass.org/document/Compact%20Main%20Doc%20Final.pdf

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