



NORTHAMPTON
BOROUGH COUNCIL

CABINET AGENDA

Wednesday, 15 December 2010

The Jeffery Room, The Guildhall, St Giles Square,
Northampton NN1 1DE

6:00 pm

Members of the Cabinet:

Councillor: Brian Hoare (Leader of the Council)
Councillor: Paul Varnsvery (Deputy Leader)
Councillors: Sally Beardsworth, Richard Church,
Trini Crake, Brian Markham, David Perkins

Chief Executive David Kennedy

If you have any enquiries about this agenda please contact Frazer McGown
fmcgown@northampton.gov.uk or 01604 837089

PORTFOLIOS OF CABINET MEMBERS

CABINET MEMBER	PORTFOLIO TITLE
Councillor B. Hoare	Leader Partnership and Improvement
Councillor P.D. Varnsvery	Deputy Leader Community Engagement
Councillor S. Beardsworth	Housing
Councillor R. Church	Planning and Regeneration
Councillor T. Crake	Environment
Councillor B Markham	Performance and Support
Councillor D. Perkins	Finance

SPEAKING AT CABINET MEETINGS

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

Registration can be by:

Telephone: (01604) 837101, 837089, 837355, 837356
(Fax 01604 838729)

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

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

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

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

KEY DECISIONS

 denotes the issue is a 'Key' decision:

- Any decision in relation to the Executive function* which results in the Council incurring expenditure which is, or the making of saving which are significant having regard to the Council's budget for the service or function to which the decision relates. For these purpose the minimum financial threshold will be £50,000;
- Where decisions are not likely to involve significant expenditure or savings but nevertheless are likely to be significant in terms of their effects on communities in two or more wards or electoral divisions; and
- For the purpose of interpretation a decision, which is ancillary or incidental to a Key decision, which had been previously taken by or on behalf of the Council shall not of itself be further deemed to be significant for the purpose of the definition.

NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held in The Jeffery Room, The Guildhall, St Giles Square, Northampton NN1 1DE on Wednesday, 15 December 2010 at 6:00 pm.

D Kennedy
Chief Executive

AGENDA

1. APOLOGIES
2. MINUTES
3. DEPUTATIONS/PUBLIC ADDRESSES
4. DECLARATIONS OF INTEREST
5. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES
 - (A) RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE ON THE CALL-IN OF CABINET DECISION OF 3RD NOVEMBER 2010 - COMMUNITY MANAGEMENT OF COMMUNITY CENTRES
Report of Chair of Overview and Scrutiny (Copy herewith)
6. PFI HOUSING AND DECENT HOMES
Report of Director of Housing (Copy herewith)
7. CONSULTATION BY CLG ON THE PROPOSED NEW HOMES BONUS
Report of Director of Planning and Regeneration (Copy herewith)
8. COMMUNITY FORUMS REPORT: PERIOD JUNE 2010 TO NOVEMBER 2010
Report of Chief Executive (Copy herewith)
9. AWARD OF DECENT HOMES CONTRACT
🔑 Report of Director of Housing (Copy herewith)
10. ROBINSON HOUSE
🔑 Report of Director of Housing (Copy herewith)
11. PROPERTY DISPOSAL PROGRAMME - 2010/11 VARIOUS PROPERTIES - TRANCHE 4
🔑 Report of Planning and Regeneration (Copy herewith)
12. ENERGY REDUCTION BRIEFING
Report of Director of Environment and Culture (Copy herewith)

13. NEW HOMES BONUS
Duplicate of Item 7
14. HRA SETTLEMENT AND RENT DETERMINATION
Report of Director of Finance and Support (Copy to follow)
15. PERFORMANCE
 - (A) CORPORATE PLAN PROGRESS REPORT - OCTOBER
Report of Chief Executive (Copy herewith)
 - (B) FINANCE MONITORING DASHBOARD TO THE END OF OCTOBER 2010
Report of Director of Finance and Support (Copy herewith)
 - (C) TREASURY MANAGEMENT MID YEAR REPORT 2010-2011
Report of Director of Finance and Support (Copy herewith)
16. EXCLUSION OF PUBLIC AND PRESS
THE CHAIR TO MOVE:
"THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE REMAINDER OF THE MEETING ON THE GROUNDS THAT THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS LISTED AGAINST SUCH ITEMS OF BUSINESS BY REFERENCE TO THE APPROPRIATE PARAGRAPH OF SCHEDULE 12A TO SUCH ACT."

SUPPLEMENTARY AGENDA

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

17. AWARD OF DECENT HOME CONTRACT (3)
🔑 Report of Director of Housing (Copy herewith)



NORTHAMPTON
B O R O U G H C O U N C I L

OVERVIEW AND SCRUTINY VIEWS AND RECOMMENDATIONS TO Cabinet – 15 December 2010

Report Title	<p>RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE – ON THE CALL- IN OF CABINET DECISION OF 3RD NOVEMBER 2010: -</p> <p>ITEM 6 – COMMUNITY MANAGEMENT OF COMMUNITY CENTRES</p>
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Agenda Status: PUBLIC

1. Purpose

- 1.1 To submit a report to Cabinet detailing the Committee's findings following the Call-In Hearing that took place on Monday 29th November 2010.

Recommendations

- 2.1 That Cabinet be formally notified of the Overview and Scrutiny Committee's findings following the Call-In Hearing of 29th November 2010: -:
- 2.2 (1) That although the decision taken had been lawful and the Cabinet's reasons for wishing to extend the scope of the Framework understandable, the process followed had been flawed in that Cabinet proposed the inclusion of an additional recommendation that was not included within the report. Cabinet should ensure that such information is provided when the report is introduced rather than after it has been debated. There had, therefore, been insufficient opportunity for Councillors and the public to comment on the proposals. Additionally, the extension to the decision had not been published in the Forward Plan.
- (2) Therefore, the Committee upheld the Call-In and recommends to Cabinet that: -
- (3) Cabinet proceeds urgently with the Community Management of Community Centres by implementing recommendations 1 –3 of the report: -
1. That negotiations with a number of community organisations with regards to assuming management responsibility for centres be authorised
 2. That the advertisement of an invitation for organisations to submit expressions of interest in managing other Community Centres'
 3. That the Framework attached as an Appendix to the report as the basis of these negotiations be approved.

- (4) Cabinet reconsiders recommendation 4 “*Cabinet extended the framework to other community organisations and authorised officers to undertake all the necessary steps including relevant consultations with the relevant bodies and authorised the application of the framework to other community assets in consultation with the Portfolio Holder for Finance*” in order that a clear Policy for the use of other assets for community use by Community Groups is developed and brought back to Cabinet as a separate agenda item.
- (5) In particular, the Committee recommends that Cabinet clarifies the classes of assets to be covered and is much more explicit about the levels of delegation to officers. The Committee would be content for the Community Centres Framework used as the basis for a Framework covering other assets.
- (6) Cabinet considers producing and circulating, where possible, an addendum at its meetings if it is known in advance that recommendations are to be altered, added or removed. This addendum should be made available to all attendees on their arrival.

3. Background and Issues

3.1 The Cabinet decision: -

- 4 “Cabinet extended the framework to other community organisations and authorised officers to undertake all the necessary steps including relevant consultations with the relevant bodies and authorised the application of the framework to other community assets in consultation with the Portfolio Holder for Finance”

3.2 was called-in for Scrutiny by Councillors Tony Clarke and Malcolm Mildren for the following reasons: -

“This major decision, without explanation, was not included in, nor inferred in the agenda papers brought to the Cabinet and issued publicly, it was introduced by the Portfolio Holder after all public speakers had concluded and after the paper had already been introduced and debated.

3.3 We, the Call-In Authors, believe the decision to be: -

- Contrary to the normal requirements for decision making
- Contrary to the Council’s agreed policy framework
- Lacking in information from the decision-taker to explain why it was taken
- Not classified as urgent in its own right or necessary in connection to published recommendations on the printed agenda item as passed”

3.4 Councillors Clarke and Mildren expanded upon their reasons for Call-In: -

- The Forward Plan for the period 1 November 2010 to 28 February 2011, stated “Agree Framework and process for the community groups to take on responsibility for community centres “ and did not refer to an extension of the framework. The Forward Plan should contain more detail
- The additional recommendation had been introduced at the Cabinet meeting on 3 November 2010, after members of the public and Councillors had addressed Cabinet

- on this item
- The Call-In Authors queried the definition of community assets, advising that it could be interpreted as parks, public buildings etc and in their opinion the recommendation as detailed in paragraph 3.1 above gave authority for negotiations to take place regarding the disposal of any community asset and therefore widened the scope of the Framework
- The title of the Cabinet report of 3 November 2010 clearly stated 'Community Management of Community Centres' and made no reference to other Community Assets
- The Cabinet Advisory Group – Community Centres discussed the Framework and received a list of twenty one Community Centre; some with Management Committees

4 Evidence

4.1 The Committee received one address from a member of the public: -

- Mr Huffadine-Smith

4.2 Internal Witnesses

- Councillor Tess Scott
- Councillor Paul Varnsberry Portfolio Holder (Community Engagement)
- Councillor David Perkins Portfolio Holder (Finance)
- Cara Boden, Assistant Chief Executive, and Thomas Hall, Head of Policy and Community Engagement, were also present at the Call-In Hearing and were not questioned by the Committee

4.2.1 Councillor Tess Scott, member of the Cabinet Advisory Group – Community Centres, and member of the previous Overview and Scrutiny Community Centres Task and Finish Group, provided evidence. Key points: -

- Disappointment was conveyed that Cabinet had not held a discussion with the Cabinet Advisory Group – Community Centres regarding the additional recommendation
- Councillor Scott advised that the Cabinet Advisory Group – Community Centres had discussed Community Centres in detail, not Community Assets.
- She felt that the minutes of Cabinet of 3 November 2010 could be interpreted that the Cabinet Advisory Group – Community Centres had proposed the addition of the fourth recommendation which in her opinion was incorrect
- The issue of delegated authority had been discussed and rejected by the Cabinet Advisory Group – Community Centres.
- Councillor Scott opposed delegated authority to Officers, due to need for openness and transparency
- Councillor Scott supported the first three recommendations of the report regarding Community Management of Community Centres but opposed the fourth recommendation
- Councillor Scott confirmed that the terms of reference for the Cabinet Advisory Group – Community Centres included '*and other assets used by the Community*', but highlighted that little reference had been made to other assets used by the Community
- Councillor Scott further confirmed that had the topic of community assets ever been

discussed by the Cabinet Advisory Group – Community Centres, she would have opposed it. The only time that the Group spoke about other community assets was when Councillor Scott asked if the Group would be including Community Rooms in the report and Framework and was advised that it could not as this was outside its remit.

- Councillor Scott expressed the opinion that one size does not fit all and that consideration of issues such as leases and charges should be discussed openly and transparently and not by Officers and/or Portfolio Holders in private session

4.2.2 Councillor David Perkins, Portfolio Holder (Finance), provided evidence. Key points of evidence: -

- Councillor Perkins confirmed that he had requested that the 'other property Assets used by Community Groups' be included within the remit of the Cabinet Advisory Group – Community Centres
- He is regularly contacted and asked whether the Council has a building that a Community Group could use and whether the Council has a Policy for Community Assets
- Councillor Perkins circulated copies of documents: -
 - Community Management of Community Centres report to Cabinet - 3 November 2010 – version that had been produced on 14 October 2010
 - Notes of the Cabinet Advisory Group – Community Centres – 17 September 2010
 - Report to the Cabinet Advisory Group – Community Centres – 12 August 2010 – Community Centres and Community Assts Used by Community Interest Groups
- Councillor Perkins confirmed the Terms of Reference of the Cabinet Advisory Group – Community Centres "*to consider and submit to Cabinet a collective view on Policy and appropriate actions tot make the most effective use of community centres and other assets used by the community*".
- The draft report, produced on 14th October 2010, had included within the purpose '*... an approach to managing community centre assets and assets used by community interest groups, and*' This report had been presented to the Cabinet Advisory Group – Community Centres at its meeting on 15 October 2010; however this meeting had discussed the Framework in detail but did not have adequate time to debate the report
- Councillor Perkins confirmed that he had not been notified that the report that had been produced after 14th October 2010, i.e. the report presented to Cabinet, had been amended and had therefore asked for the inclusion of the fourth recommendation, as details had been included in earlier drafts. He further confirmed that paragraphs 3.2.1 and 4.2.1 of the final version of the report referred to "community centre or other property asset", which in the opinion of the Portfolio Holder (Finance) evidenced that these had been part of the purpose of the report all along.

4.2.3 Councillor Paul Varnsberry, Portfolio Holder (Community Centres), provided evidence. Key points: -

- At its meeting on 28 July 2010 Cabinet provided its response to the Overview and Scrutiny Community Centres Task and Finish Group report and then set up the Cabinet Advisory Group – Community Centres
- The Community Centres Project Board met on 5 August 2010; its purpose being

to prepare a briefing note to assist the Cabinet Advisory Group – Community Centres with its work

- The first meeting of the Cabinet Advisory Group – Community Centre was held on 26 August 2010; an email containing the agenda for that meeting was sent to Councillors Wilson, Hill, Scott, Mildren, Paul Varnsberry and a copy to Councillor Clarke. Also attached to the email was the draft Framework (version 3) and a copy of the draft report (version 2) which made reference to Community Centres and Community Interest Groups
- A further email was sent to the Cabinet Advisory Group – Community Centres on 28 August 2010 with the attachments of the draft Framework (version 4) and draft report (version 3)
- Councillor Varnsberry confirmed that on two occasions the extended scope of the work of the Cabinet Advisory Group – Community Centres had been circulated
- An email was issued on 16 September 2010 calling the meeting of the Cabinet Advisory Group – Community Centres for 17 September 2010. A copy of the draft report (version 3) was attached
- At the meeting of the Cabinet Advisory Group – Community Centres held on 17 September 2010, the Group agreed its terms of reference *“to consider and submit to Cabinet a collective view on policy and appropriate actions to make the most effective use of community centres and other assets used by the community”*.
- The Cabinet Advisory Group – Community Centres held its third meeting on 27 September 2010 and received a further copy of the report to Cabinet. No comments on the content of this report were received
- Councillor Varnsberry confirmed the evidence provided by Councillor Perkins that the draft report, produced on 14th October 2010, had included within the purpose *‘... an approach to managing community centre assets and assets used by community interest groups, and’* This report had been presented to the Cabinet Advisory Group – Community Centres at its meeting on 15 October 2010; however, this meeting had discussed the Framework in detail but did not have adequate time to debate the report
- The Pre-Cabinet meeting held on 3 November 2010 had discussed this report and the Portfolio Holder had disagreed with the Officers’ recommendations and proposed that the fourth recommendation be reinstated. Advice had been sought from the Monitoring Officer who had confirmed that the wording of this recommendation was in accordance with the constitution

5 Legal Advice

- 5.1 The Borough Solicitor provided legal advice to the Call-In Hearing. The Call-In had, at Officer level, been deemed valid. There are no concerns regarding the lawfulness of the decision. The Borough Solicitor confirmed that legal advice had been sought at the Cabinet Pre-Meeting on 3 November 2010 and that he provided this. Decision-making is a fluid activity and additional recommendations to reports post publication can and do happen in practice.
- 5.2 The Borough Solicitor explained that since 2000, he was not aware of one case where a decision had been challenged on the basis that the Forward Plan requirements had not been complied with.
- 5.3 As a result of the Call-In, all decisions relating to the issue – Community Management of Community Centres are locked until Cabinet has considered Overview and Scrutiny’s response.

5.4 Cabinet Members present at the Call-In Hearing declared a personal and prejudicial interest in the issue and were advised by the Borough Solicitor that they should remain in the Call-In Hearing as long as they were required to by the Committee, however, when the Committee commenced its decision making Cabinet Members present were asked leave.

6 Findings and Conclusions

6.1 Following the submission of all the evidence, the Committee concluded that it supported recommendations 1 – 3: -

1. That negotiations with a number of community organisations with regards to assuming management responsibility for centres be authorised
2. That the advertisement of an invitation for organisations to submit expressions of interest in managing other Community Centres'
3. That the Framework attached as an Appendix to the report as the basis of these negotiations be approved.

6.2 The Committee agreed that Cabinet should be asked to reconsider the fourth recommendation *'That the Framework be extended to other community organisations and officers by authorised to undertake all the necessary steps including relevant consultations with the relevant bodies; and that the application of the Framework to other community assets in consultation with the Portfolio Holder for Finance be authorised'* and ensure that this recommendation is subject to the open and democratic process. The Committee felt that should Cabinet propose the addition of recommendations that are not included within the report, it should ensure that this information is provided when the report is introduced rather than after it has been debated. This would ensure open and transparency.

6.3 The Committee further concluded that there was a need for Cabinet to clarify its definition of delegation to Officers and that this be detailed within the Policy.

6.4 The Forward Plan clearly stated Community Centres and did not include other Community Assets.

6.5 The need for the circulation of an addendum if it is know in advance that recommendations are to be altered, added, or removed was recognised.

6.6 Following deliberation session, it was proposed and seconded that the Call-In be accepted. The Committee realised that the decision taken had been lawful but felt that the process followed had been flawed in that the extension to the decision had not been published in the Forward Plan and had, therefore, been insufficient opportunity for Councillors and the public to comment on the proposals. Therefore the Committee asks Cabinet to reconsider its decision. Upon a vote, it was unanimously: -

Resolved:

- (1) That although the decision taken had been lawful and the Cabinet's reasons for wishing to extend the scope of the Framework understandable, the process followed had been flawed in that Cabinet proposed the inclusion of an additional recommendation that was not included within the report. Cabinet should ensure that such information is provided when the report is introduced rather than after it has been debated. There had, therefore, been insufficient opportunity for Councillors and the public to comment on the proposals. Additionally, the extension to the decision had not been published in the Forward Plan.

- (2) Therefore, the Committee upheld the Call-In and recommends to Cabinet that: -
- (3) Cabinet proceeds urgently with the Community Management of Community Centres by implementing recommendations 1 –3 of the report: -
 - a. That negotiations with a number of community organisations with regards to assuming management responsibility for centres be authorised
 - b. That the advertisement of an invitation for organisations to submit expressions of interest in managing other Community Centres’
 - c. That the Framework attached as an Appendix to the report as the basis of these negotiations be approved.
- (4) Cabinet reconsiders recommendation 4 “*Cabinet extended the framework to other community organisations and authorised officers to undertake all the necessary steps including relevant consultations with the relevant bodies and authorised the application of the framework to other community assets in consultation with the Portfolio Holder for Finance*” in order that a clear Policy for the use of other assets for community use by Community Groups is developed and brought back to Cabinet as a separate agenda item.
- (5) In particular, the Committee recommends that Cabinet clarifies the classes of assets to be covered and is much more explicit about the levels of delegation to officers. The Committee would be content for the Community Centres Framework used as the basis for a Framework covering other assets.
- (6) Cabinet considers producing and circulating, where possible, an addendum at its meetings if it is known in advance that recommendations are to be altered, added or removed. This addendum should be made available to all attendees on their arrival.

7 Implications (including financial implications)

7.1 Policy

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

7.2 Legal

- 7.2.1 The duties to undertake Overview and Scrutiny are set out in the Local Government Act 2000.
- 7.2.2 The Monitoring Officer advised the Call-In Hearing as set out in paragraph 5.

7.3 Equality

- 7.3.1 Effective Overview and Scrutiny is to the benefit of the citizens of Northampton.

7.4 Resources and Risk

- 7.4.1 The decision cannot be implemented until Cabinet has resolved and made a decision upon the Overview and Scrutiny Committee’s report on the result of the Call-In Hearing.

8. Consultees (Internal and External)

- 8.1 The Overview and Scrutiny Committee held the Call-In Hearing.
- 8.2 Internal witnesses as detailed at paragraph 4.2.
- 8.3 The Call-In Authors, Councillors Tony Clarke and Malcolm Mildren, attended the Call-In Hearing to respond to the Committees questions.
- 8.4 The Call-In Hearing was published through the Council's usual channels and was attended by one member of the public, who addressed the Committee.

9. Background Papers

- 9.1 The key papers are:-
 - Cabinet report of 3 November 2010 – Item 6 – Community Management of Community Centres
 - Minute extract – Cabinet of 3 November 2010 – Item 6 – Community Management of Community Centres

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

Telephone and Email: (01604) 837408, email: ttiff@northampton.gov.uk

Agenda Item 6

Appendices

[2]



NORTHAMPTON
BOROUGH COUNCIL

Item No.

6

CABINET REPORT

Report Title	PFI Housing and Decent Homes
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	15 th December 2010
Key Decision:	NO
Listed on Forward Plan:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	Housing
Accountable Cabinet Member:	Cllr Sally Beardsworth
Ward(s)	

1. Purpose

- 1.1 To advise Cabinet of the withdraw of the PFI opportunity and to outline current funding proposals for Decent Homes following the Comprehensive Spending Review

2. Recommendations

- 2.1 Cabinet are asked to note the report

3. Issues and Choices

3.1 Report Background

- 3.1.1 Northampton Borough Council made an expression of interest to the HCA in October 2008 for Round 6 of the PFI programme; for which we were allocated £100m Credits. In December 2009 Cabinet confirmed Eastfield and Thorplands as the two chosen estates. A revised expression of interest was submitted and the Authority prepared an Outline Business Case, which was approved by Cabinet on 10th of November (subject to Call In)

3.1.2 On the 22nd November The Chief Executive received a letter (Appendix A) stating that the project was no longer supported following the Spending Review settlement.

3.2 Issues

3.2.1 The Council faces considerable challenges in maintaining and investing in its housing stock due to the level of non-decency and the funding shortfall that exists. In April 2010 there were 5,900 non-decent homes, and a further 2,041 dwellings will become non decent between 2010 and 2015. It is estimated that the Council will require an overall investment need of £129.5m up to the end of 2015 to address this situation. At present resources of £52.1m are projected to be available to the Council during this period. Therefore there is a funding shortfall of £77.4m, which broadly equates to the amount of decent homes backlog that the authority has.

3.2.2 In February 2009 the Authority began a programme of Decent Home work and elsewhere on the Agenda for this meeting Cabinet will consider Phase 2 of this programme.

3.2.3 HRA Reform - the current proposal is that a new system will replace the existing housing subsidy system in April 2012. The power to do this will be in the Localism Bill. It is envisaged that the new system will allow local authorities to have sufficient resources to maintain the Decent Homes Standard (DHS) but will not allow landlords the ability to deal with all of the backlogs that have arisen. However, the Government does believe that there will be enough funding in the HRA Reform settlement to fund a 10% DHS backlog. There are 48 Local Authority landlords (of which Northampton is one) who have a significant backlog of homes which currently do not meet the DHS and therefore require additional capital works.

3.2.4 The Government recognises that additional funding is required to reduce this backlog and is making Decent Homes Backlog funding available which it believes will help those authorities to maintain a sustainable business plan over the long term (a requirement of HRA reform going forward). There will be limitations on Local Authority landlords with less than 10% of their stock non-decent being able to access funds in this way as it is envisaged that the freedoms and resources introduced through the HRA reform should be enough for these authorities to plan the necessary works to the stock. The timetable for the first phase is as follows: -

Timetable for Decent Homes Backlog Bid	
Respond to HCA/DCLG on the allocation process	06.12.2010
Invitation to Council's to request funding by HCA	13.12.2010
Council requests for funding by HCA	11.01.2011
Councils advised of their funding allocations	Jan/Feb 2011

A response to the allocation process has been submitted to the HCA and is attached at Appendix B.

3.2.5 The amount of funding available is £2.1bn in total over the period 2011 – 2015, however only £1.6bn will be for local authority landlords. In allocating

the funding, there will be priority given to schemes which demonstrate need, value for money, and the ability to use the funding with short notice. The profile of funding for local authority landlords is as follows:

	2011/12	2012/13	2013/14	2014/15
DH Backlog Capital Funding	£260m	£352m	£389m	£594m

The earlier years receive less funding and much of the funding falls outside this CSR period and so its overall availability becomes less certain. Funding commitments can be made for the first two years but “indicative commitments for 2013/14 and 2014/15 will be subject to future confirmation”.

3.3 Choices (Options)

- 3.3.1 Do Nothing; This is not recommended. The Authority has an opportunity to discuss with the HCA future options for the PFI proposal and bid for funds to remedy its Decent Homes backlog.
- 3.3.2 Meet with the HCA to discuss future Options; this has been requested.
- 3.3.3 Submit a response to the HCA/DCLG on the allocation process for Backlog Funding and then submit a bid. Work is in progress.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 Non for this report

4.2 Resources and Risk

- 4.2.1 The Authority forecasts a final spend of £729k (subject to final invoices) in the two years of the PFI project. £317k spend during 2009/10 and £412k forecast spend for 2010/11 (subject to final invoices) for the preparation of the Expression of Interest and Outline Business case for the PFI funding bid. A substantial amount of this work would have been required e.g. options appraisal, project scope, specification & design requirements, planning & development briefs, surveys, consultation etc to enable us to move forward with whatever future housing options we would need to consider
- 4.2.2 The details of a Decent Homes Backlog bid for the authority are not known at the time of writing this report. The response to the consultation is attached as an appendix to this report.
- 4.2.3 Depending on the outcome of that bid and the HRA draft determination for the rent rise the HRA business plan and Asset management strategy will require a complete review as the Authority prepares for the new HRA subsidy system.

4.3 Legal

4.3.1 Non for this report. Implications will become clearer and be considered when the Decent Homes Back Log bid and new HRA Subsidy system are known

4.4 Equality

4.4.1 Non from this report. It is expected that the Equality implications of the proposals within the Localism Bill will be available when the Bill is published

4.5 Consultees (Internal and External)

4.5.1 The PFI project team; board and Strategic board

4.5.2 Finance and Support

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The withdrawal of the PFI has slowed our progress to achieving the priority outcomes in the Corporate Plan.

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 Housing PFI Cabinet papers 16th December 2009; 30th June 2010 and 10th November 2010

Lesley Wearing Director of Housing Tel 7554



Homes &
Communities
Agency



David Kennedy
Chief Executive
Northampton Borough Council
The Guildhall
St Giles Square
Northampton
NN1 1DE

22 November 2010

Dear David

Housing PFI Projects

As you know the Department for Communities and Local Government has been considering its position on Housing PFI following last month's Spending Review settlement.

That process has now been completed and the Department has been able to ensure that the Spending Review settlement provides funding for all Housing PFI projects under contract and in procurement. Regrettably, there is no funding for pipeline projects.

The Department will continue to support Housing PFI projects in procurement, subject to rigorous demonstration of value for money. An assessment process is currently underway and we expect to make decisions on individual projects in December. Naturally, projects in procurement will also be subject to normal PFI approval processes and requirements.

Housing PFI pipeline projects, that is those where the outline business case has not yet been approved by the Department and HM-Treasury, do not have funding provision and therefore we cannot continue to guarantee future Departmental funding support.

For Northampton Borough Council the settlement means that, unfortunately, we will not be able to offer continued support for your Eastfield and Thorplands project.

We appreciate that this will be disappointing news, however we want to reassure you that the HCA will work with you to consider future options. There will be active follow up at an appropriately senior level to ensure

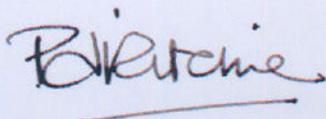
broad consideration of the impact on your housing and related strategies. In particular, the Agency will give consideration to possible means and prospects to support local authority-led estate regeneration schemes through non-PFI mechanisms. However, we do not wish to raise any expectation of alternative funding at this time given DCLG's tight capital and resource funding settlement.

Authorities with pipeline projects are asked to be aware that the Department may be able to consider their outline business cases in the event of any further resources being made available in the latter part of the Spending Review period, or a bid being made for PFI funding in the following Spending Review. However, whether it is worth you continuing to invest in developing your plans for possible future PFI or non-PFI funding routes must clearly be your decision.

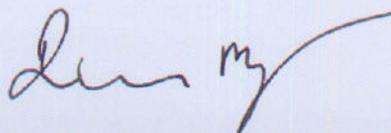
Your local HCA contact or a member of the HCA PFI project team would be pleased to discuss and respond to any queries from you, and in the meantime, the HCA PFI project team will be in contact with your lead Housing PFI officers.

We recognise and very much regret the difficulties that will be caused by the withdrawal of guaranteed funding support for PFI pipeline projects. However, we realised it was important to let you know the position at the earliest opportunity in order that you can minimise any abortive work and focus your efforts, with HCA support, on alternative funding and delivery options.

Yours sincerely



Pat Ritchie
Chief Executive, HCA



Richard McCarthy
Director General, DCLG

Cc: Michael Ellis MP, Northampton North

Appendix B

DH Backlog Funding
Paul Dever
Homes and Communities Agency
7th Floor
Maple House
149 Tottenham Court Road
LONDON
W1T 7BN

Our Ref: LW/CS/
Your Ref:
Contact: Lesley Wearing
Ext/Direct Line 01604 837679
E-mail: lwearing@northampton.gov.uk
Date: 6th December 2010

Dear Mr Dever

Re: Decent Homes Backlog Funding for Council Landlords 11-15

Northampton Borough Council is pleased that the Government and the HCA has recognised the financial difficulties of the Council, and others in a similar position, in respect of dealing with the Decent Homes backlog. As requested our comments mirror the specific section headings and paragraph numbers in the consultation document

(1.) HRA Reform

In order to properly identify the overall viability of the Council's HRA under the HRA reform proposals, the amount of funding available to the Council will have to be known. We therefore urge the HCA to consider this when finalising these proposals and we equally urge the CLG to consider this when calculating the proposed settlements under the HRA Reform.

(2.) Decent Homes Backlog

We accept that the HRA Business Plan Statistical Appendix is a good start for identifying the Decent Homes pressures. However what the statistics do not show is the stock condition profile. Northampton has a high level of current non-decency (as shown in Appendix A to the document), however that is only part of the overall picture. The Council's stock condition data shows that over the next few years, the Council has a high number of homes falling out of decency which is in addition to those declared as currently non-decent. This therefore puts additional pressure on the Council's HRA in the short term. Whereas the financing available within the HRA reform may be enough to maintain decency over the long term in normal circumstances, the Council is concerned that this peak of expenditure required over the next few years should be taken into account in assessing bids for the backlog funding. We note that newly arising non-decency for 2011/12 is planned to be taken into account but this therefore ignores pressures if a significant amount of non-decency arises after that year. If this peak of expenditure is not taken into account, this could seriously affect the viability of Northampton's HRA into the future.

(2.5) Disabled Adaptations

We are pleased that the need for the funding for disabled housing adaptations to be included in the HRA reform settlement has been accepted, however we are still concerned that there are a number of expenditure types such as lifts; common parts and estate improvements do not appear to have been taken into account in any funding stream. Northampton urges the HCA and the Government to ensure that funding for all expenditure incurred by the HRA can be afforded within the proposals being put forward.

(4.) Criteria for funding

Northampton notes the requirement to fund 10% of the non-decent homes outside of this funding. This 10% funding must therefore be taken into account by CLG in assessing the level of debt that councils must take on within the HRA reform calculations to ensure that the HRA remains viable.

We are pleased that the HCA recognises that it is not simply the number of homes that need to be brought into decency, but also the amount of work that is required to be undertaken on those homes that must be considered when assessing value for money.

Northampton Borough Council expects that it will be one of the Councils prioritised for funding in 2011/12. The Council has undertaken a procurement exercise to let a major contract for delivery of repairs to its housing stock. In anticipation of being successful in bidding for decent homes backlog funding, the council intends to include a scheme within its capital programme for 2011/12 which will be financed through this backlog funding.

(5.3) The Council has a large number of dwellings that are of non-traditional construction and is pleased to note that the HCA recognises this and will allow funding requests for these properties.

(7.) The Authority is currently considering the Green Deal proposals and would seek to realise efficiencies combining energy and decency works wherever possible.

Northampton Borough Council welcomes the proposals within the consultation document. The Council does have concerns over the apparent uncertainty of funding levels for individual councils which will have an impact on the viability of HRAs following the HRA Reform. We are anticipating submitting a bid for Decent Homes backlog funding in 2011/12 and for subsequent years and are looking forward to entering into dialogue with the HCA to discuss how best to match the objectives of the Council and the objectives of the HCA and the Decent Homes backlog funding.

Yours sincerely



Lesley Wearing
Director of Housing

Agenda Item 7

Appendices

1.



NORTHAMPTON
BOROUGH COUNCIL

Item No.

7

CABINET REPORT

Report Title	RESPONSE TO THE CONSULTATION BY CLG ON THE PROPOSED NEW HOMES BONUS
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AGENDA STATUS

PUBLIC

Cabinet Meeting Date:	15 th December 2010
Key Decision:	No
Listed on Forward Plan:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Planning and Regeneration
Accountable Cabinet Member:	Cllr. Richard Church
Ward(s)	All

1. Purpose

- 1.1 The purpose of this report is to consider the Government's proposals to introduce the New Homes Bonus to create an incentive, which rewards local authorities that deliver sustainable housing development.
- 1.2 The consultation runs until 24th December 2010.

2. Recommendations

- 2.1 To approve Appendix 1 as the Council's response to the Department of Communities and Local Government on the consultation in respect of the proposed New Homes Bonus.

- 2.2 To delegate to the Portfolio Holder and the Director of Planning and Regeneration, the ability to incorporate any additional issues and comments into the response to CLG that may be made by consultees prior to the closure of the consultation period.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Coalition Agreement sets out the Government's commitment to provide incentives for local authorities to deliver sustainable development, including new homes and businesses. These incentives involve changes to the local government finance system to reward those Councils, which deliver growth. One of these incentives is to replace the Housing and Planning Delivery Grant (HPDG) with the New Homes Bonus. Other proposed incentives are set out in the White Paper "Local Growth" and will include ways of enabling Councils to retain locally revised business rates and retaining the Community Infrastructure Levy.
- 3.1.2 The Government intends that the New Homes Bonus will help local authorities and their partners to realise their growth ambitions and ensure that local communities can see the benefits, as well as the costs, of economic growth and housing development, in particular, in their area. The New Homes Bonus is intended to ensure that the benefits of growth are returned to those communities.
- 3.1.3 The consultation document is seeking views on three areas: the scheme design, data collection and other additional issues, including equality issues. The consultation document specifically seeks views on thirteen specific areas in the forms of questions.

3.2 Issues

- 3.2.1 A draft response to the consultation is set out in Appendix 1 of this report. Cabinet is being asked to consider and approve this as a response to the Government consultation document on the introduction of the New Homes Bonus.

3.3 Choices (Options)

- 3.3.1 The Council could choose not to respond to the consultation document. However, it is considered that course of action would mean that the Council would not be able to draw to the Government's attention, issues which are specific to Northampton. These are set out in detail in Paragraphs 1.3 and A13 of Appendix 1. As a significant part of Northampton's growth requirement is to be provided in neighbouring authorities, the New Homes Bonus needs to make provision for an

appropriate element of cross boundary payment to affected communities. Not making a response is not recommended.

- 3.3.2 The Council can choose to make a response in the form set out in Appendix 1 of this report.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 This report has no direct policy implications, but requires a “policy view” re the proposed 80/20 split of income between Districts and the County.

4.2 Resources and Risk

- 4.2.1 There are no resource or risk implications in responding to the consultation. Depending upon the number of houses built, this initiative will produce funding income to the Council rewarding those who encourage growth.

4.3 Legal

- 4.3.1 There are no legal implications.

4.4 Equality

- 4.4.1 The Government has undertaken an Equality Impact Assessment and found that the proposed introduction of a New Homes Bonus would be fair to all groups with protected characteristics. When the scheme is introduced, NBC may have to undertake its own Equality Impact Assessment prior to implementation.

4.5 Consultees (Internal and External)

- 4.5.1 Director of Housing, Head of the West Northamptonshire Joint Planning Unit and the Director of Finance have been involved in preparing the response.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The introduction of the New Homes bonus would help the Council and all its communities deliver the corporate priorities.

4.7 Other Implications

4.7.1 There are no other implications.

5. Background Papers

5.1 New Homes Bonus Consultation published by CLG – November 2010.

Report Author

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Eland House
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London SW1E 5DU

RESPONSE BY NORTHAMPTON BOROUGH COUNCIL TO THE CONSULTATION ON THE NEW HOMES BONUS

1. Introduction

- 1.1 Northampton Borough Council welcomes the proposed introduction of the New Homes Bonus as a way of incentivising communities to welcome new development in their locality. However, in order to achieve this, it is essential that communities directly benefit and see the rewards for new development to their immediate locality. The Council recognises that the proposed New Homes Bonus is one of a framework of incentives, including the retention of locally raised business rates and the Community Infrastructure Levy.
- 1.2 The Council, in considering its response to the consultation document has therefore had regard to the overall objective of the New Homes Bonus, as set out in Paragraph 3.2 of the document, that the NHB is designed to create an effective fiscal incentive to encourage local authorities to facilitate housing growth.
- 1.3 The Borough Council has also had regard to its own particular circumstances, in that there is insufficient capacity within its own administrative boundaries to meet its housing and affordable housing requirements. It is therefore intended that this requirement will be met by way of sustainable urban extensions in its neighbouring authorities through the West Northamptonshire Joint Core Strategy. These sustainable urban extensions will become an integral part of the urban fabric of Northampton, albeit at this time in a different administrative area. The communities most directly affected by the additional development, i.e. the residents of Northampton and the services to be provided and infrastructure used, should be able to benefit directly from the proceeds of the New Homes Bonus. The consultation document does not make provision for cross-boundary incentives, and it is considered that this is a flaw in the scheme as currently proposed that must be corrected.

Q1. Do you agree with our proposal to link the level of grant for each additional dwelling to the national average of the Council Tax Band?

- A1. Northampton Borough Council agrees with the proposal to link the level of grant for each additional dwelling to the national average of the Council Tax for that Band. Whilst this would have a distorting effect, due to local conditions, this is potentially a fair method of allocation.

It is unclear why the review referred to in Paragraph 3.8 would be needed as Council Taxes will, inevitably, rise. It would be our assumption that the national average for the band would be taken on an annual basis and this would be used to derive the bonus payable, and this could be built into the mechanism.

Q2. Affordable homes enhancement of £350 for each of the six years – what do you think the enhancement should be?

- A2. This authority would recommend that the enhancement should start at £320 based on the difference between Band A and Band C and increasing by the national average Council Tax increase in each of the six years. Whilst this starts at a lower point, it would increase over time so that there is a real terms incentive each year rather than what is effectively a reducing value incentive of the fixed rate £350 proposed.

Council Tax should rise after 2011/2012 and, in this way, the rise in the enhancement is included within the base methodology and thus negates the need for reviews, which create unnecessary uncertainty.

Q3. Do you agree with the proposal to use PPS 3 and also include pitches on Gypsy and Traveller Sites owned and managed by local authorities or RSL's to define affordable homes.

- A3. Northampton Borough Council agrees that there should be a good balance of market and affordable housing. This Council agrees that the housing market should offer a range of affordable housing options that meet people's varying needs. This Council therefore considers that the affordable housing enhancement should be paid on all new affordable homes provided through Section 106 Agreements, 100% affordable housing sites through direct Council provision, RSL or other accredited affordable housing provider at sub-market rents or intermediate rent or purchase schemes, including shared ownership and equity retention schemes.

However, PPS 3 Appendix B specifically excludes "low cost market" housing and other types of tenure not explicitly included in the definition. It is considered, that where such types of homes are provided through a Section 106 Agreement, thus satisfying an identified local need, then the enhancement should apply. This Council

agrees that Gypsy and Travellers Sites (including travelling show people) as set out in Paragraph 3.15 should also qualify for the enhancement.

Q4. Do you agree with the proposal to reward local authorities for bring empty properties back into use through the NHB? Are there are practical constraints?

This Council employs an Empty Homes Officer and runs a dedicated hotline for residents to report properties left empty. This Council therefore agrees with the proposal to reward local authorities for bringing empty properties back into use.

For the avoidance of doubt, this Council also considers that the NHB should apply to additional homes provided through the planning process through conversions or changes of use.

Q5. Do you agree with the proposal to split NHB between tiers 80%:20% to the upper tier, as a starting point for local negotiation? If not, what would the appropriate split be, and why?

5A. This Council agrees that for the NHB to be most effective as an incentive, it should be where the planning decision lies at the lower tier in two tier areas.

The Government, in proposing a split between the two tier authorities, does so on the basis that the upper tier has a role to play in the provision of services and infrastructure and the contribution they make to strategic planning. However, lower tier authorities are the plan-making and determining authorities. The lower tier authorities are therefore closer to the communities which will be affected by the new development.

This Council is, therefore, firmly of the view that splitting the NHB between upper and lower tier authorities or the LEP's would dilute the effectiveness of the NHB as an incentive to local communities to welcome new development. In Paragraph 3.2 of the document – under "Flexible" (page 15), the Government expects that Local Councillors would work closely with their communities, and, in particular, those most affected by growth, to understand their priorities for investment and to communicate to those neighbourhoods how NHB will be spent and the benefits it will bring.

The more divorced the neighbourhood from the decision-making process on investing the proceeds of NHB, the more diluted the NHB as a powerful incentive becomes.

Notwithstanding this, this Council recognises that both the County Council and the LEP's have an important role in providing infrastructure and services, which are of direct benefit to local communities.

However, NHB is only one of several fiscal incentives and it is considered that these upper tier bodies will best source monies for infrastructure provision through CIL and Section 106 obligations. However, this is not to preclude local communities from making investment decisions which may directly benefit services provided by upper tier authorities as well as other service providers such as the emergency services and health providers.

It is therefore considered that 100% of NHB should go to lower tier authorities outside London to enable investment decisions to be made locally, as envisaged in Paragraph 3.2 of the consultation document.

Q6. Do you agree with the proposal to use the data collected on the Council Tax Base form as at October to track net additions and empty homes?

A6. The Council Tax Base as at October would not cover the full financial year, it is accepted that this would be the most up to date information available for CLG to make the announcement with the formula grant – see Q7.

Q7. Do you agree with the proposal for one annual allocation based on the previous year's Council Tax Base, paid the following April?

A7. While the tax base as at October will not cover the full financial year, it will be the most up to date information available for the CLG to make the payment on 1st April. This is an ideal time for authorities to receive the grant as it affords them the potential benefits of cash flow management. The risk is that significant changes to net additions come on line late in the previous year and grant is lost for the intervening year as a result of the October cut off.

However, it is considered that this will resolve itself over the six year period and this is recognised in the consultation document. It is considered that the alternative suggestions for a mid-point payment on additions in April with a correction in October would make the annual grant harder to predict, make it unwieldy to administer and less transparent to communities.

Q8. Do you agree that allocations should be announced alongside the Local Government finance timetable?

A8. It would be very helpful for budgeting purposes for the allocations to be announced alongside the formula grant in the Local Government finance table. This would enable Members to have a good picture of their income expectations for the following year and allows them to take decisions on better information in conjunction with their local communities.

Q9. Do you agree with the proposal to reward local authorities for affordable homes using data reported through the official statistics on gross additional affordable supply?

A9. It is considered that the CLG official statistics offer the best available information on the increase in supply of affordable homes and this authority would support the use of this readily available and reliable information.

Q10. How significant are demolitions? Is there a proportionate method of collecting demolitions data at local authority level?

A10. Demolitions of affordable housing are not material for this Council. However, should the Government wish to monitor demolitions, the numbers are collected through the annual Housing Strategy Statistical Appendices.

Q11. Do you think the proposed scheme will impact any groups with protected characteristics.

A11. This Council considers that the NHB is fair to all groups.

Q12. Do you agree with the methodology used in the impact assessment?

A12. This Council has no comments on the methodology used.

Q13. Wider views on NHB and any issues that have not been addressed?

A13. As set out in Paragraph 1.3 above, the Council is concerned that the NHB, as currently envisaged, makes no provision for cross-boundary payments to communities who may be more affected by new development than residents of the administrative area in question. Such payments should be predicated and in proportion to the evidence of housing needs from the relevant Core Strategy. This Council considers that, as part of the proposed statutory duty to co-operate, the Decentralisation and Localism Bill should make provision for cross-boundary payments of the NHB to adequately compensate and incentivise residents in adjoining local authority areas.

Appendices
1



NORTHAMPTON
BOROUGH COUNCIL

Item No.
8

CABINET REPORT

Report Title	Community Forums June to November 2010
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AGENDA STATUS

PUBLIC

Cabinet Meeting Date:	15 December 2010
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Chief Executive's Office
Accountable Cabinet Member:	Cllr Paul Varnserry
Ward(s)	all

1. Purpose

1.1 Together with the attached Community Report, this report updates Cabinet on the progress of the Council in relation to equalities, diversity and the Community Forums in the second part of 2009-10 and makes some recommendations.

2. Recommendations

Cabinet is recommended to:

- 2.1 recognise and welcome the work and achievements of the Forums.
- 2.2 recognise and endorse the role of the Forums in assisting the Council to meet the new duties and requirements of the Equality Act 2010 and to become an Excellent council under the Equality Framework for Local Government.
- 2.3 recognise the project activities delivered under the Money 4 Youth scheme in the first part of 2010-11, and note that the scheme is likely to be coming to an end from March 2011.

3. Issues and Choices

3.1 Report Background

Update on Forums Activities

3.1.1 The attached Community Report prepared with Forums members, outlines some of the key projects and achievements of the forums over the period between June and November this year. As will be seen, this has been a very active period, and has included involvement of the forums in Council policy making and consultation on key current topics.

Equalities Requirements

3.1.2 In July 2010 the new Government confirmed implementation of the Equality Act 2010, mostly from 1 October 2010 and with further duties for the public sector and others providing 'public functions' from 4 April 2011. The new Act introduces new rights and responsibilities for people in respect of 'protected characteristics'. The new public sector duties will require this Council to

- ensure participation by under-represented groups;
- engage with communities to encourage participation, understanding and good relations;
- promote 'engagement with difference'; and
- ensure that the community is able to hold the council to account.

3.1.3 In parallel, as the Council progresses towards its ambition of achieving 'Excellent' status within the Equalities Framework, there is a need to demonstrate

- regular engagement with people in respect of 'protected characteristics';
- that their views inform Equality Impact Assessments and their review; and
- that the council measures their views in relation to how it provides and plans to provide services.

3.1.4 The forums provide networks supported by both relationships and technology which will help the Council to meet these challenges. Through the forums, the Council can work with the community to improve quality of life and life chances, identify where action needs to be taken to address adverse impacts of policies or practices, tackle prejudice, promote understanding and encourage under-represented groups to be active in public life and local democracy.

3.1.5 The new government's approach to equalities specifically values engagement with difference to support integrating and embedding equality in how services work. The forums are key to achieving this.

Money 4 Youth (Youth Opportunities Fund/Youth Capital Fund)

3.1.6 The 2010-11 'Money 4 Youth' round of grants is expected to be the last of its kind. The emergency budget in June 2010 led to a 50% cut in capital available to be spent on youth projects via the Youth Capital stream of funding. Cabinet should note that this will inevitably mean a reduction in the range of activities

which can be supported through the Youth Forum.

Use of 'Facebook' Social Networking

- 3.1.7 To respond effectively to the changes described above, the Council is having to make changes to the various established ways of working across all of its services. For the forums, one of the most significant has been the increasing use of the social networking medium 'Facebook' to reach more people – individuals as well as groups.
- 3.1.8 This is already proving very popular with local people, and not only young people. This is described in more detail in the attached Community Report (appendix 1). Through Facebook the Council is able to communicate and interact directly with many more individuals and groups than it could through formal minutes or informal newsletters – though both of these still have a place. By their nature the forums have different needs for communication, and so a variety of approaches are used within the resources available.

3.2 Choices (Options)

- 3.2.1 Cabinet is **recommended** to recognise and endorse the forums' work as described in the Recommendations. This official recognition helps the forums to be seen as an influential part of the Council's engagement mechanisms, and motivates those who take part.
- 3.2.2 Cabinet could decide not to recognise this work. This is **not recommended**, and would lead to a diminution of the forums' influence and harm the Council's ability to meet the equality requirements set out in this report.

4. Implications (including financial implications)

4.1 **Policy:** None

4.2 **Resources and Risk:** None

4.3 **Legal:** None.

4.4 **Equality:** Through the Forums' role the Council has access to a significant network to help meet the new equality duties and the Equality Framework requirements.

4.5 Consultees (Internal and External)

Members of Forums

4.6 How the work relates to current Priority Outcomes

4.6.1 Development of the Forums is a key project within the Assistant Chief Executive Department's Service Plan

4.6.2 NBC Corporate Plan priorities 2010-13: Priority 4 in particular

5 Background Papers

5.1 Community Report (appendix 1)

Lindsey Ambrose, Community Engagement and Equalities Officer, x7566

Appendix 1: Community Report

1. Fostering Good Relations and Understanding

a. Northampton Hindu Community Memories Exhibition

People from different groups within the Hindu community in Northampton worked with Jewish-heritage organisation Jtrails and young people of mixed and no faith backgrounds, to produce an exhibition which gives insights to the lives of Hindu people in Northampton since the 1970s through pictures and personal stories.

Reflecting their integration and wish to reach out to build understandings in the wider community in Northampton – and previous under-participation by Hindu people - the exhibition was first shown at the Heritage Open Days September 2010 in the Guildhall. Due to popular demand the exhibition then was shown during Navratri at University of Northampton's Avenue Campus.

Photos of the exhibition panels and some of the feedback received are included in a photo album on Facebook at www.northampton.gov.uk/dcf

The exhibition is now due to go to Northampton Museum in December, to be shown to national Hindu groups as an example of good working with a local council, and to be shown at Northampton College around Diwali time in 2011.

b. World AIDS Day

The Forums are supporting community-led activities to raise awareness of HIV and AIDS in Northampton. A dedicated web page on the NBC website provides details of activities happening in town: www.northampton.gov.uk/worldaidsday .

c. Young People of the Year Awards – Youth Forum Finalist

Callum Green, aged 15, from Northampton Youth Forum, was one of the youngest people to make it to being a finalist at the first Northamptonshire Young People of the Year Awards. He was recognised and rewarded with money to go to his nominated good cause – Cynthia Spencer hospice – for his work over the past few years volunteering with the Youth Forum on many projects and being a positive role model whose contributions to the community challenge negative stereotypes of young people.

d. Film Northants 2010 – Diwali Trailer and Helping at Awards Night

A film made by young people aged 12 -19 volunteering in a project with Northampton Youth Forum and Inspiration FM multicultural community radio was entered into the Film Northants 2010 competition. These were some of the youngest film-makers taking part. The film was a 'trailer' highlighting the 2009 town centre Diwali celebrations which people from different schools and backgrounds enjoyed together. The

film has since been sought for the MACE (Midlands and Central England) film archive as an example of life in the East Midlands.

Northampton Youth Forum got further involved by volunteering at the red carpet awards night. This was done to further their aim of showing young people in a positive light. The Youth forum members welcomed all the guests, video'd and photographed the evening's events, collected feedback and served the guests at a champagne reception – and even washed up a mountain of glasses. The small team who organise Film Northants were delighted by their help, posted positive feedback and photographs on their website and provided the young people with certificates for their records of achievement and portfolios to recognise their volunteering.

e. Anne Frank Awards 2010

Northampton Youth Forum recognised more unsung heroes from the local community – including young people and adults of all ages.

The Arts Council has commended the link created between Carnival and these awards for being a good opportunity to promote community cohesion.

f. Judging the Northampton Carnival

Members of Northampton Youth Forum acted as judges for the Carnival procession, giving a youth view as well as those of the adult judges.

g. Diwali in the town centre

Seven schools got involved this 10th year of celebrations in Northampton town centre for all the community to enjoy. The Youth Forum chose to fund the activities through Money 4 Youth. Together with funding from other sources, this enabled the whole Diwali story to be told for the first time and for lots of people of different ages, faiths and cultures to get involved in the celebrations.

2. Encouraging Participation by under-represented groups:

a. Northampton Youth Parliament and Encouraging People to Vote

Young people from the Arabic School, Duston, Inspiration FM and the Northampton Youth Forum are working together with NBC's Electoral Services team and the Association of Supplementary Schools to encourage people to register to vote and to use their vote. The young people are due to host a stand with a quiz they have designed about the importance of voting in elections at the Supplementary Schools concert on Sunday 28 November 2010.

b. Northampton Guildhall Leaflet

Young people from Northampton Youth Forum have continued to

challenge the idea that some adults have, that young people and 'heritage' don't go together. In surveys done by organisations like Northamptonshire Voluntary Youth Action, the wish for young people to get involved in heritage and related activities comes out consistently high. Young people on the Youth Forum developed a new leaflet with John Crake, using their own photographs and a magazine-style approach with simple language to make a bright, cheerful and easy-to-read self-tour guide leaflet. It was launched at the Heritage Open Days in September 2010 and has proven to be popular with all ages. The leaflet was made in both A5 and A4 sizes in case it might be easier for some people to read in larger print.

c. Heritage Open Days

Young people, older people and disabled people provided a great welcoming team at the Guildhall for the Heritage Open Days in September 2010. They welcomed over 1250 people on guided tours and the feedback was excellent – especially for the young guides.

Youth forum have now had some volunteers doing guided tours for a few years. This has built a family-friendly reputation which was reflected not only in comments on BBC radio Northampton by a representative from English Heritage, but also in the visitors – they included many more children and young people than in previous years. This increase in mixed age group was not reflected across all sites but seems to have been a specific outcome of the changes to involve youth at the Guildhall.

One member of the Youth Forum provided a dedicated help to the vintage bus tours throughout the weekend. During his first tour, he helped a man with a medical emergency, ensuring he got necessary medical assistance. Not fazed by this, he continued his volunteering on both Saturday and Sunday.

The Youth Forum's 'On the Trail of the Secret Jewish heritage of Northampton' leaflet proved to be very popular – and known about – to around 100 people who came specifically for the Jewish heritage trail walk. Once again, the turn out in Northampton was the largest for any Jtrails walk in the UK – so much so this time, that local archaeologist John Small and a Forums member were recruited urgently to take extra groups of visitors on the trail to meet the demand.

The Youth Forum's Jewish Heritage exhibition made with Jtrails, Northampton Museum and other community partners was shown in part at the Guildhall over the weekend.

Northants Black History Association came along too, with their largest exhibition to date, as part of the heritage offer reflecting Northampton's local communities at the Guildhall.

Renaissance Heritage Awards: Judging the all age categories

Earlier in the year, heritage experts Renaissance, sought the advice of Northampton Youth Forum on how to encourage young people to get involved in their awards scheme. One outcome was that Renaissance listened to what the young people said and created the position of a 'youth judge' for the non-youth categories of awards. They created a separate panel of mostly youth but with an adult too as Youth Forum suggested, to judge the youth category of award.

A member of the Northampton Youth Forum joined the adult judges for a 'roadtrip' to visit about 10 museums in one day, taking a full part in the judging process. She went on to give a speech about her experience and decision-making at the awards night at Kelmarsh Hall. As a result of this, she was offered the opportunity to do some work experience with the BBC to help her develop her interest in working in the media in the future.

d. Renaissance Heritage Awards: 'highly commended' for Youth Participation

Northampton Youth Forum was shortlisted as a finalist by the panel for the youth category of award and was 'highly commended' in the awards. A member of the Forum attended the awards night to represent the Youth Forum and collect the certificate. The award recognised the youth taking leadership roles in planning for the Heritage Open Days at the Guildhall and on the days themselves (in relation to September 2009).

The Chair of the Judges and Renaissance praised the Youth Forum for very cost-effective publicity approaches and innovation through the use of a leaflet which had brought together council, voluntary and community sector services offering activities through the summer holidays through to the Heritage Open Days and for the creation of a Facebook page with photographs including some of young people enjoying heritage places.

e. 'MUBU' Museum Buddy Project with Northants Museums Forum

One outcome of the awards was that Northants Museums Forum and Renaissance asked the Northampton Youth Forum to help them make the heritage sector in Northampton and county more welcoming to young people as guests and volunteers (hopefully to develop to keep sites going that currently relying on elderly volunteers) through providing youth perspectives and introducing youth-friendly publicity.

The Northampton Guildhall leaflet directly inspired one site to decide to recruit young volunteers to do something similar for them in time for summer 2011.

The young people held a workshop for Local Democracy Week to which they invited representatives from each of the museums/heritage sites they are working with. They shared with them what they felt had been the strengths, barriers and areas for improvement to help attract

young people to get involved. They shared some ideas for new approaches. The feedback from the heritage places was that this was very useful – a different perspective with things they could easily do to help encourage younger people of all backgrounds to visit and volunteer with them. The young people held a session to introduce the museum/heritage trustees and volunteers to using Facebook and You Tube and helped them to get started with using these social media.

The young people have been working on developing short films for each of 9 sites which it's intended will be posted to You Tube, the museums' own web pages, shown at a youth event in March 2011 and entered in Film Northants 2011 to help highlight the places featured to people working in the film industry (e.g. film location scouts) and those who may not be traditional museum visitors but may become interested in visiting as a result of seeing the films.

f. Children and Young People's Partnership Awards - Youth Forum finalists for Community Impact

The Northampton Youth Forum's work covering a number of projects over the past year or so, led to its being a finalist in these countywide awards. Some members of the Forum attended a youth-led awards night as a result.

g. Film Northants 2011: Development of Youth Participation and Award

Northampton Youth Forum want to use the insights they gained from being involved in Film Northants 2010, to help the team develop a more youth-involving approach for 2011. It's hoped that the young people will be able to encourage more young people to enter films and that there will be enough films from young people to enable a youth award category to be created.

Northamptonshire Enterprise Ltd ('NEL') are interested in this work too – and the possibility of highlighting films of local places on Facebook and their community TV channel. A meeting with Film Northants, NEL and the Youth forum is due to take place in December 2010 to move this forward.

h. Facebook pages to reach more people more effectively

The Forums had 'pages' created on Facebook – mostly at the end of August 2010. These were created in response to feedback from members of forums. They help to reach different people to the face-to-face and email forum networks. The following provides a snapshot:

Forum	Members (11 Nov 2010)	Weekly Views (11 Nov 2010)
Youth	277	145
Holocaust Memorial Day	54	88
Diverse Communities	53	86
LGB People (LGBTQ)	24	53
Disabled People	41	50
Pensioners	20	79
Gender Equality	28	19

During the school summer holidays weekly views on the Youth Forum page rose to 570 views per week, then dropped back when term began. The Facebook pages include some existing members of Forums and also people who may be interested in the news, surveys/consultations but who do not choose to get involved through meetings.

The Gender Equality Forum only exists as a Facebook page. It includes news relating to men, women and transgender equality.

The pages only take a few moments to check every day. Anyone can post news, events, consultations etc to them. From time to time feedback reveals people have acted on the posts to these pages and the monitoring mechanisms do show 'views', so it can be seen that posts are read. The pages do not offer the same quality of opportunity to dialogue or engage as more traditional Forum meetings and project activities, so cannot be considered a substitute for that type of contact, but they are complementing and increasing the reach of the Forums networks with youth, organisations and others.

An advantage they have over reliance on publishing minutes or newsletters to share news, is that they enable photos and real-time communication to help more people get insights and become aware of opportunities to have a say, participate etc in Northampton.

i. Skate Park Campaign Development Group

Northampton Youth Forum's priorities included the need for the council to do more to help skateboarders. They chose to use Money 4 Youth to fund an idea sent in by skaters in Northampton, leading to the skaters working with the council to tell the council what exactly they want from a skate park.

Northampton Youth Forum used their Facebook page to help spread the word about the skaters and their project. In October 2010, the skaters created a Facebook event about the Cabinet meeting at which a decision would be made about allocating £250K for a skate park. Youth Forum helped to post information about the event and encouraged people to go along to the Cabinet meeting to show support for approving the money for the skate park. On the night, skaters and supporters including many young people, attended the Cabinet meeting.

j. Northampton Heritage Trail and inclusion of DisabledGo in publicity

DisabledGo works in partnership with the UK's largest accessible leisure and accommodation online information provider. Now that the town (via NBC), hospital and University all have Disabled Go guides and the need to help disabled people and their friends, families and

carers be able to participate fully in public life and the local economy is supported by such guides, there was interest in making more of the Northampton DisabledGo guide. Northamptonshire Enterprise Ltd had noted it was included in the Heritage Open Days leaflets. It was identified that most of the venues which form part of the new Northampton Heritage Trail have DisabledGo access guides. This led to their interest in including the DisabledGo logo and links where possible in promoting the Trail.

k. Diverse Communities Forum visit to Northampton Museum

Responding to a concern raised about the lack of obvious 'welcome' for people from diverse communities in the Museum, the Forum arranged a visit to help identify opportunities for the museum to improve how it communicates to encourage everyone to feel part of the community it reflects – and to find out more about what it does already. A group including Hindu, Muslim, Indian, African-Caribbean and LGB people involved in working with diverse community groups in Northampton visited. The group had the chance to see behind the scenes in the stores and to find out about the collections which include many items relating to diverse communities – items being cared for well but not on show generally. The group was able to learn about how they can donate or ask to see objects.

The group considered the basic web publicity and noted that if the museum were to include some photographs in its web pages which showed people from a diverse range of ethnic and faith groups, this would help people to feel they would be welcomed as part of the community, not outsiders – currently the publicity seemed to be divided between 'host' community and 'the rest of the world'.

It was noted that the museum leaflets had some good images that did show a wide range of people.

The group was shown the People's Gallery and told about opportunities to be able to have community displays including films there. It was decided to have a Hindu exhibition in December, Inspiration FM in January and then from Holocaust Memorial Day a Jewish heritage exhibition.

3. Supporting NBC Consultations and Activities:

a. Byelaws

The NBC consultation about updating byelaws in the town centre was brought to Forum meetings, circulated by email and posted on Facebook. The Pensioners Forum as a group raised concerns that young people needed some skate facilities, not just to be told that they could not skate. The Youth Forum raised similar concerns, while accepting that there were safety issues which needed to be addressed. Both Forums noted that at some times of day, in some of the proposed

places, skating would not necessarily be a nuisance – they urged the council to take this into account. In the end, taking into account this and other feedback, the council amended its proposed byelaws.

b. Difficult Choices and Priorities consultation

This has been posted to all Facebook pages for Forums, circulated via email networks, and has been taken to Forum meetings to enable particular groups a safe space to focus on the potential impacts of the spending review and NBC decisions in relation to this, on older people, LGB people etc. A note has been included with Agendas inviting people unable to attend the meetings to request a copy of the consultation paper if they would like one to be able to take part in this activity.

c. Central Area Action Plan: update

The Forums have continued to be kept informed about this plan's development, with leaflets being circulated at meetings and people alerted to opportunities to discuss the plan with Planning Officers in November and December.

There has been some disappointment from some members of the Disabled People's Forum about the lack of any evidence that access issues have been taken into account in the plan. There is concern that some roads are difficult to cross and closure of underpasses will make things worse. Members of the forums have been encouraged to talk to Planning Officers about their concerns.

d. Facebook

Several NBC services – and some others e.g. NHS, Police – are now using the Forums Facebook pages to post news e.g. about sports, leisure and local area opportunities.

4. Working with the NHS and NCC: Northampton Older People's Health Forum

In summer 2010, the NHS Primary Care Trust ('PCT') and Northants County Council approached Northampton Pensioners Forum asking for them to become involved in work they wanted to do to create a forum dedicated to older people's health and well-being in Northampton as a partnership activity, funded by grants funding the PCT had received and with communications and admin dealt with by the PCT and NCC.

The Pensioners Forum was anxious that they do not lose or reduce existing opportunities they have to engage with NBC but agreed to support an initial meeting as a trial of what the PCT wanted to do. The initial event was organised had a disappointing turn out – though not much different to meetings in other parts of the county.

The NHS White Paper is a cause of concern to many members of the Pensioners and Disabled People's Forums and they were keen that while the

PCT has now had to begin transitional arrangements and cannot look to provide the older people's health forum in the long-term, there should still be opportunities to discuss changes about health, care and NCC budget meanwhile. So a further meeting, planned taking account of lessons learned from the initial experience, is due to take place in January 2011.

In addition, NCC has agreed to attend a Disabled People's forum meeting as part of its Assisted Transport Consultation and the Disabled People's Forum and Pensioners Forum have agreed to share invites to that meeting (which is also due to receive an item on Disabled Facilities Grants from NBC) rather than have two separate meetings on these topics of interest to both forums.

5. Northampton Disabled People's Forum discussions included:

a. National Blue Badge Enforcement Consultation

The Disabled People's Forum provided a response to this consultation.

b. Issues of accessibility at Northampton General Hospital

Issues about accessibility at the hospital have been a repeated feature of Forum meetings. The introduction of Disabled Go its hoped may help with some aspects – and the forum has noted that the Hospital has made good use of its DisabledGo guide by having each of its service areas featured in its guide form an action plan to address the barriers to access identified and improve its accessibility performance in future assessments (done each year as part of updating the guide).

6. Northampton LGB People's Forum discussions included:

a. NBC improved ways of dealing with hate crime reporting

b. Stonewall and equality practices by Human Resources at NBC

c. Hate crimes affecting LGB community locally

d. Lack of funding and venues for LGB people in Northamptonshire:
This issue is a cause of some concern as the groups are struggling to operate even in shared spaces. It's been suggested that it would be easier for councils and others to engage with LGB and T people if they were to fund more support services for them. As a group which is less visible and quite vulnerable, it may be harder to identify among customers and service users, who is LGBT, unless and until there is a stronger infrastructure in place for LGBT people in Northampton and county.

7. Northampton Pensioners Forum discussions included:

a. Increasing use of the internet and mobile phones by older people

- b. The wish to work more closely with NBC services to help review and develop services that take account of older people's needs

8. Forums and the future: discussions included:

a. Records of meetings to fit with ways of working effectively and how people like to communicate

The Forums have been considering the issue of how meetings are recorded. This has been partly to do with the changes in the Equality Act and the new data publishing, partly to do with discussing what the council needs to show about listening to what people say to become Excellent under the Equality Framework. This has also been considered in terms of looking to use the most appropriate means to record things.

Different Forums have come to different views about what may be most appropriate for them. Some have been trying out what they think to see how it works e.g. to use Facebook. There has been some discussion about the new data requirements for councils not being published until December and a wish to consider this matter further once the new requirements are known.

The Youth Forum, in keeping with other youth organisations, has found that the use of Facebook and social media, has become very important – young people do not want newsletters or minutes but photographs of their flipcharts and what they have been doing, audio and video recordings are important and within the technical abilities of young people to produce easily. So they have decided not to have minutes or a newsletter but to post news to their Facebook page. They do want to be able to have a formal record of meetings sometimes when they think it's important – for example if they make decisions about their elections or about funding but they don't think it's helpful or good use of time and money to just make a written note otherwise and they don't think anyone would read it if they made a note.

The LGB People's Forum are also looking at using Facebook – and would like email too – for sharing news and opportunities from their meetings. They say for some people having the email information can help to copy and paste it to their websites etc to help spread the word about what the council is doing. Social media has seen the rise of a lot of LGBT groups from students to adults in Northampton and beyond who feel comfortable to communicate that way but who may not want to attend meetings in person. The forum feel that for some people face to face meetings are very important and it is a really good thing that the council hosts the forum as it is 'neutral' from 'politics' which might happen between community groups. So social media is additional, not instead of meetings. They want to be able to take part in consultations and to be able to do things which make a difference (for example the Forum is looking to create an online/digital exhibition about the experiences of the local LGBT community and help available for International Day Against Homophobia) and they don't think these need to have minutes if there is a consultation survey form or the project has

its own outcomes/records. They would like to use an action plan/decision sheet and to have their own survey sheets to give views on things where there are not consultation sheets provided – this should help provide measurable responses that can help the council see how it's doing on improving things year on year and can help feed into equality impact assessment creation and review.

The Diverse Communities forum: the members of this forum like to share news but often do not want to meet for a formal meeting. They like to work on particular projects or activities. Facebook and email seem to be preferred ways to communicate, but with meetings happening where there are important issues like the council budget to discuss.

The Disabled People's Forum: there is a mix of views. Some people like Minutes, others would prefer to have action plan/decision sheets and a means to record their views rather than just the 'gloss' of Minutes. What does seem to be shared is a wish to be able to have a strong voice and able to hold the council to account. Many people who attend the Forum meetings say they do not have email or internet access. The Facebook page for this Forum seems to be used mostly by people other than those who attend Forum meetings.

Pensioners Forum: discussions about internet use, revealed that many members of the Forum now do have or are seriously thinking about getting email and internet access. However, modern.gov standard emails with links to key documents can be confusing and social media can be daunting. Some people are starting to use social media sites. Some people would like Minutes, some are happy with the newsletter, others would be happy to move to action plan/decision sheets and a sheet on which their individual views can be captured to feed into council performance and improvement.

b. Equality impact assessments

There is interest in having closer working with council officers who are developing their assessments of how ways they work – or may work – will affect people. Some people have had occasional opportunities to work more closely with council services and have found this can be a good thing for the council and for them to feel more closely involved. It has been recognised that often the difference between discussions had now and what they'd need to be like to help develop or reflect on what an officer thinks are the impacts of a proposal are not really very different. The Pensioners Forum would like to have easier access to Equality Impact Assessments information to see about what they could ask to be involved with and when – what would work for the council and them.

Agenda Item 9

Appendices

1



NORTHAMPTON
BOROUGH COUNCIL

Item No.

9

CABINET REPORT

Report Title

Contract Award Decent Homes Phase 2

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	15 th December 2010
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	HOUSING
Accountable Cabinet Member:	Cllr Sally Beardsworth
Ward(s)	All

1. Purpose

- 1.1 To approve the appointment of contractors for phase 2 of Decent Homes. The detailed appendices contain commercially sensitive information which would be advantageous to a third part. This information is available to Cabinet for discussion in private session.

2. Recommendations

- 2.1 That Cabinet awards contract A for the North and Central areas to the Lovell Partnership Limited and that Contract B for the South and East areas be awarded to Frank Haslam Milan and Co Ltd. each contract to be worth £11 million over the next three years, covering 3,600 properties.

3. Issues and Choices

- 3.1 This appointment facilitates the delivery of the Decent Homes Programme and the delivery of the Housing Asset Management Strategy previously approved by Cabinet.

- 3.2 The contracts will be let as two separate contracts of approximately £11m each. Contract A will cover the North and Central areas and Contract B will cover the South and East areas.
- 3.3 Selection was carried out through the OJEU procurement route and was completed by specialist external consultants, the Potter Raper Partnership. Tenants were also involved in the assessment of tenders.
- 3.4 Following submission of Pre Qualification Questionnaires, evaluation resulted in eight contractors being invited to submit tenders. One of these did not complete the tendering process and seven tenders were received.
- 3.5 Evaluation was based on price and quality, with 60% being awarded for price, 20% for quality, and 10% each for the tenants' assessment and the client visit assessment. During the evaluation phase another contractor advised that they were not in a position to submit a bid and withdrew. Evaluation results are contained in the appendix to this paper and the detail of the evaluations is contained in a report to be considered on the private part of the agenda.
- 3.6 Contracts have previously been awarded for phase 1 to Thomas Vale, Borrás Construction Limited and local contractors, A. Ainge & sons for a total of £4.6 million. The number of homes made decent this year will be 640. These contracts covered Kingsley, Kingsthorpe, villages and Duston.
- 3.7 Phase 2 of Decent Homes is worth £22 million. It will cover in the region of another 3,600 homes. Work will be carried out in the following areas: Abington, Briar Hill St James, Camp Hill, Dallington, Delapre, Old Duston (Ryehill), Far Cotton, Goldings, Great Billing, Headlands, Kingsthorpe (Nursery Lane, St Davids/Boughton Green), Lakeview, Lings, Little Billing, Overstone Lodge, Rectory Farm, Spencer and St Crispin.
- 3.8 Eastfield and Thorplands were not included in these contracts because a PFI bid was in the process of being prepared, however, funding is no longer available for PFI. A separate report on this issue is contained elsewhere on the agenda.

4. Implications (including financial implications)

- 4.1 The contracts total £22 million over 3 years in accordance with the resources identified in the Housing Management Strategy previously submitted to Cabinet. The detail of the reform of the Housing Revenue Account are not yet available but will result in a different financial regime.
- 4.2 **Resources and Risk**
- 4.2.1 Due to the current financial climate an additional financial check was carried out prior to the site visits and the companies have come out with a sound financial position at this point in time.
- 4.2.2 In addition, appointing two main contractors helps to mitigate any future issues with contractor performance/stability as the Council will have the ability to

adjust the workflow between either contractor.

4.3 **Legal**

- 4.3.1 The EU procurement procedure has been conducted by the Council's appointed consultant and appears to have adequately addressed the requirements under the Regulations, all other legal implications are covered within this Report.

4.4 **Equality**

- 4.4.1 An equalities screening assessment has been carried out. Equalities information is being used to identify vulnerable groups for early contact and visiting. The contractors will be employing resident liaison offers to support tenants. Any disabled adaptations work that is identified will be carried out as part of the contracts.

4.5 **Consultees (Internal and External)**

- 4.5.1 All tenants have been consulted over the priorities in the Housing Asset Management Strategy the results of which have previously been reported to cabinet. In accordance with the tender evaluation model, tenant representatives visited the top four contractors in terms of price, and evaluated them. Their scores have been incorporated into the overall evaluation and are shown in the appendix. Their recommendations mirror those of the overall tender evaluation exercise.

4.6 **How the Proposals deliver Priority Outcomes**

- 4.6.1 The proposals are consistent with the following corporate priorities as outlined in the Councils' Corporate Plan
- improved homes, health and well being
 - an efficient organisation that puts customers at the heart of what we do

4.7 **Other Implications** None

5. Background Papers: None

Author: Mark Plant, Housing Asset Strategy Manager
Contact details: 8820

Appendix 1: Tender evaluation summary of results

	Scoring				Weighed Scoring				Total weighed (80%)	Position
	Quality of Systems (100%)	Tenants assessment contractor (100%)	Client visit (100%)	Price (100%)	Quality (20%)	Tenant assessment: contractor (10%)	Client visit (10%)	Price (60%)		
Frank Haslam	93%	68%	73%	95%	19%	7%	7%	57%	90%	1
Lovells	63%	84%	83%	97%	13%	8%	8%	58%	87%	2
Contractor 3	97%	56%	57%	84%	19%	6%	6%	50%	81%	3
Contractor 4	69%	N/A	N/A	85%	14%	N/A	N/A	51%	N/A	4
Contractor 5	70%	N/A	N/A	84%	14%	N/A	N/A	50%	N/A	5
Contractor 6	52%	N/A	N/A	70%	10%	N/A	N/A	42%	N/A	6

Of the eight contractors invited to tender, one did not complete the tender, and another withdrew at the evaluation stage.

The Client visit is an assessment of the contractors' performance made from talking to Councils who have used them recently.

Appendices

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NORTHAMPTON
BOROUGH COUNCIL

Item No.

10

CABINET REPORT

Report Title	Robinson House
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	15 th December 2010
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Housing
Accountable Cabinet Member:	Councillor Sally Beardsworth
Ward(s)	Lumbertubs

1. Purpose

- 1.1 To advise Cabinet of the outcome of the 'Design and Finance' competition for Robinson House and propose the transfer of the asset to an RSL.

2. Recommendations

- 2.1 That Cabinet approve the disposal of Robinson House to Registered Social Landlord (RSL) partner Orbit Homes.
- 2.2 That Cabinet approve the Director of Housing, in consultation with the Portfolio Holder for Housing and the Borough Solicitor, to be authorised to agree the heads of terms, the terms of lease and to effect the disposal.

3. Issues and Choices

3.1 Report Background

- 3.1.1 Robinson House is a three-storey block of bed-sit flats, which has been empty since September 2008. The block was initially a site earmarked for the Places of Change project, however it was decided that the location would not suit the aims and objectives of this scheme.
- 3.1.2 In September 2009, Cabinet approved the recommendation to carry out a 'Design & Finance' competition to look at ways Robinson House could be brought back into use. At the time, the Housing Market was at an all time low both in terms of new build homes and interest in development opportunities. A combination of un-suitable schemes and the economic environment have contributed to the block remaining vacant until now.

3.2 Issues

- 3.2.1 At the beginning of 2010, the Housing Strategy team started the process of developing the procurement process for a new RSL Framework to cover Management standards and Development opportunities within Northampton. Cabinet approved the set up of a new RSL Framework in July 2010. Because of the downturn in the housing market and the lack of demand from the private sector market due to the 100% affordable housing requirement, a decision was made to put Robinson House through the new RSL Framework approach to look at ways in which this building could be brought back into use.
- 3.2.2 In partnership with Brookside Residents Association, a Development Brief Specification was produced and this was distributed to RSL partners' week commencing the 4th October 2010. The RSL partners that were sent a tender pack following initial expressions of interest were:
- East Midlands Housing Association
 - Derwent Living
 - Minster Housing Association (Hyde Group)
 - Nottingham Community Housing Association
 - Bedfordshire Pilgrims Housing Association
 - Midland Heart Housing Association
 - Metropolitan Housing Partnership
 - Orbit Group
 - Home
- 3.2.3 Following the return of eight tenders, the evaluation panel made up of Officers and a selection of Brookside Resident Association members short listed the eight tender returns down to three RSL partners. These three RSL partners were independently scored and evaluated and then interviewed on the 15th November 2010 by a panel of two Councillors, an officer and a representative of the Brookside Residents Association. The panel had three very good presentations, but ultimately chose to recommend Orbit Homes.

3.3 Choices (Options)

Do Nothing

- 3.3.1 This option would continue to cost the Council significant amounts of money both to maintain the building security and in lost rental income. The loss of income due to voids at Robinson House is currently approximately £180k per annum. The Fire Brigade have expressed concerns regarding the potential for a significant fire at the location if it continues to remain empty.

Dispose of on the Open Market

- 3.3.2 The disposal of the site on the open market would attract a capital receipt. The current value of the land if residential was the future use, would be approximately £500k. As the land is in the Housing Revenue Account (HRA), there would be a percentage of the receipt that may have to be paid back to central government under current rules. This option would not be viable to private developers due to the 100% affordable housing requirement.

Transfer to an RSL

- 3.3.3 As referred to in the issues section of this report, a tender exercise has been carried out through the RSL Framework, and following a short listing exercise by officers and the Brookside residents association, three RSL's were put forward for interview. A panel made up of two elected members, an officer and a representative of Brookside Residents Association interviewed the three shortlisted RSL's and concluded that Orbit Homes were the successful organisation to enter into partnership with to regenerate the Robinson House site. The offer from Orbit Homes proposes to develop 7 three-bed houses and 10 two-bed houses, with 12 for rent and five for shared ownership. All the homes are proposed to be built to Code for Sustainable Homes (CSH) level 4. This is the preferred option that forms the recommendation to Cabinet.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The proposed Disposal of Robinson House fully supports the newly adopted Housing Strategy 2010-2015 and contributes to achieving the following priorities:

- Manage supply and growth for the future of Northampton;
- Deliver well designed, high quality homes, neighbourhoods and service; and
- Improve Customer access, opportunity and choice

4.2 Resources and Risk

Risk

- 4.2.1 As stated in the options section of this report, the land value is approximately £500k. As part of the procurement process the Council stipulated that they were looking for maximum value from a partnership approach, which includes keeping Grant funding from the Homes and Communities Agency down to a minimum. Orbit Homes have indicated that they can regenerate the Robinson House site for 100% affordable housing without applying for any grant from the HCA. This significantly reduces the risk of non-delivery of the project due to a lack of funding sources. This is one of the reasons for choosing Orbit Homes.

Resources

- 4.2.2 To date all costs have been met by existing staffing budgets within Housing Strategy, Legal and Corporate Asset Management. As part of the solution offered by Orbit Homes, the Council will seek to recover an element of the costs incurred by Officers time spent on the project, but also the costs of the land searches and the ground investigation work.
- 4.2.3 A formal decision to dispose of the site will enable the Council to exclude Robinson House from the current HRA Subsidy mechanism. Based on 2010/11 subsidy determination allowances this will reduce negative subsidy payments to the Government in future years by approximately £60k per year.

4.3 Legal

- 4.3.1 The procurement process has been undertaken in accordance with the procurement rules. The RSL Framework Agreement provided for a Conditional Agreement for the lease of land and this will provide the legal framework for the delivery of the project.
- 4.3.2 All the necessary land searches and ground investigation surveys have been completed and these were presented to the RSL partners as part of the procurement exercise to partner with the Council to regenerate the Robinson House site.

4.4 Equality

- 4.4.1 An initial screening report has been completed, which has highlighted that there is no need for a Full Equality Impact Assessment.

4.5 Consultees (Internal and External)

- 4.5.1 The following people and organisations have been consulted upon the decision to dispose of Robinson House through the RSL Framework approach:
- All RSL partners on the RSL Framework

- Brookside Residents Association
- Ward Councillors
- Portfolio Holder for Housing
- Corporate Asset Management
- Corporate Asset Board (Paper taken on 4th November 2010)
- Planning
- Housing
- Director of Housing
- Homes and Communities Agency
- Legal
- Procurement

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The proposed Disposal of Robinson House fully supports the following corporate objectives:

Priority 2 – Housing Health and Wellbeing

Priority 4 – Partnerships and Community Engagement

4.7 Other Implications

4.7.1 None

5. Background Papers

- 5.1 Options Appraisal for Single Person's Accommodation Cabinet Report 23rd September 2009.
- 5.2 Corporate Asset Board Paper 4th November 2010

Gary Parsons, Housing Strategy & Performance Manager (x7970) e:

Agenda Item 11

Appendices

2



Item No.

11

NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Property Disposal Programme 2010/11 – Various Properties – Tranche 4
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AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	15 Dec 2010
Key Decision:	Yes
Listed on Forward Plan:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Planning & Regeneration
Accountable Cabinet Member:	Cllr David Perkins
Ward(s)	Lumbertubs, Eastfield and Kingsley

1. Purpose

- 1.1 The purpose of this report is to seek the authority of Cabinet to the disposal of freehold property identified in Appendices 1 & 2.

2. Recommendation

- 2.1 That Cabinet approve the disposal of the freehold property identified in Appendices 1 & 2 of this report, being
- (a) Weston Favell Office
 - (b) Land at Wallace Road
 - (c) Land at rear of 85 Wheatfield Road

as the Fourth Tranche in implementing a broader programme of disposal of assets considered surplus to this Council's requirements

- 2.2 That Cabinet delegate to the Director of Planning and Regeneration the power to negotiate the terms of the disposals in consultation with the Portfolio holder for Finance.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Corporate Asset Board has considered reports concerning the property portfolio of the Council. It has supported a decision to progress an asset disposal programme consistent with the Asset Categorisation set out in the adopted Corporate Asset Management Strategy 2010 –2013. The properties dealt with in this report are presently non-operational and not income producing.
- 3.1.2 The Corporate Asset Board (CAB) at its meeting on 4th November 2010 considered in detail the case for disposal of the properties set out in the attached appendices. CAB supported officer's specific recommendations in this regard.
- 3.1.3 The views of Ward Councillors have been sought in each case together with those of all Borough Councillors and members of the public in relation to the land at Wallace Road and Wheatfield Road where site notices were placed. Comments have been received from Councillors in Boughton Green, Eastfield, East Hunsbury, Kingsley and Weston Wards. No other comments or objections have been received post the supply of requested information and no comments have been received from members of the public following the posting of site notices on 15th October and again on 12th November 2010.
- 3.1.4 Councillors in Kingsley Ward have not raised any concerns or objections to the proposed disposal of land at Wallace Road but have commented that should the land obtain a formal planning consent for residential development, off road parking should be provided. Councillors should note that any alternative use of the land is subject to the planning process, which addresses matters relating to parking for new developments.
- 3.1.5 Councillors in Eastfield Ward requested further information regarding the site at Wheatfield Road. This information was supplied on 28 September 2010, and Councillors have since commented that they have no objection to the proposed disposal.
- 3.1.6 Councillors in Boughton Green Ward have raised concerns over the land at Wheatfield Road being developed for use as a House in Multiple Occupation (HMO). There is unlikely to be demand for a HMO on this land as its area is relatively small which as a consequence limits the scope for development, but in any event this would be a matter for consideration in respect of planning.
- 3.1.7 Councillors in East Hunsbury and Weston Wards have raised concerns relating to the disposal of the Weston Favell Office. They have suggested that it could have an adverse impact upon any possible future plans for a comprehensive re-development of the wider area. Corporate Asset Board on 4th November considered the issue of the property's location adjacent to Lings Forum and the implications of this. There are no current plans in the short, medium or longer

term for the redevelopment of Council owned land in the locality. The land within Council ownership is essentially limited to (1) the land and buildings occupied by Lings Leisure Complex (including cinema) and (2) Weston Favell Office and associated car parking. Proposals are being advanced (subject to final cabinet approval) for the creation of an independent Leisure Trust in 2011. As a consequence of this proposal, it is likely that the Trust (if created) would enter into an agreement to operate and control Lings Forum Leisure Centre as part of an overall package of leisure facilities within the town. A lease agreement may be granted to the Trust for a period up to thirty years in length. The land and buildings occupied by Weston Favell Office and associated car parking will not form part of that agreement. The offices have been actively marketed and also offered to strategic partners for a significant period prior to the date of this report - on a letting basis. To date it has not been possible to attract a suitable occupier to take a lease of the building. The offices are of relatively modern construction and are generally in good condition. In the foreseeable future land values are unlikely to be sufficient to justify the demolition of these offices as part of any comprehensive re-development scheme involving other land. There are substantial holding costs for the Council (including business rates) from this property remaining vacant. The office accommodation strategy of the Council has been to consolidate its operations in fewer buildings, to maximise utilisation of space and reduce overall ongoing occupancy costs.

- 3.1.8 No concerns or objections have been received from Councillors in East Hunsbury and Weston Wards in relation to the proposed disposal of land at Wallace Road and Wheatfield Road.

3.2 Choices (Options)

- 3.2.1 The Council could choose to retain all three assets. The assets are not presently utilised by this Council to deliver services and incur holding costs. The property at Weston Favell is likely to deteriorate physically over time, which will increase the potential for vandalism and anti social behaviour. They are presently of no benefit to local residents. The opportunity to generate early capital receipts would not be realised.
- 3.2.2 The Council could choose to dispose of the vacant land at two locations, but retain the land and buildings at Weston Favell to help facilitate a comprehensive redevelopment of land including Lings Leisure Complex at some future date. Given (a) the present Trust proposals relating to the leisure complex, (b) the continuing imbalance between the level of land values and high costs of re-provision of any leisure facilities that would almost certainly be required as part of any future comprehensive re-development scheme and (c) the absence in the foreseeable future of any likely grant or other public sector financial support to make any such proposals viable, this option could lead to the offices remaining unlet for a further significant period; incurring future holding costs and deteriorating physically over time.
- 3.2.3 The Council could choose to dispose of the assets set out in the appendices. Significant capital receipts would be generated and some continuing revenue liabilities would be eliminated. It would be consistent with the Corporate Asset

Management Strategy 2010 –2013 and the identified need to manage down the total property holdings of the Council.

4. Implications (including financial implications)

4.1 Policy

4.1 There are none.

4.2 Resources and Risk

4.2.1 Capital: The disposal of the property identified is likely to generate substantial capital receipts. These would help to fund the capital programme of this Council and reduce the need for borrowing.

4.2.2 Revenue: The sale of the surplus property would eliminate holding cost liabilities related to security, maintenance, some limited utility costs and business rates. The costs of business rates and utility costs are considered to be in the region of £16,000 pa. The costs associated with maintenance, rubbish clearances etc are difficult to quantify due their reactive nature. The Council would lose an income of £11 pa from an electricity substation letting on the land at Wallace Road. There would be officer time incurred in the disposal of these assets (Asset Management & Legal). Depending upon the precise method of disposal in each case, there could be external fees to pay to agents or auctioneers.

4.2.3 Property would be disposed of at the best value that could be currently obtained in the market, having due regard for obtaining the "best consideration" (as set out in 4.3.2 below). Market conditions, particularly the level of demand, may be subject to change and this represents a risk in achieving satisfactory sales within the next twelve months.

4.3 Legal

4.3.1 The legal implications and relevant statutory provisions are detailed elsewhere in this report.

4.3.2 Local authorities are generally under a duty to comply with Section 123(2) of the Local Government Act 1972 which requires that "Except with the consent of the Secretary of State a Council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained." Section 123 issues are addressed in the body of this report.

4.4 Equality

4.4.1 There are none. The land and property is vacant and is not open to the public save for the land at Wallace Road that is designated as HRA land and not deemed as Recreational or Public Open Space. The sale of these properties would not disadvantage any section of the population disproportionately.

4.5 Consultees (Internal and External)

- 4.5.1 The views of Ward Councillors have been sought in each case. The following Ward Councillors were contacted as follows (a) Cllrs. Capstick and Mason in respect of Weston Favell Office by email on 12 November (b) Cllrs. Simpson and Taylor in respect of Wallace Road by emails dated 13,17 & 20 August and (c) Cllrs. Collins and Hawkins in respect of Wheatfield Road by emails 24,25, 28 September and 12 November.
- 4.5.2 All comments or concerns raised by Ward Councillors have been included within the body of this report prior to its publication. In the event that comments are received post publication of this report but prior to 15 December, those comments will be verbally reported to Cabinet.
- 4.5.3 The views of all Borough Councillors have been sought in each case. All Borough Councillors were contacted by email on 16th November.
- 4.5.4 All comments or concerns raised by other Borough Councillors have been included within the body of this report prior to its publication. In the event that comments are received post publication of this report but prior to 15 December, those comments will be verbally reported to Cabinet.
- 4.5.5 Members of the Public have had an opportunity to comment in relation to the proposed sales of vacant land at Wallace Road and Wheatfield Road. Site notices were posted on 15th October advising that the Council was considering the future of these land plots (including the option of disposal). Further site notices were posted on 12th November 2010 (post CAB meeting) advising of the date that Cabinet will consider disposal.
- 4.5.6 No comments have been received from the public in response to these site notices prior to the publication of this report.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 Priority 1: The disposal of underutilised sites will contribute to reducing fly-tipping and vandalism making Northampton a cleaner, safer and greener place to live.
- 4.6.2 Priority 5: Delivery of the property disposal programme will reduce the overall property holdings of the Council to help optimise the asset base, manage down maintenance liabilities and limit related overheads. Disposals would
- (a) generate capital receipts to support wider corporate objectives and
 - (b) offer the opportunity for the Council to choose to selectively reinvest in a core group of higher quality operational and revenue generating assets.

4.7 Other Implications

- 4.7.1 There are none specifically.

5. Background Papers

5.1 The Corporate Plan (2010 – 2013)

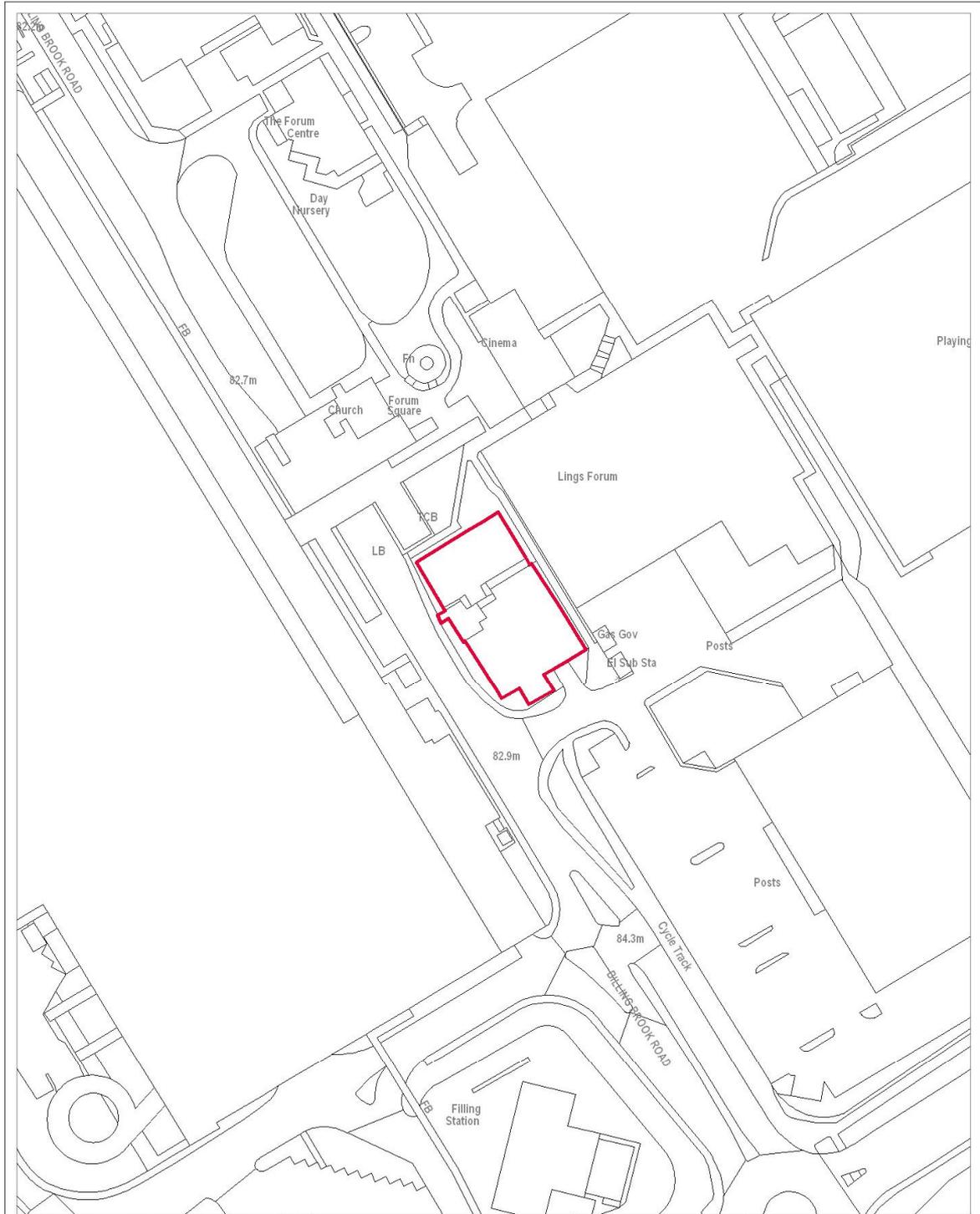
5.2 Corporate Asset Management Strategy (2010 –2013)

Adrian Daniell, Principal Estates Officer, x8762

Appendix 1 – Disposals

Asset address	Fund / Budget (HRA / GF)	UARN	Vacant	Description	Building Size sq m	Indicative Size Ha	Recommendation
Weston Favell Office	General	60311	Vacant	Offices and Car Parking	427m2	0.1066	Disposal
Land at Wallace Road (including electricity sub station)	HRA	No allocation	Vacant	Small parcel of amenity land with nominal income from electricity sub-station - special purchaser interest	N/A	0.024 (includes 0.0053 for the substation)	Disposal
Land at rear of 85 Wheatfield Road	HRA	No allocation	Vacant	Small parcel of former garden land, reserved out of 'right to buy'	N/A	0.0195	Disposal

Plans for each asset are included in Appendix 2.



Title: Weston Favell Office DWG No.

ESTATES & ASSET MANAGEMENT		Directorate of Planning and Regeneration Northampton Borough Council
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Title: Land at Wallace Road

DWG No.

<p>ESTATES & ASSET MANAGEMENT</p>		<p>Directorate of Planning and Regeneration Northampton Borough Council</p>
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Title: Land at 85 Wheatfield Road

DWG No.

<p>ESTATES & ASSET MANAGEMENT</p>		<p>Directorate of Planning and Regeneration Northampton Borough Council</p>
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Agenda Item 12

Appendices

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NORTHAMPTON
BOROUGH COUNCIL

Item No.

12

CABINET REPORT

Report Title

Energy Reduction Briefing

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	15 December 2010
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Environment and Culture
Accountable Cabinet Member:	Cllr Trini Crake
Ward(s)	All

1. Purpose

- 1.1 The purpose of this report is to provide an update on the progress of the Council's energy and carbon management programme.
- 1.2 To confirm that an application for approval under The Carbon Trust Standard has recently been submitted.
- 1.3 To provide an update of the progress on energy reduction achieved in accordance with the 10:10 campaign.
- 1.4 To update Cabinet on changes to the Carbon Reduction Commitment which were announced as part of the Comprehensive Spending Review.

2. Recommendations

- 2.1 That the contents of the report are noted.
- 2.2 That the Director of Environment and Culture be authorised to implement any changes required to secure compliance with the Carbon Trust Standard.

3. Issues and Choices

3.1 Report Background

- 3.1.1 As part of Council's ongoing commitment to reducing its carbon footprint, an application has been submitted for accreditation to The Carbon Trust Standard.
- 3.1.2 The Carbon Trust Standard recognises organisations that achieve real carbon reductions. Certification requires the organisation to demonstrate measurable reductions in their carbon footprint and requires an ongoing commitment to making reductions year on year.
- 3.1.3 Following a preliminary audit of the Council in summer 2010 an application for accreditation was submitted in November 2010.
- 3.1.4 It is anticipated that a response from the Carbon Trust will be received before the end of 2010. If the response has been received ahead of the Cabinet meeting a verbal update will be provided.
- 3.1.5 In September 2009 the Council signed up to the 10:10 Campaign, committing to reducing carbon emissions by a minimum of 10% within a year.
- 3.1.6 Data submitted in support of the application for the Carbon Trust Standard has demonstrated that NBC have achieved a reduction of approximately 15% in carbon emissions in the current year.
- 3.1.7 This clearly confirms that the Council has satisfied it's commitment under the 10:10 campaign.
- 3.1.8 Cabinet will recall that due to amount of energy used by the Council we are legally required to participate in the Carbon Reduction Commitment (CRC).
- 3.1.9 The Government's Comprehensive Spending Assessment announcement on 20 October included some changes to the CRC.
- 3.1.10 The changes proposed are intended to simplify the scheme. It is proposed that sales of carbon allowances have been delayed by a year until spring 2012. However the proposed recycling of allowances has been removed and the revenue from the sale of allowances will be paid to the Treasury. In effect this will amount to a tax on carbon emissions. A consultation document on amendments to the CRC order was published by DECC on 17 November 2010.

3.2 Issues

- 3.2.1 The achievement of The Carbon Trust Standard and meeting the commitment under the 10:10 campaign provides independently verified confirmation of the Council's performance in achieving significant reductions in its carbon footprint in accordance with the corporate plan priority of achieving a Safer, Greener and Cleaner Northampton.
- 3.2.2 The changes to the CRC scheme make it vitally important that the Council continues to minimise its energy usage in order to ensure that the costs of meeting the Carbon Reduction Commitment are minimised.

3.3 Choices (Options)

- 3.3.1 Cabinet can choose to authorise the Carbon Management Board to implement any changes to operations required to achieve compliance with the Carbon Trust Standard.
- 3.3.2 Should action not be taken to implement any recommended changes the accreditation may not be secured.
- 3.3.3 Meeting the Carbon Reduction Commitment is a mandatory requirement.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The application for the Carbon Trust Standard and the achievement of the 10:10 commitment demonstrate the Council's commitment to the corporate plan priority of achieving a Safer, Greener and Cleaner Community.

4.2 Resources and Risk

- 4.2.1 The cost of the application for the Carbon Trust Standard is covered within existing budgets being included in payment to Northamptonshire County Council in accordance with the Service Level Agreement for energy management services.
- 4.2.2 There are potential indirect costs involved with complying with the requirement to achieve year on year carbon savings. It is probable that the costs involved will be less than the savings resulting from the carbon reductions.
- 4.2.3 Failure to invest time and resources in reducing energy usage and consequently carbon emissions will result in both significant increases in energy costs and in the payment of elevated levels of "carbon tax".

4.2.4 At present it is not possible to fully quantify the possible cost of purchasing credits under the CRC as the price of carbon credits has not yet been finalised and the level of the Council's energy usage at the qualifying time is not know. However, based on the original proposed cost of credits at £12 per tonne and assuming the current level of energy usage the cost would be approximately £55 000 per annum.

4.3 Legal

4.3.1 Under the CRC Energy Efficiency Scheme Order 2010, made under the provisions of the Climate Change Act 2008, the Council is legally required to comply with the Carbon Reduction Commitment.

4.3.2 The precise details of carbon allowance sales have not yet been finalised.

4.4 Equality

4.4.1 There is no specific differential impact on any part of the population as a result of the application.

4.5 Consultees (Internal and External)

4.5.1 Internal – Asset Management, Financial, Legal; NCC – Energy and Carbon Management

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The application for the Carbon Trust Standard and the achievement of the 10:10 pledge demonstrate a commitment to the achievement of corporate plan priority one, safer, greener and cleaner communities.

4.7 Other Implications

4.7.1 There are none

5. Background Papers

5.1 Letter dated 29 October to CRC participants outlining changes announced in the CSR.

5.2 Consultation document on changes to CRC Order
http://www.decc.gov.uk/en/content/cms/consultations/crc_amendment/crc_amendment.aspx

Ruth Austen – Team Leader Environmental Protection and Crime Ext 7794

Agenda Item 14

Appendices

2



NORTHAMPTON
BOROUGH COUNCIL

Item No.

14

CABINET REPORT

Report Title

Briefing – DRAFT HRA Subsidy Determination 2011/12

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	15 December 2010
Key Decision:	NO
Listed on Forward Plan:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr D Perkins
Ward(s)	N/A

1. Purpose

- 1.1 This report presents the key issues arising from the announcement by the CLG of the Draft HRA Subsidy Determination for 2011/12. The Draft Determination was issued by the CLG on 5th November 2010 and the consultation period for responses closes on 16th December 2010.

2. Recommendations

- 2.1 It is recommended that Cabinet notes the impact of the Draft HRA Subsidy determination as set out in the Briefing Note (Appendix 1).
- 2.2 It is recommended that Cabinet note the NBC response to the Draft HRA Subsidy Determination (Appendix 2).

3. Issues and Choices

3.1 Report Background

- 3.1.1 The HRA subsidy determination is an annual settlement traditionally issued in the Autumn and finalised in late December. The CLG released the details of the Draft HRA Subsidy Determination for 2011/12 on 5th November 2010. The Draft Determination sets out details of the proposed Subsidy settlement for 2011/12 and its implications for rent setting following the Government's Rent Restructuring Policy.
- 3.1.2 The draft determination is only a one year settlement which is in line with the anticipated reform to Housing Finance anticipated to be introduced in April 2012.

3.2 Issues

- 3.2.1 The determination proposes a rent increase to Northampton Borough of on average 5.77% which would equate to rental debit increase of £2.4m. However through the determinations proposed subsidy settlement a total increase of negative subsidy (ie subsidy paid back to Government) exceeds this at £2.9m leaving a net reduction in funding of £500k for the HRA.
- 3.2.2 The Authority is obliged to follow the Government's rent restructuring policy and through the subsidy mechanism it is assumed by the Government that this is the case. This means that the increase in negative subsidy will still have to be funded irrespective of whether the Authority raises its rents. If the Authority does not increase rents in line with this any shortfall will also have to be funded.
- 3.2.3 The consultation period for the Draft Determination has started and the closing date for replies is 16th December 2010. The authorities response is shown at Appendix 2.

3.3 Choices (Options)

- 3.3.1 None arising from this report.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Draft Determination sets out the details of the annual HRA subsidy settlement and the continuation of the Government's Rent Restructuring Policy.

4.2 Resources and Risk

- 4.2.1 The financial implications of the Draft Determination are set out in Appendix 1.

4.3 Legal

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

4.4 Equality

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

4.5 Consultees (Internal and External)

4.5.1 The Director of Housing and members have been consulted.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 N/A

4.7 Other Implications

4.7.1 There are no other implications arising from this report.

5. Background Papers

5.1 CLG – Draft HRA Subsidy Determination 2011-2012, covering letter and associated documents.

Philip Morrison, Finance Manager, ext 7167

Appendix 1

BRIEFING NOTE

SUBJECT: HRA SUBSIDY DRAFT DETERMINATION 2011/2012 issued 5th November

HEADLINE : Draft determination proposes Guideline Rent increase of 6.8% nationally. Following Rent Restructuring guidance this equates to an average 5.77% rent increase for 2011/12. Through the Subsidy mechanism this represents a net decrease of funds of approximately £500k for Northampton after applying the 5.77% rent increase.

CONSULTATION

Consultation period for the draft determination has started, and the closing date for replies **16th December 2010**.

Any subsequent amendments to data submitted on the Base Data subsidy claim for 2011/12 needs to be put through and re-certified by External Audit by **10th December 2010**. NBC currently has no outstanding issues regarding the claim.

RENT RESTRUCTURING AND RENTS 2011/12

Guideline Rent Increase

Guideline rent increases on average set at 6.8% nationally. NBC's guideline increase is 6.9%.

Actual Rents and Rent Convergence

Rent convergence targets have been moved yet again out from 2012/2013 to 2015/16.

The table below shows how this has fluctuated in recent years to regulate the rent increases deemed to be acceptable nationally.

Year	Targeted Convergence Date
2001/02 to 2007/08	2011/12
2008/09	2016/17
2009/10	2023/24
2010/11	2012/13
2011/12	2015/16

- The formulae in the Draft Determination for 2011/12 used for calculating Rent Restructuring rent increases takes the September 2010 Retail Price Index (RPI) of plus 4.6% and adds on a real increase of plus 0.5%.
- As our actual average rent is above Guideline our rents have to increase less than Guideline to converge with the Target rent. The combination of an increase in the convergence period and our actual average rent being higher

than the Guideline rent results in a greater differentiation between Guideline (6.9%) and Actual average Rent Restructuring (5.77%) increases.

- Modelled rents on this basis show an **average rent increase of 5.77%** for 2011/12.

The draft spread of modelled rent increase/decreases for 2011/12 as a percentage over current rent is summarised in the table shown below:

Rent Increase %	Stock Numbers
Between 1% and 2%	12
Between 2% and 3%	0
Between 3% and 4%	22
Between 4% and 5%	539
Between 5% and 6%	8089
Between 6% and 7%	3299
Between 7% and 8%	235
Greater than 8%	3
	12199

- The majority of tenants are due to receive an increase between 5% and 6% in rents.

The draft spread of modelled rent increase/decreases for 2011/12 shown in £'s per week is summarised in the table below:

Rent Increase £'s per week	Stock Numbers
£0 & £1	12
£1 & £2	20
£2 & £3	605
£3 & £4	6200
£4 & £5	4868
£5 & £6	468
£6 & £7	26
	12199

- The majority of tenants are to receive a rent increase in monetary terms of between £3 and £4 per week.

HRA SUBSIDY

Overall the subsidy increase to be paid over to CLG has increased by £2.9m. After applying the rent increase suggested through the Rent Restructuring policy of 5.77%, there is a **net decrease in funds in funds of approximately £500k** for 2011/12.

In addition to this is the impact of the extended convergence period on the Rent Rebate Subsidy Limitation payment to General Fund. This is estimated to further extend the need for the HRA to contribute to the General Fund. This represents an increase in what was forecast for 11/12 of £300k however this is a reduction over 10/11 budget of £100k.

MANAGEMENT AND MAINTENANCE ALLOWANCES

- No change to formulae used
- Equates to increase in Management Allowance and Maintenance Allowance of 5.0% and 0.9% respectively.
- The assumption is that no uplift has been made to address the recognised shortfall in funding nationally of 5%.

GUIDELINE RENTS

- Guideline rent increases on average set at 6.8% nationally; NBC's guideline increase is 6.9%.

MAJOR REPAIRS ALLOWANCES

- No change to methodology
- GDP Deflator of 1.9% used despite recognition that uplift of at least 24% required Nationally.
- NBC's increase on MRA equates to 1.0% after taking into account changes in stock levels between years.

CHARGES FOR CAPITAL

- There is concern over the way local authorities are required to account for leases under IFRS. Representations have asked that credit arrangements are taken out of the CFR and so the CRI calculations. The CLG are requesting feedback from LA's on the likely impact for their authorities Treasury advisors. This is being looked at in a separate piece of work

THE Consolidated Rate of Interest (CRI)

- Allowances will be impacted on through lower CRI percentages to be used moving forward. See above.

INTEREST ON RECEIPTS

- Actual average LIBID rate still to be used, not a preset estimate , therefore room for volatility.
- 0.725% is being used as a forecast for 2010/11.

SERVICE CHARGES AND UNPOOLING

- No change proposed in the determination. Un-pooling will be examined later depending on the services to be un-pooled, provided by Housing Services. There will be little or no impact to the revenue account in the first year on un-pooling.

WHAT IF?

We opt not to increase rents?

- **Still have to repay this amount from our budget!**
- **Council ultimately charged with protecting it's HRA!**
- **There is no indication that rent restructuring policy is to change in the immediate future!**

THE UNKNOWNNS

- **Impact of IFRS on CRI through treatment of credit arrangements.**
- **HRA Finance Reform details not out yet.**
- **Localism Bill when will the detail be released and will it be passed to become law?**
- **Higher subsidy settlement will mean a higher buyout higher debt figure to take on re Housing Finance Reform?**

GLOSSARY

Consolidated Rate of Interest

The average interest rate for the year on all money borrowed by an authority, (not just relating to the HRA), including temporary borrowing. The level of CRI will depend on the proportion and level of fixed and variable interest rates, on the historical profile of borrowing and the authority's debt management policy over the years. The CRI is used by the Government to ensure HRA subsidy is fairly distributed.

Capital Financing Requirement

The measure from April 2004 used to calculate capital charges. It is defined and introduced in the CIPFA Prudential Code.

Formula Rent

The rent the Government considers ought to be demanded for a specific social housing property. The Formula rent is calculated in line with ministerial policy on the structure of rents. The aim was to gradually implement the new national formula rent over 10 years starting in April 2002. Usually expressed in £'s per week it is based on 70% relative county manual earnings multiplied by bedroom weight and 30% on relative property values.

GDP Deflator

Gross domestic product (GDP) is the value of the aggregate production of goods and services in the economy within a given time period- usually a year. The GDP deflator is an index used to estimate the real price of goods and services in the economy within the current time period. It is calculated by dividing the total value of GDP by a measure of the real volume of GDP in the same period.

Guideline Rent

A key part of the housing element subsidy calculation is the assumption made about income from rents. It is the difference between the previous years guideline rent for any authority and the guideline rent for the current year. It is the amount by which the HRA subsidy calculation assumes rents will change each year.

Housing Revenue Account Determination

The general determination of HRA subsidy for the financial year in question. It is usually issued as a draft in the Autumn with the Final version available at the end of the calendar year.

IFRS

International Financial Reporting Standards (IFRS) are principles-based Standards, Interpretations and the Framework (1989)[1] adopted by the International Accounting Standards Board (IASB). Many of the standards

forming part of IFRS are known by the older name of International Accounting Standards (IAS). IAS were issued between 1973 and 2001 by the Board of the International Accounting Standards Committee (IASC). On 1 April 2001, the new IASB took over from the IASC the responsibility for setting International Accounting Standards.

LIBID Rate

The London Interbank Offered Rate (or LIBOR), is a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market (or interbank market).

Maintenance Allowance

A significant part of the notional expenditure element of the HRA subsidy calculation which represents an estimate of each authority's relative need to spend on the maintenance of its housing stock.

Major Repairs Allowance

An element of the HRA subsidy introduced in 2001/02. The MRA provides each authority with estimated long-term average amount of capital resource required to maintain stock in its current condition.

Rent Limit

A limit set annually by the Government for each individual council. Limit rents are increased each year by the guideline rent increase.

Rent Rebate Subsidy Limitation

Limits the amount of subsidy entitlement on rent rebates when rents have increased above limit levels determined by the Secretary of State.

Rent Convergence

The process by which rents in the local authority and RSL sectors are brought onto the same basis under Rent Restructuring.

Rent Restructuring

The process whereby the rent levels and rent structures of a landlord are brought into line with ministerial policy on the structure of rents.

Appendix 2

Subject : Response to Consultation – The Draft Housing Revenue Account Subsidy Determination 2011-2012.

Northampton Borough Council's response to the above consultation papers is set out below.

General

The Authority understands that this determination is for one year only and that a new reformed system of council housing finance will be implemented through powers in the Localism Bill that still has to be issued and adopted. The Authority's reply to this consultation is therefore restricted to the proposals in this determination.

Rents and Rent Restructuring

The guideline rent increase for 2011/12 for this Authority is slightly above the national average of 6.8%. Due to the position of our actual rents to the Guideline rent this will lead to our actual rents having to increase on average by 5.77% under the Government's rent restructuring policy. The Authority understands that those already in receipt of full benefit will, under current rules, be protected. However the Authority, at this high level of rent increase, has serious concerns for those tenants not on benefit and for those on the margins, especially in the current economic climate.

HRA Negative Subsidy

The proposed settlement for 2011/12 for this Authority is an increase in negative subsidy payments of £2.9m per annum.

The Authority is concerned that this increase could make the housing finance reform subsidy buyout too expensive and therefore the future sustainability of its' HRA at considerable risk. The Authority awaits the detail on the subsidy buyout with great interest.

The Authority recognises that the increase in negative subsidy will be mostly offset by the 5.77% rent increase, however there is still a sizeable withdrawal of funds of over £500k proposed for 2011/12.

The Major Repairs Allowances and Maintenance Allowances increases are approximately 1% despite the recognition of significant shortfalls in funding nationally. The Authority fails to understand why this is not being addressed since the Government is proposing to fund some of the backlog repairs nationally but appears not to be addressing the shortfall in funding to maintain dwellings at there current condition.

The Consolidated Rate of Interest

The Authority shares the concerns of other Local Authorities about the possible impact of credit arrangements, and particular finance leases, on the CFR and consequently on the CRI. The Authority 's Treasury team is currently working through the changes and will inform the Government as soon as the results are known.

The Authority requires the Government to seriously reconsider the level of rent increase proposed nationally through the rent restructuring policy for 2011/2012.

The Authority awaits the Localism Bill and the detailed financial numbers but urges the Government to ensure that the level of debt for the buyout is not made a non-starter by the increases in negative subsidy proposed by the determination for 2011/12.

Appendices
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Item No.
15a



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Corporate Plan progress report – October
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	15 December 2010
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Councillor Brian Markham
Ward(s)	N/A

1. Purpose

- 1.1 To inform Cabinet of the Council’s progress against the priorities set out in the Corporate Plan.

2. Recommendations

- 2.1 That Cabinet note the contents of the report and considers what actions are necessary, if any, to address arising issues.

3. Issues and Choices

3.1 Report Background

- 3.1.1. The purpose of this report is to assist Cabinet in monitoring the progress against the delivery of the Corporate Plan priorities and to identify emerging issues.
- 3.1.2 The report takes into consideration the progress of key projects being delivered across the Council, the performance of local and statutory National Indicators and financial / resource information.

3.1.3 Portfolio Holders receive detailed information on all of the measures monitoring the Corporate Plan within their portfolios.

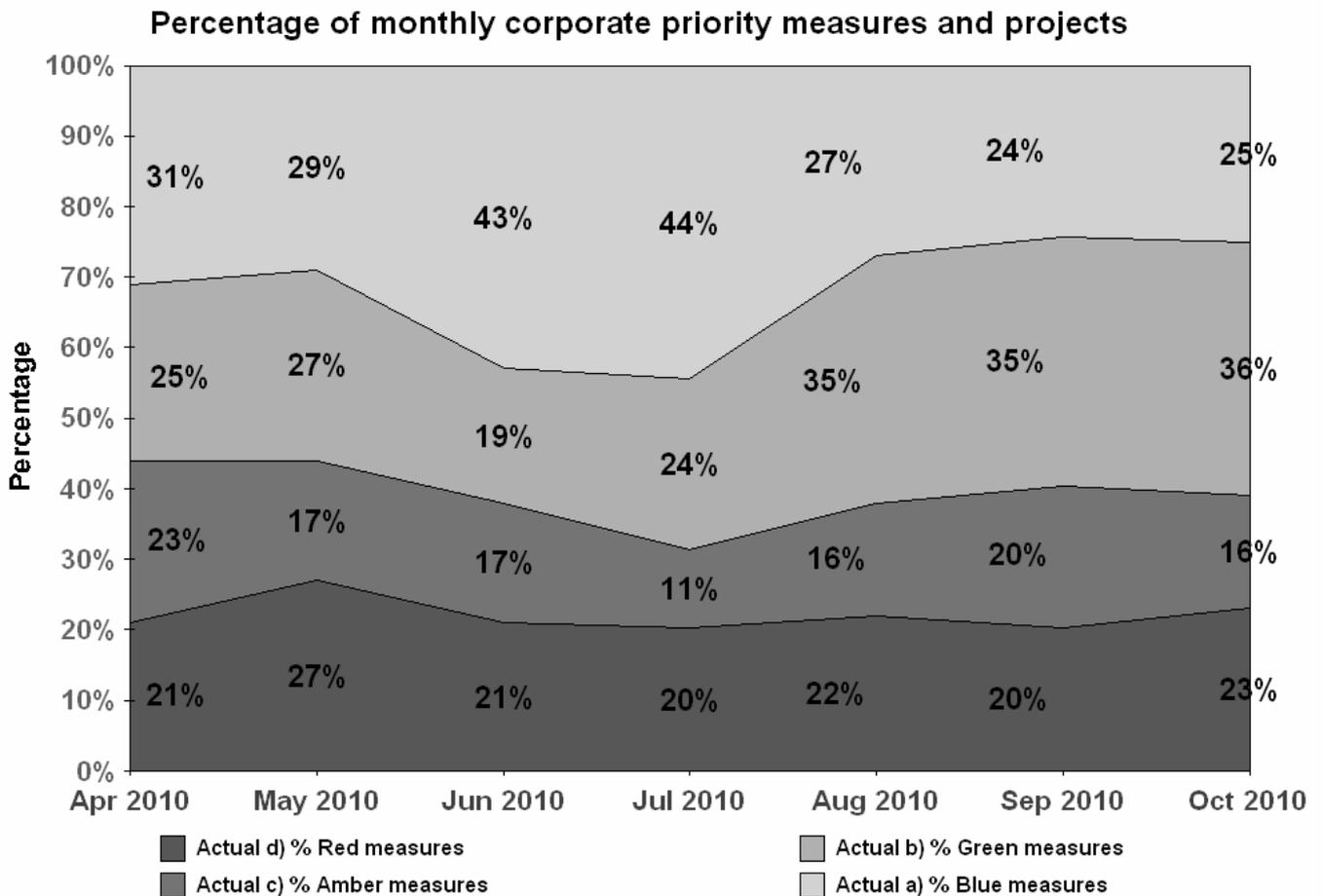
3.1.4 This report highlights exceptions for Cabinet’s consideration for the period October 2010.

3.2 Issues – Overall Performance

3.2.1 Overall progress against the Corporate Plan priorities

The delivery of the Corporate Plan priorities is on track during October with all priorities showing green or blue status.

In October, 23% of indicators have ‘red’ status and have not achieved target and 25% with blue status. Section 3.2.2 highlights the exceptions.



3.2.2 Exceptions to report

This section of the report brings to the attention of Cabinet those measures that are under (▲) or over (●) performing and improving or deteriorating by corporate priority. The exceptions below are based the significance of the indicator against the delivery of the Corporate Plan and the impact on our customers.

Corporate priorities 3 and 4 are on target and there are no exceptions to report.

CP1 – Safer, greener, cleaner

Measure	Performance status	Actual (YTD)	Target (YTD)	Portfolio	Page ref. for further detail
NI192 LOCAL % of household waste sent for reuse, recycling, composting & shred and spread	▲	40.01%	42.84%	Environment	4

CP2 - Housing, health and well-being

Measure	Performance status	Actual (YTD)	Target (YTD)	Portfolio	Page ref. for further detail
HI 6 - Average housing re-let times	▲	26.76	23	Housing	6
NI156 - Number of households living in temporary accommodation	▲	23	17	Housing	6
H18 – Homeless households for whom advice casework resolved their situation	●	873	591	Housing	6
CL04 - Total visits to Leisure Centres	●	505,785	486,500	Engagement	6

CP5 - An efficient well-managed organisation that puts customers at the heart of what we do

Measure	Performance status	Actual (YTD)	Target (YTD)	Portfolio	Page ref. for further detail
CS05 Percentage of customers satisfied with their contact experience		86.85%	90%	Performance & Support	12
BV008 Percentage of invoices for commercial goods & serv. paid within 30 days		88.74%	96.57%	Finance	12
RB03 (prev BV009) Percentage of council tax received within the year		66.5%	67%	Finance	12
HI 6 - Average time taken to re-let authority homes		26.76	23	Housing	12
CS07 - % enquiries resolved at first point of contact*		94.18%	80%	Performance & Support	12
RB05 - % of debt outstanding, not in recovery and overdue		8.59%	18%	Finance	12
NI181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events		10.21	12	Finance	13

* See 3.2.4

3.2.3 Data Quality

The Council has processes in place to ensure that the data and information it provides to support management decision-making is as reliable as possible. The Council has a strategy to improve data quality and service areas are working to achieve the objectives within it. This is closely linked to the Council's risk assessment processes and is monitored each month as part of the Council's Performance Management Framework.

3.2.4 Current Key Risks and Issues;

- In response to concerns raised regarding the reporting of NES09 'The removal of fly-tips within two working days', the reporting methodology is being investigated. Until investigation work is complete, the reporting of this measure will be temporarily suspended.
- A review of the methodology for calculating CS07 'Percentage of enquiries resolved at the first point of contact' is being undertaken. Current measurement is based on a small sample size, which may not accurately reflect the customer experience.
- Sickness absence (BV12) information has been provided by FirstCare since August 2010. The data provided for August and September is based on headcount, rather than full time

equivalent (FTE), as per the measure definition. FTE information has now been supplied and is reported for October. However August and September data will not be amended until HR has completed a full validation of the figures, this affects the current year to date figure.

3.3 Choices (Options)

3.3.1 Cabinet are recommended to review the appended performance report.

4. Implications (including financial implications)

4.1 Policy

4.1.1 A number of corporate measures are monitored on a monthly and quarterly basis to track progress towards delivering our priorities, as detailed in the Council's Corporate Plan. Service areas annually develop objectives, measures and targets to ensure the delivery of the Corporate Plan through the service planning process. The monitoring of progress is through the Performance Management Framework.

4.2 Resources and Risk

4.2.1 The service area Service Plans will underpin the delivery of the Corporate Plan priorities. All objectives, measures and actions within the Service Plans are risked assessed and challenged before final approval. The challenge process includes the agreement of performance targets and the capacity / ability to deliver the plans with appropriate resource set aside to do so.

4.3 Legal

4.3.1 None

4.4 Equality

4.4.1 The Corporate Plan sets out the Council's corporate priorities. Equality and diversity is an important theme that flows throughout the Corporate Plan and Service Plans and the issues arising from the Council's EIA processes are factored into the development of these plans. The Corporate Plan outlines the Council's commitment to equality and diversity under the priority outcome of delivering Equitable Services under priority five.

4.5 Consultees (Internal and External)

Internal – Performance data is published across the Council on a monthly basis

External – The Lead Official; Audit Commission; partners; publication of performance data on our website

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Corporate Plan – Performance management, including the monitoring of data, is critical in ensuring the Corporate Plan objectives are delivered.

4.7 Other Implications

4.7.1 None

5. Background Papers

- 5.1 Performance Report for October 2010.
- 5.2 A full list of all of the performance measures monitoring our corporate plan progress is available from our website under 'Council performance' and 'The current performance of our services'.

Dale Robertson, Head of Performance & Change
Performance & Change - Ext 7110

Corporate Priority Performance

Page 2	Corporate Plan performance summary
Page 3	CP1 Safer, Greener and cleaner communities
Page 5	CP2 Improved homes, health and well-being
Page 7	CP3 A confident, ambitious and successful Northampton
Page 10	CP4 Strong partnerships and engaged communities
Page 11	CP5 An efficient, well managed organisation that puts our customers at the heart of what we do



Corporate Plan - Performance Summary

Key

-  Exceptional or over performance
-  On or exceeding target
-  Within agreed tolerances
-  Outside agreed target tolerance
-  No data available

Overall Corporate Plan performance	
	Year to date performance
 NBC Corporate Plan 2010-11	

Corporate Plan performance by priority	
Corporate Priority	Year to date Performance
 CP1 Safer, greener and cleaner communities	
 CP2 Improved homes, health and wellbeing	
 CP3 A confident, ambitious and successful Northampton	
 CP4 Strong partnerships and engaged communities	
 CP5 An efficient, well managed organisation that puts customers at the heart of what we do	

NBC Corporate Plan Performance Summary
<p>The delivery of the Corporate Plan priorities is on track during October with all showing green or blue status.</p> <p>The following pages of this report provide an overview of each priority performance and progress during October.</p> <p>Part 2 brings to Cabinet attention those measures that are under (red) or over (blue) performing by corporate priority and highlights direction of travel trends.</p> <p>A full list of all of the performance measures monitoring our corporate plan progress is available from our website under 'Council performance' and 'The current performance of our services'.</p>

Key

-  Exceptional or over performance
-  On or exceeding target
-  Within agreed tolerances
-  Outside agreed target tolerance
-  No data available

Safer, greener and cleaner communities

- Performance Summary

CP1 Safer, Greener and Cleaner Communities Overview	
Corporate Priority	YTD Performance
 CP1 Safer, greener and cleaner communities	

CP1 Safer, Greener and Cleaner Communities Performance Summary
<p>Overall crime has increased on last month but good performance (above target) in the past six months ensures that the year to date target is still met.</p> <p>100% of missed bins continue to be collected within 24 hours as a result of good communication between the contact centre and the refuse collection crews.</p> <p>39% of household waste was diverted from landfill this month, the highest figure in three months. The total tonnage of green waste collected also increased. However, this is unlikely to be an ongoing trend due to the decrease in garden waste over the winter months.</p> <p>In September 2009 the Council signed up to the 10:10 Campaign, committing to reducing carbon emissions by a minimum of 10% within a year. NBC have achieved a reduction of approximately 15% in carbon emissions confirming that the Council has satisfied it's commitment.</p> <p>Work has started on two new sculptures in Becket's Park. The wooden sculptures, known as 'clamber art' are suitable for children to climb and play on. The project was jointly funded by Marks and Spencer, West Northamptonshire Development Corporation and Northampton Borough Council. Located opposite Becket's Park Marina, they are the latest step in the transformation of Becket's Park and the wider waterside area.</p>

Key

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

Safer, greener and cleaner communities
- Exceptions

Please note that if column headers appear with no measures listed below, it means that there are no exceptions to report this month

CP1 RED monthly measures											
Measure ID & Name	Jul 10	YTD	Aug 10	YTD	Sep 10	YTD	Oct 10	YTD	Current YTD Profiled Target	Annual Target	DOT v's same time last yr
 NI192 LOCAL % of household waste sent for reuse, recycling, composting & shred and spread (M)	41.73 %		40.62 %		40.12 %		40.01 %		42.84 %	40.40 %	
a) Performance update and actions This indicator (NI192 LOCAL) uses a local definition that measures the total amount of waste diverted from landfill as a percentage of the total household waste collected. Waste diverted from landfill is sent for re-use, recycling, composting and, shred and spread. The in month performance of this indicator has improved on last month and is now within target tolerance. The tonnage of dry recycling is below the profile target for October however the total household waste collected has decreased by approx 360 tonnes on last month. Additionally there was an increase of kerbside green waste by approx 60 tonnes. Good performance in the previous 6 months has ensured that the year to date performance for dry recycling is still above target. The year to date performance for NI192 LOCAL has been below target for the past 3 months. It is likely this trend will continue due to the expected decrease in garden waste during the winter months.											
CP1 BLUE monthly measures											
Measure ID & Name	Jul 10	YTD	Aug 10	YTD	Sep 10	YTD	Oct 10	YTD	Current YTD Profiled Target	Annual Target	DOT v's same time last year
CP1 DOT monthly measures											
Measure ID & Name	Jul 10	Aug 10	Sep 10	Oct 10	Jul 10 to Aug 10 DoT	Aug 10 to Sep 10 DoT	Sep 10 to Oct 10 DoT	Current YTD Profiled Target	Overall Performance to Date	YTD	
 NES01 (former LI784, ELPI6) No. missed refuse collections per month, from 734,350 collections (M)	100	99	104	148				1,210	871		
a) Performance update and actions Better monitoring of crews and call centre reports of missed collections during collection hours is helping to address those genuinely missed during the day.											

The page shows YTD red, YTD blue plus measures with a deteriorating direction of travel over the last 2 consecutive periods. In the DOT report the last 3 periods are shown, along with the last 4 period values (used to calculate the direction of travel alerts).

Housing, Health and wellbeing

- Performance Summary

Key

-  Exceptional or over performance
-  On or exceeding target
-  Within agreed tolerances
-  Outside agreed target tolerance
-  No data available

CP2 Improved homes, health and wellbeing Overview	
Corporate Priority	YTD Performance
 CP2 Improved homes, health and wellbeing	

CP2 Housing, Health and Wellbeing Performance Summary
<p>It is now taking less than 20 days (average) to re-let Council houses, the lowest figure since September 2009. Year to date re-let times remain high although are steadily reducing towards the annual target of 23 days. This improvement is as the result of the implementation of a detailed action plan and joint working between property maintenance, allocations and housing management.</p> <p>The reduction in re-let times has been achieved alongside a reduction in the number of households living in temporary accommodation, which has improved for the third consecutive month. There are now 23 households living in temporary accommodation and we are confident the annual target of 17 will be achieved.</p> <p>Customers who have been assisted by the Gateway housing service have now been included in the number of homeless households for whom casework advice resolved their situation, for the first half of the year. The deterioration in performance between September and October is due to ensuring tenancies are sustained before they are considered as having their situation resolved, in which case they will be added accordingly.</p> <p>The partnership between the Council and a local estate agent, Chelton Brown, was commended at the Landlord and Letting Awards last week. The partnership arrangement allows for private rented properties to be advertised on the Council's choice-based lettings scheme and helps us to provide a wider range of options to those in housing need.</p> <p>Throughout October, the Market Square hosted eight activities including 'The Run 10' and the Diwali celebrations. These successful events have contributed to the 6% increase in footfall compared to October 2009.</p> <p>Visits to our leisure centres remain high and on track to achieve the annual target due to the continued growth in swimming lesson attendees and gym usage. October half term swimming sessions were very popular for swimmers aged 16 and under and there have been over 50,000 swims for this age group so far this year. Senior citizen swimming has also increased with many now paying by direct debit or via the Leisure Card scheme.</p> <p>Despite an increase in actual visitors to our museums since last month, performance remains below target. However, positive outreach work and website improvements have sustained the high number of people accessing the museum through other channels.</p>

Key

- Exceptional or over performance
- ★ On or exceeding target
- ! Within agreed tolerances
- ▲ Outside agreed target tolerance
- ✔ Good to be low: Better
- ✘ Good to be low: Worse
- ✔ Good to be High: Better
- ✘ Good to be High: Worse
- ➡ No change
- ? No data or target available
- ? No data available
- ! No target available

The page shows YTD red, YTD blue plus measures with a deteriorating direction of travel over the last 2 consecutive periods. In the DOT report the last 3 periods are shown, along with the last 4 period values (used to calculate the direction of travel alerts).

Housing, Health and wellbeing

- Exceptions

Please note that if column headers appear with no measures listed below, it means that there are no exceptions to report this month

CP2 RED monthly measures												
Measure ID & Name	Jul 10	YTD	Aug 10	YTD	Sep 10	YTD	Oct 10	YTD	Current YTD Profiled Target	Annual Target	DOT v's same time last yr	
NI156 Number of households living in Temporary Accommodation (M)		37 ▲		35 ▲		27 ▲		23 ▲		17	17 ✘	
a) Performance update and actions Performance is improving and on track to achieve amended annual target of 17 by year end.												
HI 6 Average time taken to re-let local authority homes (M)		30.20 ▲		28.86 ▲		28.03 ▲		26.76 ▲		23.00	23.00 ✘	
a) Performance update and actions Performance is improving and working towards target being achieved by year end.												
CP2 RED monthly projects												
Measure ID & Name	YTD	DOT v's last month										
CP2 BLUE monthly measures												
Measure ID & Name	Jul 10	YTD	Aug 10	YTD	Sep 10	YTD	Oct 10	YTD	Current YTD Profiled Target	Annual Target	DOT v's same time last year	
HI 18 Homeless households for whom advice casework resolved their situation (M)		496 ●		633 ●		791 ●		873 ●		591	1,000 ?	
a) Performance update and actions On course to deliver against annual target.												
CL04 Total visits to Leisure Centres (M)		294,657 ●		367,777 ●		436,001 ●		505,785 ●		486,500	800,000 ✘	
a) Performance update and actions The number of participants in swimming lessons continue to grow and gym visits continue to rise. This more than compensates for the fall in swims after the removal of free swimming.												
CP2 DOT monthly measures												
Measure ID & Name	Jul 10	Aug 10	Sep 10	Oct 10	Jul 10 to Aug 10 DoT	Aug 10 to Sep 10 DoT	Sep 10 to Oct 10 DoT	Current YTD Profiled Target	Overall Performance to Date	YTD		
CL03 Market Square footfall (M)	574,133	452,472	407,910	393,084	✘	✘	✘	2,850,000	3,145,399	●		
a) Performance update and actions The Market Square footfall in October 2010 compared to 2009 had increased by 6% (370,045 in 2009 and 393,084 in 2010). 8 activities were hosted in the square during October, highlights included The Run 10 and the Diwali Celebrations.												

A confident, ambitious and successful Northampton - Performance Summary

Key

- Exceptional or over performance
- ★ On or exceeding target
- Within agreed tolerances
- ▲ Outside agreed target tolerance
- ? No data available

CP3 A confident, ambitious and successful Northampton Overview	
Corporate Priority	YTD Performance
CP3 A confident, ambitious and successful Northampton	●

CP3 A confident, ambitious and successful Northampton Performance Summary
<p>Planning applications submitted since April 2010 continue to be processed within the target times, which includes 82% minor and 91% other applications within 8 weeks. No major applications were submitted in October.</p> <p>The "Pride of Northampton" initiative has been shortlisted for the LGC Awards within the Public and Private Partnership category.</p> <p>NBC and Barclays jointly delivered two free events, which benefited the business community. The "Let Your New Business Take Flight" seminars took place in September and November and welcomed over 120 people. The event encouraged attendance for those starting up or considering starting up new businesses in Northampton and advised on business plans, finance and reputation management.</p> <p>Work has begun on major investment to improve the Grosvenor Car Park. The work, funded by Northampton Borough Council, is one of the first steps towards the redevelopment of the Grosvenor Centre that will transform Northampton into a vibrant retail centre.</p> <p>The drive to create a thriving and vibrant town centre has been given a boost as Northampton's business community have unanimously given its backing to creating a new Business Improvement District (BID) for the town centre from 1 January 2011. This means that all local businesses with a rateable value of £15,000+ within the BID area will be required to pay an additional 1% on their business rates for their town centre assets and proceeds raised from businesses will be used to attract shoppers and visitors to the town.</p>

Key

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

The page shows YTD red, YTD blue plus measures with a deteriorating direction of travel over the last 2 consecutive periods. In the DOT report the last 3 periods are shown, along with the last 4 period values (used to calculate the direction of travel alerts).

A confident, ambitious and successful Northampton

- Exceptions

Please note that if column headers appear with no measures listed below, it means that there are no exceptions to report this month

CP3 RED monthly measures											
Measure ID & Name	Jul 10	YTD	Aug 10	YTD	Sep 10	YTD	Oct 10	YTD	Current YTD Profiled Target	Annual Target	DOT v's same time last yr

CP3 RED monthly projects		
Measure ID & Name	YTD	DOT v's same time last month
<div style="background-color: #e0e0e0; padding: 2px;">  2010-11 REG02.2 Becketts Park Marina </div> <p>a) Performance update and actions Environment Agency have not been able to agree a scheme within budget for the Facilities building. Becketts Park Partnership board have requested further information regarding costs for the project overall, and further details of Value Engineering proposals for the Facilities Building. WNDC will not be making any further payments to the project until the issues are resolved.</p>	▲	✖
<div style="background-color: #e0e0e0; padding: 2px;">  2010-11 REG02.3 Becketts Park Phase 2 </div> <p>a) Performance update and actions Topographical survey of the embankment commissioned to inform the tree survey. CB Richard Ellis (CBRE), a real estate company, have started on the Feasibility studies for the Embankment and Café.</p>	▲	✖
<div style="background-color: #e0e0e0; padding: 2px;">  PLI02 Joint Core Strategy project progress </div> <p>a) Performance update and actions The next key milestones for the West Northamptonshire Joint LDS is the pre-submission publications of both the Central Area Action Plan and the Joint Core Strategy. The pre-submission of the Central Area Action Plan was published in October and will be open for comment until the 16th December. Following the Joint Strategic Planning Committee meeting on the 26th July, it was agreed that a pre-submission version of the Joint Core Strategy will be ready for consideration by the end of January 2011. The legal position over the revocation of the Regional Spatial Strategy is still unclear. Regional housing & employment targets are unlikely to be achieved and will be reviewed in order that they reflect local needs.</p>	▲	➡

CP3 BLUE monthly measures											
Measure ID & Name	Jul 10	YTD	Aug 10	YTD	Sep 10	YTD	Oct 10	YTD	Current YTD Profiled Target	Annual Target	DOT v's same time last year

CP3 DOT monthly measures										
Measure ID & Name	Jul 10	Aug 10	Sep 10	Oct 10	Jul 10 to Aug 10 DoT	Aug 10 to Sep 10 DoT	Sep 10 to Oct 10 DoT	Current YTD Profiled Target	Overall Performance to Date	YTD
CL03 Market Square footfall (M)	574,133	452,472	407,910	393,084	✘	✘	✘	2,850,000	3,145,399	●
a) Performance update and actions The Market Square footfall in October 2010 compared to 2009 had increased by 6% (370,045 in 2009 and 393,084 in 2010). 8 activities were hosted in the square during October, highlights included The Run 10 and the Diwali Celebrations.										
NI157c Percentage of "other" planning apps determined within 8 weeks (M)	94.34 %	96.15 %	92.59 %	91.30 %	✔	✘	✘	85.00 %	93.69 %	●
a) Performance update and actions During October 2010, 63 of 69 "other" planning applications were determined within 8 weeks.										

Key

-  Exceptional or over performance
-  On or exceeding target
-  Within agreed tolerances
-  Outside agreed target tolerance
-  No data available

Strong Partnerships and engaged communities

- Performance Summary

CP4 Strong partnerships and engaged communities Overview	
Corporate Priority	YTD Performance
CP4 Strong partnerships and engaged communities	

CP4 Partnerships and Community Engagement Performance Summary
<p>A number of public consultations are currently open.</p> <ul style="list-style-type: none"> Central Area Action Plan Pre-submission - The CAAP is an action plan for those who live, work and visit Northampton both now and in the future. Before the Council submits the Plan to central government for final approval (expected to be summer 2011) we are required to publish the Action Plan for a 6-week period. This document is called the pre-submission and it asks the local community 'Is there anything we have missed?'. The consultation will close on 16 December. Dallington Conservation Area Re-appraisal - seeks views on proposed boundary changes to the south of the Dallington conservation area. The consultation will close on 24 January 2011. Regeneration Strategy for Northampton East - seeks views on whether the Strategy identifies the correct priorities and high level actions. The consultation will close on 28 February 2011. <p>Thirteen premises in Northampton have earned Best Bar None accreditation, which shows that they are well managed and take customer safety and the prevention of crime and disorder seriously. The scheme was a joint effort between the Northampton Community Safety Partnership and Northampton Pubwatch and involved a panel of experts, including our Licensing and Public Protection teams, judging the venues against a range of tough criteria. This is a good example of partnership working and engagement with our licensees and for the town to see licensees taking town centre safety seriously.</p>

Key

- Exceptional or over performance
- ★ On or exceeding target
- Within agreed tolerances
- ▲ Outside agreed target tolerance
- ? No data available

An efficient, well managed organisation that puts customers at the heart of what we do

- Performance Summary

CP5 An efficient, well managed organisation Overview	
Corporate Priority	YTD Performance
<div style="background-color: #e2e3e5; padding: 2px;"> ■ CP5 An efficient, well managed organisation that puts customers at the heart of what we do </div>	<div style="color: blue; font-size: 1.5em;">●</div>

CP5 An efficient, well managed organisation Performance Summary
<p>Business rate collection remains on track, whilst council tax collection is still down against target, but better than the same time last year. An improvement plan for council tax collection, commenced with CIPFA and partner Local Authorities, will have a positive impact on council tax collection.</p> <p>Council housing rent collection improved in October and remains on target for the year overall, as does the amount of housing rent arrears as a percentage of annual debit.</p> <p>Council housing re-let times have continued to reduce for the third consecutive month. It is anticipated performance will achieve target by year end. The percentage of void rent loss is slightly over target, with performance in October exceptional. Again the expectation is that the year end target will be met.</p> <p>Overall outstanding debt continues to reduce, with the percentage outstanding, not in recovery and overdue, 7.5% less than the target for the year.</p> <p>Exceptional performance has been maintained in the processing of new housing or council tax benefit claims, even with a loss of productive hours due to system downtime and workforce resource being allocated elsewhere.</p> <p>The percentage of invoices for commercial goods and services paid within 30 days continued to be significantly impacted upon by the new housing IBS system going live. Year to date performance is now 7.8% off target.</p> <p>The average number of working days lost by council employees due to sickness absence is currently 10.26 days and continues to reduce.</p> <p>84.4% of customers calling the contact centre in October were satisfied with their experience, this continues to be below target. 83.3% of customer enquiries in the month were resolved at the first point of contact (of those sampled), although performance for this indicator remains well above target. The percentage of all calls answered by the contact centre reduced again this month, below 90% for the month for the first time since April. This was due to a variety of reasons including decreased workforce resource and an increase in calls regarding housing repairs. The introduction of VOIP (Voice Over Internet Protocol) should resolve this. 95% of visitors to the One Stop Shop in October waited for less than 20 minutes.</p>

Key

- Exceptional or over performance
- ★ On or exceeding target
- ⚠ Within agreed tolerances
- ▲ Outside agreed target tolerance
- ✔ Good to be low: Better
- ✘ Good to be low: Worse
- ✔ Good to be High: Better
- ✘ Good to be High: Worse
- ➡ No change
- ? No data or target available
- ? No data available
- ! No target available

An efficient, well managed organisation that puts customers at the heart of what we do

- Exceptions

Please note that if column headers appear with no measures listed below, it means that there are no exceptions to report this month

CP5 RED monthly measures											
Measure ID & Name	Jul 10	YTD	Aug 10	YTD	Sep 10	YTD	Oct 10	YTD	Current YTD Profiled Target	Annual Target	DOT v's same time last yr
CS05 Percentage of customers satisfied with their contact experience (M)	87.71 %	⚠	87.37 %	⚠	87.26 %	⚠	86.85 %	▲	90.00 %	90.00 %	✘
a) Performance update and actions Satisfaction improved in the One Stop Shop but decreased in the Contact Centre this month. This was mainly due to increased wait times and some communication issues with departments. Training in the Contact Centre increased wait times and the communications issues are under investigation to ensure that they are resolved.											
BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	96.38 %	⚠	96.13 %	⚠	91.75 %	▲	88.74 %	▲	96.57 %	96.00 %	✘
a) Performance update and actions The new Housing System (IBS) is still impacting on this area, this is improving as the backlog is cleared.											
RB03 (prev BV009) Percentage of council tax received within the year (M)	38.80 %	▲	48.08 %	⚠	57.29 %	⚠	66.50 %	▲	67.00 %	97.50 %	✔
a) Performance update and actions Whilst collection is down against target, it remains 0.16% ahead of the same time last year.											
HI 6 Average time taken to re-let local authority homes (M)	30.20	▲	28.86	▲	28.03	▲	26.76	▲	23.00	23.00	✘
a) Performance update and actions Performance is improving and working towards target being achieved by year end.											

CP5 RED monthly projects		
Measure ID & Name	YTD	DOT v's same time last month

CP5 BLUE monthly measures											
Measure ID & Name	Jul 10	YTD	Aug 10	YTD	Sep 10	YTD	Oct 10	YTD	Current YTD Profiled Target	Annual Target	DOT v's same time last year
CS07 Percentage enquiries resolved at first point of contact (M)	93.99 %	●	95.19 %	●	95.99 %	●	94.18 %	●	80.00 %	80.00 %	?
a) Performance update and actions Performance dropped but remains within target. The measurement of this indicator needs to be reviewed.											
RB05 Total % of debt outstanding, not in recovery and overdue (M)	9.82 %	●	9.08 %	●	9.28 %	●	8.59 %	●	18.00 %	16.00 %	?
a) Performance update and actions Council Tax - Increase in unmanaged debt due to debt being returned, having been to both bailiffs and is awaiting "tracing" (£30k). Write-offs were not processed in October, but will be upto date in November. Business Rates - All measures are on track. Former Tenant Arrears - overall debt continues to reduce, even though current debt being included. Debt awaiting action increased due to the potential incorrect use of stop codes. Housing systems team is investigating (£17k). Housing Benefit Overpayments - Overall debt up, but unmanaged debt											

The page shows YTD red, YTD blue plus measures with a deteriorating direction of travel over the last 2 consecutive periods. In the DOT report the last 3 periods are shown, along with the last 4 period values (used to calculate the direction of travel alerts).

reduced following plan identified last month. Other sundry debt - increase in overall debt due to quarterly service charges, but unmanaged debt reduced significantly.

NI181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (M)	10.69	●	10.31	●	10.07	●	10.21	●	12.00	12.00	↓
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a) Performance update and actions

Performance still remains on target despite a month where there has been a loss of productive hours due to system downtime and assessment officers supporting the contact centre due to CRM/ Lagan training.

CP5 DOT monthly measures										
Measure ID & Name	Jul 10	Aug 10	Sep 10	Oct 10	Jul 10 to Aug 10 DoT	Aug 10 to Sep 10 DoT	Sep 10 to Oct 10 DoT	Current YTD Profiled Target	Overall Performance to Date	YTD
CS13 Percentage of all calls answered (M)	96.40 %	95.50 %	93.40 %	89.80 %	✘	✘	✘	95.00 %	93.10 %	⚠
a) Performance update and actions Performance dropped this month due to decreased resource (training and some sickness) coupled with increased demand on Housing Repairs (avoidable contact) and General Enquiries. Hot desking and lack of internal call answering is causing increased call times at the moment. This should be resolved with the introduction of VOIP.										
HI 2 Current rent arrears: Excluding garages (M)	£1,514,...	£1,348,...	£1,462,...	£1,497,...	✔	✘	✘	£1,549,...	£1,497,...	★
a) Performance update and actions Current tenant's rent arrears are within the profiled target at the end of October. To maintain performance various initiatives are planned through out the remainder of the year, including payment campaigns and targeted letter drops to customers in arrears.										
HI 3 Rent arrears as a percentage of annual debit (M)	3.61 %	3.21 %	3.48 %	3.56 %	✔	✘	✘	3.69 %	3.56 %	★
a) Performance update and actions At the end of October current tenants rent arrears as a % of the rent debit are 0.2% less than at the same point last year. The figure is within the profiled target.										
RB03 (prev BV009) Percentage of council tax received within the year (M)	9.14 %	9.29 %	9.26 %	9.23 %	✔	✘	✘	67.00 %	66.50 %	▲
a) Performance update and actions Whilst collection is down against target, it remains 0.16% ahead of the same time last year.										
NI157c Percentage of "other" planning apps determined within 8 weeks (M)	94.34 %	96.15 %	92.59 %	91.30 %	✔	✘	✘	85.00 %	93.69 %	●
a) Performance update and actions During October 2010, 63 of 69 "other" planning applications were determined within 8 weeks.										
NI181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (M)	8.99	8.84	8.97	11.17	✔	✘	✘	12.00	10.21	●
a) Performance update and actions Performance still remains on target despite a month where there has been a loss of productive hours due to system downtime and assessment officers supporting the contact centre due to CRM/ Lagan training.										

Appendices

5



NORTHAMPTON
BOROUGH COUNCIL

Item No.

15b

CABINET REPORT

Report Title	FINANCE MONITORING DASHBOARD TO THE END OF OCTOBER 2010
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	15 December 2010
Key Decision:	YES
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr D Perkins
Ward(s)	N/A

1. Purpose

- 1.1 This report presents the overall financial position of the Council in respect of:
- General Fund and HRA Revenue and Capital
 - General Fund Savings and Efficiency Targets
 - Treasury Management and Corporate Income Collection
 - Internal Audit Recommendations
- 1.2 The report also requests approval for a number of capital appraisals and variations.

2. Recommendations

- 2.1 It is recommended that Cabinet notes the forecast position of £495k under spend for general fund (including debt financing) as at the end of October 2010.
- 2.2 It is recommended that Cabinet notes the forecast position of £781k under spend for HRA fund (including recharges) as at the end of October 2010.

- 2.3 It is recommended that Cabinet notes the Capital Programme monitoring position as at the end of October 2010 including forecast outturns, revenue expenditure funded by capital and slippage into 2010-11, and the related funding as set out at appendices 3a and 3b to this report.
- 2.4 It is recommended that Cabinet notes the position reported on the key financial indicators reported at paragraphs 3.2.1 to 3.2.3.
- 2.5 It is recommended that Cabinet approve the following variations to the capital programme 2010-11.

Scheme Reference, and Description	2010-11 £	Future Years £	Funding Source
HRA			
2009-10/HRA04 V08 Decent Homes	180,000	0	30k Revenue 150k MRA
2009-10/HRA05 V04 Garage Roofs and Doors	(30,000)	0	Revenue Contribution
2009-10/HRA15 V04 Lift refurbishment	(150,000)	0	MRA

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council approved the General Fund and HRA Revenue Budgets, and Capital Programme for 2010/11 at its meeting on 25 February 2010.
- 3.1.2 The General Fund Revenue Budget included a combination of policy, efficiency, and base budget savings that were necessary to bridge the funding gap. This is in addition to savings already approved and achieved in previous years.
- 3.1.3 In conjunction with Finance, Budget Managers have undertaken a review of the progress being made towards achieving the savings contained within the budget. Work has also been undertaken to identify any other emerging issues that cannot be contained within the approved budget.
- 3.1.4 It is important that the savings built into the budget are achieved in order to minimise the impact on the Council's general reserves and the budget for future years. Should any of the savings be unachievable Management Board and Heads of Service are responsible for identifying and undertaking appropriate management action to deliver alternative savings or income.
- 3.1.5 The coalition Government has announced a number of cuts to local authority funding in early June as well as issuing an emergency budget on 22 June. The current year effects of this as known at the time of the monitoring are incorporated in this report.
- 3.1.6 Appendix 5 details the RAG status parameters.

3.2 Issues

3.2.1 General Fund and HRA Revenue Budget Positions

Target of £0k means that the target is to deliver the budget

	Dashboard Indicator Description	Position at 31 October 2010		Target	RAG
1.	Number of Service Areas Materially Over/Under spending (Appendix 1a)	2 out of 25	8%	0%	A
2.	Total General Fund Revenue Controllable Budget (Appendix 1a) <i>excluding Debt Financing</i>	Under Spend	£307k	£0	G
3.	Total HRA Revenue Controllable Budget (Appendix 1b)	Under Spend	£781k	£0	B
4.	2010/11 GF Savings and Efficiency Targets* (Appendix 2)	Unachieved	£1,056k	£0	R
5.	Debt Financing Budget (Appendix 1a)	Under Spend	£188k	£0	B

**This is included in the overall position.*

3.2.2 Capital Programme Budget Positions (Appendices 3a and 3b)

Target of £0k means that the target is to deliver the budget

	Dashboard Indicator Description	Position at 31 October 2010		Target	RAG
6.	General Fund Capital Programme (Appendix 3a)	Underspend** Slippage	£1,829k 4.2%	£0k	G
7.	HRA Capital Programme (Appendix 3a)	Underspend** Slippage	£1,491k 8.8%	£0k	A
8.	General Fund Capital Financing (Appendix 3b)	Excess Financing or Break Even	£0k	£0k	G
9.	HRA Capital Financing (Appendix 3b)	Excess Financing or Break Even	£0k	£0k	G

***This is the underspend before deducting slippage*

3.2.3 Treasury Management and Corporate Income and Governance Positions

	Dashboard Indicator Description	Position at 31 October 2010		Target	RAG
10.	Investment Return Compared to 7 Day LIBID	At Least 0.1% point more	+0.43 Points	+0.10 Points	G
11a.	Days when the bank balance has been overdrawn - October	3 or less per month	0 days	<3 days	G
11b.	Days when the bank balance has been over £200k - October	3 or less per month	0 days	<3 days	G
12.	Percentage of Invoices for Commercial Goods and Services Paid by the Authority within 30 days of Being Received	Slightly below target	88.74%	96.57%	R
13.	Percentage of Council Tax Received in Year	Below Target	66.5%	67.0%	R
14.	Percentage NNDR Received in Year	Above/On Target	69.52%	68.8%	G
15.	Housing Rent Collected in Year	Above/On Target	96.4%	96.0%	G
16.	Internal Audit Recommendations Overdue	10 out of 26	38.5%	>10	A

3.2.4 General Fund and HRA Revenue Budget Issues – Appendices 1a, 1b and 2

1. Number of Service Areas Materially Over/Under spending

3.2.5 Two of the 25 services with general fund budgets are reporting material variations. This is therefore reported as Amber. Explanations for these variances are set out below.

2. Total General Fund Revenue Controllable Budget

3.2.6 **Leisure and Culture (Red)** is reporting a forecast overspend of £384k after management action, primarily on the leisure centres. This mainly relates to an overspend of £314k net on employees due to unmet vacancy factor of £73.6k, unachieved annualised hours saving £27k, and non-achievement of a prior year budget saving of £79k. In addition £97k is due to the decision to continue free swimming after the DCMS grant was removed. There is also a forecast overspend on supplies and services in leisure centres of £54k. These are partly offset by additional income in events, museums and leisure and various savings on improved contracts.

3.2.7 **Assistant Chief Executive (Blue)** is reporting an under spend of £146k. This is mainly due to employee vacancies offset by temporary staff costs. There is no impact on service delivery.

3.2.8 **Finance (Blue)** shows an underspend of £184k. This includes an underspend of £58k due to vacant posts, offset by minor overspends elsewhere in the service, and a £177k saving on concessionary fares due to lower number of passenger trips being taken.

3. Total HRA Revenue Controllable Budget

3.2.9 The HRA is currently reporting an under spend of £781k, which is mainly due to vacant post savings resulting from a restructure of the service. It is anticipated that any significant underspend in the year could provide additional funding for the ongoing Decent Homes programme.

4. 2010/11 GF Savings and Efficiency Targets

3.2.10 A total of 1.056m of budgeted savings are currently forecast as unachievable.

The details of this are explained in appendix 2 to this report.

5. Debt Financing Budget

3.2.11 The Debt Financing budget is forecasting an underspend of £188k. This is due to an over achievement of investment income as a result of higher balances during the year due mainly to capital slippage, so has no impact for 2011/12.

3.2.12 Capital Programme Budgets – Appendices 3a, 3b, and 4

3.2.13 The General Fund programme is showing an overall forecast under spend of around £1.1m after allowing for slippage.

3.2.14 This predominantly relates to two schemes. The forecast underspend on works to Grosvenor Car Park results from lower than anticipated tender prices. The final price is still subject to negotiation and may therefore change. The forecast underspend on the Fire Risk assessments scheme is due to the adoption of a more cost-effective approach.

3.2.15 Slippage is forecast in relation to facilities at St Crispin that are to be funded from Section 106 contributions. This is due to the land not yet having been transferred from the developer.

3.2.16 The forecasts for the HRA programme shows potential slippage of around £1.5m, the majority of which relates to the Decent Homes programme where there have been some delays in the procurement of Phase 2. Other works contributing to the achievement of Decent Homes standards will be brought forward to offset this. The Woodside Way New Build scheme is on track, the budgetary slippage simply relates to retention monies.

3.2.17 Cabinet are requested to agree the transfer of savings on Lifts Refurbishment (£150k) and Garage Roofs and Doors (£30k) to the Decent Homes budget in order to maximise the number of homes made decent this year.

3.2.18 Treasury Management and Corporate Income and Governance Positions

3.2.19 **Council Tax Collection rates (Red)** – Whilst performance is below target, it is 0.16% better than the same time last year.

3.2.20 **Invoice Payments (Red)** are currently well below target. This is due to issues with the implementation of the IBS system and processes for authorisation of invoices and dealing with feeder systems. Work is in progress to remedy these issues and exception lists are being reviewed to identify and deal with the issues.

3.2.21 There are 10 overdue internal audit recommendations as at the end of the month (Amber).

Service	Audit Report	Assurance Level	Overdue Items
Borough Solicitor	Freedom of Information Data Protection	Limited Assurance	2
	Anti Fraud and Corruption		1
NES	Grounds Maintenance	No Assurance	4
Policy and Community Engagement	Citizen Engagement		2
	Voluntary Grants		1

3.2.22 The Audit Committee will interview officers responsible for late recommendations that are risk assessed as critical or high by the Council's internal auditors, Price Waterhouse Coopers (PWC).

3.3 Choices (Options)

- 3.3.1 Cabinet is asked to note the reported position on key financial indicators and forecast impact on the Council's reserves at the year end.
- 3.3.2 Consideration must be given as to whether further management action can be taken to achieve those savings that have been identified by Budget Managers as unachievable. Options for further constraining expenditure with minimal detriment to front line service delivery must be considered corporately to address the projected net overspend.
- 3.3.3 Cabinet is asked to approve the capital variations set out at appendix 4. Cabinet may decide to decline one or more of these.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Council agreed a balanced budget for the Capital Programme and Revenue budgets for HRA and General Fund in February 2010. As at the end of October 2010 the controllable General Fund Revenue Budget is forecast to be under spent by £307k (£495k under spent including Debt Financing).

4.2 Resources and Risk

- 4.2.1 This report informs the Cabinet of the forecast outturn positions for capital and revenue, HRA and General Fund as at the end of October 2010. It also highlights the key risks identified to date in delivering those budgets.
- 4.2.2 There will be an ongoing impact in future years of not achieving the savings within the 2010/11 budget, particularly where services move outside the direct control of NBC.

4.3 Legal

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

4.4 Equality

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

4.5 Consultees (Internal and External)

4.5.1 Heads of Service and Budget Managers have been consulted as part of the budget monitoring process. Management Board are consulted via Callover and the report is updated for their feedback.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Dashboard monitoring and use of it to take action to improve performance is good practice in terms of effective financial management. It reduces the number of reports that need to be produced and considered and focuses on the key areas. It is therefore an efficient and effective method of financial reporting and contributes directly to the priority of being “an efficient, well managed organisation that puts the customer at the heart of what we do”.

4.7 Other Implications

4.7.1 There are no other implications arising from this report.

5. Background Papers

5.1 Cabinet and Council Budget and Capital Programme Reports

5.2 Previous Finance Monitoring Dashboard reports to Cabinet

5.3 Capital Appraisal Variations

2009-10/HRA04 V08 Decent Homes

2009-10/HRA05 V04 Garage Roofs and Doors

2009-10/HRA15 V04 Lift refurbishment

Bill Lewis, Head of Finance, 01604 837167
Rebecca Smith, Assistant Head of Finance, 01604 838046

General Fund Controllable Service Revenue Budget - Forecast Outturn Variance 2010/2011 as at 31 October 2010

	2010/2011 Original Budget	2010/2011 Use of Reserves	2010/2011 Virements	2010/2011 Current Budget	Savings / Efficiency Target Included within 2010/11 Budget £000	Savings / Efficiencies Target (Over) / Under Achieved	Other Emerging Issues	Forecast Outturn (Underspend) / Overspend before Mgmt Action	Management Action - Virement from Earmarked Reserves	Management Action - Virement from Improvement Reserve	Management Action Plans in Place	Forecast Outturn following action plans & budget transfers
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Director of Environment and Culture												
Director of Environment and Culture	247	0	0	247	0	0	-14	-14	0	0	0	-14 G
Head of Public Protection	2,077	0	74	2,151	-212	20	-52	-32	-21	0	0	-53 G
Head of Neighbourhood Environmental Services	8,150	0	71	8,221	-1,485	761	-465	296	-301	0	0	-5 G
Head of Leisure and Culture	1,798	0	0	1,798	-601	114	390	504	-102	-120	0	282 R
Town Centre Management	-1,814	0	-50	-1,864	-237	0	-13	-13	0	0	0	-13 G
	10,458	0	95	10,553	-2,535	895	-154	741	-424	-120	0	197 R
Director of Finance and Support												
Director of Finance and Support	348	0	3	351	-53	0	-17	-17	0	0	0	-17 G
Head of Finance	7,263	0	93	7,356	-636	0	-184	-184	0	0	0	-184 B
Head of Revenues and Benefits	381	0	-11	370	-184	0	18	18	0	0	0	18 G
Head of Customer Services and ICT	6,591	49	44	6,684	-166	51	-54	-3	0	-10	0	-13 G
Head of Human Resources	1,755	0	-216	1,539	-236	20	-82	-62	0	0	0	-62 G
Head of Procurement	213	0	1	214	-17	0	-46	-46	0	0	0	-46 G
	16,551	49	-86	16,514	-1,292	71	-365	-294	0	-10	0	-304 G
Director of Planning and Regeneration												
Director of Planning and Regeneration	230	0	18	248	0	0	0	0	0	0	0	0 G
Asset Management	933	0	-3	930	-141	0	-44	-44	0	0	0	-44 G
Head of Planning	2,122	0	-15	2,107	-175	10	-77	-67	0	0	0	-67 G
Head of Regeneration and Development	638	0	0	638	-61	0	33	33	0	0	0	33 G
	3,923	0	0	3,923	-377	10	-88	-78	0	0	0	-78 G
Assistant Chief Executive												
Assistant Chief Executive	1,205	0	636	1,841	-48	0	-146	-146	0	0	0	-146 B
Head of Policy and Community Engagement	2,800	0	-679	2,121	-52	0	-49	-49	0	0	0	-49 G
Head of Performance and Change	441	0	0	441	-88	19	157	176	0	-131	0	45 G
Director of Northampton Local Strategic Partnership	41	0	0	41	0	0	0	0	0	0	0	0 G
Chief Executives	264	0	0	264	0	0	-18	-18	0	0	0	-18 G
	4,751	0	-43	4,708	-188	19	-56	-37	0	-131	0	-168 B
Borough Solicitor	761	0	14	775	-16	1	14	15	0	0	0	15 G
Director of Housing												
Director of Housing	177	0	18	195	0	0	-2	-2	0	0	0	-2 G
Head of Strategic Housing	748	0	0	748	-532	0	33	33	0	0	0	33 G
	925	0	18	943	-532	0	31	31	0	0	0	31 G
Total General Fund Controllable Revenue Budget	37,369	49	-2	37,416	-4,940	996	-618	378	-424	-261	0	-307 G
Debt Financing	2,166	0	0	2,166	0	0	-188	-188	0	0	0	-188 B
Total GF Controllable Including Debt Financing	39,535	49	-2	39,582	-4,940	996	-806	190	-424	-261	0	-495 B

Key

A positive variance indicates a budget overspend and a negative variance indicates a budget underspend

Management Action - Use of Earmarked Reserves

	£000
Head of Public Protection	
Redundancy Reserve	-21
Head of Neighbourhood Environmental Services	
Redundancy Reserve	-83
Section 106	-218
Head of Leisure and Culture	
Redundancy Reserve	-12
Fleming Reserve (Free Swimming funding)	-90
	-424

For Period Ending: 31 October 2010

	2010/2011	2010/2011	2010/2011		RAG
	£,000's	£,000's	£,000's	£,000's	Status
	Current Budget	Actuals	Forecast Outturn	Variance	
INCOME					
Rents - Dwellings Only	-42,215	-23,731	-42,185	30	
Rents - Non Dwellings Only	-1,135	-627	-1,135	0	
Service Charges	-1,421	-955	-1,421	0	
Other Income	-205	-17	-205	0	
Total Income	-44,976	-25,329	-44,946	30	G
EXPENDITURE					
Repairs and Maintenance	11,371	6,205	11,294	-77	
General Management	4,410	1,730	4,337	-73	
Special Services	3,243	1,168	2,815	-428	
Rents, Rates, Taxes & Other Charges	93	73	76	-16	
Increase in Bad Debt Provision	450	263	450	0	
Rent Rebate Subsidy Deductions	994	580	994	0	
Housing Revenue Account Subsidy	10,050	5,853	10,033	-17	
Total Expenditure	30,611	15,870	29,999	-611	B
Net Cost of Services	-14,366	-9,459	-14,947	-581	B
Net Recharges to the General Fund	5,407	3,037	5,207	-200	
Interest & Financing Costs	227	132	227	0	
Depreciation/MRA	8,039	4,689	8,039	0	
Contribution to Earmarked Reserves	1,000	583	1,000	0	
Net Transfer From / (To) Working Balance	307	-1,017	-474	-781	B
Working Balance b/f	-6,761	-6,761	-6,761	0	
Working Balance Outturn	-6,454	-7,778	-7,235	-781	B

Supervision and management expenditure is categorised as follows:

General Management expenditure relates to costs incurred in respect all HRA tenants.

Special Services expenditure relates to some tenants only.

2010-11 Savings and Efficiency Targets Forecast as Unachievable - Position as at 31 October 2010**Director of Environment and Culture****Head of Neighbourhood Environmental Services**

Saving Reference	Detail as per Report to Full Council	2010/11 Forecast Savings Shortfall/ (Excess)	Progress Achieved to Date	Comments
EFFY203	Reduction of the reliance on agency staff within Neighbourhood Environmental Services.	201,914	Management reviewing other methods to achieve these savings. Budget management team will investigate all other areas for possible savings.	Offset by income and other savings achieved
EFFY204	Introduction of new neighbourhood management model resulting in reduced employee costs.	134,893	Management reviewing other methods to achieve these savings. Budget management team will investigate all other areas for possible savings.	Offset by income and other savings achieved
EFFY205	Reduction in vehicle repair and maintenance costs within Neighbourhood Environmental Services	130,083	Management reviewing other methods to achieve these savings. Budget management team will investigate all other areas for possible savings.	Offset by income and other savings achieved
EFFY100	Improved contract to take all green waste and silt. This option is the net saving that the council incurs on haulage costs	294,140	New arrangements have been made to make some savings this year by taking green waste to a different company. Currently the new contract has reduced costs by £127k	Offset by income and other savings achieved
		761,030		

Head of Public Protection

Saving Reference	Detail as per Report to Full Council	2010/11 Forecast Savings Shortfall/ (Excess)	Progress Achieved to Date	Agreed Future Management Actions
EFFY20	Restructure of Licensing & Regulatory Services department	10,008	Post became vacant in June in the new financial year, so some costs incurred.	Offset by other savings achieved in the service
EFFY21	Termination of standby payments for Licensing Officers	5,200	There is currently a legal case for the reinstatement of the standby payments.	Offset by other savings achieved in the service
EFFY69	Restructure of Community Safety with reduced management structure. Figure is gross saving (severance costs shown separately). Delete one post	4,651	Post became vacant in new financial year, so some costs incurred.	Offset by other savings achieved in the service
		19,859		

2010-11 Savings and Efficiency Targets Forecast as Unachievable - Position as at 31 October 2010

Appendix 2 Ctd

Head of Leisure and Culture

Saving Reference	Detail as per Report to Full Council	2010/11 Forecast Savings Shortfall/ (Excess)	Progress Achieved to Date	Comments
EFFY94	Savings on Supplies and Services for Leisure Centres	5,060	Supplies and Services are currently forecast to be overspent by £66,406	
EFFY202	Efficiencies arising from annualised hours in the museum service	26,902	Annualised hours was not put into operation, therefore savings have not been met.	
MTP116 and MTP19	Change for User Cards relating to free swimming at £2 per card and additional income for swimming lessons	82,465	Leisure card income is forecast to be under achieved by £6,740 and swimming lesson income by £75,725	
		114,427		

Assistant Chief Executive

Head of Performance and Improvement

Saving Reference	Detail as per Report to Full Council	2010/11 Forecast Savings Shortfall/ (Excess)	Progress Achieved to Date	Agreed Future Management Actions
EFFY1	Restructure of Chief Executive Office	18,558	This variance is due to 2 Performance Officer posts being made vacant at a later date than expected.	
		18,558		

Borough Solicitor

Saving Reference	Detail as per Report to Full Council	2010/11 Forecast Savings Shortfall/ (Excess)	Progress Achieved to Date	Agreed Future Management Actions
EFFY72	Reduction of Publications Budget	814	On line publication packages are being sought. Cost has come in slightly above what was quoted when the efficiency saving was proposed	This item is de minimis

2010-11 Savings and Efficiency Targets Forecast as Unachievable - Position as at 31 October 2010

Appendix 2 Ctd

Director of Finance and Support**Head of Customer Services and ICT**

Saving Reference	Detail as per Report to Full Council	2010/11 Forecast Savings Shortfall/ (Excess)	Progress Achieved to Date	Comments
EFFY62	Restructuring of Facilities management at Cliftonville house with no impact on service delivery	4,776	Restructuring of facilities management cannot take place until Cliftonville has been closed and staff relocated.	Offset by other savings achieved in the service
EFFY65	Improved use of office space generating external income	46,032	As there is uncertainty regarding the future use of Weston Favell Office due to NBC operational considerations, the external income will not be achieved.	Use of the building is under ongoing review for consideration alongside key corporate projects. Covered by other savings in the service.
		50,808		

Head Of Human Resources

Saving Reference	Detail as per Report to Full Council	2010/11 Forecast Savings Shortfall/ (Excess)	Progress Achieved to Date	Comments
MTPI119	Provision of NBC internal training courses and assessment centres to other district councils	20,000	This option will not go ahead and the income target will therefore not be achieved	Offset by other savings achieved in the service
		20,000		

Capital Programme 2010-11 General Fund Position as at 31 October 2010

Projects by Head of Service	REFCUS Y/N?	Original Budget	Slippage B/F	Approved Changes	Latest Approved Budget	Total Forecast Expenditure P1 to P12	Forecast Under/Over Spend	Proposed Budget Changes	Forecast Under/Over Spend after Proposed Changes	Forecast Slippage	RAG*	Actual Spend to Date	Forecast Spend P8 to P12
		£	£	£	£	£	£	£	£	£		£	£
Head of Finance													
Core Financials	N	0	50,107	0	50,107	50,107	0	0	0	0	G	(413)	50,520
Capitalisation Directive 1	Y	500,000	0	0	500,000	500,000	0	0	0	0	G	0	500,000
Capitalisation Directive 2	Y	300,000	0	0	300,000	300,000	0	0	0	0	G	0	300,000
Head of Consumer Services & ICT													
Electronic Record Management	N	0	2,496	0	2,496	2,496	0	0	0	0	G	(3,416)	5,911
CRM	N	0	127,251	0	127,251	118,931	(8,320)	0	(8,320)	8320	A	27,886	91,046
Data Network Improvements	N	0	116,293	0	116,293	116,293	0	0	0	0	G	0	116,293
Upgrade of NBC Website	N	0	2,150	0	2,150	2,150	0	0	0	0	G	1,600	550
IT Network Replacement Programme	N	0	416,700	0	416,700	416,700	0	0	0	0	G	77,082	339,618
One Stop Shop Transformation	N	0	63,337	335,000	398,337	398,337	0	0	0	0	G	56,943	341,395
Partnership Information Hub	Y	49,000	47,130	0	96,130	96,130	0	0	0	0	G	30,150	65,980
IT Infrastructure	N	0	0	29,643	29,643	29,643	0	0	0	0	G	29,643	0
Production Printer	N	0	0	74,156	74,156	74,156	0	0	0	0	G	74,156	0
Dell PCs and laptops	N	0	0	23,400	23,400	23,400	0	0	0	0	G	0	23,400
Head of Public Protection													
Air Quality Monitoring	N	0	1,032	0	1,032	1,032	0	0	0	0	G	650	382
Greyfriars Lighting Upgrade	N	0	2,000	4,896	6,896	6,896	0	0	0	0	G	(36,688)	43,584
PIRS Lighting Lings Forum	N	0	0	0	0	159	159	0	159	0	G	159	0
Lighting Upgrade - Westbridge Cedos Block	N	0	0	0	0	(1,105)	(1,105)	0	(1,105)	0	G	(1,105)	0
Lighting Upgrade - Camp Hill Depot	N	0	0	0	0	0	0	0	0	0	G	(751)	751
Lighting Upgrade - Fish Street	N	0	243	0	243	243	0	0	0	0	G	0	243
Playbuilder Lings Playing Fields	N	0	0	49,300	49,300	49,300	0	0	0	0	G	49,294	6
Head of Neighbourhood Environmental Services													
Play Area Safety Bases	N	0	3,846	0	3,846	3,846	0	0	0	0	G	0	3,846
Wheeled Bins & Recycling Boxes	N	100,000	20,242	0	120,242	120,242	0	0	0	0	G	57,227	63,015
Playbuilder - Racecourse	N	0	49,000	0	49,000	53,533	4,533	0	4,533	0	G	53,533	0
Upgrade Recycling Facilities	N	0	580	0	580	580	0	0	0	0	G	580	0
St Crispin Changing Rooms, Toilets, Car Parks	N	292,863	0	0	292,863	0	(292,863)	0	(292,863)	292,863	R	0	0
St Crispin Football Pitches and Play Provision	N	136,831	0	0	136,831	0	(136,831)	0	(136,831)	136,831	R	0	0
Playbuilder Dallington	N	0	0	49,300	49,300	49,300	0	0	0	0	G	0	49,300
I Love My Park	N	0	0	250,000	250,000	250,000	0	0	0	0	G	0	250,000
Head of Culture & Leisure													
Money 4 Youth - Summer Sports 2008	N	0	1,074	0	1,074	1,074	0	0	0	0	G	0	1,074
Improving Access	N	40,000	0	(10,787)	29,213	29,213	0	0	0	0	G	20,454	8,759
Camp Hill MUGA	N	47,150	0	0	47,150	44,720	(2,430)	0	(2,430)	2,430	A	44,720	0
Danes Camp Roof Renewal	N	305,000	0	0	305,000	250,000	(55,000)	0	(55,000)	0	G	0	250,000
Large Transportable Screens	N	0	0	90,000	90,000	90,000	0	0	0	0	G	89,719	281
Development of Shoe Resource Centre	N	0	0	45,000	45,000	45,000	0	0	0	0	G	0	45,000
Resistance Equipment at Leisure Centres	N	0	0	57,097	57,097	57,097	0	0	0	0	G	0	57,097
Digital Projector - Lings Forum Cinema	N	0	0	11,800	11,800	11,800	0	0	0	0	G	0	11,800

Projects by Head of Service	REFCUS Y/N?	Original Budget	Slippage B/F	Approved Changes	Latest Approved Budget	Total Forecast Expenditure P1 to P12	Forecast Under/Over Spend	Proposed Budget Changes	Forecast Under/Over Spend after Proposed Changes	Forecast Slippage	RAG*	Actual Spend to Date	Forecast Spend P8 to P12
		£	£	£	£	£	£	£	£	£		£	£
Town Centre Operations Manager													
Bus Station - ANPR	N	0	0	0	0	(750)	(750)	0	(750)	0	G	(750)	0
Centralisation of Pay-on-foot Carparking	N	55,000	0	0	55,000	55,000	0	0	0	0	G	0	55,000
Head of Planning													
Housing & Planning Improvements	N	200,000	144,325	0	344,325	53,166	(291,160)	0	(291,160)	291,160	R	48,608	4,557
Head of Regeneration & Development													
Market Square Flexible Place & Fountain	Y	121,200	34,471	(38,052)	117,620	117,965	345	0	345	0	G	99,921	18,044
Upton Coutry Park Pedestrian & Cycle Bridge	Y	1,321,217	30,685	0	1,351,902	1,351,902	0	0	0	0	G	3,132	1,348,770
Market Square Lighting	N	0	41,716	98,052	139,768	139,768	0	0	0	0	G	37,935	101,833
Northampton Townscape Heritage Initiative	N	75,000	0	(75,000)	0	0	0	0	0	0	G	0	0
Asset Management													
Radon Ventilation - Abington Museum	N	0	25,000	0	25,000	0	(25,000)	0	(25,000)	0	G	0	0
Carbon Monoxide Detection Units - Guildhall	N	0	7,608	0	7,608	7,608	0	0	0	0	G	7,608	0
Grosvenor Centre Car Park Improvements	N	1,717,100	50,000	0	1,767,100	1,157,711	(609,390)	0	(609,390)	0	B	73,361	1,084,350
Fire Risk Assessment	N	911,980	0	0	911,980	500,000	(411,980)	0	(411,980)	0	G	0	500,000
Water Management Works	N	100,000	0	0	100,000	125,000	25,000	0	25,000	0	G	0	125,000
Improvements to Car parks	N	120,000	0	0	120,000	120,000	0	0	0	0	G	0	120,000
Cemeteries Refurbishment Works	N	36,500	0	0	36,500	36,500	0	0	0	0	G	0	36,500
Works to Curchyards (Footpaths & Boundary Walls)	Y	100,000	0	0	100,000	100,000	0	0	0	0	G	0	100,000
Corporate Properties - DDA Issues	N	50,000	0	0	50,000	50,000	0	0	0	0	G	0	50,000
Unexpected in year Failures	N	100,000	0	0	100,000	70,000	(30,000)	0	(30,000)	0	G	8,986	61,014
Refurbishment of Parks	N	135,000	0	0	135,000	135,000	0	0	0	0	G	0	135,000
Cliftonville Office Move & New Ways of Working	N	0	0	2,226,500	2,226,500	2,226,500	0	0	0	0	G	6,188	2,220,312
Head of Policy & Community Engagement													
Money 4 Youth	Y	46,657	35,503	0	82,160	82,160	0	0	0	0	G	6,000	76,160
Playbuilder - Kingsthorpe Recreation Ground	N	0	49,000	0	49,000	57,901	8,901	0	8,901	0	G	57,901	0
Northampton Local Strategic Partnership													
SSNP - Night Safe & Target Hardening	Y	0	21,505	57,293	78,798	78,798	0	0	0	0	G	10,000	68,798
New Recreational Facilities	N	0	0	0	0	(2,895)	(2,895)	0	(2,895)	0	G	(2,895)	0
Head of Strategy Investment & Performance													
Places of Change	Y	696,816	466,825	123,709	1,287,350	1,287,350	0	0	0	0	G	66,274	1,221,076
Head of Landlord Services													
Ecton Lane Improvements	N	0	36,342	0	36,342	36,342	0	0	0	0	G	23,706	12,636
Ecton Lane Improvements 2	N	0	332,000	0	332,000	332,000	0	0	0	0	G	168,198	163,802
Head of Needs & Support													
Renovation Grants	Y	0	82,092	(82,092)	0	0	0	0	0	0	G	0	0
Empty Homes	Y	0	0	134,286	134,286	134,286	0	0	0	0	G	0	134,286
GOEM Solid Wall Insulation	N	0	0	0	0	0	0	0	0	0	G	0	0
Heat Streets	Y	0	0	0	0	0	0	0	0	0	G	(56)	56
Hot Property 3	Y	0	1,492	0	1,492	1,492	0	0	0	0	G	(2,382)	3,874
Countywide Climate Friendly Communities	Y	0	609,362	0	609,362	609,362	0	0	0	0	G	356,923	252,439
GOEM Decent Homes Assistance	Y	0	495,139	713,367	1,208,506	1,208,506	0	0	0	0	G	430,205	778,301
Disabled Facilities Grant	Y	2,022,000	299,189	72,000	2,393,189	2,393,189	0	0	0	0	G	555,988	1,837,202
TOTAL GENERAL FUND		9,579,314	3,665,737	4,238,868	17,483,919	15,655,134	(1,828,785)	0	(1,828,785)	731,604		2,526,273	13,128,861

Capital Programme 2010-11 HRA Position as at 31 October 2010

Projects by Head of Service	REFCUS Y/N?	Original Budget	Slippage B/F	Approved Changes	Latest Approved Budget	Total Forecast Expenditure P1 to P12	Forecast Under/Over Spend	Proposed Budget Changes	Forecast Under/Over Spend after Proposed Changes	Forecast Slippage	RAG*	Actual Spend to Date	Forecast Spend P8 to P12
		£	£	£	£	£	£	£	£	£		£	£
Head of Strategy Investment & Performance													
IBS Housing Management System	N	125,250	232,778	40,000	398,028	398,028	0	0	0	0	G	291,629	106,399
Cooper Street Housing	N	0	0	400,000	400,000	400,000	0	0	0	0	G	382,198	17,802
Fencing	N	50,000	0	0	50,000	50,000	0	0	0	0	G	24,658	25,342
Decent Homes	N	9,097,511	238,621	(1,796,132)	7,540,000	6,435,000	(1,105,000)	180,000	(1,285,000)	1,285,000	R	1,648,775	4,786,225
Garage Roofs and Doors	N	50,000	8,118	0	58,118	0	(58,118)	(30,000)	(28,118)	28,118	R	0	0
Minor Adaptations for Disabled People	N	130,000	0	0	130,000	130,000	0	0	0	0	G	52,498	77,502
Structural Repairs	N	200,000	0	0	200,000	200,000	0	0	0	0	G	79,788	120,212
Environmental Enhancements to Housing Land	N	300,000	32,500	(50,000)	282,500	282,500	0	0	0	0	G	9,184	273,316
Heating Replacement (Responsive)	N	500,000	0	0	500,000	500,000	0	0	0	0	G	201,912	298,088
Asbestos Remedial Action	N	100,000	38,532	(38,532)	100,000	100,000	0	0	0	0	G	26,437	73,563
Voids	N	1,300,000	302,725	(302,725)	1,300,000	1,300,000	0	0	0	0	G	10,110	1,289,890
Door Entry Replacement	N	100,000	1,100	0	101,100	106,100	5,000	0	5,000	0	G	3,207	102,893
Lifts Refurbishment	N	100,000	14,223	500,000	614,223	464,223	(150,000)	(150,000)	0	0	G	119,151	345,072
Woodside Way New Build	N	958,036	0	167,470	1,125,506	947,506	(178,000)	0	(178,000)	178,000	R	643,754	303,752
Digital Aerial Upgrade	N	400,000	0	(300,000)	100,000	100,000	0	0	0	0	G	0	100,000
Estate Regeneration	N	180,000	0	0	180,000	180,000	0	0	0	0	G	0	180,000
Kitchen Replacement	N	500,000	56,631	0	556,631	556,631	0	0	0	0	G	(13,578)	570,209
Planned Heating Replacement	N	100,000	44,801	400,000	544,801	544,801	0	0	0	0	G	18,769	526,032
Re-roofing	N	300,000	46,389	180,000	526,389	526,389	0	0	0	0	G	(2,935)	529,324
Windows & Door Replacement	N	20,000	0	0	20,000	15,000	(5,000)	0	(5,000)	0	G	(8,439)	23,439
Fire Safety in Communal Areas	N	100,000	15,130	250,000	365,130	365,130	0	0	0	0	G	169,897	195,233
PFI Initiative	N	300,000	0	(300,000)	0	0	0	0	0	0	G	0	0
Capital Improvement Works	N	0	541	149,459	150,000	150,000	0	0	0	0	G	0	150,000
Leyside Court	N	0	0	65,000	65,000	65,000	0	0	0	0	G	0	65,000
HRA Capitalisation Directive 2010-11	N	0	0	200,000	200,000	200,000	0	0	0	0	G	0	200,000
Window Restrictors	N	0	0	80,000	80,000	80,000	0	0	0	0	G	0	80,000
Electrical Periodic Works	N	0	0	125,000	125,000	125,000	0	0	0	0	G	0	125,000
Decent Homes Repairs	N	0	0	0	0	0	0	0	0	0	G	0	0
Head of Needs & Support													
Disabled Adaptations - Council Stock	N	1,000,000	0	161,930	1,161,930	1,161,930	0	0	0	0	G	444,657	717,273
TOTAL HRA		15,910,797	1,032,089	(68,530)	16,874,356	15,383,238	(1,491,118)	0	(1,491,118)	1,491,118		4,101,672	11,281,566
PROGRAMME TOTAL:		25,435,111	4,697,826	4,170,338	34,303,275	30,984,122	(3,319,153)	0	(3,319,153)	2,222,722		6,628,695	24,355,427

Appendix 3b

Capital Financing 2010-11 Position as at 31 October 2010

	General Fund £,000	HRA £,000
Programme		
Latest Approved Budget	17,484	16,874
Proposed Budget Changes	0	0
Total	17,484	16,874

RAG

	General Fund £,000	HRA £,000
Funding		
Prudential Borrowing	7,445	0
Supported Borrowing	0	500
Capital Receipts	2,523	520
MRA	0	10,122
Grants	4,978	393
Third Party Financing	1,987	132
Revenue Financing	550	5,207
Total Funding	17,484	16,874
Unallocated Funding	0	0

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Variations to the Capital Programme for Approval

Scheme Reference, Description & Directorate	Narrative	2010-11 £	Future Years £	Funding Source
HRA				
2009-10/HRA04 V08 Decent Homes	Reallocated underspend from 09-10 HRA15 (150k) and 09-10 HRA05 (30k)	180,000	0	£30k Revenue £150k MRA
2009-10/HRA05 V04 Garage Roofs and Doors	Underspend to be reallocated to Decent Homes	(30,000)	0	Revenue Contribution
2009-10/HRA15 V04 Lift refurbishment	Underspend to be reallocated to Decent Homes	(150,000)	0	MRA

Appendix 5

2010/11 Criteria for Red, Amber and Green Scores on the Finance Dashboard

		Red	Amber	Green	Blue
1	Total General Fund Revenue Controllable Budget	+ Over £100k or -£100k with Service Impact	+£50 to £100k or -£50 to £100k with service impact	+/- up to £50k or no service impact and -£50k to -£100k	-£100k with no Service Impact
2	Total HRA Revenue Controllable Budget	+ Over £100k or -£100k with Service Impact	+£50 to £100k or -£50 to £100k with service impact	+/- up to £50k or no service impact and -£50k to -£100k	-£100k with no Service Impact
3	2010/11 GF Savings and Efficiency Targets*	Over £100k Unachievable	Up to £100k Unachievable	Up to £50k Unachievable	£0 Unachievable
4	Number of Service Areas Materially Over/Under spending	Over 5	1-5	0	N/A
5	Debt Financing Budget	+/- Over £100k	+/- £50-£100k	+/- up to £50k	-£100k with no Service Impact
6	General Fund Capital Programme	Over £100k Overspend or Slippage over 15%	Up to £100k Overspend or Slippage up to 15%	Up to £50k Overspend or Slippage up to 5%	-£100k with no Service Impact
7	HRA Capital Programme	Over £100k Overspend or Slippage over 15%	Up to £100k Overspend or Slippage up to 15%	Up to £50k Overspend or Slippage up to 5%	-£100k with no Service Impact
8	General Fund Capital Financing	Materially (over £50k) under funded	Up to £50k under funded (to be found from Revenue)	Break Even or Excess Funding	N/A
9	HRA Capital Financing	Materially (over £50k) under funded	Up to £50k under funded (to be found from Revenue)	Break Even or Excess Funding	N/A
10	Investment Return Compared to 7 Day LIBID	Less than LIBID	LIBID - LIBID+.0049	More than LIBID+.005	More than LIBID +.01
11a.	Days when the bank balance has been overdrawn	More than 5 days	4-5 days	0-3 days	N/A
11b.	Days when the bank balance has been over £200k	More than 5 days	4-5 days	0-3 days	N/A
12	Percentage of Invoices for Commercial Goods and Services Paid by the Authority within 30 days of Being Received	-2 and worse compared to target	-0.001 to -1.999 compared to target	1.999 to 0 compared to target	2 and above compared to target
13	Percentage of Council Tax Received in Year	-0.5 and worse compared to target	-0.001 to -0.4999 compared to target	1.499 to 0 compared to target	1.5 and above compared to target
14	Percentage NNDR Received in Year	-0.5 and worse compared to target	-0.001 to -0.4999 compared to target	0.999 to 0 compared to target	1 and above compared to target
15	Housing Rent Collected in Year	-1 and worse compared to target	-0.001 to -0.999 compared to target	1.299 to 0 compared to target	1.3 and above compared to target
16	Internal Audit Recommendations Overdue	11 or more	6-10	Up to 5	0

Appendices

10



NORTHAMPTON
BOROUGH COUNCIL

Item No.

15c

CABINET REPORT

Report Title

TREASURY MANAGEMENT MID YEAR REPORT 2010-11

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	15 December 2010
Key Decision:	NO
Listed on Forward Plan:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Finance and Support
Accountable Cabinet Member:	David Perkins
Ward(s)	Not Applicable

1. Purpose

- 1.1 To inform the Cabinet of the Council's performance in relation to its treasury management activities, including its borrowing and investment strategy, for the period 1 April to 30 September 2010.
- 1.2 To inform Cabinet of a change to the Council's Investment Strategy, approved by the Chief Financial Officer in August 2010.
- 1.3 To ask Cabinet to recommend to Council that they approve revisions to the Council's prudential indicators for Capital Expenditure and the Capital Financing Requirement for 2010-11.

2. Recommendations

- 2.1 That Cabinet recommend to Council that they note the Council's treasury management activities and performance for the period 1 April to 30 September 2010.
- 2.2 That Cabinet recommend to Council that they note the change to the Council's Investment Strategy detailed at paragraphs 3.2.27 to 3.2.28.
- 2.3 That Cabinet recommend to Council that they approve revisions to the Council's prudential indicators for 2010-11 for Capital Expenditure and the Capital Financing Requirement as set out at paragraphs 3.2.51 and 3.2.54.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council adopted the CIPFA Code of Practice on Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes ("the Treasury Management Code of Practice") following its publication in 2001.
- 3.1.2 During 2009, in the light of the impacts on local authorities of the Icelandic bank situation in 2008, CIPFA published a fully revised second edition of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes and a fully revised third edition of the Guidance Notes for Local Authorities. The adoption of the updated code was formally minuted as a decision at the Council meeting of 25 February 2010.
- 3.1.3 The latest Treasury Management Code of Practice and the associated the guidance notes include recommendations on reporting requirements, including a new requirement for an annual mid year report on treasury activities. The table below shows how the specific requirements have been incorporated into this report.

Reporting Requirement	Reference
Activities undertaken	3.2.7 – 3.2.23 Annexes B,C,D,E,F
Variations (if any) from agreed policies and practices	3.2.24 – 3.2.33 Annex H
Interim performance report	3.2.34 – 3.2.40 Annex G
Regular monitoring	3.2.41 – 3.2.45 Annex H,I,J
Monitoring of treasury management indicators for local authorities	3.2.46 – 3.2.47 Annex H

3.1.4 The following topics are also covered in this report

Topic	Reference
Economic environment and interest rates	3.2.1 – 3.2.6 Annex A
Monitoring of prudential indicators for local authorities	3.2.48 – 3.2.54 Annex I
Monitoring of debt financing budget	3.2.55 – 3.2.56 Annex J

3.2 Issues and Choices

Economic Environment and Interest Rates

- 3.2.1 An analysis of the economic position as at the end of September 2010, is attached at **Annex A**. This has been provided by Sector, the Council's treasury management advisers.
- 3.2.2 The Monetary Policy Committee left bank base rate unchanged at 0.50% throughout the first half of 2010-11, and maintained its level of quantitative easing at £200 billion.
- 3.2.3 Investment rates are at a historical low point and remained relatively stable throughout the first six months of 2010-11, with the average 7 day LIBID rate 0.08% below base rate, and LIBOR 0.05% above.
- 3.2.4 Interest rate views continue to differ between forecasters, and some forecasts have been revised downwards during the year following developments in the economy. **Annex A** includes the latest interest rate forecast provided by Sector.
- 3.2.5 Expectations for future bank base rates vary; the earliest forecast of a base rate increase is March 2011, while some forecasters predict the bank rate will remain at its current level until 2012.
- 3.2.6 Borrowing rate forecasts have been revised following an unexpected fall in bond yields in August and September 2010. The overall view is that borrowing rates are currently at a low point and will begin to rise, although opinion is varied on the timing and degree of future increases.

Activities undertaken

Investments

- 3.2.7 The Council's overall investments figure as at 30 September 2010 was £78m; average balances for the six-month period to 30 September were £71m. The lowest and highest balances during the period were £54m and £89m.

- 3.2.8 Since the start of the year 40 new fixed term deposits have been entered into ranging in value between £5k and £5m, at rates between 0.33% and 1.90%. The average value of each single investment was £2.6m, and the average interest rate achieved for fixed deposits was 1.12%. Fixed term deposits make up an average of 82% of the Council's investment portfolio, the remainder being balances held in instant access deposit accounts. **Annex B** shows the Council's investments and deposit account balances at 30 September 2010.
- 3.2.9 As investment interest rates are expected to rise from current levels, albeit slowly, the majority of investments have been made for relatively short periods, to ensure that funds are not tied up in long term investments at low rates in the future when available rates are higher. Keeping funds liquid ensures that the Council is able to take advantage of high interest rates for longer-term deals when they become available. Investment periods since the start of 2010-11 range from 16 days to 364 days, the average duration being 140 days. **Annex C** shows the maturity profile of the Council's investments at 30 September 2010.
- 3.2.10 Instant access deposit accounts have been used extensively during the first half of the year, in order to maintain liquidity and security of funds. The average balance held in deposit accounts since 1 April 2010 was £13m, around 18% of the Council's average investment portfolio.
- 3.2.11 Two of the deposit accounts currently used by the Council earn interest at relatively high rates, so are used in preference to short term fixed investments where possible, to increase the Council's rate of return on investments. In order to spread the Council's funds over a wider range of counterparties whilst ensuring sufficient liquidity, three more deposit accounts are in the process of being opened with two counterparties; one of these accounts will be instant access, the other two requiring fifteen and thirty days notice for transactions.
- 3.2.12 Due to changes in banking regulations to improve security of deposits, it may not be beneficial for banks to offer high interest rates on instant access accounts in the future, with customers being encouraged to place deposits for fixed periods instead. It is therefore likely that the banks could reduce the interest rates currently applicable on the Council's deposit accounts.
- 3.2.13 In order to maintain sufficient liquidity and prevent a fall in investment interest following these changes, the Council will shortly begin to use Money Market funds as well as deposit accounts. The use of money market funds will ensure liquidity, as they provide instant access. In addition, there will be increased capacity with investment counterparties as a result of the reduction in balances held in deposit accounts. This will enable more use to be made of direct deals at enhanced rates to maintain a sufficient rate of return on investments.

- 3.2.14 Money Market Funds currently earn interest at a lower rate than the Council's deposit accounts, but have a high security rating due to their diversification. Deposits placed with money market funds are distributed between a wide range of institutions, reducing the exposure to single counterparties, and therefore minimising the potential impact of a collapse of a particular institution on the fund and its investors.
- 3.2.15 The Council's treasury management advisors ran a Money Market Fund selection process on several AAA rated funds based on the Council's preferred selection criteria of size of fund, diversification and performance, and have recommended the three most suitable money market funds to use. An account has been set up with Ignis, the fund with the highest score based on these criteria, and the use of other funds will be arranged in the future to ensure the rates achieved remain competitive.
- 3.2.16 All investment activity has been carried out within the Council's counterparty policies and criteria, and with a clear strategy of risk management in line with the Council's treasury strategy for 2010-11. This has ensured that the principle of considering security, liquidity and yield in that order (SLY), has been consistently applied.

Borrowing

- 3.2.17 **Annex D** shows outstanding long-term borrowing at 30 September 2010 at amortised cost. The total long-term debt outstanding is £32m. Of this amount, 77% is in the form of money market LOBO loans, 19% is PWLB borrowing and the remaining 4% is the long-term element of an annuity loan with the Homes and Communities Agency (HCA). The amount of principal due within one year for the HCA annuity is treated as short term borrowing in the accounts.
- 3.2.18 No loans have been repaid since April 2010 other than the principal element (£16k) of the HCA annuity payment made in September. No rescheduling of loans took place in the first half of the year.
- 3.2.19 No new borrowing was arranged in the first six months of 2010-11. New PWLB loans totalling £6m were arranged during January 2010 on the advice of the Council's treasury advisors, Sector. As interest rates are forecast to rise in the short to medium term, these loans were arranged to fund capital expenditure over the next three years, in order to reduce the risk of being required to borrow externally in the future at a point when rates are high. It is currently anticipated that no further external borrowing will be taken during the next two years.
- 3.2.20 **Annex E** shows the Council's long-term debt maturity profile at 30 September 2010 at cash value. Two LOBO loans totalling £15.6m are due for repayment in 2014-15. As current interest rates are lower than the rates applicable to these loans, rescheduling of this debt at current rates would incur high premiums, and would therefore not be beneficial. Options for the repayment or rescheduling of these loans will be monitored and revisited nearer to their

maturity date, with advice taken from the Council's external treasury consultants, Sector.

3.2.21 **Annex F** shows outstanding balances and applicable rates for short-term borrowing at 30 September 2010. The total outstanding for temporary borrowing at 30 September 2010 was £181k.

3.2.22 The Council has long-standing agreements with two local organisations, Billing Parish Council and Northampton Volunteering Centre, for the short-term deposit of funds with the Council. Accounting regulations require that these be treated in the accounts as short-term borrowing. The interest rate applicable on these accounts is set quarterly using the Council's average investment rate for the previous quarter, less 0.5% to cover administrative costs. The balances in these accounts during the period April to September 2010 were between £70k and £110k, at interest rates between 0.66% and 0.67%.

3.2.23 The principal element (£17k) of the HCA annuity repayment due within 12 months is also treated as short term borrowing in the accounts in order to comply with accounting requirements.

Variations (if any) from or to agreed policies and practices

Variation to Investment Strategy

3.2.24 The Council's Treasury Strategy for 2010-11 approved by Council on 25 February 2010 set the following criteria for selecting investment counterparties:

	Investments may be placed with counterparties within the maximum periods recommended by the Council's external treasury advisors, and which meet the following criteria:	Additional limits
(1)	Counterparties having sovereign ratings of AAA (Overseas or UK)	NBC additional limits in force will be £12m and a maximum of 12 months (364 days).
	Or:	
(2)	UK nationalised or part nationalised banking institutions	NBC additional limits in force will be £15m and a maximum of 12 months (364 days).
	Or:	
(3)	UK banks or building societies supported by the UK banking system support package	NBC additional limits in force will be £15m and a maximum of 2 years (729 days).

3.2.25 During the first six months of the year the maximum duration recommended by the Council's external treasury advisors for investments with counterparties falling in category (3) above was 364 days, effectively preventing the Council from placing any long term investments.

3.2.26 The Treasury Strategy for 2010-11 gives the authority to the Chief Financial Officer to make a change to the counterparty selection criteria in order to enable the effective management of risk in relation to investments.

3.2.27 In order to reduce the risk that the Council could be unable to take advantage of preferential interest rates for long term investments if they arose, the Chief Financial Officer agreed changes to the counterparty limits on 23 August 2010, increasing the range of counterparties available for investments over 364 days.

3.2.28 The new limits are as follows:

	Investments may be placed with counterparties within the maximum periods recommended by the Council’s external treasury advisors, and which meet the following criteria:	Additional limits
(1)	Counterparties having sovereign ratings of AAA (Overseas or UK)	NBC additional limits in force will be £12m and a maximum of 2 years (729 days).
	Or:	
(2)	UK nationalised or part nationalised banking institutions	NBC additional limits in force will be £15m and a maximum of 2 years (729 days).
	Or:	
(3)	UK banks or building societies supported by the UK banking system support package	NBC additional limits in force will be £15m and a maximum of 2 years (729 days).

3.2.29 However, as long-term investment interest rates are currently at a low point and are expected to rise, no long-term investments have yet been entered into. Investments are currently being kept short term in order to ensure that sufficient funds are available to take advantage of higher interest rates when they become available.

Variation from and revision to Treasury Indicator

3.2.30 The Council agreed the treasury indicators for 2010-11 at their meeting of 25 February 2010. These included indicators for fixed and variable rate interest rate exposures. The indicator for fixed rate interest rate exposure was set at zero, meaning that fixed rate investments should remain in excess of fixed rate borrowing.

3.2.31 At the time of setting this indicator the Council had fixed rate investments of £10m and fixed rate borrowing of £7m, resulting in a negative indicator of £3m. The indicator was set based on the expectation that the fixed rate investment figure would drop to £8.5m in 2010-11 in line with the treasury strategy limit for investments over 364 days, and fixed rate borrowing would remain constant following the PWLB borrowing arranged in January 2010, resulting in a negative indicator of £1.5m.

3.2.32 Market conditions during the first half of the year were such that the Council had no suitable counterparties with which to invest for periods over 364 days, and as the existing investments over 364 days matured they were replaced with shorter-term investments classed as variable rate. The figure for fixed rate investments started the year at 1 April at £8m, dropped to £6m on 4 June, to £4m on 14 June, and to £2m on 16 June. The indicator was therefore positive from 4 June, and currently stands at £5m (positive). This is in excess of the previously set limit of zero.

3.2.33 This breach was reported to Council on 15th September 2010 and Council agreed a change to the indicator for fixed rate interest rate exposure to £10m for the remainder of 2010-11. This will allow the Council to hold all of its investments at under 364 days and also gives some scope for additional fixed rate borrowing to be taken out if required.

Interim performance report

3.2.34 The variance between the Council's monthly rate of return on investments and the average 7-day Libid rate for the month is used as a measure of treasury performance, where a high variance reflects a high level of performance.

3.2.35 The 7-day Libid rate has remained fairly constant at an average of 0.42% throughout the first half of 2010-11.

3.2.36 At the beginning of the year, the Council held a number of longer-term investments, which had been arranged in previous years in a higher interest rate environment. The inclusion of these investments when measuring the rate of return against the current Libid rate led to a high positive variance at the beginning of the year, which fell sharply in June and July when these investments matured.

3.2.37 During the first half of the year, the positive variance reported fell from 0.88% in April 2010 to 0.41% in July 2010. From August 2010 there has been a higher balance held in deposit accounts, which attract higher rates than short term investments, and performance has improved slightly again. The average rate of return on investments since April 2010 was 1.01%, giving an average positive variance of 0.59%.

3.2.38 As investment rates are expected to rise in the future, there is a possibility that at some point existing investments could be held at a rate lower than the market rates available. This could cause the Council's rate of return on investments to fall below the current LIBID rate, and would result in a negative variance. Most investments have been kept short term to safeguard against this risk, and under the advice of the Council's treasury advisors no investments with maturity periods over 364 days have been arranged this year.

3.2.39 Treasury staff are currently working on a more sophisticated measure of tracking investment performance against LIBID. If this proves workable the current method of measurement may shortly be replaced by the new methodology.

3.2.40 Investment performance to 30 September 2010 is attached at **Annex G**.

Regular monitoring

3.2.41 A schedule of current investments and deposit account balances showing counterparties used, investment durations and interest rates achieved is prepared weekly and reviewed by the Finance Manager, Capital and Treasury.

3.2.42 Monthly reconciliations are completed for outstanding investment principal, interest received, outstanding borrowing principal and interest paid to ensure all transactions have been made and recorded accurately.

3.2.43 The Chief Finance Officer receives monthly treasury investment performance data and minutes from monthly treasury management meetings.

3.2.44 Prudential and treasury indicators have been monitored monthly from July 2010 and a summary will be taken to monthly treasury management meetings from October 2010.

3.2.45 The debt financing and debt management budgets have been monitored monthly since the start of the year. Debt financing budget monitoring information is reported in the monthly dashboard reports to Cabinet.

Monitoring of treasury management indicators for local authorities

3.2.46 Treasury management indicators have been monitored monthly since July 2010 and the latest position will be reported at monthly treasury management meetings from October.

3.2.47 **Annex H** contains treasury management indicator monitoring information at 30 September 2010. This includes the revised treasury management indicator for fixed interest rate exposures approved by Council on 15th September 2010. Details of the revision to this indicator are given at paragraphs 3.2.30 to 3.2.33 above.

Monitoring of prudential indicators for local authorities

3.2.48 Prudential indicators have been monitored monthly since July 2010 and the latest position will be reported at monthly treasury management meetings from October.

3.2.49 **Annex I** contains prudential indicator monitoring information at 30 September 2010. This includes revisions to the Council's prudential indicators for 2010-11 for Capital Expenditure and Capital Financing Requirement as set out below.

Estimate of capital expenditure 2010-11

3.2.50 This prudential indicator requires reasonable estimates of the total of capital expenditure to be incurred. It is in the nature of capital expenditure to have variations to the capital programme as the year proceeds, for example as new grant or other third party funding becomes available, or to accommodate slippage from the previous year. This is acknowledged in the Prudential Code.

3.2.51 Revised estimates for capital expenditure for 2010-11 are shown below and at **Annex I**. The estimates are consistent with the latest proposed capital programme for 2010-11 submitted to Cabinet on 3 November 2010 (Finance Monitoring Dashboard Report to end of August 2010).

Capital Expenditure		
	2010-11 Estimate £000	2010-11 Estimate at 31/08/2010 £000
General Fund	9,579	17,137
HRA	15,911	16,874
Total	25,490	34,011

3.2.52 The £7.5m increase in the General Fund figure is a result of the inclusion of slippage from 2009-10 (£3.6m) and the addition of new schemes into the capital programme (£3.9m). The additional schemes include the Cliftonville office move at £1.9m.

Estimate of Capital Financing Requirement (CFR) 2010-11

3.2.53 In day-to-day cash management no distinction can be made between revenue cash and capital cash. External borrowing may arise as consequence of all the financial transactions of the authority, and not simply those arising from capital spending. However the Capital Financing Requirement reflects the local authority's need to borrow for a capital purpose.

3.2.54 Revised estimates for the Capital Financing Requirement for 2010-11 are shown below and at Annex I. The revisions to the estimates of CFR arise primarily as a result of changes to the latest forecasts of borrowing to fund capital expenditure in 2010-11, compared to original estimates. The figures are consistent with the 2009-10 Statement of Accounts and with the borrowing requirements of the latest forecast capital programme for 2010-11.

Capital Financing Requirement (Closing CFR)		
	2010-11 31 March 2011 Estimate £000	2010-11 31 March 2011 Estimate at 31/08/2010 £000
General Fund	31,059	30,923
HRA	(6,175)	(6,175)
Total	24,884	24,748

Monitoring of debt financing budget

3.2.55 The debt financing budget has been monitored monthly since the beginning of the year; the latest forecast at 30 September 2010 is attached at **Annex J**.

3.2.56 There is currently a net underspend of £152k forecast for debt financing in 2010-11. This is mainly due to higher cash balances available for investment than budgeted.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The Council is required to adopt the latest CIPFA Treasury Management Code of Practice, and to set and agree the following policy and strategy documents:

- a) A Treasury Management Policy Statement
- b) Treasury Management Practices (TMPs) and TMP Schedules
- c) An annual Treasury Strategy incorporating:
 - (i) The Capital Financing and Borrowing Strategy for the year including:
 - 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.
 - The Affordable Borrowing Limit for the year as required by the Local Government Act 2003.
 - (ii) The Investment Strategy for the year as required by the CLG Guidance on Local Government Investments issued in 2004, and updated in 2010.
- d) A mid-year review report and an annual review report of the previous year.

These documents are reported to Cabinet and Council as part of the budget setting process. The Council's Treasury Strategy for 2010-11 was approved by Council at its meeting on 25 February 2010.

- 4.1.2 The updated CIPFA Treasury Management Code of Practice, published in 2009, requires the Council to place greater emphasis on the scrutiny of treasury management strategies and policies. This includes the nomination of the body (such as an audit or scrutiny committee) responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. The Audit Committee has been nominated for this role, which includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and for making recommendations to Council.

4.2 Resources and Risk

- 4.2.1 The resources required for the Council's debt management and debt financing budgets are agreed annually through the Council's budget setting process. The debt financing budget position as at 30 Sept is shown at paragraph 3.2.55 and Annex J.
- 4.2.2 The risk management of the treasury function is an integral part of day-to-day treasury activities. It is also specifically covered in the Council's Treasury Management Practices (TMPs), which are reviewed annually.

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 An Equalities Impact Assessment was carried out on the Council's Treasury Strategy for 2010-11, and the associated Treasury Management Practices (TMPs) and the Schedules to the TMPs. This was included as an annex to the report to Cabinet on 24 February 2010 and to Council on 25 February 2010.
- 4.4.2 As a result of that assessment, it was noted that the potential impact of the strategy and associated documents (including Treasury Management Practices (TMPs) and the Schedules to the TMPs) on the different equalities groups must be considered as it is developed and put together each year. This includes the consideration of the potential impact on the different equalities groups of any processes, procedures or outcomes arising from these.

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.
- 4.5.2 Under new regulatory requirements, the Audit Committee has been nominated by Council as the body responsible for ensuring effective scrutiny of the treasury management strategy, policies and practices. This role includes the review of all treasury management policies and procedures, the review of all treasury management reports to Cabinet and Council, and the making of recommendations to Council. Audit Committee reviewed and noted the draft treasury management mid year report and annexes at their meeting on 8 November 2010.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The Council is required 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.
- 4.6.2 This supports the Council's priority to be a well-managed organisation that puts our customers at the heart of what we do.

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

CIPFA Prudential Code for Capital Finance in Local Authorities 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)

CIPFA Prudential Code for Capital Finance in Local Authorities – Fully Revised Guidance Notes for Practitioners 2007

Audit Commission. Risk & Return: English Local Authorities and the Icelandic Banking Crisis (March 2009)

CLG Select Committee report on Local Authority Investments (11 June 2009)

The Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008

CIPFA Prudential Code for Capital Finance in Local Authorities (Fully Revised Second Edition) 2009

CIPFA Treasury Management in the Public Services - Code of Practice and Cross-Sectoral Guidance Notes (Fully Revised Second Edition) 2009

CIPFA Treasury Management in the Public Services - Guidance Notes for Local Authorities including Police Authorities and Fire Authorities (Fully Revised Third Edition) 2009

CLG Guidance on Local Government Investments (11 March 2010)

Reports to Cabinet & Council

Treasury Strategy 2010-11 to 2012-13 – Report to Cabinet 24 February 2010 & Council 25 February 2010

Prudential Indicators for Capital Finance 2010-11 to 2012-13 – Report to Cabinet 24 February 2010 & Council 25 February 2010

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

Economic Update provided by Sector

1. Global economy

The sovereign debt crisis peaked in May 2010 prompted, in the first place, by major concerns over the size of the Greek government's total debt and annual deficit. However, any default or write down of Greek debt would have substantial impact on other countries, in particular, Portugal, Spain and Ireland. This crisis culminated in the EU and IMF putting together a €750bn support package in mid May.

Growth in the US, UK and the Euro zone in quarter 2 of 2010 was particularly driven by strong growth in the construction sector catching up from inclement weather earlier in the year and is unlikely to be repeated; general expectations are for much more subdued figures for the remainder of 2010. Market expectations for all three sectors of the economy is that these have all peaked and are pointing downwards, though not necessarily in to negative territory.

2. UK economy

Following the general election in May 2010, the coalition government has put in place an austerity plan to carry out correction of the public sector deficit over the next five years. The inevitable result of fiscal contraction will be major job losses during this period, in particular in public sector services. This will have a knock on effect on consumer and business confidence. House prices have started a negative trend during the summer and mortgage approvals are at very weak levels and also declining.

Economic Growth

GDP growth is likely to have peaked at 1.2% in quarter 2 of 2010.

Unemployment

The trend of falling unemployment (on the benefit claimant count) has now been replaced since July with small increases which are likely to be the start of a new trend of rising unemployment.

Inflation and Bank Rate

CPI has remained high so far during 2010. It peaked at 3.7% in April and has fallen back to 3.1% in August. RPI remains high, at 4.7% in August. Although inflation has remained stubbornly above the MPC's 2% target, the MPC is confident that inflation will fall back under the target over the next two years. The last quarterly Inflation Report in August showed a significant undershoot after the end of 2011.

The Bank of England finished its programme of quantitative easing with a total of £200bn in November 2009 (although there is currently some increase in expectations that there might be a second round of quantitative easing).

Sector's view is that there is unlikely to be any increase in Bank Rate until the middle of 2011.

AAA rating

Prior to the general election, credit rating agencies had been issuing repeated warnings that unless there was a major fiscal contraction, then the AAA sovereign rating was at significant risk of being downgraded. Sterling was also under major pressure during the first half of the year. However, after the Chancellor's budget on 22 June, Sterling has strengthened against the US dollar and confidence has returned that the UK will retain its AAA rating. In addition, international investors now view UK government gilts as being a safe haven from EU government debt. The consequent increase in demand for gilts has helped to add downward pressure on gilt yields and PWLB rates.

3. Sector's view for the next six months of 2010/11

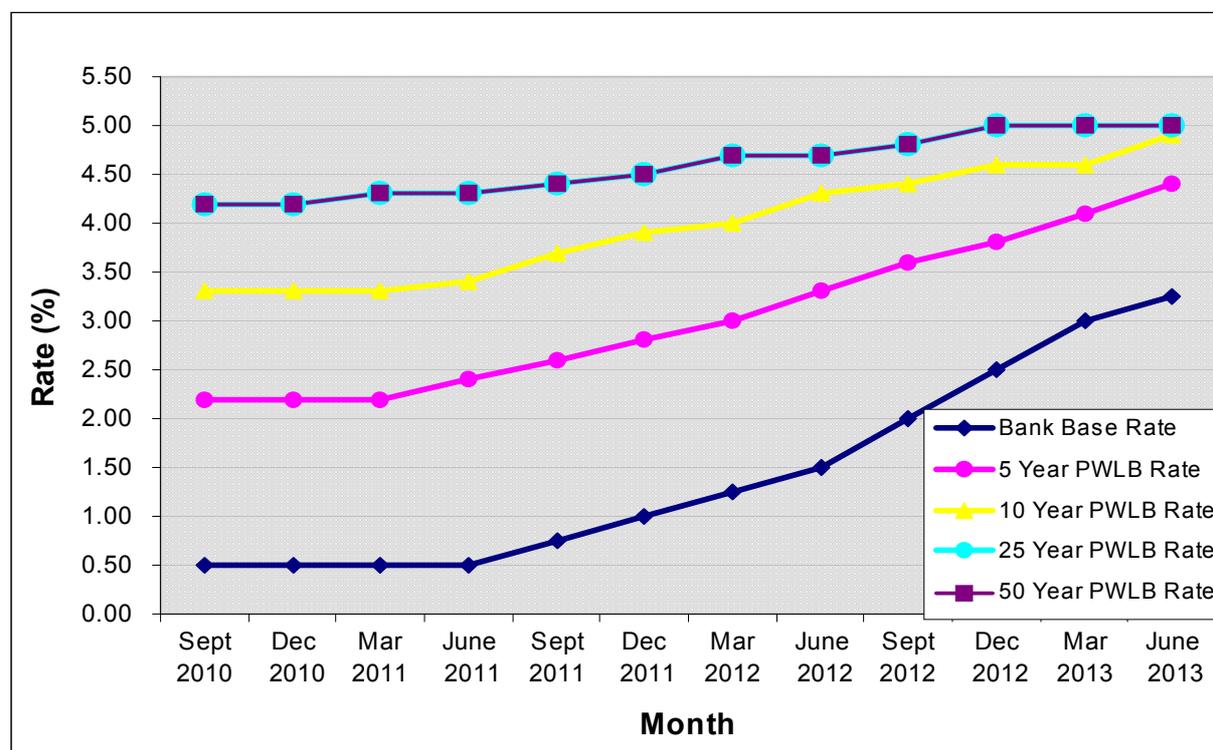
It is currently difficult to have confidence as to exactly how strong the UK economic recovery is likely to be, and there are a range of views in the market. Sector has adopted a moderate view. There are huge uncertainties in all forecasts due to the major difficulties of forecasting the following areas:

- the speed of economic recovery in the US and EU
- the degree to which government austerity programmes will dampen economic growth
- the speed of rebalancing of the UK economy towards exporting and substituting imports
- changes in the consumer savings ratio
- the potential for more quantitative easing, and the timing of this in both the UK and US
- the speed of recovery of banks' profitability and balance sheet imbalances
- the potential for a major EU sovereign debt crisis which could have a significant impact on financial markets and the global and UK economy

The overall balance of risks is weighted to the downside and there is some risk of a double dip recession and deleveraging, creating a downward spiral of falling demand, falling jobs and falling prices, although this is currently viewed as being a small risk.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries.

4. Sector's interest rate forecast*



*Graph added by NBC based on rates provided by Sector

	Sept 2010	Dec 2010	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012	June 2012	Sept 2012	Dec 2012	Mar 2013	June 2013
Bank Base Rate (%)	0.50	0.50	0.50	0.50	0.75	1.00	1.25	1.50	2.00	2.50	3.00	3.25
5 Year PWLB Rate (%)	2.20	2.20	2.20	2.40	2.60	2.80	3.00	3.30	3.60	3.80	4.10	4.40
10 Year PWLB Rate (%)	3.30	3.30	3.30	3.40	3.70	3.90	4.00	4.30	4.40	4.60	4.60	4.90
25 Year PWLB Rate (%)	4.20	4.20	4.30	4.30	4.40	4.50	4.70	4.70	4.80	5.00	5.00	5.00
50 Year PWLB Rate (%)	4.20	4.20	4.30	4.30	4.40	4.50	4.70	4.70	4.80	5.00	5.00	5.00

Outstanding Investments at 30th September 2010

Deposit Accounts

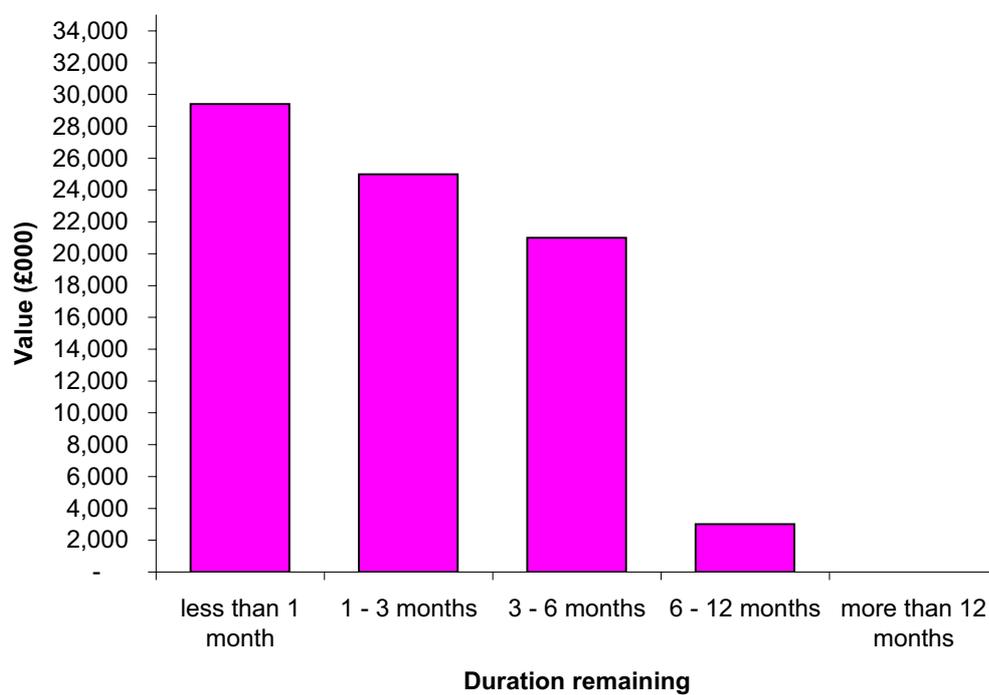
Counterparty	Balance (£000)
Bank of Scotland plc	2,520
Co-operative Bank plc	50
Santander UK plc	14,844
Total balance in deposit accounts at 30th September 2010	<u>17,414</u>

Fixed Term Investments

Counterparty	Start Date	End Date	Value Invested (£000)
Bank of Scotland plc	15/03/10	14/03/11	2,000
DBS Bank Ltd	02/08/10	21/12/10	3,000
DBS Bank Ltd	16/08/10	15/02/11	3,000
DBS Bank Ltd	15/09/10	21/02/11	2,000
District Councils' Network (DCN)	01/09/10	31/07/11	5
Landesbank Berlin AG	31/08/10	22/11/10	2,000
Landesbank Berlin AG	01/09/10	04/11/10	2,000
Landesbank Berlin AG	03/09/10	03/12/10	1,000
Landesbank Berlin AG	15/09/10	15/12/10	3,000
Lloyds TSB Bank plc	01/12/09	01/12/10	2,000
Lloyds TSB Bank plc	04/06/10	03/03/11	2,000
Lloyds TSB Bank plc	16/06/10	15/06/11	2,000
Lloyds TSB Bank plc	28/09/10	27/09/11	1,000
Nationwide Building Society	15/06/10	17/11/10	4,000
Oversea-Chinese Banking Corporation Ltd	15/06/10	17/11/10	2,000
Oversea-Chinese Banking Corporation Ltd	15/06/10	16/03/11	3,000
Oversea-Chinese Banking Corporation Ltd	01/07/10	17/12/10	4,000
Oversea-Chinese Banking Corporation Ltd	15/07/10	14/01/11	3,000
Royal Bank of Scotland	01/07/10	19/11/10	2,000
Ulster Bank Ltd	12/04/10	12/10/10	5,000
Ulster Bank Ltd	15/04/10	18/10/10	2,000
Ulster Bank Ltd	15/04/10	17/01/11	2,000
Ulster Bank Ltd	02/08/10	20/01/11	2,000
Ulster Bank Ltd	15/09/10	16/03/11	2,000
United Overseas Bank Ltd	01/07/10	18/10/10	5,000
Total fixed term investments outstanding at 30th September 2010			<u>61,005</u>

Total outstanding at 30th September 2010 78,419

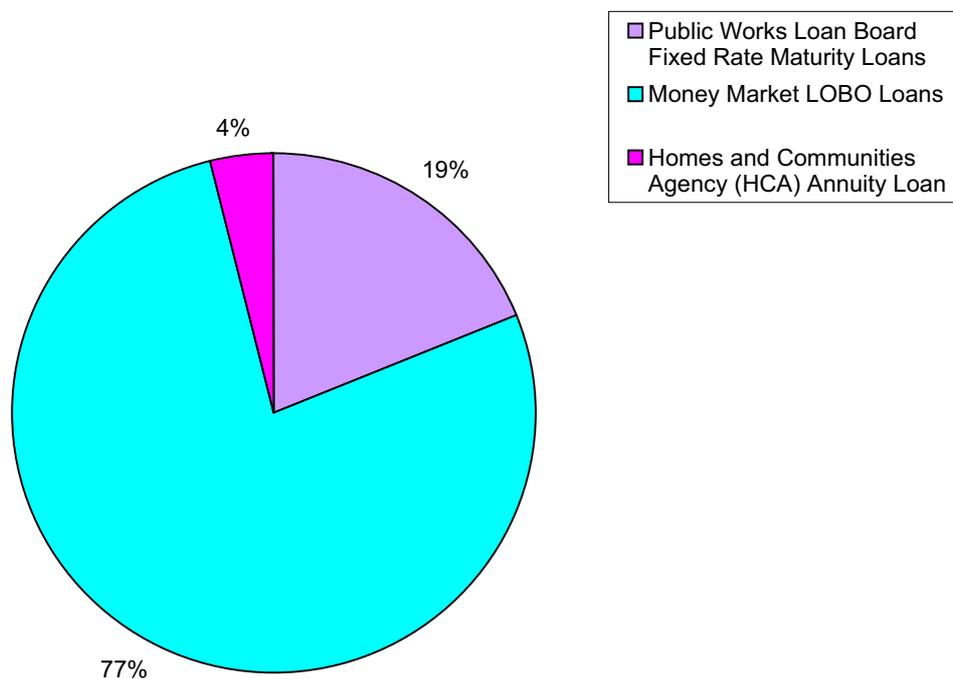
Maturity profile of investments (days remaining at 30/09/2010)



Duration remaining	Value (£000)	% of total
less than 1 month	29,414	37
1 - 3 months	25,000	32
3 - 6 months	21,000	27
6 - 12 months	3,005	4
more than 12 months	-	-
Total	78,419	100

Long Term Borrowing as at 30th September 2010

	Principal £'000	Proportion of Debt %	Range of Interest Rates Paid to 30/09/2010	
			From %	To %
Public Works Loan Board Fixed Rate Maturity Loans	6,049	18.88	3.47	3.97
Money Market LOBO Loans	24,787	77.35	4.85	7.03
Homes and Communities Agency (HCA) Annuity Loan	1,209	3.77	9.25	9.25
Total Long Term Debt Outstanding at 30th September 2010	32,045	100		



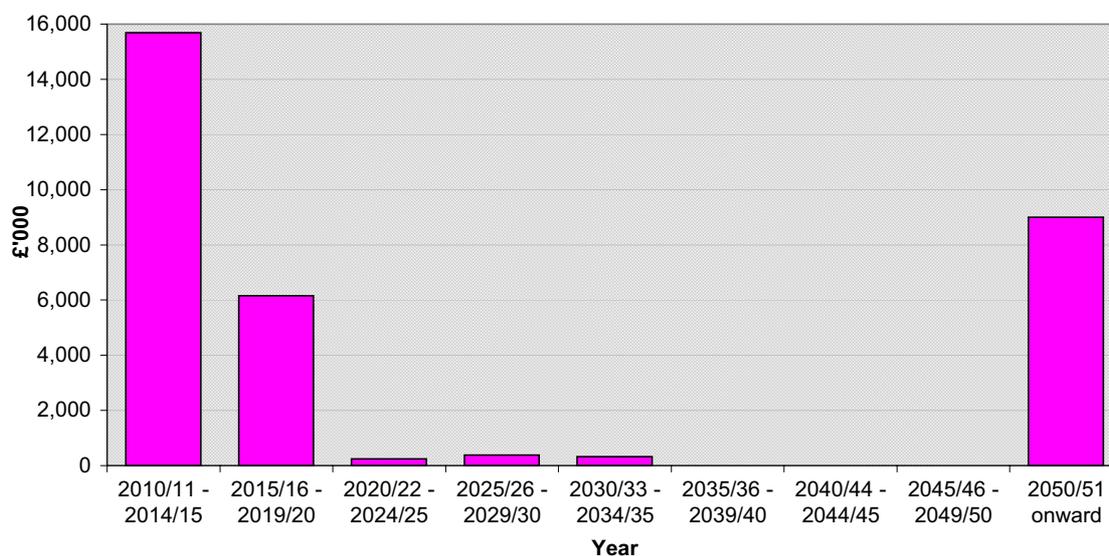
Figures shown at amortised cost as per the CIPFA SORP 2009

Long Term Debt Maturity Profile as at 30th September 2010

Time Frame	Value of Loans Maturing £'000	Proportion of Long Term Debt %
Within: 5 years	15,685	49.3
10 years	6,160	19.4
15 years	248	0.8
20 years	387	1.2
25 years	329	1.0
30 years	0	0.0
35 years	0	0.0
40 years	0	0.0
Over: 40 years	9,000	28.3
Total	31,809	100

The LOBO loans mature in 2014-15 (£15.6m) and in 2065/66 (£9m). The PWLB Loans mature in 2016, 2017 and 2018 (£2m each year, £6m in total). The HCA annuity is repaid across the term of the loan, with the final payment due in 2033-34.

Long Term Debt Maturity Profile as at 30th September 2010

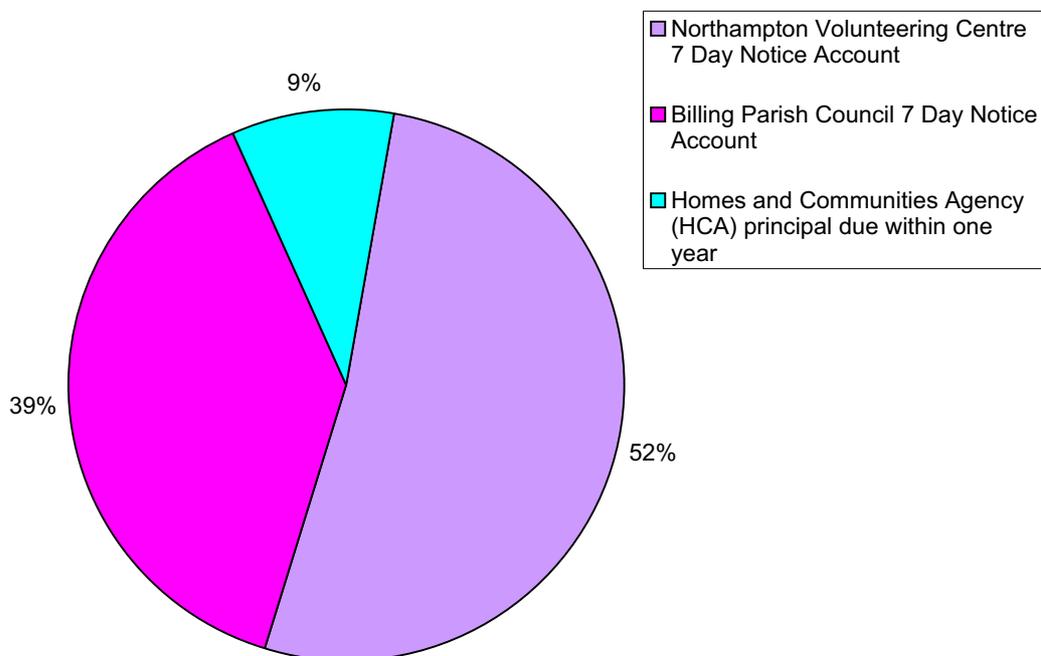


Figures shown at original (cash) value rather than amortised cost to reflect commitment at maturity

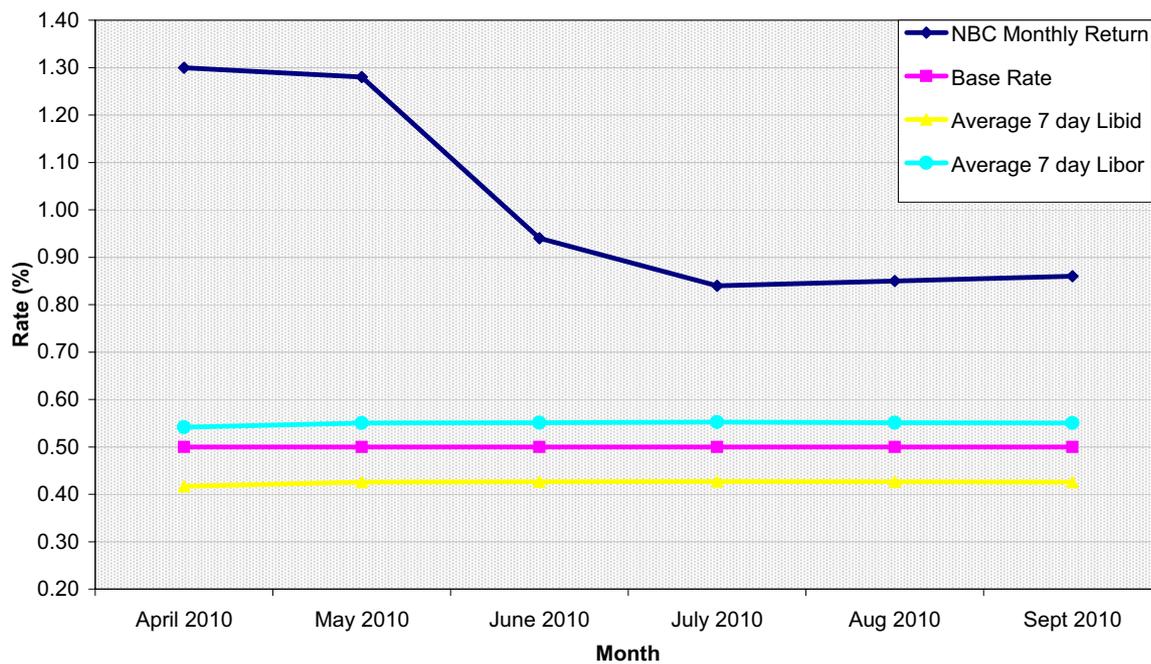
Short Term Borrowing as at 30th September 2010

	Principal £'000	Proportion of Debt %	Range of Interest Rates Paid to 30/09/2010	
			From %	To %
Northampton Volunteering Centre 7 Day Notice Account	94	52	0.66	0.67
Billing Parish Council 7 Day Notice Account	70	39	0.66	0.67
Homes and Communities Agency (HCA) principal due within one year	17	9	9.25	9.25
Total Debt Outstanding at 30th September 2010	181	100		

Shown at original (cash) value as per the CIPFA SORP 2009



Investment Performance 2010-11



Temporary Investments - Comparison of Monthly Rate of Return to Base Rate and 7 Day Libid Rate

Month	NBC Monthly Return %	Base Rate %	Average 7 day Libid %	Average 7 day Libor %	Variance - Monthly Return - Libid %
April 2010	1.30	0.50	0.42	0.54	0.88
May 2010	1.28	0.50	0.43	0.55	0.85
June 2010	0.94	0.50	0.43	0.55	0.51
July 2010	0.84	0.50	0.43	0.55	0.41
Aug 2010	0.85	0.50	0.43	0.55	0.42
Sept 2010	0.86	0.50	0.43	0.55	0.43
Average to 30/09/10	1.01	0.50	0.42	0.55	0.59

Average LIBID and LIBOR rates supplied by Sector Treasury Services originally to 4 decimal places rounded to 2 decimal places above.

Treasury Indicators monitoring at 30 September 2010

1. Upper limits on interest rate exposures

Upper limits on interest rate exposures			
	2010-11	2010-11	2010-11
	Limit £000	Actual at 30/09/2010 £000	Maximum to 30/09/2010 £000
Fixed Interest Rate Exposures	10,000	5,226	5,242
Variable Interest Rate Exposures	0	(51,655)	(21,184)

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

Upper limit on investments for periods longer than 364 days			
	2010-11	2010-11	2010-11
	Upper Limit £000	Actual as at 30/09/2010 £000	Maximum to 30/09/2010 £000
Investments longer than 364 days	8,500	2,000	8,000

3. Maturity Structure of Borrowing

Maturity structure of borrowing			
	2010-11	2010-11	2010-11
	Lower Limit %	Upper Limit %	Actual at 30/09/2010 %
Under 12 months	0	25	0.57
1-2 years	0	25	0.06
2-5 years	0	50	48.97
5-10 years	0	100	19.25
Over 10 years	0	100	31.15

Prudential Indicators Monitoring at 30 September 2010

Affordability

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

Ratio of financing costs to net revenue stream		
	2010-11 Estimate %	2010-11 Estimate at 30/09/2010 %
General Fund	6.51	5.88
HRA	18.38	22.88

b) 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		
	2010-11 Estimate £.p	2011-12 Estimate £.p
General Fund	3.35	6.68

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

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

Estimates of incremental impact of new capital investment decisions on weekly housing rents		
	2010-11 Estimate £.p	2011-12 Estimate £.p
HRA	1.57	0.63

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

Prudence

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

Net external debt less than CFR				
	2010-11 £000	2010-11 Position at 31/08/2010	2010-11 Maximum Net to 31/08/2010	2010-11 Forecast Maximum
Borrowing	31,726	32,016	32,046	32,046
Less investments	57,400	74,213	85,531	88,917
Net external debt (Shown as zero where negative)	0	0	0	0
2009-10 Closing CFR (Forecast)	19,481	17,647	17,647	17,647
Changes to CFR:				
2010-11	5,403	7,101	7,101	7,101
2011-12	4,951	4,965	4,965	4,965
2012-13	9,209	9,223	9,223	9,223
Adjusted CFR	39,044	38,936	38,936	38,936
Net external debt less than adjusted CFR	Yes	Yes	Yes	Yes

Capital Expenditure**e) Estimate of capital expenditure**

Capital Expenditure		
	2010-11 Estimate £000	2010-11 Estimate at 31/08/2010 £000
General Fund	9,579	17,137
HRA	15,911	16,874
Total	25,490	34,011

f) Estimates of capital financing requirement (CFR)

Capital Financing Requirement (Closing CFR)		
	2010-11 31 March 2011 Estimate £000	2010-11 31 March 2011 Estimate at 31/08/2010 £000
General Fund	31,059	30,923
HRA	(6,175)	(6,175)
Total	24,884	24,748

External Debt**g) Authorised limit for external debt**

Authorised limit for external debt				
	2010-11 Limit £000	2010-11 Actual at 30/09/2010 £000	2010-11 Maximum to 30/09/2010 £000	2010-11 Forecast Maximum £000
Borrowing	48,000	31,990	32,046	32,046
Other long-term liabilities	2,000	22	22	22
Total	50,000	32,012	32,068	32,068

h) Operational boundary for external debt

Operational boundary for external debt				
	2010-11 Boundary £000	2010-11 Actual at 30/09/2010 £000	2010-11 Maximum to 30/09/2010 £000	2010-11 Forecast Maximum £000
Borrowing	43,000	31,990	32,046	32,046
Other long-term liabilities	2,000	22	22	22
Total	45,000	32,012	32,068	32,068

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

The fully revised second edition of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2009), as set out at Annex A of the Treasury Management Strategy 2010-11 to 2012-13, was adopted by Council on 25th February 2010.

2010-11 Debt Financing Budget - Monitoring at 30 September 2010

	Budget	Actual	Variance	Forecast	Variance
	2010-11	2010-11	Actual to	2010-11	Forecast to
	£	£	Budget	£	Budget
			2010-11		2010-11
			£		£
Debt Financing & Interest					
<u>Interest Payable</u>					
Interest on long term debt - LOBOs	1,382,500	684,092	(698,408)	1,377,930	(4,570)
Interest on long term debt - HCA Annuity	114,890	114,885	(5)	114,161	(729)
Interest on long term debt - PWLB	263,800	111,900	(151,900)	223,800	(40,000)
Interest on long term debt - Other budgeted new borrowing	0	0	0	0	0
Interest on temporary borrowing	1,500	605	(895)	946	(554)
Other miscellaneous interest payable	23,820	2,251	(21,569)	1,356	(22,464)
Total Interest Payable	1,786,510	913,733	(872,777)	1,718,193	(68,317)
<u>Interest Receivable</u>					
Interest on temporary investments	(430,500)	(190,766)	239,734	(660,461)	(229,961)
Other miscellaneous interest receivable	0	0	0	0	0
Financial Instruments adjustments	0	0	0	0	0
Total Interest Receivable	(430,500)	(190,766)	239,734	(660,461)	(229,961)
Net Interest Payable/Receivable	1,356,010	722,967	(633,043)	1,057,732	(298,278)
<u>Other Adjustments</u>					
Recharges to/from HRA	88,200	0	(88,200)	148,335	60,135
Minimum Revenue Provision for debt repayment	721,790	0	(721,790)	751,432	29,642
Total Other Adjustments	809,990	0	(809,990)	899,767	89,777
Total Debt Financing & Interest	2,166,000	722,967	(1,443,033)	1,957,499	(208,501)
Earmarked Reserves	0	0	0	0	0
Total Debt Financing & Interest	2,166,000	722,967	(1,443,033)	1,957,499	(208,501)
Budget to be vired from Debt Management Budget	(57,000)	0	57,000	0	57,000
					(151,501)

Agenda Item 17

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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