



NORTHAMPTON
BOROUGH COUNCIL

CABINET AGENDA

Wednesday, 9 September 2015

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

6:00 pm

Members of the Cabinet:

Councillor: Mary Markham (Leader of the Council)

Councillor: Mike Hallam (Deputy Leader)

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

Chief Executive David Kennedy

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

PORTFOLIOS OF CABINET MEMBERS

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

SPEAKING AT CABINET MEETINGS

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

Registration can be by:

Telephone: (01604) 837722
(Fax 01604 838729)


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

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

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

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

KEY DECISIONS

 denotes the issue is a 'Key' decision:

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

NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held:
in The Jeffrey Room, St. Giles Square, Northampton, NN1 1DE.
on Wednesday, 9 September 2015
at 6:00 pm.


D Kennedy
Chief Executive


AGENDA


- 1. APOLOGIES**
- 2. MINUTES**
- 3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE**
- 4. DEPUTATIONS/PUBLIC ADDRESSES**
- 5. DECLARATIONS OF INTEREST**
- 6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES**
 - (A) RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE - PARKING**

Report of the Chair of Overview and Scrutiny (Copy herewith)
 - (B) RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE - TREE MAINTENANCE**

Report of the Chair of Overview and Scrutiny (Copy herewith)
- 7. NORTHAMPTON LOCAL PLAN PART 2 - TIMETABLE AND COMMENCEMENT**

 Report of Director of Regeneration, Enterprise and Planning (Copy herewith)
- 8. CIL EXAMINATION REPORT**

 Report of Director of Regeneration, Enterprise and Planning (Copy herewith)
- 9. NORTHAMPTON TOWN CENTRE BUSINESS IMPROVEMENT DISTRICT**

 Report of Chief Executive (Copy herewith)
- 10. CLIMATE CHANGE STRATEGY**

Report of Director of Customers and Communities (Copy herewith)

11. FINANCE AND PERFORMANCE REPORT TO 31ST JULY 2015

🔗 Report of Chief Executive (Copy herewith)

12. TREASURY MANAGEMENT OUTTURN 2014-15

🔗 Report of Chief Executive (Copy herewith)

13. EXCLUSION OF PUBLIC AND PRESS

THE CHAIR TO MOVE:

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

SUPPLEMENTARY AGENDA

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

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 15 July 2015

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

1. APOLOGIES

There were none.

2. MINUTES

The minutes of the meeting held on the 10th June 2015 were agreed and signed by the Leader.

3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE

4. DEPUTATIONS/PUBLIC ADDRESSES

Mr Thomas Appleyard registered to speak on Item 6B.

5. DECLARATIONS OF INTEREST

There were none.

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

6.A RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE - INTERPERSONAL VIOLENCE

Councillor Beardsworth commented that the report resulted from cross party working and thanked the Scrutiny Officer for her work. She stated that many topics relating to the Interpersonal Violence had been examined and urged Cabinet to adopt the recommendations within the report.

Councillor Stone stated that she was pleased to see cross party working and commented that there was a need to address issues behind cases of Interpersonal Violence and noted that there was a need for professionals to be more aware of the issue.

Councillor Ashraf commented that she had worked with many groups affected by Interpersonal Violence and commented that the recommendations within the report could empower victims and cited education as being a positive means of influencing those with Interpersonal Violence issues.

Councillor Lane, as the Chair of Overview and Scrutiny submitted a report and explained that the report contained 17 recommendations, the key to addressing the issue being Education. He further stated that he would be submitting the report to Theresa May MP.

The Leader thanked the Scrutiny Officer and all the Members who had contributed to the work undertaken and thanked them for the excellent report.

RESOLVED:

That the report be noted.

6.B RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE - KEEP NORTHAMPTON TIDY

Mr Thomas Appleyard addressed Cabinet and expressed his concern that the Panel had not ventured out of the Town Centre and explained that the issue was not just a Town Centre one. He commented that the report highlighted the problems relating to fly-tipping but there was little reference of the issues facing Council tips. He further suggested that businesses needed to be more responsible and further examination of how, where and when fly-tipping was occurring and more work was needed in tackling the litter problems.

Councillor G Eales commented that there had been recent issue with bin bag collections and the Council needed to deal with this matter immediately. He commented that whilst the Report It App was helpful, there was a need to extent it to an email report to give accurate measures of where the fly-tipping hotspots were. He further stated that it was necessary to keep the whole of Northampton Tidy and not just the Town Centre.

Councillor Ansell, as Chair of the Panel thanked his fellow Members for their work on the Panel. He commented that there were still areas that were an eyesore than needed extra work including some of the alleyways in the Town Centre which needed to be kept on top of and further prosecutions would assist in this.

Councillor Lane, as the Chair of Overview and Scrutiny submitted a report and thanked Councillor Ansell for Chairing the Panel and the Members of the Panel for their contributions. He commented that there were 26 recommendations and one of the key issues to assist keeping Northampton tidy was funding.

The Leader thanked those involved in the Panel work and commented that whilst she understood there were some littering problems, money could not resolve all of these and that further education would be needed to ensure it be decreased in future.

RESOLVED:

That the report be noted.

6.C RECOMMENDATION OF THE OVERVIEW AND SCRUTINY COMMITTEE - POVERTY IN THE TOWN

Councillor Stone addressed Cabinet and commented that she was disheartened by the number of children who were living in 'child poverty'. She stated that the problems were unacceptable and almost at crisis point and a monitoring system was needed to prevent a crisis from occurring.

Councillor Gowen commented that she had bene honoured to Chair the Panel and noted that it was becoming apparent that the poor in Northampton was becoming poorer and commented further that some of the information contained within the report may have become outdated due to the changes in welfare. She noted that there need to be further work with outside bodies and multi agencies to address those affected by poverty.

Councillor Lane as the Chair of Overview and Scrutiny submitted a report and thanked the work of the Panel, specifically Councillor Gowen for chairing it. It was noted that the report contained 10 recommendations and looked forward to Cabinet reporting back in the future,

The Leader thanked the Panel Members and stated it was probably one of the toughest issues to scrutinise. She commented that it was not always money, but also about education and financial advices.

RESOLVED:

That the report be noted.

7. FINANCIAL MONITORING OUTTURN 2014/2015

Councillor Hallam as the relevant Cabinet Member submitted a report and elaborated thereon. He explained that there was a surplus budget this year and even though the Council had faced very testing times, they had remained in a positive financial position.

RESOLVED:

1. That the outturn for the General Fund and Housing Revenue Account for the financial year 2014/15 as set out at Appendix 1 and Appendix 6 of the report be noted
2. That the contributions to General Fund Revenue Earmarked Reserves as shown in Appendix 3 of the report be noted.
3. That the net movement in Housing Revenue Account Reserves and working balances as set out at Appendix 7 of the report be noted.
4. That the outturn for the Council's General Fund and Housing Revenue Account Capital Programmes for 2014/15 and how the expenditure was financed as set out at Appendix 4 and Appendix 8 of the report be noted.
5. That the carry forward for revenue and capital schemes from 2014/15 into 2015/16 be approved.
6. That the addition to the General Fund Capital Programme of £6.8m over the next four years for Phase 1 of the Central Museum Redevelopment, funded by the receipt from the sale of the Sekhemka statue as set out at Appendix 5 of the report be agreed.
7. That the outturn for Northampton Partnership Homes for the three month period ending 31/3/2015 as set out at Appendix 9 of the report and approved the setting up of an insurance reserve as detailed in paragraph 3.4.1 of the report be noted.

8. PARTNERSHIP WITH NORTHAMPTON'S MAJOR SPORTS CLUBS

Councillor Beardsworth commented that she was concerned that the Council were behaving as a bank and offering loans to various sporting clubs and asked that concerns regarding the financial loan to the Cobblers be ironed out prior to lending more money.

Councillor Markham, as the relevant Cabinet Members submitted a report and commented that Kings Park Conference and Sports Centre provided sports facilities alongside support and development facilities for all ages, but specifically with young people and the Centre needed to extend its conference facilities to support its activities and the Council would therefore support them in their development.

RESOLVED:

- 2.1 That the Chief Executive in consultation with the Leader of the Council be delegated the authority to take such actions as may be required to ensure that the Council's position is protected in relation to Northampton Town FC.
- 2.2 That the continuation of the Love Saints, Love Northampton promotional partnership to promote Northampton and Northampton Alive in partnership with the Saints as outlined in Appendix A of the report be agreed.
- 2.3 That the Director of Regeneration, Enterprise and Planning in consultation with the Leader of the Council be delegated the allocation of £70,000 as part funding for the expansion of the conference facilities at Kings Park, and associated agreement of grant terms.

9. CORPORATE PERFORMANCE OUTTURN REPORT 2014/15

Councillor Beardsworth addressed Cabinet and stated that she had concerns about the average amount of time it was taking to re-let a local authority property.

Councillor Hallam, as the relevant Cabinet Member submitted a report and elaborated thereon.

RESOLVED:

That the contents of the performance report be noted.

The meeting concluded at 6.31pm



OVERVIEW & SCRUTINY VIEWS AND RECOMMENDATIONS

TO CABINET 9 SEPTEMBER 2015

Report Title	RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE – PARKING
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Agenda Status: PUBLIC

1. Purpose

- 1.1 To present to Cabinet for consideration, the comments and recommendations of the Overview and Scrutiny Committee on the findings of the Review –Parking.
- 1.2 Members of Cabinet have been issued with a copy of the full report. All Overview and Scrutiny review reports are published on the Overview and Scrutiny page on the Council's Webpage and a copy of this report can be located: www.northampton.gov.uk/scrutiny - Previous Scrutiny Reviews.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee recommends to Cabinet that:
- 2.1.1 Discussions are held with the Saints and Northampton Partnership Homes (NPH) regarding the possible introduction of caretaker facilities, provided by Sporting Clubs, and residents parking permits at the flats in St James on match days.
- 2.1.2 In recognising the increased traffic after a match and increased parking need on match days, the Saints is approached to ascertain whether it could subsidise a Parking Scheme, such as the provision of a steward to man the pedestrian crossing on Weedon Road after a match and the provision of a caretaker at the flats in St James on match days should a residents parking scheme be introduced.
- 2.1.3 The Saints is asked to advertise match day parking further by including parking details in its programmes.

- 2.1.4 Consideration is given to widening the use of the Claret car park, free of charge, to include Saturdays when just the Saints are playing at home.
- 2.1.5 Free car parking facility available at the Claret car park on match days is given heightened publicity.
- 2.1.6 Consideration is given to giving supporter access to the Doddridge and Castle car park, (Chalk Lane) on Saturday match days.
- 2.1.7 Consideration is given to providing additional parking at Pineham and Swan Valley on match days.
- 2.1.8 Early implementation of the St James Mill Road extension; although the Scrutiny Panel understands that procedures on the construction are taking place.
- 2.1.9 Contact is made with StageCoach and the Saints regarding the introduction of pilot scheme whereby a Season Ticket Holder can travel to the ground for £1 single each way.
- 2.1.10 The Executive Committee of the St James Mosque is contacted suggesting that they liaise with local businesses on the Weedon Road, such as Beacon Bingo, to ascertain whether they would be able to offer the mosque parking spaces on Fridays, between 11:30am and 3pm, for a trial period.

3. Background and Issues

3.1 The purpose of the review was to undertake a review, to gain a better understanding of residential parking problems, as detailed in motion that was unanimously carried at full Council on 27 October 2014. In doing this, the Working Group will:

- Investigate the possibility and viability of issuing tenants in NBC homes (including Cordwainer House, Stitchman House, Stirrup House, Lapstone House, Eyeletter House, Abbey House, Melbourne House, Dover Court, Devonshire House) that have allocated parking areas with free parking permits.
- Investigate the possibility and viability of extending free parking permits to other parts of St James, Upton, Duston and other parts of the town.

3.2 A motion was unanimously carried at full Council on 27 October 2014:

“This Council recognises the exceptional parking problems that residents and tenants regularly encounter in St James as a result of match day parking. But the problems in St James are not only match day parking. The people coming into St James taking up residents’ and tenants spaces include people coming into the area to work and some people parking at the flats and walking to the station to

avoid the parking charges there. This council therefore resolves to do the following:

1. *Look into the possibility of issuing tenants in NBC homes that have allocated parking areas with free parking permits. The properties considered would be: Cordwainer House, Stitchman House, Stirrup House, Lapstone House, Eyeletter House, Abbey House, Melbourne House, Devonshire House, although this list is not exhaustive. This measure would ensure that premium allocated parking is not occupied by people from the outside area. This should be supplemented with sufficient enforcement to tackle inappropriately and incorrectly parked vehicles.*
2. *This council also agrees to consult with Northamptonshire County Council, the Police and Highways to look at the possibility of extending free parking permits into other parts of St James, Upton, Duston and other parts of the town which may then replace the current parking permit scheme which is presently under review and thus remove the need to financially penalise the people of St James simply because people from the outside area come to park in St James, as a successful sports club is located on their door step.*
3. *This Council resolves to ask the Overview and Scrutiny Committee to carry out a detailed investigation to look at these options for Cabinet to consider.”*

3.3 The Overview and Scrutiny Committee agreed to undertake a short, sharp review and established a Working Group comprising Councillor Brian Sargeant (Chair); Councillors Tony Ansell, Rufia Ashraf and Mick Ford.

3.4 This Scrutiny activity links to the Council’s corporate priorities, particularly corporate priority 2 – invest in safer, cleaner neighbourhoods (creating an attractive, clean and safe environment.)

3.5 After all of the evidence was collated the following conclusions were drawn:

3.6 Evidence gathered during the site visit that took place on Saturday 7 February 2015 highlighted that the free car park (Claret car park) had only been 1/3 full but the Saints car park was full; with a cost of £4 per car to park. The Northampton Town Football Club car park was around ½ full. On street parking was very busy. A school on the Harlestone Road was being used as a car park for match day parking. Parking at the school was very busy. The car park at the Doddridge Centre was empty and felt it could have been used to generate income for the Centre. The car park at the Thomas Beckett pub had been full but there were only around 4 people inside the pub.

3.7 The Working Group noted, from the recent site visit, that people do pay to park at the Saints but the free car park (Claret car park) is not as well used. There is a need for it to be publicised more.

- 3.8 Evidence received confirmed that co-ordination between Agencies, the Saints and Northampton Town Football Club is generally good. The Scrutiny Working Group considered that there is a need for joined up working between Northampton Partnership Homes and Highways at Northamptonshire County Council.
- 3.9 In recognising parking on-street on match days, the Scrutiny Working Group emphasised that there is a need to ensure tenants that they are able to have the benefit of quiet enjoyment of their accommodation; rather than casual users such as match day parkers and commuters. It is therefore important that this right is preserved and parking enforced. The Scrutiny Working Group emphasised that problems with parking are not limited to match days but also include commuter parking.
- 3.10 The Scrutiny Working Group noted that Hammersmith and Fulham has three key football teams in its area. Resident caretakers work on match days so that only those with a right to park would park in specific areas. This process is reported to work very well. The Scrutiny Panel felt that if the Saints could provide caretakers; a similar process could work at the flats in St James. Northampton Partnership Homes confirmed that it could provide the permits to the tenants.
- 3.11 The Scrutiny Working Group considered that there needs to be better Traffic Management Plans in place but noted that previous arrangements whereby traffic had been asked to leave the car parks after the match at the Saints, via a left turn only, had not been effective as it had not been enforceable.
- 3.12 The evidence received highlighted that information about parking and travel is on the Saints website and on the back of tickets. Information about parking is also disseminated via Social media; such as asked supporters to park responsibly. Whilst recognising that the Saints promote parking arrangements the Scrutiny Working Group felt that it would be useful for details regarding parking to be included also within the match programmes. Such information would be useful for supporters for future matches.
- 3.13 The Scrutiny Parking Working Group considered that it would be useful if St James Mill Road was extended into the Southern approach road as soon as possible.
- 3.14 The Scrutiny Parking Working Group felt that it would help traffic flow after a match at the Saints if the pedestrian crossing on the Weedon Road was manned.
- 3.15 Evidence received from expert advisors indicated that there is a lot of parking in the vicinity of both stadiums on match days. When Northampton Town Football Club is playing on its own there is not such a great impact as there is when there is a clash of fixtures or when the Saints is playing at home.

- 3.16 London Midland currently has temporary access to the Doddridge and Castle Car park, (Chalk Lane) but they are generally not used at weekends, as the station car park is not at capacity. The Scrutiny Parking Working Group considered that the use of these car parks for Saturday matches would be beneficial to supporters and could also generate income. It was considered that additional parking at Pineham and Swan Valley would help. StageCoach runs buses from these areas which are currently catered to shift patterns but they could be amended.
- 3.17 The Scrutiny Working Group noted that the Council has a licence to use the Claret car park and the ability to sub-licence the use of the car park to either sports club, if they wish to make arrangements with the Council. The Working Group was pleased that the Council opens this car park free of charge when both clubs have home fixtures, but noted that neither Club has chosen to make an arrangement with the Council for regular use of the car park for match day parking. On those days the car park is advertised as a free car park and it is open for anyone to use. The Working Group felt that it would be useful for the Claret car park to be open, free of charge, when just the Saints play at home too.
- 3.18 StageCoach is currently trialling, with Northampton Town Football Club, a scheme whereby a Season Ticket Holder can travel to the ground for £1 single each way. The Scrutiny Parking Working Group considered that a similar pilot scheme for Saints Season Ticket Holders would be useful.
- 3.19 The Scrutiny Working Group acknowledged the problems that users of the St James Mosque incur, particularly on Fridays during prayer time. It was considered that a potential solution could be for the Executive Committee of the St James Mosque to liaise with local businesses in the area, such as Beacon Bingo, to ascertain whether they could use their car parks during 11:30am to 3pm on Fridays for a trial period.

4. Options

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

5. Implications (including financial implications)

5.1 Policy

- 5.1.1 The work of Overview and Scrutiny plays a major part in the development of the Council's policy framework through its work programme.
- 5.1.2 The report and its recommendations have policy implications in relation to parking. Cabinet's response will need to consider these issues in detail.

5.2 Resources and Risk

5.2.1 Cabinet will need to consider the resourcing issues for the recommendations made.

5.3 Legal

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

5.4 Equality

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

5.5 Consultees (Internal and External)

5.5.1 The Committee consulted and took evidence from a variety of sources.

6. Background Papers

- Overview and Scrutiny Committee report – Parking Working Group (March 2015)
- Minutes of the meeting of the Overview and Scrutiny Committee – 23 March 2015

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

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OVERVIEW & SCRUTINY VIEWS AND RECOMMENDATIONS

TO CABINET 9 SEPTEMBER 2015

Report Title	RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY COMMITTEE – TREE MAINTENANCE
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Agenda Status: PUBLIC

1. Purpose

- 1.1 To present to Cabinet for consideration, the comments and recommendations of the Overview and Scrutiny Committee on the findings of the Review –Tree Maintenance.
- 1.2 Members of Cabinet have been issued with a copy of the full report. All Overview and Scrutiny review reports are published on the Overview and Scrutiny page on the Council’s Webpage and a copy of this report can be located: www.northampton.gov.uk/scrutiny - Previous Scrutiny Reviews.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee recommends to Cabinet that:
 - 2.1.1 In noting its effectiveness, the NBC app. – “Report It”, use is widened and developed so that there is preferably one reporting app. for the whole county, or more realistically at least one reporting app. for NBC and NCC.
 - 2.1.2 A presentation on the Northamptonshire County Council IT Programme regarding damage caused to street furniture, including trees, is given to all Councillors at Northampton Borough Council.
 - 2.1.3 When the software that is being used in relation to the Tree Inspection Programme that is being piloted in Daventry is rolled out in Northampton and becomes available for use by NBC, it be used by NBC to record all trees and hedges on NBC and NPH managed land.

- 2.1.4 In the planning process consideration is given to the retention and planting of trees and hedges and the maintenance thereof, while affording the ongoing right to light to nearby properties. The Tree Planting and Retention Policy be detailed within the Joint Development Framework; with a view to delivering low on-going maintenance costs and that a Policy is adopted to ensure trees are not planted close to properties or in the vicinity of properties; alleviating problems encountered by residents as detailed in this report.
- 2.1.5 A Policy of thinning out trees in Parks and Open Space throughout the Borough is adopted and funded over a five year period to ensure that remaining trees are able to reach their full growth and maturity.
- 2.1.6 An on-going Forward Maintenance Plan for trees, recognising the right to light, is developed, funded and implemented over a five year period. This should be linked to the tree inspection software.
- 2.1.7 A revised Corporate Tree Policy, including a Tree Maintenance Policy and recognising the right to light, is developed and adopted. This should be in plain English. It should be an all embracing policy, making reference to relevant Planning, Highways and NPH policies. In this digital and green energy age, the policy should seek to establish policies that address the right of residents to receive satellite / digital signals and light to solar panels. The Maintenance Policy should cover the maintenance of trees and hedgerows.
- 2.1.8 Full consultation should be undertaken on the revised Corporate Tree Policy, including the Maintenance Policy therein.
- 2.1.9 Parish Councils should be consulted in developing the new Tree Policy and encouraged to adopt the policy in respect of land in their ownership.
- 2.1.10 A review of the effectiveness of the Corporate Tree Policy, including the Tree Maintenance policy therein, takes place within five years.

3. Background and Issues

3.1 The purpose of the review was to investigate tree maintenance issues.

3.2 Following the motion that was carried at full Council on 15 September 2014:

'There are many areas of the Eastern District where historic planting of the wrong kind of trees in the residential areas cause a number of problems for residents - from light being blocked from homes, to fallen debris, to damage to property from

roots. 'This Council resolves to develop a plan to consider removing trees that are identified as problematic and consider replacing them with smaller trees more suited to residential areas. 'This Council recognises this issue is complex and many trees are located on housing land that will soon be managed by Northampton Partnership Homes so therefore refers this matter to the Overview and Scrutiny Committee to consider.'

The Overview and Scrutiny (O&S) Committee agreed at its meeting on 26 January 2015 that an Overview and Scrutiny Working Group would be set up to look at tree maintenance issues and report back its findings to the March 2015 meeting of the Overview and Scrutiny Committee.

3.3 An O&S Working Group was established comprising Councillor Phil Larratt (Chair); Councillors Rufia Ashraf, Anna King, Dennis Meredith and Suresh Patel. A short, sharp Scrutiny activity commenced in February 2015 and concluded in March 2015.

3.4 This scrutiny activity links to the Council's corporate priorities, particularly corporate priority 2 – Invest in safer, cleaner, neighbourhoods – creating an attractive, clean and safe environment.

3.5 The Working Group established that the following needed to be investigated and linked to the realisation of the Council's corporate priorities:

- Background data, including:
 - [Overview and Scrutiny Tree Maintenance Task and Finish Group report \(2006\)](#)
 - Tree related complaints
 - Tree Maintenance budgets
- Site Visits
- Witness Evidence:

Internal

Director of Regeneration, Planning and Enterprise

External

Assistant Director, Highways, Transport and Infrastructure,
Northamptonshire County Council (NCC)
Chief Officer, Northampton Partnership Homes (NPH)

3.6 After all of the evidence was collated the following conclusions were drawn:

3.7 There are many and varied reasons why Northampton Borough Council (NBC) receives complaints about trees, which include:

- Blocking out light from windows

- Blocking light from garden
- Blocking light to solar panels
- Blocking satellite/digital signal
- Touching or too close to property
- Overhanging into garden
- Confirmed root damage to property
- Potential root damage to property
- Spoiling view
- Dropping leaves/blossom/seeds/sap into garden
- Dropping leaves/blossom/seeds/sap onto car
- Encroaching on roads or blocking vision of vehicle users and pedestrians

3.8 The Working Group recognises that trees and ancient hedgerows are important for many reasons, including wildlife, but was concerned at how massive and overgrown they have become in certain areas and consequently how much of a potential nuisance they can cause residents.

3.9 Whilst travelling to various locations on its site visits, the Working Group observed that branches were obscuring signs in a number of places. Evidence received confirmed that issues of this nature are now covered by the Guidance Policy that Northamptonshire County Council introduced in June 2014. The Working Group welcomed the production of the Guidance Policy 2014, noting that it makes reference to both existing trees and the planting of new trees.

3.10 The evidence received highlighted that there has never been a Court case regarding the right to light. A Policy reflecting this has been adopted by the Council. The Working Group acknowledged that the available light can be improved, as work carried out to rectify another issue may result in improved light. The Working Group felt that people do have a right to light, satellite and digital signals, and energy from solar panels. Consideration should be given to the planting and maintenance of trees taking these matters into account.

3.11 The Working Group welcomed the Inspection Programme and software for trees that is being piloted in Daventry. The software records the specific species of trees and the maintenance programme required. It was felt that it would be beneficial for the software to be rolled out for NBC to use.

3.12 The Working Group welcomed the IT Programme that NCC has introduced whereby should someone damage street furniture, including trees, they would be required to replace it. The Working Group felt that it would be useful for a presentation on this IT Programme to be given to all Councillors at Northampton Borough Council.

- 3.13 The Working Group commended the NBC app. – Report It; welcoming its usefulness and speed of reporting. NCC does not have the provision of a similar app. The Working Group agreed that it would be useful for the Report It app. to be widened as a countywide app; for example one reporting app. for the whole county; or at least one reporting app. for NBC and NCC.
- 3.14 The Working Group welcomed the fact that developers provide a commuted sum for tree maintenance through the S106 / CIL process when developing sites and would like to see this continued. The Scrutiny Panel acknowledged that all trees require maintaining at some point. There is a need for Planners to put in conditions regarding the distance of retained and new trees and hedges from development plots, and their maintenance so as to afford the development plots the right to light. The Working Group felt that commuted sums should be ring-fenced.
- 3.15 The Working Group welcomed work that is being undertaken by Northampton Partnership Homes (NPH) and NBC regarding a land ownership mapping exercise and that this work could link with the Inspection Programme for trees being piloted by NCC when it is rolled out to Northampton.
- 3.16 The Working Group agreed that the current Tree Maintenance Policy, produced following the recommendations of the O&S Tree Maintenance Task and Finish Group (2006) is not a corporate policy and requires updating. There is a need for a Corporate Tree Policy for all trees in the Borough, including trees on Northamptonshire County Council land and Northampton Partnership Homes managed land. An updated Tree Policy should be subject to full, open and transparent consultation and written in plain English. The Working Group further felt that an updated Tree Policy should be all embracing, include a Tree Maintenance Policy, make reference to relevant Planning and Highways policies, and specify maintenance for trees and hedgerows.
- 3.17 Having considered the issues identified, the Working Group concludes that these have been considered as follows:
- **Blocking out light from windows** – Addressed by recommendations at 7.1.4, 7.1.6, and 7.1.7
 - **Blocking light from garden** – Addressed by recommendations at 7.1.4, 7.1.6, and 7.1.7
 - **Blocking light to solar panels** – Addressed by recommendation 7.1.7
 - **Blocking satellite/digital signal** – Addressed by recommendation 7.1.7
 - **Touching or too close to property** – A policy that commits the Council to trees not being any closer than 2 metres to a property already exists while other recommendations in this report will also help alleviate this problem

- **Overhanging into garden** – Somewhat addressed by recommendations at 7.1.4, 7.1.6, and 7.1.7
- **Confirmed root damage to property** – This is considered to be an insurance issue and should be pursued accordingly
- **Potential root damage to property** – This is considered to be an insurance issue and should be pursued accordingly
- **Spoiling view** – Not considered as nobody has the right to a view
- **Dropping leaves/blossom/seeds/sap into garden** – Not considered as a significant issue by the Working Group, but problems will be somewhat alleviated by recommendations at 7.1.4, 7.1.6, and 7.1.7
- **Dropping leaves/blossom/seeds/sap onto car** – Not considered by the Working Group. This is mainly a problem relating to Street Trees that are an important aspect of the street scene and enhance the environment but recommendations may have an effect on this issue.
- **Encroaching on roads or blocking vision of vehicle users and pedestrians** – This is a Highway Safety issue and should be pursued in accordance with NCC's Highway Policy

4. Options

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

5. Implications (including financial implications)

5.1 Policy

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

5.1.2 The report and its recommendations have policy implications in relation to tree maintenance. Cabinet's response will need to consider these issues in detail.

5.2 Resources and Risk

5.2.1 Cabinet will need to consider the resourcing issues for the recommendations made.

5.3 Legal

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

5.4 Equality

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

5.5 Consultees (Internal and External)

5.5.1 The Committee consulted and took evidence from a variety of sources as detailed in paragraph 3.5.

6. Background Papers

- Overview and Scrutiny Committee report – Tree Maintenance Working Group (March 2015)
- Minutes of the meeting of the Overview and Scrutiny Committee – 23 March 2015

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

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Appendices



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Northampton Local Plan Part 2 – Timetable and Commencement
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	9 th September 2015
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	Yes
Directorate:	Regeneration, Enterprise & Planning
Accountable Cabinet Member:	Councillor Tim Hadland
Ward(s)	All wards

1. Purpose

- 1.1 The purpose of this report is to consider the scope, timetable and commencement of the preparation of the Northampton Local Plan Part 2.

2. Recommendations

- 2.1 It is recommended that Cabinet:
1. Agrees the preparation of a Local Plan Part 2 for Northampton Borough as set out in Section 3 below;
 2. Agrees the scope of the Local Plan Part 2 as set out in Paragraphs 3.1.14 – 3.1.17 below;
 3. Agrees the timetable for the preparation of the Northampton Local Plan Part 2 as set out in Paragraph 3.1.30 below;
 4. Approves the Northampton Borough Local Development Scheme and brings it into immediate effect, i.e. from the 9th September 2015;

5. Agrees to a review of the Northampton Statement of Community Involvement to include six weeks consultation and delegates adoption of the revised SCI to the Cabinet Member for Regeneration and Enterprise;
6. Delegates approval of the Scope of the Plan consultation documentation, the Call for Sites documentation and the proposed consultation details to the Director of Regeneration, Enterprise and Planning in consultation with the Cabinet Member for Regeneration and Enterprise; and
7. Approves the establishment of a Cabinet Advisory Group to advise and liaise with officers during the preparation of the Local Plan. The Cabinet Member for Regeneration and Enterprise will Chair the Group which will comprise 5 Members as set out in Paragraph 3.1.40 of this Report.

3. Issues and Choices

3.1 Report Background

The Importance of the Development Plan

- 3.1.1 Section 38 (6) of the Planning and Compulsory Purchase Act 2004 states that planning applications should be determined in accordance with the adopted development plan unless material considerations indicate otherwise.
- 3.1.2 In March 2012 the Coalition Government published the National Planning Policy Framework (NPPF). The NPPF sets out the Government's planning policies for England and how these are expected to be applied. The NPPF must be taken into account in the preparation of local and neighbourhood plans, and is a material consideration in planning decisions. The NPPF states that it does not change the statutory status of the development plan as the starting point for decision making. Proposed development that accords with an up-to-date Local Plan should be approved, and proposed development that conflicts should be refused unless other material considerations indicate otherwise. The NPPF states that it is highly desirable that local planning authorities should have an up-to-date plan in place.
- 3.1.3 The NPPF stresses the importance of having a planning system that is plan led. It states that due weight should be given to relevant policies in existing plans according to their degree of consistency with the NPPF. Where a proposal accords with an up-to-date development plan, it should be approved without delay, unless there are clear material reasons otherwise as required by the presumption in favour of sustainable development.
- 3.1.4 Where the development plan is absent, silent or the relevant policies are out of date, the NPPF requires the application to be determined in accordance with the presumption in favour of sustainable development unless otherwise specified (see Paragraph 14 of the NPPF).
- 3.1.5 The importance of the development plan has recently been emphasised in the Government's Productivity Plan which was published as part of the July 2015 Budget. The Productivity Plan sets out the Government's long-term strategy

for tackling the issues that matter most for productivity growth. One of the issues identified is building enough homes to keep up with growing demand. In relation to planning powers the Productivity Plan states that it is vital that local authorities use their powers to put in place local plans that set the framework for the homes and jobs local people need. The Government will take further action to ensure that local authorities put local plans in place by a set deadline. The Secretary of State for Communities and Local Government will intervene for those local authorities that do not produce a local plan.

The Existing Development Plan for Northampton

- 3.1.6 The Development Plan can comprise either a single document or a number of documents that set out the spatial planning strategy for the area.
- 3.1.7 For the purposes of Section 38 of the Planning and Compulsory Purchase Act 2004 the adopted Development Plan for Northampton Borough currently comprises the following:
- Northampton Local Plan Saved Policies - Adopted 1997
 - Northampton Central Area Action Plan - Adopted 2013
 - West Northamptonshire Joint Core Strategy Local Plan Part 1 - Adopted 2014
 - Northamptonshire Minerals and Waste Local Plan – Adopted 2014
- 3.1.8 The Northampton Local Plan was adopted in 1997 and a number of its policies were saved in 2007 to ensure that they remained part of the development plan prior to the adoption of a new plan. Some of these policies have subsequently been replaced by the West Northamptonshire Joint Core Strategy but a significant number of Saved Policies still remain.
- 3.1.9 The Northampton Central Area Action Plan was adopted in January 2013. Its Examination took place post-publication of the NPPF. It provides up-to-date planning policies for the town centre and its surrounding area.
- 3.1.10 The West Northamptonshire Joint Core Strategy Local Part 1 was adopted in December 2014. Its Examination took place post-publication of the NPPF. It provides up-to-date planning policies for the whole of Northampton Borough as well as the neighbouring areas of Daventry District and South Northamptonshire.
- 3.1.11 The Northamptonshire Minerals and Waste Local Plan was adopted in October 2014. The Plan, which is prepared by Northamptonshire County Council, sets out the strategy, policy and locations for minerals and waste development in the county to 2031. It provides up to date planning policies for minerals and waste development in Northamptonshire.

Reasons for Preparing the Northampton Local Plan Part 2

3.1.12 The Local Plan Saved Policies were adopted in 1997 which pre-dates the existing planning system, the NPPF and the adopted Joint Core Strategy. This means that there is a need to review and update these policies. It is important to have an up to date plan in place to positively guide development decisions. An up to date plan will also replace extant interim guidance that does not constitute a formal part of the Development Plan. In addition, there is a need to consider how the Local Plan Part 2 policies will relate to emerging and future Neighbourhood Plans.

3.1.13 The continuing regeneration and growth of Northampton's Central Area coupled with recent planning reforms, such as the prior notification system for changes of use from business use to residential use, means that it is also necessary to review and update the Central Area Action Plan as part of the preparation of the Northampton Local Plan Part 2.

Scope of the Northampton Local Plan Part 2

3.1.14 The National Planning Policy Guidance (NPPG) states that the Local Plan should make clear **what** is intended to happen in the area over the life of the plan, **where** and **when** this will occur and **how** it will be delivered. Local plans should be tailored to the needs of each area in terms of their strategy and the policies required. They should focus on the key issues that need to be addressed and be aspirational but realistic in what they propose.

3.1.15 As the recently adopted Joint Core Strategy provides the up to date strategic policies for Northampton Borough it is proposed that the main scope of the Northampton Part 2 Local Plan should be as follows:

- Site specific allocations including residential and employment uses;
- Detailed development management policies against which planning applications will be determined;
- Identification, phasing and implementation of local infrastructure (for example the Northampton Northern Orbital Road);
- Boundaries of retail centres;
- Historic conservation, open space and nature conservation policies and designations; and
- Policies Map.

3.1.16 It is proposed that the Local Plan Part 2 will cover the entire Borough of Northampton including the Northampton Central Area.

3.1.17 The Local Plan Part 2 will need to be consistent and in conformity with the Joint Core Strategy; it will cover the period up to 2029.

Timetable

Statutory Requirements and Stages

3.1.18 It is a statutory requirement for the Local Plan to be prepared in accordance with the relevant primary and secondary legislation i.e. the Planning and Compulsory Purchase Act 2004, as amended, and the Town and Country Planning (Local Development) (England) Regulations 2012, as amended. These Regulations prescribe the form and content of plans and the procedure to be followed in their preparation. The Regulations set out the statutory stages including the nature of public participation and the requirements for publication and submission of documents, including the length of the representations period.

3.1.19 The statutory stages are:

- Regulation 18 – Public Participation from Commencement to Proposed Submission
- Regulation 19 – Publication of the Proposed Submission Development Plan Document (also known as Pre-Submission or Draft Plan)
- Regulation 22 – Submission of the Development Plan Document
- Regulation 24 – Independent Examination of the Development Plan Document
- Regulation 25 – Publication of the Inspector’s Report
- Regulation 26 – Adoption of the Development Plan Document

3.1.20 There is considerable flexibility in how the initial stages of plan preparation are to be carried out as long as they comply with Regulation 18 and the Council’s Statement of Community Involvement. The requirements for the subsequent stages are more specific.

Legal Compliance and Soundness

3.1.21 The primary purpose of the examination into a plan is to consider whether the plan is sound and meets legal requirements including consideration of whether the Duty to Co-operate has been met. The duty to co-operate was introduced through the Localism Act 2011 and it requires a local planning authority to co-operate with other local planning authorities and prescribed bodies – such as the Environment Agency, Historic England and Highways England – when preparing local plans.

3.1.22 Through the examination soundness will be judged against four tests. The presumption is that the plan is sound unless as a result of considering the representations made and the evidence considered at the examination it is proved not to be sound. The four tests of soundness are:

- Positively prepared – The plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements;
- Justified - The plan should be the most appropriate strategy when considered against the reasonable alternatives based on proportionate evidence;
- Effective – The plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- Consistent with national policy – The plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.

Evidence Base

3.1.23 The NPPF requires that each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. The NPPF lists the evidence base requirements by topic and the NPPG provides more detailed guidance on the evidence base. The evidence base required for each Local Plan varies depending on the scope of the Plan and the nature of the local area.

3.1.24 The evidence base for the Local Plan Part 2 will be developed from existing studies, documents and data. Additional studies will be undertaken as required. The following studies are already under way:

- Northampton Employment Land Assessment;
- Northampton Townscape, Landscape and Historic Environment Study;
- Northampton Open Space, Sport and Recreation Study;
- Northampton Green Infrastructure Implementation Plan;
- Northampton Hotels Audit and Demand Assessment; and
- District and Local Centres Study.

3.1.25 The evidence base will be kept under review throughout the preparation of the Local Plan Part 2 to ensure it is kept up to date and reflects local circumstances.

Sustainability Appraisal and Habitats Regulation Assessment

3.1.26 Under the Planning and Compulsory Purchase Act 2004 the sustainability appraisal of development plans is mandatory. For the development plan it is also necessary to conduct an environmental assessment in accordance with the requirements of the Strategic Environmental Assessment Directive (European Directive 2001/42/EC). Therefore, it is a legal requirement for the Local Plan to be subject to SA and SEA throughout its preparation. The requirements to carry out SA and SEA are distinct, although it is possible to satisfy both using a single appraisal process. The aim of the process is to appraise the social, environmental and economic effects of plan strategies and policies and ensure that they accord with the objectives of sustainable development.

3.1.27 The Sustainability Appraisal, incorporating the Strategic Environmental Assessment, will be undertaken as an integral part of preparing the Local Plan Part 2 and will help arrangements for monitoring and implementation. The Sustainability Appraisal process has the following five stages:

- Stage A: Setting the context and objectives, establishing the baseline and deciding on the scope
- Stage B: Developing and refining alternatives and assessing effects
- Stage C: Prepare the sustainability appraisal report
- Stage D: Seek representations on the sustainability appraisal report from consultation bodies and the public
- Stage E: Post adoption reporting and monitoring

3.1.28 Under the EU Habitats Directive (92/43/EEC) a Habitats Regulations Assessment is required for any proposed plan or project which may have a significant effect on one or more European sites and which is not necessary for the management of those sites. The purpose of the HRA is to determine whether or not significant effects are likely and to suggest ways in which they could be avoided. The first stage is to carry out a Screening process to establish if the Local Plan might have any Likely Significant Effects (LSEs) on any European site and therefore to determine whether a full HRA would be required for the Plan. The Screening will be undertaken at the same time as the Issues and Options stage (Regulation 18) of the Plan's preparation.

3.1.29 Further details of how the SA and HRA processes relate to the Local Plan preparation stages is set out in the Local Development Scheme.

Proposed Timetable

3.1.30 The timetable for the preparation of the Local Plan Part 2 has been developed taking into account the statutory requirements set out above. The proposed timetable is set out in the table below:

Stages	Timescale
Commencement of Preparation/ Consultation on the Scope of Local Plan Part 2/ Call for Sites (Regulation 18)	September – October 2015
Issues Consultation (Regulation 18)	March – April 2016
Options Consultation (Regulation 18)	September – October 2016
Publication of Draft Plan (Regulation 19) and Consultation	March – April 2017
Submission (Regulation 22)	July 2017
Examination (Regulation 24)	Autumn 2017
Receipt of Inspector's Report (Regulation 25)	Winter 2017
Adoption (Regulation 26)	Spring 2018

Northampton Local Development Scheme

3.1.31 The Local Development Scheme (LDS) is a rolling business plan for the preparation of key planning policy documents that will be relevant to future planning decisions. It outlines the programme and resources for completion and adoption of each relevant planning document. It is a requirement of the Planning and Compulsory Purchase Act 2004 (as amended by Section 111 of the Localism Act (2011)) that the Council prepares and maintains an LDS.

3.1.32 The LDS must specify:

- The local development documents which are to be development plan documents;
- The subject matter and geographical area to which each development plan document is to relate;
- Which development plan documents (if any) are to be prepared jointly with one or more other local planning authorities;
- Any matter or area in respect of which the authority have agreed (or propose to agree) to the constitution of a joint committee;
- The timetable for the preparation and revision of the development plan documents; and
- Such other matters as are prescribed.

- 3.1.33 Development Plan Documents must be prepared in accordance with the LDS.
- 3.1.34 The existing LDS covering Northampton was prepared and brought into effect by the West Northamptonshire Joint Strategic Planning Committee in June 2012 and covered the three year period January 2012 to December 2014.
- 3.1.35 A new Northampton Borough LDS covering the period 2015 to 2018 has now been prepared and is attached as Appendix A to this report.
- 3.1.36 This LDS reflects discussions regarding future partnership working that have taken place with Daventry District and South Northamptonshire Councils following the adoption of the West Northamptonshire Joint Core Strategy in December 2014.
- 3.1.37 Subject to Cabinet's approval this new Northampton Borough LDS will be brought into immediate effect, i.e. from the 9th September 2015.

Northampton Statement of Community Involvement Review

- 3.1.38 The Statement of Community Involvement (SCI) sets out how communities and stakeholders can expect to be engaged in the preparation of planning documents and in the consideration of planning applications in Northampton Borough. The SCI was adopted by the Council in March 2006. As a result of a number of significant changes since 2006, such as the introduction of the NPPF and the Localism Act, it is necessary to review the SCI. The requirement to prepare an SCI remains in the Planning and Compulsory Purchase Act 2004 however the process to be followed is no longer prescribed. It is proposed that a revised draft SCI is prepared and public consultation held for six weeks in September - October 2015. Adoption of the revised SCI will then be delegated to the Cabinet Member for Regeneration and Enterprise in December 2015.

Northampton Local Plan Part 2 – Consultation on Scope of the Plan (Regulation 18) and Call for Sites

- 3.1.39 It is proposed that the first formal stage of the Local Plan preparation process will be consultation on the content and scope of the new Plan. This consultation will be accompanied by a "call for sites" where developers and landowners can promote sites for any use. It is proposed that this first formal stage will take place in September - October 2015. Consequently it is requested that Cabinet delegates approval of the Scope of the Plan consultation documentation, the Call for Sites documentation and the proposed consultation details to the Director of Regeneration, Enterprise and Planning in consultation with the Cabinet Member for Regeneration and Enterprise.

Local Plan Cabinet Committee/ Councillor Involvement

- 3.1.40 In order to facilitate the preparation of the Local Plan Part 2 it is proposed that a Cabinet Advisory Group (“CAG”) for the Local Plan should be formed. It is proposed that this should be composed of the Cabinet Member for Regeneration and Enterprise, as Chair and 4 non-executive Councillors comprising 2 Conservative and 2 Labour Councillors. The CAG will inform and advise Cabinet in reaching any decisions in relation to plan-making through ensuring that work progresses on the Local Plan Part 2 in accordance with the timetable set out in the LDS. The CAG will also receive and discuss the evidence base, consider policy content and advise on consultation in accordance with the Statement of Community Involvement. The CAG will be an advisory group to Cabinet and will have no formal decision-making powers delegated from Cabinet.
- 3.1.41 Ward Councillors will be involved in the preparation of the Local Plan Part 2 through a variety of measures including Councillor Workshops at key stages and a regular Local Plan Part 2 Newsletter.
- 3.1.42 The CAG will be supported by an Officer Working Group chaired by the Director of Regeneration, Enterprise and Planning. The Officer Working Group will comprise representatives of the key service areas of the Council including Housing, Environmental Services, Asset Management, Regeneration, Development Management, Finance and Legal as well as Northamptonshire County Council in relation to infrastructure planning.

3.2 Choices (Options)

Option 1: Agree

- 3.2.1 There is an urgent need for the Council to have an up to date and robust planning policy in the light of on-going reforms to the planning system. The Joint Core Strategy only provides the strategic policies for the Borough and does not allocate all the sites that will be required or set up to date detailed development management policies.

Option 2: Do not agree

- 3.2.2 The Cabinet could defer or decide not to prepare the Northampton Local Plan Part 2, however, this would mean that the Council would not have an up to date development plan and would increase the risk of planning decisions being overturned at appeal. This option is therefore not recommended.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The Local Plan Part 2 will review and update the Local Plan Saved Policies and replace extant interim guidance. An up to date plan will provide greater certainty and allow policies at the local level to address local issues and be fully compliant with up to date requirements. In accordance with Section 38 (6) of the Planning and Compulsory Purchase Act 2004 planning applications

will be determined in accordance with the development plan, including the Local Plan Part 2, unless material considerations indicate otherwise.

4.2 Resources and Risk

4.21 Sufficient resources are available for the preparation of the Local Plan Part 2 within this year's resources. Additional resources are expected to be required for 2016/17 and 2017/18. The request for these additional resources will be incorporated into the Medium Term Financial Plan and be subject to approval in the budget setting process for 2016/17

4.3 Legal

4.3.1 The Local Plan is a statutory document and has to be prepared in accordance with the Planning and Compulsory Purchase Act 2004, as amended; the Town and Country Planning (Local Development) (England) Regulations 2012, as amended; the Environmental Assessment of Plans and Programmes Regulations 2004; and the Conservation of Habitats and Species Regulations 2010.

4.3.2 Legal support and advice will be required throughout the preparation process. This will require both internal support and external Counsel advice at key stages.

4.4 Equality and Health

4.4.1 The Local Plan Part 2 will be subject to full Community Impact Assessment.

4.5 Consultees (Internal and External)

4.5.1 It is proposed that a Cabinet Advisory Group will be established to inform and advise Cabinet in reaching any decisions in relation to plan-making through ensuring progress that work progresses on the Local Plan Part 2 in accordance with the timetable set out in the LDS. The CAG will also receive and discuss the evidence base, consider policy content and advise on consultation in accordance with the Statement of Community Involvement. The CAG will be supported by an Officer Working Group chaired by the Director of Regeneration, Enterprise and Planning.

4.5.2 Ward Councillors will be involved in the preparation of the Local Plan Part 2 through a variety of measures including Councillor Workshops at key stages and a regular Local Plan Part 2 Newsletter.

4.5.3 The Statement of Community Involvement (SCI) sets out how communities and stakeholders can expect to be engaged in the preparation of planning documents and in the consideration of planning applications in Northampton Borough. It is proposed to review the existing SCI. Community involvement and consultation will be undertaken in accordance with the SCI and the relevant Regulations.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The preparation of an up to date Local Plan Part 2 will assist in all aspects of the Corporate Plan and guide and influence many of the Council and its partners' strategies.

4.7 Other Implications

4.7.1 None.

5. Background Papers

5.1 None.

Appendix A – Northampton Local Development Scheme

Claire Berry, Planning Policy & Heritage Manager, Extension 8030

Northampton Borough Council
Local Development Scheme
September 2015

1. Introduction to the Local Development Scheme

1.1 The Local Development Scheme (LDS) is a rolling business plan for the preparation of key planning policy documents that will be relevant to future planning decisions. It outlines the programme and resources for completion and adoption of each relevant planning document. It is a requirement of the Planning and Compulsory Purchase Act 2004 (as amended by Section 111 of the Localism Act (2011)) that the Council prepares and maintains an LDS.

1.2 The LDS must specify:

- The local development documents which are to be development plan documents;
- The subject matter and geographical area to which each development plan document is to relate;
- Which development plan documents (if any) are to be prepared jointly with one or more other local planning authorities;
- Any matter or area in respect of which the authority have agreed (or propose to agree) to the constitution of a joint committee;
- The timetable for the preparation and revision of the development plan documents; and
- Such other matters as are prescribed.

1.3 Development Plan Documents must be prepared in accordance with the LDS.

1.4 The existing LDS covering Northampton was prepared and brought into effect by the West Northamptonshire Joint Strategic Planning Committee in June 2012 and covered the three year period January 2012 to December 2014.

1.5 A new Northampton Borough LDS covering the period 2015 to 2018 has now been prepared and is attached as Appendix 1 to this report.

1.6 This LDS reflects discussions regarding future partnership working that have taken place with Daventry District and South Northamptonshire Councils following the adoption of the West Northamptonshire Joint Core Strategy in December 2014.

2. What is the current development plan?

- 2.1 The Development Plan can comprise either a single document or a number of documents that set out the spatial planning strategy for the area.
- 2.2 For the purposes of Section 38 of the Planning and Compulsory Purchase Act 2004 the adopted Development Plan for Northampton Borough currently comprises the following:
 - Northampton Local Plan Saved Policies - Adopted 1997
 - Northampton Central Area Action Plan - Adopted 2013
 - West Northamptonshire Joint Core Strategy Local Plan Part 1 - Adopted 2014
 - Northamptonshire Minerals and Waste Local Plan – Adopted 2014
- 2.3 The Northampton Local Plan was adopted in 1997 and a number of its policies were saved in 2007 to ensure that they remained part of the development plan prior to the adoption of a new plan. Some of these policies have subsequently been replaced by the West Northamptonshire Joint Core Strategy but a significant number of Saved Policies still remain (see Appendix 2 – Remaining Northampton Local Plan Saved Policies).
- 2.4 The Northampton Central Area Action Plan was adopted in January 2013. Its Examination took place post-publication of the NPPF. It provides up-to-date planning policies for the town centre and its surrounding area.
- 2.5 The West Northamptonshire Joint Core Strategy Local Part 1 was adopted in December 2014. Its Examination took place post-publication of the NPPF. It provides up-to-date planning policies for the whole of Northampton Borough as well as the neighbouring areas of Daventry District and South Northamptonshire.
- 2.6 The Northamptonshire Minerals and Waste Local Plan was adopted in October 2014. The Plan, which is prepared by Northamptonshire County Council, sets out the strategy, policy and locations for minerals and waste development in the county to 2031. It provides up to date planning policies for minerals and waste development in Northamptonshire.

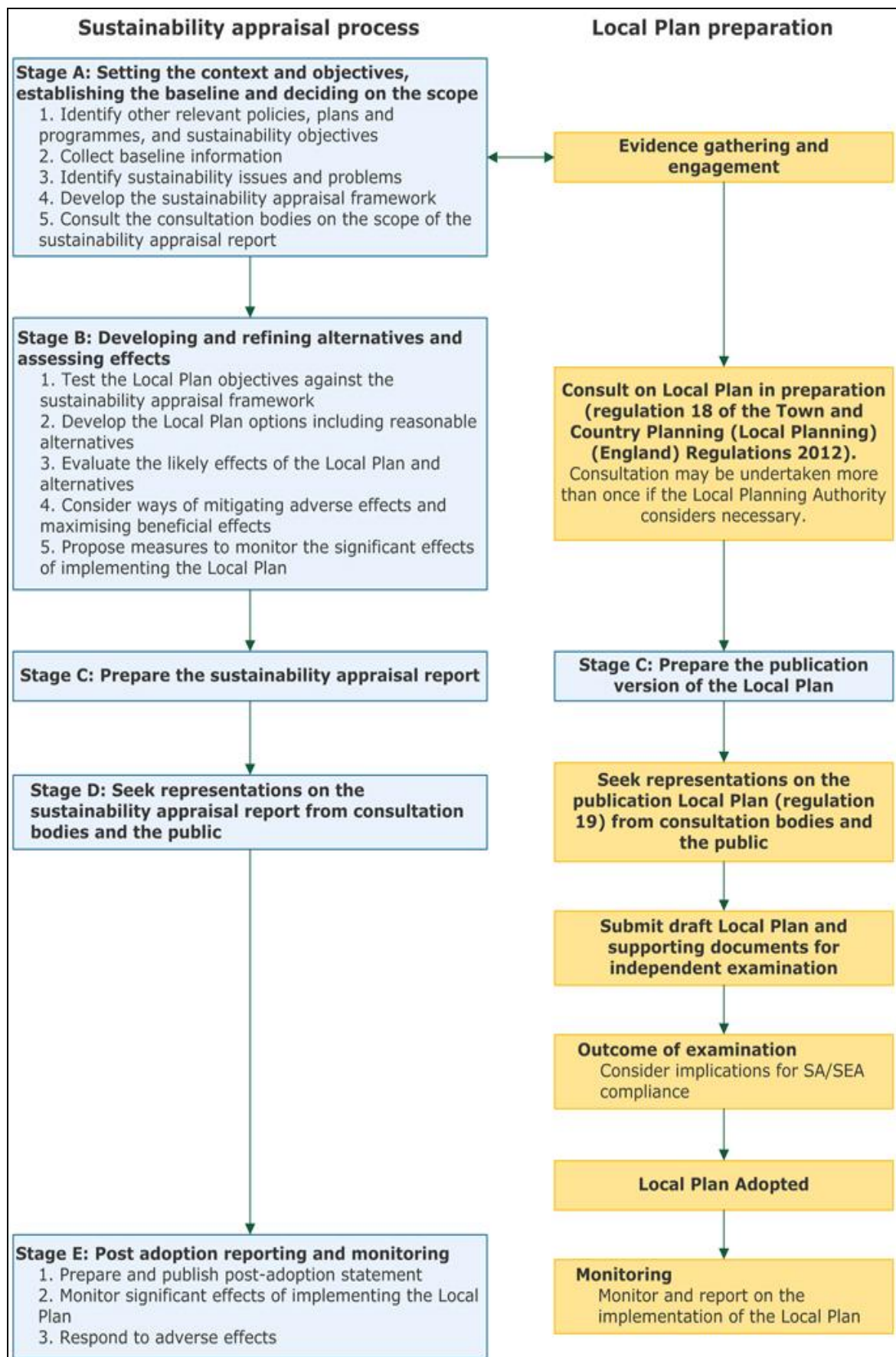
3. The future Development Plan

- 3.1 The Local Plan Saved Policies were adopted in 1997 which pre-dates the existing planning system, the NPPF and the adopted Joint Core Strategy. This means that there is a need to review and update these policies. It is important to have an up to date plan in place to positively guide development decisions. An up to date plan will also replace extant interim guidance that does not constitute a formal part of the Development Plan. In addition, there is a need to consider how the Local Plan Part 2 policies will relate to emerging and future Neighbourhood Plans.
- 3.2 The continuing regeneration and growth of Northampton's Central Area coupled with recent planning reforms, such as the prior notification system for changes of use from business use to residential use, means that it is also necessary to review and update the Central Area Action Plan as part of the preparation of the Northampton Local Plan Part 2.
- 3.3 The National Planning Policy Guidance (NPPG) states that the Local Plan should make clear **what** is intended to happen in the area over the life of the plan, **where** and **when** this will occur and **how** it will be delivered. Local plans should be tailored to the needs of each area in terms of their strategy and the policies required. They should focus on the key issues that need to be addressed and be aspirational but realistic in what they propose.
- 3.4 As the recently adopted Joint Core Strategy provides the up to date strategic policies for Northampton Borough it is proposed that the main scope of the Northampton Local Plan Part 2 should be as follows:
- Site specific allocations including residential and employment uses;
 - Detailed development management policies against which planning applications will be determined;
 - Identification, phasing and implementation of local infrastructure (for example the Northampton Northern Orbital Road);
 - Boundaries of retail centres;
 - Historic conservation, open space and nature conservation policies and designations; and
 - Policies Map.
- 3.5 The Local Plan Part 2 will cover the entire Borough of Northampton including the Northampton Central Area.
- 3.6 The Local Plan Part 2 will need to be consistent and in conformity with the Joint Core Strategy; it will cover the period up to 2029.

- 3.7 In addition, to the Local Plan Part 2 a separate subject specific Local Plan will be prepared setting out allocated sites for the occupation and use of Gypsies, Travellers and Travelling Showpeople in Northampton Borough and associated development management policies. This Local Plan will cover the entire Borough of Northampton and will cover the period up to 2029.

Sustainability Appraisal and Habitats Regulation Assessment

- 3.8 Under the Planning and Compulsory Purchase Act 2004 the sustainability appraisal of development plans is mandatory. For the development plan it is also necessary to conduct an environmental assessment in accordance with the requirements of the Strategic Environmental Assessment Directive (European Directive 2001/42/EC). Therefore, it is a legal requirement for Local Plans to be subject to SA and SEA throughout its preparation. The requirements to carry out SA and SEA are distinct, although it is possible to satisfy both using a single appraisal process. The aim of the process is to appraise the social, environmental and economic effects of plan strategies and policies and ensure that they accord with the objectives of sustainable development.
- 3.9 The SA, incorporating the SEA, will be undertaken as an integral part of preparing Local Plans and will help arrangements for monitoring and implementation. The SA process has the following five stages:
- Stage A: Setting the context and objectives, establishing the baseline and deciding on the scope
 - Stage B: Developing and refining alternatives and assessing effects
 - Stage C: Prepare the sustainability appraisal report
 - Stage D: Seek representations on the sustainability appraisal report from consultation bodies and the public
 - Stage E: Post adoption reporting and monitoring
- 3.10 Under the EU Habitats Directive (92/43/EEC) a Habitats Regulations Assessment is required for any proposed plan or project which may have a significant effect on one or more European sites and which is not necessary for the management of those sites. The purpose of the HRA is to determine whether or not significant effects are likely and to suggest ways in which they could be avoided. The first stage is to carry out a Screening process to establish if the Local Plan might have any Likely Significant Effects (LSEs) on any European site and therefore to determine whether a full HRA would be required for the Plan. The Screening will be undertaken at the same time as the Issues and Options stage (Regulation 18) of the Plan's preparation.
- 3.11 Further details of how the SA and HRA processes relate to the Local Plan preparation stages is set out in the diagram below.



4. Other documents to be produced

4.1 In addition to the Development Plan a suite of other documents will be prepared:

Neighbourhood Plans

4.2 Neighbourhood Plans can be produced by Parish Councils or Neighbourhood Forums to set out policies in relation to the development and use of land in the whole or any part of a particular specified neighbourhood area. They are not prepared by Northampton Borough Council but are submitted to it ahead of independent examination and a referendum. They are not legally defined as Development Plan Documents but they do become part of the statutory Development Plan upon their adoption.

4.3 The following Neighbourhood Plans are presently in preparation:

- Duston Parish;
- Growing Together – Blackthorn, Goldings, Lings and Lumbertubs; and
- Spring Boroughs Voice.

Adopted Policies Map

4.4 A map of Northampton Borough which illustrates geographically the application of the policies in the adopted Development Plan.

Annual Monitoring Report (AMR)

4.5 AMRs are produced each year to monitor progress in producing the Development Plan and the implementation of policies. Currently prepared as a joint AMR by the West Northamptonshire Joint Planning Unit on behalf of Northampton Borough, Daventry District and South Northamptonshire Councils.

Supplementary Planning Documents (SPDs)

4.6 SPDs expand upon and provide further detail to policies in the Development Plan. The following SPDs are currently being prepared:

- Biodiversity SPD; and
- Upper Nene Valley Gravel Pits Special Protection Area SPD.

Community Infrastructure Levy Charging Schedule

4.7 In January 2015 the Council submitted the Community Infrastructure Levy (CIL) Draft Charging Schedule for Examination. The Examination was held on 13 May 2015 and the Examiner's Report was issued in July 2015. The Report concluded that the Council's CIL Charging Schedule provides an appropriate basis for the collection of the Levy in Northampton Borough. Further, that the Council had provided appropriate evidence to support the Schedule and could show that the Levy was set at a level that would not put at risk development within the area. Consequently, the

Examiner was satisfied that the charging rates can be applied to qualifying development upon the implementation of CIL. On 9 September 2015 the Council's Cabinet are considering recommending to Council the approval of the CIL Charging Schedule to take effect from 1 April 2016.

Statement of Community Involvement

- 4.8 The Statement of Community Involvement (SCI) sets out how communities and stakeholders can expect to be engaged in the preparation of planning documents and in the consideration of planning applications in Northampton Borough. The SCI was adopted by the Council in March 2006. As a result of a number of significant changes since 2006, such as the introduction of the NPPF and the Localism Act, it is necessary to review the SCI. The requirement to prepare an SCI remains in the Planning and Compulsory Purchase Act 2004 however the process to be followed is no longer prescribed. The existing SCI will be reviewed in 2015.

5. Programme for Plan Preparation

- 5.1 The programme for preparing the Northampton Local Plan Part 2 and the Northampton Gypsies, Travellers and Travelling Showpeople Allocations Local Plan is set out in the schedules below and shown on the LDS timetable in Appendix 1. The Council is expected to progress the preparation of these Local Plans in accordance with the schedules. Progress on meeting the programme will be reported annually in the AMR. If significant changes occur the LDS will be reviewed.

Schedule 1 - Northampton Local Plan Part 2	
Subject Matter	To set out site specific allocations for Northampton Borough including residential and employment uses. It will include policies against which planning applications for the development, management and use of land and buildings will be considered. It will include the identification, phasing and implementation of local infrastructure for sites. As an example of some of its policies content, it will include boundaries of retail centres, historic conservation, open space and nature conservation policies and designations, highway issues and car parking.
Geographical Area	Northampton Borough
Status	Development Plan Document
Timetable for Production and Conformity with Appropriate Regulations	
Formal Commencement of Preparation/ Consultation on the Scope of the Local Plan Part 2/ Call for Sites (Regulation 18)	September – October 2015
Issues Consultation (Regulation 18)	March – April 2016
Options Consultation (Regulation 18)	September – October 2016
Publication of Draft Plan and Consultation (Regulation 19)	March – April 2017
Submission (Regulation 22)	July 2017
Examination (Regulation 24) (To be Confirmed)	October 2017
Adoption (Regulation 26)	March 2018
Management Arrangements	Head of Planning overseen by Director of Regeneration, Enterprise and Planning. Regular reports to Cabinet Advisory Group – Local Plan.
Resources Required	Planning Policy team; input from other Council services, neighbouring authorities, consultees, Programme Officer and Planning Inspectorate.
Monitoring and Review Mechanisms	Annual Monitoring Report
Schedule 2 - Northampton Gypsies, Travellers and Travelling Show	

People Allocations Local Plan	
Subject Matter	To allocate sites for the occupation and use of Gypsies, Travellers and Travelling Show People in Northampton Borough and set out associated development management policies.
Geographical Area	Northampton Borough
Status	Development Plan Document
Timetable for Production and Conformity with Appropriate Regulations	
Formal Commencement of Preparation/ Consultation on the Scope of the Local Plan (Regulation 18)	October 2015 – April 2016
Issues & Spatial Options Consultation (Regulation 18)	May – June 2016
Site Options Consultation (Regulation 18)	January – February 2017
Publication of Draft Plan and Consultation (Regulation 19)	June 2017
Submission (Regulation 22)	October 2017
Examination (Regulation 24) (To be Confirmed)	January 2018
Adoption (Regulation 26)	July 2018
Management Arrangements	Head of Planning overseen by Director of Regeneration, Enterprise and Planning. Regular reports to Cabinet Advisory Group – Local Plan.
Resources Required	Planning Policy team; input from other Council services, neighbouring authorities, consultees, Programme Officer and Planning Inspectorate.
Monitoring and Review Mechanisms	Annual Monitoring Report

Appendix 2 – Remaining Northampton Local Plan Saved Policies

The Planning and Compulsory Purchase Act 2004 provided for the saving of policies in adopted Local Plans for a period of 3 years from the commencement of Section 38 of the Act (which was on 28 September 2004). Policies in plans approved or adopted at that date expired on 27 September 2007 unless the Secretary of State extended them beyond that date, by direction. The remaining policies are known as “Saved” Policies. The intention is that as new Local Plans are prepared Saved Policies will be replaced. In the case of Northampton Borough some Saved Policies have already been replaced as a result of the adoption of the Northampton Central Area Action Plan and the West Northamptonshire Joint Core Strategy Local Plan (Part 1). The list below shows the remaining Northampton Local Plan Saved Policies.

Note

An asterix * next to the Policy Number indicates that the 1997 Northampton Local Plan Policy Applies Outside Central Area Action Plan Boundary. In all other cases 1997 Northampton Local Plan Policy Applies as originally.

List of Remaining Northampton Local Plan Saved Policies

Policy Number	Policy Name/ Description	Notes
E7	Skyline development	Part of Development Plan
E9 *	Locally important landscape areas	Part of Development Plan. Part Replaced by CAAP Policies 4 and 29.
E20 *	New development (design)	Part of Development Plan. Part Replaced by CAAP Policy 1.
E26 *	Conservation Areas: development and advertisements	Part of Development Plan. Part Replaced by CAAP Policy 1.
E28	Use of upper floor shops and other commercial premises	Part of Development Plan
E29 *	Shopping environment: new or replacement shop fronts	Part of Development Plan. Part Replaced by CAAP Policies 1 and 13.
E30 *	Shop front: external security protection	Part of Development Plan. Part Replaced by CAAP Policy 1.
E35	Advertisements: in conservation areas	Part of Development Plan
E36	Advertisement hoardings: express consent	Part of Development Plan
H10	Other housing development: backland development	Part of Development Plan
H11 *	Other housing development: commercial property in primarily residential areas	Part of Development Plan. Part Replaced by CAAP Policy 1.

H14 *	Residential development, open space and children's play facilities	Part of Development Plan. Part Replaced by CAAP Policy 4.
H16	Housing for the elderly	Part of Development Plan
H17	Housing for people with disabilities	Part of Development Plan
H18	Extensions	Part of Development Plan
H21	Conversion to flats	Part of Development Plan
H23	Conversion to flats	Part of Development Plan
H24	Conversion to flats	Part of Development Plan
H26	Conversion to flats – floors above shops	Part of Development Plan
H28	Hostels	Part of Development Plan
H29	Residential institutions	Part of Development Plan
H30	Multi-occupation with a single dwelling	Part of Development Plan
H31 *	Cumulative effect	Part of Development Plan. Part replaced by CAAP Policy 16.
H35	Childcare facilities	Part of Development Plan
B5	Development policies for proposed business areas: Brackmills, Milton Ham and Pineham	Part of Development Plan
B6	Support services	Part of Development Plan
B7	Brackmills: height considerations	Part of Development Plan
B8	Northampton Cattlemarket	Part of Development Plan
B9	Pineham and Milton Ham: landscaping Zone	Part of Development Plan
B10	Pineham and Milton Ham	Part of Development Plan
B11	Milton Ham: height considerations	Part of Development Plan
B14 *	Development for non-business uses in business areas	Part of Development Plan. Replaced by CAAP Policy 15.
B17 *	Use of land for open storage, salvage and recycling	Part of Development Plan. Part Replaced by CAAP Policies 1 and 15.
B19 *	Existing business premises in primarily residential area	Part of Development Plan. Part Replaced by CAAP Policy 1.
B20	Working from home	Part of Development Plan
B22 *	Small businesses: up to 200 sq.m	Part of Development Plan. Part Replaced by CAAP Policies 1, 10 and 11.
B23 *	Repair and maintenance of vehicles	Part of Development Plan. Part Replaced by CAAP Policies 1, 10 and 11.
B31 *	Environmental impact of business development: new locality	Part of Development Plan. Part Replaced by CAAP Policy 1.

B32	Environmental impact of business development: amelioration	Part of Development Plan
B33	Environmental impact of business development: hazardous development	Part of Development Plan
T11 *	Commercial uses in residential areas	Part of Development Plan. Part Replaced by CAAP Policies 1, 10 and 36.
T12 *	Development requiring servicing	Part of Development Plan. Part Replaced by CAAP Policy 36.
T14 *	Public transport – rail corridors	Part of Development Plan. Part Replaced by CAAP Policy 8.
T16 *	Taxi services	Part of Development Plan. Part Replaced by CAAP Policy 1.
T22 *	Provision for people with a disability	Part of Development Plan. Part Replaced by CAAP Policy 1.
R9	Districts and local centres: change of use from shops	Part of Development Plan
R11	Shopping facilities/ local centre in major residential development	Part of Development Plan
R15 *	Car showrooms	Part of Development Plan. Part Replaced by CAAP Policy 1.
R16	Retail sales from petrol filling stations	Part of Development Plan
R17 *	Retailing from industrial premises	Part of Development Plan. Part Replaced by CAAP Policy 11.
L2 *	Community use of existing schools and colleges	Part of Development Plan. Part Replaced by CAAP Policy 4.
L10	Bradlaugh Fields	Part of Development Plan
L12	Motor sports and motorised water sports	Part of Development Plan
L13	Local community facilities	Part of Development Plan
L24	Allotment gardens	Part of Development Plan
L25	Alternative use of allotment land	Part of Development Plan
L26 *	Leisure proposals: site specific	Part of Development Plan. Part Replaced by CAAP Policy 4.
D4	Crow Lane (north): business or leisure	Part of Development Plan
D6	Delapre Abbey: office and conference centre	Part of Development Plan

D9	M1 Junction 15a/ A43: suitable for single development with high standard of building design within a landscaped setting	Part of Development Plan
D12	Land north west of Kings Heath	Part of Development Plan
D13	Overstone Scout camping ground (off Billing Lane): residential or public house/ hotel	Part of Development Plan
D16	St Edmund's Hospital: development guidelines given	Part of Development Plan
D17 *	Southbridge area and power station site, Nunn Mills: residential, business and leisure	Part of Development Plan. Part Replaced by CAAP Policies 27 and 28.
D20	Tweed Road (Pioneer Aggregates): development guidelines given	Part of Development Plan

Appendices: 4



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Community Infrastructure Levy – Examiner’s Report
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	9 th September 2015
Key Decision:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	Regeneration, Enterprise and Planning
Accountable Cabinet Member:	Cllr Tim Hadland
Ward(s)	All

1. Purpose

- 1.1 The purpose of this report is to highlight the findings of the Examiner’s report of the Draft Community Infrastructure Levy Charging Schedule (CIL) and seek a way forward in respect of implementing CIL.

2. Recommendations

- 2.1 Cabinet recommends to Council that:
- 2.2 The CIL Charging Schedule is approved in accordance with Regulation 25 of the CIL Regulations 2010 (as amended) to take effect from 1st April 2016 (Appendix 1)
- 2.3 The CIL Regulation 123 List attached at Appendix 2 be approved
- 2.4 Exceptional circumstances relief be not applied to Northampton Borough
- 2.5 CIL policy on payments in kind and the Instalment Policy attached at Appendix 3 be approved

- 2.6 The Interpretative Note to the CIL Charging Schedule attached at Appendix 4 be approved
- 2.7 Delegated authority be given to the Council’s Monitoring Officer to amend the Constitution to allocate requirements outlined in the report to resource the operational functions to facilitate the implementation of CIL

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Community Infrastructure Levy (CIL) is a new charge on development that came into force through the Community Infrastructure Levy Regulations in 2010. CIL is intended to fund a range of infrastructure that is needed as a result of development and will run alongside Section 106 agreements.
- 3.1.2 CIL provides a charge per square metre for additional floorspace and is charged for applicable development that meets the legislative requirements. Further details are provided below in respect of Northampton’s Charging Schedule. The implications in respect of Section 106 of the Town and Country Planning Act 1990, (Planning Obligations) are also addressed in this report in respect of approving a Regulation 123 List.
- 3.1.3 The Council has been working jointly with Daventry District and South Northamptonshire Councils over the past 2 years to provide evidence for setting a levy that will help strike an appropriate balance in securing infrastructure, whilst not putting the overall development of the area at risk.
- 3.1.4 CIL is required to progress through separate stages of consultation, before it can be submitted for examination. Previous key milestones and the background to CIL consultation, through the Preliminary Draft and Draft Charging Schedules, have been reported to Cabinet. The last report was considered at 10th December 2014 meeting, which provided details of previous stages of consultation and resolved to submit the Charging Schedule for examination. The Schedule was subsequently submitted for examination in January 2015, and the rates proposed by the Council in line with supporting evidence are laid out in Table 1 below;

Table 1 Northampton Borough Draft Charging Schedule:

Development Type	Levy per sqm
Residential (excluding Sustainable Urban Extensions)	£50
Residential SUEs	£50
Retail (excluding central zone within ring road)	£100
All Other Uses	£0

3.1.5 The Charging Schedule is based on viability (ie what development can afford to pay) and as shown on the above table relates primarily to residential development, although retail provision outside the central area would be required to provide for CIL, this would include for example out of centre supermarkets and retail warehouses. Proposals for employment provision within the Borough would not be CIL liable. CIL has the ability to be reviewed in the future, as appropriate for example, as economic conditions and viability change. The rates would also be indexed each year to reflect changes in construction costs in line with CIL Regulations. The Full Charging Schedule is appended to this report (Appendix 1).

3.1.6 The Charging Schedule for Northampton was subject to an independent examination held on 13th May 2015. The final report has been published on the Council's website and can be accessed through the following link:

<http://www.northampton.gov.uk/info/200205/planning-for-the-future/2001/community-infrastructure->

Examination of the Charging Schedule

3.1.7 Following examination the report was issued in July. A series of background documents were also submitted to the examination in support of the proposed Charging Schedule, and included the Regulation 123 List and an instalment policy. (Appendices 2 and 3 refer). Whilst the background documents were not examined in their own right by the Examiner, they provide support in evidencing the viability of the Charging Schedule.

3.1.8 The Examiner's report concluded that the Council's CIL Charging Schedule provides an appropriate basis for the collection of the levy in the Borough. Further, that the Council had provided appropriate evidence to support the schedule and could show that the levy was set at a level that would not put at risk development within the area. Consequently, the Examiner is satisfied that the rates shown in Table 1 can be applied to qualifying development upon the implementation of CIL.

Policies and Supporting Documents

3.1.9 A number of supporting documents were submitted to the Examiner as supporting evidence to the Draft Charging Schedule. The Examiner has not specifically referred to these policies in his report, however, they do not form part of the formal examination process. These policy documents are considered as follows;

The Regulation 123 List

3.1.10 The Council is required under Regulation 123 of the CIL Regulations to publish a list of infrastructure types or specific infrastructure schemes that will be wholly or partially funded by CIL. The Regulations prohibit the use of CIL and S106 monies funding the same piece of infrastructure and seek to limit the application of S106 by introducing pooling restrictions referred to below (para 3.1.20).

- 3.1.11 The Draft Regulation 123 List considered at the examination is set out at Appendix 2 to this report. Comments submitted during the consultation process were taken into consideration in respect of submission.
- 3.1.12 Following the Examination of the Draft Charging Schedule further discussions were held with Northamptonshire County Council Officers to address the County Council's outstanding objection to the inclusion of primary education in the Draft Regulation 123 List. The County Council re-emphasised its concern that the inclusion of primary education in the Draft Regulation 123 List would have the potential to jeopardise the provision of primary schools as there is a significant total infrastructure funding requirement on the Draft Regulation 123 List, with no current means of ensuring that CIL receipts will be used to pay for primary school places. Instead the County Council would prefer to continue the current, successful approach of using Section 106 agreements to fund primary schools. The County Council has confirmed that it will provide details of specific school schemes for inclusion in all Section 106 agreements to ensure that the pooling restrictions are eased. It has been agreed with the County Council that this approach will be kept under review and if necessary changes made to the Regulation 123 List in the future.
- 3.1.13 It is therefore proposed that the Draft Regulation 123 List be amended to specifically exclude primary schools and that the Regulation 123 List attached at Appendix 2 is approved.
- 3.1.14 The Council's Planning Obligations Supplementary Planning Document (SPD) sets out the Council's position on seeking contributions via S106. The SPD was adopted in 2013 and is up to date in the context of current national policy. However, amendment will be required to reflect the implementation of CIL. In particular it will need to be clarified that infrastructure items on the Reg 123 List will no longer be able to be sought via planning obligations.

Instalment Policy

- 3.1.15 A charging authority has the ability to set out an instalment policy that allows payment of CIL to be made over a longer period of time. This can be particularly important for larger schemes where phased payments provide the opportunity for managing cash flow as a site progresses, and assists the prospect of development taking place. Cabinet resolved to agree the content of the instalment policy at its meeting of 14th December 2014, and subsequently submitted the draft instalment policy for consideration alongside the Draft Charging Schedule. It is proposed that the Instalment Policy is adopted as set out in Appendix 3.

Exceptional Circumstances

- 3.1.16 The CIL Regulations allow a charging authority to decide if it wishes to offer exceptional circumstances relief, where the amount of CIL does become negotiable based on the viability of a particular development. If a charging authority does not choose to put exceptional circumstances relief in place, it cannot be used.

3.1.17 During the consultation prior to submission, some respondents suggested the Council should offer exceptional circumstances relief. It was concluded at that time there was no pressing case to do so, and that sites eligible for relief are likely to be few in number. Further, introducing the proposal would undermine some of the key benefits of CIL – its clarity and simplicity of application, and the confidence it would give to all involved in development about what their obligation would be. This remains the case, and accordingly it remains recommended that the Council does not offer exceptional circumstances relief.

Payment in Kind

3.1.18 The CIL Regulations allow a charging authority to accept land or infrastructure in lieu of the CIL charge. Valuation of this land and/or infrastructure and procedures for this are set out in the CIL Regulations. The Council will consider this form of payment in the appropriate circumstance.

Implementation of CIL

3.1.19 With the finding that the proposed Charging Schedule is legally compliant, is supported by background evidence justifying the need for CIL and is economically viable, the Council has the ability to adopt CIL. The Charging Schedule must be formally approved by a resolution of the full council of the charging authority, and should include an appropriate commencement date.

3.1.20 The advantages of implementing CIL can be considered as follows:

- It is a fair and transparent charge which helps set expectations of landowners, developers, and should help ensure that developers do not in future commit to paying excessive amounts for land
- It is payable by the majority of all new development which relies on infrastructure, not just the larger development schemes
- Part of the funds raised can be used by local communities to address the impacts of new development in their neighbourhood (essentially 15% of receipts to Parish Councils and 25% where a Neighbourhood Plan is made)
- The Council has greater control over how and when CIL is spent compared to Section 106
- Without CIL the ability to manage the impact of development would be substantially weakened, due to restrictions on the pooling of S106 planning obligations, as Councils can no longer pool more than five S106 obligations together for a single infrastructure project or type of infrastructure

3.1.21 In addition to the above it has become clear through the preparation work for implementing CIL that there is a need to provide as much clarity as possible as to the types of development that are included within the various categories of the charging schedule. The submission Charging schedule

refers to residential and retail uses. The definitions of these uses require reference to the planning use classes which they include.

3.1.22 It is therefore proposed that the Charging Schedule be accompanied by an Interpretative Note setting out the Council's definitions of development type, as set out in Appendix 4.

3.1.23 As reported above a resolution to approve CIL should include an appropriate commencement date. The implementation, collection and governance of CIL are complex and will involve resources from the Council and the Local Government Shared Service (LGSS). There are a number of issues that require consideration prior to implementing CIL; these are set out below together with a proposed date for implementation.

3.2 Issues

3.2.1 In addition to the matters outlined in this report, the Council needs to agree a practical implementation date from which to commence charging, and ultimately collecting, CIL. There are a further number of issues to consider;

Staffing and resourcing

3.2.2 A CIL Implementation Group has been set up to co-ordinate the implementation of CIL; this involves staff from a number of services areas (including LGSS) to deal with the various aspects of CIL. To take this forward will require a refresh of resources and the establishment of a project lead. CIL is a complex process and additional training will be required to familiarise staff with the workings of CIL.

Validation of Planning Applications

3.2.3 A number of authorities, which have implemented CIL, have made the submission of CIL Additional Information Forms a Validation requirement for all planning applications. The indication in the NPPG is that authorities can legitimately refuse to validate applications that are not accompanied by this information without going through a process of formal consultation on changes to its Local Validation List.

3.2.4 The submission of this information is considered to be essential to considering the application and the expedient processing of CIL. Accordingly all planning applications received by the Council from the CIL implementation date, to be properly registered, should be required to provide additional information to enable the Council to calculate levy liability.

CIL Software

3.2.5 The Council has recently purchased new planning software to improve efficiencies within its Planning section; this software includes a module to assist with the implementation of CIL. The new software is in the process of being fully installed and training for staff has yet to be finalised.

Publicising CIL

3.2.6 Proactive engagement with planning applicants, parishes, forums (particularly in relation to the Neighbourhood proportions of levy payable through CIL in relation to Neighbourhood Plans) and the wider development industry will be required prior to implementation to ensure the process is properly understood.

Constitution

3.2.7 There is a need to make a number of amendments to the Council constitution to enable various services to undertake key CIL tasks. The main tasks and responsibilities are as follows:

Table 2 CIL key tasks

Task	Responsibility
Review and make alterations to the CIL Charging Schedule and Associated Policies	Regeneration, Enterprise and Planning
Report of CIL Collection and Expenditure	Regeneration, Enterprise and Planning
Assessing the amount of CIL Liability including determining applications for CIL relief	Regeneration, Enterprise and Planning
Issue Liability Notices	Regeneration, Enterprise and Planning
Demand Notices for CIL.	Finance
Collection and Administration of CIL payments	Finance
Processing and determining applications for Payment in Kind	Regeneration, Enterprise and Planning
Enforcement against non-payment of CIL	Finance
Enforcement of CIL functions – Stop Notices	Planning Enforcement

3.2.8 It is recommended that final and detailed changes to the Council constitution to incorporate these tasks and the general processing of CIL are delegated to the Council’s Monitoring Officer.

3.2.9 The approval of new Charging Schedules, changes to the Regulation 123 List and Council CIL policies together with decisions over the spending of CIL will remain subject to the approval of Council.

Spending arrangements, including in relation to agreements for:

- Cross boundary infrastructure and
- Neighbourhood CIL income

3.2.10 Further work is required to address the governance of any future CIL spending, this would also apply cross boundary in respect of the strategic infrastructure projects required to support growth, and would also require focused discussions with local communities in respect of potential spend

Conclusions

3.2.11 It is recommended that Cabinet agree to progress to the formal adoption of the Draft Charging Schedule and implement CIL from 1st April 2016, and that the Draft Regulation 123 List and supporting documentation also be approved and that the recommendation be forwarded for resolution by Full Council.

3.3 Choices (Options)

3.3.1 The Council could choose to implement CIL (from effect from 1st April 2016) this would provide an opportunity to resource the issues raised in the report, provide a clear timetable for implementation, and the address the need to provide further publicity of the levy requirements with planning applicants.

3.3.2 The Council could choose not to implement CIL. The opportunity to realise the benefits outlined in para 3.1.19 of the report would be lost. In particular planning applications for residential development under 15 units do not tend to provide funding towards the Borough's infrastructure needs, this would continue to represent a missed opportunity without the implementation of CIL. Further, the pooling restrictions will limit the Council's ability to secure planning obligations as time advances.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The adoption of CIL would support the strategic policy objectives in seeking to assist the delivery of strategic infrastructure requirements for delivering future growth. In particular it would assist in addressing cross boundary issues within West Northamptonshire, relating to infrastructure delivery and remove the barrier relating to pooling restrictions referred to in this report.

4.2 Resources and Risk

4.2.1 Resources for implementing CIL are to be provided from within existing officer resources. A CIL implementation group consisting of officers from appropriate service areas has been in place for some time, which will ensure the required resources are planned into service delivery.

4.2.2 New planning software which is currently being implemented by the Council's planning service takes into account the requirements of charging CIL. The costs of developing CIL have been borne by the Joint Planning Unit (which is funded by Northampton, Daventry and South Northants Councils). 5% of the costs of administering CIL, including set-up costs, can be met from CIL income by the charging authority.

- 4.2.3 An instalment policy has been proposed to assist viability in striking a balance between infrastructure delivery and setting a charging rate.
- 4.2.4 To enable a CIL to be taken forward requires an infrastructure funding gap to be evidenced. This has been established, it should however be recognised that it is not the intention of CIL, to fully meet this funding gap. The Council will continue to need to work actively with partnering organisations in pursuing funding opportunities and initiatives in order to help provide towards future infrastructure requirements

4.3 Legal

- 4.3.1 The CIL Regulations 2010 (as amended), together with the Planning Act 2008, provide the legislative requirements for implementing CIL; these will be required to be followed in implementing the Charging Schedule.
- 4.3.2 Generally CIL is intended to be used for off-site infrastructure provision, whilst S106 planning obligations are to be used for site-specific mitigation measures arising from new development.
- 4.3.3 The duties created through the implementation to CIL will require amendments to the Council's constitution as highlighted in this report.

4.4 Equality and Health

- 4.4.1 There are no equality/health issues directly relating to the recommendations of this report.

4.5 Consultees (Internal and External)

- 4.5.1 There are clear legislative requirements to be followed in implementing CIL. In addition this Council forms part of the Charge Setting Working Group, which is West Northamptonshire wide in its approach (and includes all the Councils operating within this area) and has engaged with utility providers, the development industry and parish councils as appropriate. More general engagement has been undertaken with the wider population and stakeholders through consultation as required through the CIL Regulations, required independent examination. In addition workshops have been undertaken with stakeholders and infrastructure providers.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 CIL will provide towards supporting infrastructure in assisting the delivery of future growth proposed through plan making. It will assist in all aspects of the Corporate Plan.

4.7 Other Implications

4.7.1 None

5. Background Papers

5.1 Report of the Examination of the Draft Northampton Borough Council CIL Charging Schedule (July 2015)

Appendix 1 – Draft CIL Charging Schedule

Appendix 2 – Draft CIL Regulation 123 List

Appendix 3 – Draft Instalment Policy

Appendix 4 – Interpretive Note to the Charging Schedule

Richard Palmer, Team leader Planning Policy, ext 7279



**Northampton Borough Council Community Infrastructure Levy
Charging Schedule**

1. Introduction

- 1.1 The Community Infrastructure Levy (CIL) was introduced under the Planning Act 2008 and came into force in April 2010. CIL is essentially a pre-set charge that can be applied to all new developments that create new floorspace over a minimum size. The CIL charge is then spent on infrastructure (such as roads, schools, green spaces and community facilities) that is required to support the delivery of new development.
- 1.2 CIL takes the form of a charge per square metre of additional floorspace (new build or extensions) and can be charged on most new developments. There are exemptions for charitable organisations and affordable housing. Developments under 100 sq m of net additional floorspace, unless it is a new dwelling, are not required to pay CIL.
- 1.3 From April 2015, the ability to pool planning obligations through legal agreements under Section 106 (of the Town and Country Planning Act 1990 (as amended)), will be restricted. This means that it will become difficult to deliver larger scale items of infrastructure such as schools and transport schemes where pooling of many individual planning contributions is often necessary. Section 106 will continue to be used to deliver some infrastructure, but this will largely be restricted to site-specific mitigation and for providing affordable housing.

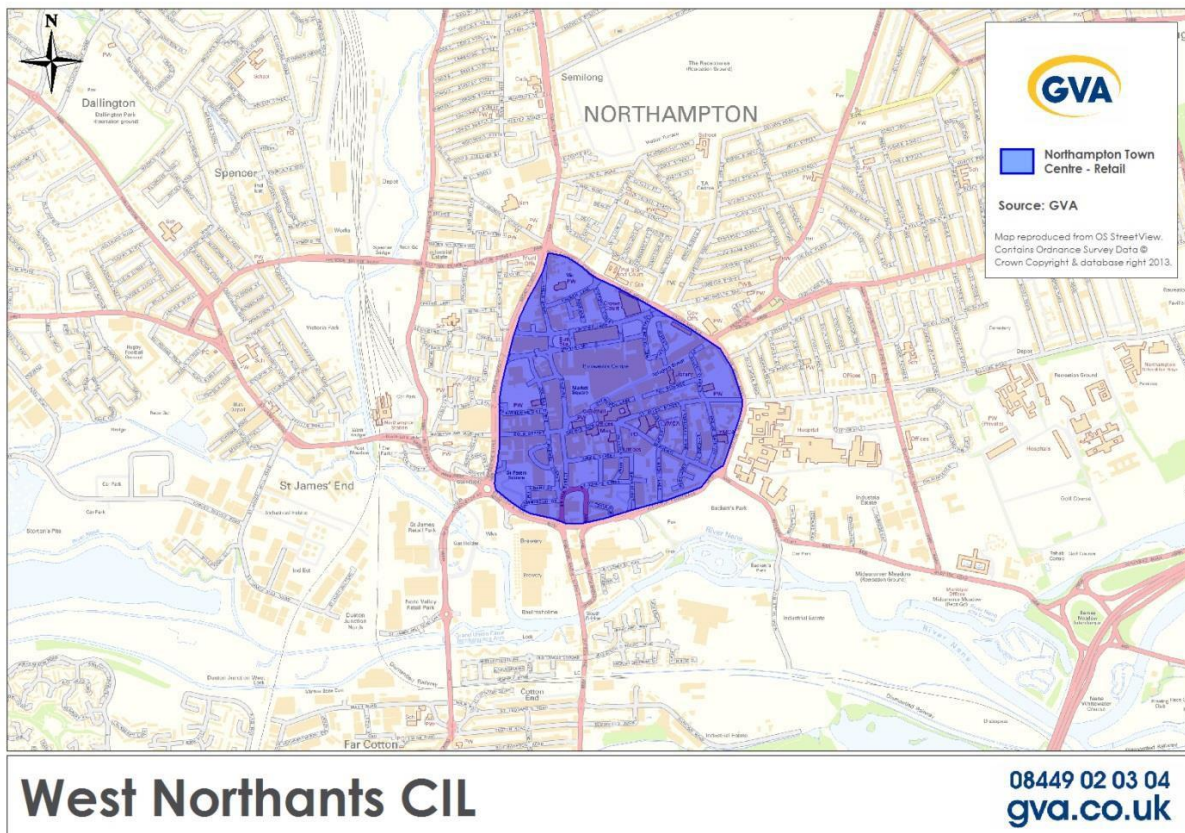
2. The Charging Schedule

2.1 Below are the Community Infrastructure Levy Schedule charging rates proposed by Northampton Borough Council.

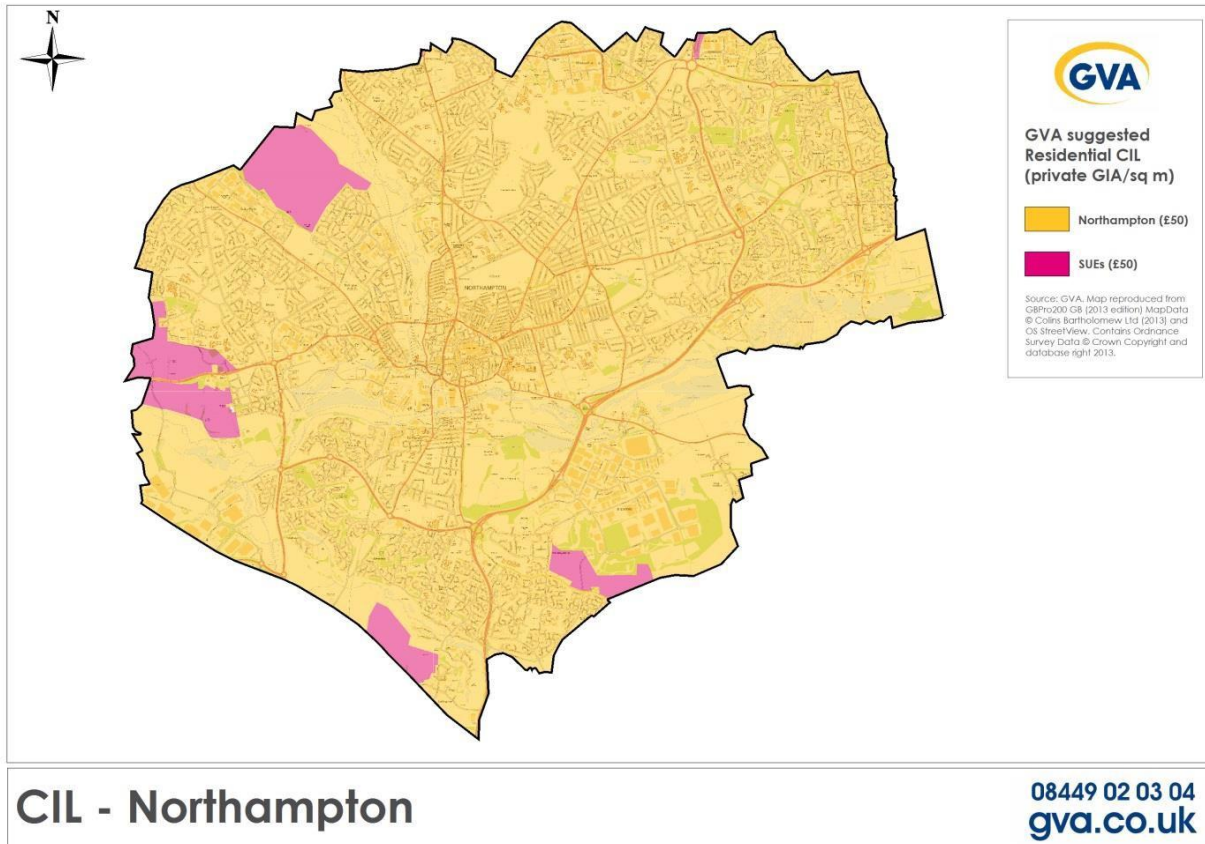
Northampton Borough Council Charging Schedule

Development type	Levy per sqm
Residential (excluding SUEs)	£50
Residential SUEs	£50
Retail (excluding central zone)	£100
All other uses	£0

Central zone (nil retail charging)



Residential charging zone



- 2.2 The rates will be charged against the Gross Internal Floor Area (GIA). All new dwellings (use class C3) that are CIL liable will be charged in accordance with the Charging Schedule at 2.1. All other development (where charged) which exceeds 100 sqm will be charged at the charging rates published in the Charging Schedule at 2.1.
- 2.3 In certain circumstances where a development includes the demolition of an existing building the GIA to be demolished can be deducted from the proposed floor space and CIL is then only charged on the overall increase in floor space. Deductions in respect of demolition will apply where the building has been in continuous lawful use for at least six months in the 3 years prior to the development being permitted. Where there is insufficient information or information of insufficient quality on GIA on demolition Northampton Borough Council as the charging authority will deem the GIA to be zero.
- 2.4 For changes of use where there is no new floor space created CIL will not be chargeable provided the development has been in continuous lawful use for the previous six months.

- 2.5 Northampton Borough Council will calculate the amount of CIL payable (the chargeable amount) in respect of a chargeable development in accordance with the formulae set out at Regulation 40 of the Community Infrastructure Regulations 2010 (as amended). The charging rates proposed will be indexed to account for inflation using a nationally recognised index. Full details of the way in which CIL will be calculated, together with an overview of CIL and the Regulations can be found on the Government website: www.gov.uk
- 2.6 Once planning permission is granted, CIL Regulations encourage any party (such as a developer submitting a planning application, or a landowner), to take liability to pay the CIL charge. CIL liability runs with the land, therefore if no party assumes liability to pay before development commences the landowner will be liable to pay the levy.
- 2.7 In accordance with the Regulations, where applicable the Council will issue a Liability Notice that states the chargeable amount on grant of planning permission or as soon as possible after the grant of planning permission.
- 2.8 The charging rates are to be subject to indexing using the BCIS all in tender prices index. This will be applied on each anniversary of the introduction of CIL. This will be published on the Council's website.

Northampton Borough Council
Community Infrastructure Levy (CIL)
CIL Regulation 123 List



CIL Regulation 123 List – Proposed implementation from 1st April 2016

Regulation 123 of the Community Infrastructure Regulations 2010 (as amended) restricts the use of planning obligations for infrastructure that will be funded in whole or in part by the Community Infrastructure Levy. Infrastructure types or projects that are listed below will not be secured through planning obligations. This is to ensure there is no duplication between CIL and planning obligations secured through s106 agreements in funding the same infrastructure projects.

The indicative list below sets out those infrastructure projects that Northampton Borough Council currently intends will be, or may be, wholly or partly funded by CIL. The inclusion of projects in this list does not signify a commitment from the Council to fund all the projects listed, or the entirety of any one project through CIL. The order in the table does not imply any order of preference for spend and the Council will review this list at least once a year, as part of its monitoring of CIL collection and spend.

Northampton Growth Management Strategy
Northampton North West Bypass Phase 2
Indoor Sports Facility (excluding specific on site provision directly serving the needs of a development site)
Education excluding primary schools (and excluding specific on site provision directly serving the needs of a development site)

FOR CONSULTATION

Northampton Borough Council
Community Infrastructure Levy (CIL)
Instalment Policy



Instalment Policy

Regulation 70 of the Community Infrastructure Levy Regulations 2010 (as amended) sets out the requirements that must be complied with in order to benefit from a CIL Instalment Policy.

The Council will allow the payment of CIL by instalments as set out in the table below:

Amount of CIL Liable	Number of Instalments	Payment Periods and Amounts
Up to £59,999	1	Total amount payable within 60 days of commencement of development.
Amounts between £60,000 to £999,999	2	1) 60 days after commencement 25% 2) 360 days after commencement 75%
Amounts between £1,000,000 to £1,999,999	3	1) 60 days after commencement 20% 2) 360 days after commencement 30% 3) 540 days after commencement 50%
Amounts equal to or over £2,000,000	4	1) 60 days after commencement 15% 2) 360 days after commencement 15% 3) 540 days after commencement 20% 4) 720 days after commencement 50%

The CIL Instalment Policy will only apply in the following circumstances:

1. Where the Council has received a CIL Assumption of Liability form prior to commencement of the chargeable development (Regulation 70(1)(a)), and
2. Where the Council has received a CIL Commencement Notice prior to commencement of the chargeable development (Regulation 70(1)(b))

If either of the above requirements are not complied with, the total CIL liability will become payable within 60 days of the commencement of the chargeable development. In addition, surcharges may apply due to the CIL Assumption of Liability Form and / or the CIL Commencement Notice (both to be made available from date of CIL adoption) not being submitted to the Council prior to the commencement of the chargeable development.

FOR CONSULTATION

Once the development has commenced, all CIL payments must be made in accordance with the CIL Instalment Policy. Where a payment is not received in full on or before the day on which it is due, the total CIL liability becomes payable in full immediately (Regulation 70(8)(a)).

In calculating individual charges for the levy, the Council will be required by the Regulations to apply an annually updated index of inflation to keep the levy responsive to market conditions. The index will be the national All-In Tender Price Index of construction costs published by the Building Cost Information Service of The Royal Institution of Chartered Surveyors.

CIL Draft Charging Schedules – Charging Schedule Interpretive Note

1. Introduction

- 1.1 The purpose of this Note is to set out the Council's interpretation of terms used in the Charging Schedule.

2. Interpretation

- 2.1 The Order is the Town and Country Planning (Use Classes Order) 1987 (as amended), up to and including 15th April 2015. References to use classes are to use classes set out in the Order.
- 2.2 This Note considers what types of development fall within the broad definitions in the charging schedule.

Residential

- 2.2 Residential means development in terms of residential development which falls into use classes C3 or C4. For the avoidance of doubt, the Council does not consider that use classes C2 and C2A fall within this definition.

Retail

- 2.3 Retail means development which falls into use classes A1, A2, A3, A4 or A5 or which is described in Regulation 3(6) (d) of the Order (sale of fuel for motor vehicles).
- 2.4 Where part of a development would fall into the definition of residential and/or retail, that part of the development is subject to CIL at the residential or retail rate, as appropriate.

Appendices:
1



CABINET REPORT

Report Title	NORTHAMPTON TOWN CENTRE BUSINESS IMPROVEMENT DISTRICT RENEWAL
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AGENDA STATUS: PRIVATE

Cabinet Meeting Date:	9 th September 2015
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Chief Executive
Accountable Cabinet Member:	Councillor Hadland
Ward	Castle

1. Purpose

- 1.1 To consider a proposal for the renewal of the Northampton Town Centre Business Improvement District.

2. Recommendations

Cabinet are recommended:

- 2.1 To instruct the Ballot Holder (the Local Returning Officer) to conduct a ballot of local businesses in accordance with legislation, in order to determine whether the proposal for the renewal of Northampton Town Centre Business Improvement District may proceed.
- 2.2 To delegate to the Cabinet Member for Regeneration, Councillor Hadland, the authority to exercise the Council's rights to vote in the ballot on behalf of the Borough Council.

3. Issues and Choices

3.1 Report Background

- 3.1.1 Northampton Town Centre Business Improvement District (BID) was established in January 2011 following a ballot of businesses in the town centre.
- 3.1.2 Legislation requires that for a BID to continue after 5 years, a new proposal to renew the BID must be subjected to a ballot. Should such a ballot approve the proposal then the BID can continue after five years. A further renewal ballot would be required every five years.
- 3.1.3 Northampton Town Centre Limited (the BID) have indicated that they wish to ballot for renewal and in accordance with regulation have produced a Business Plan on which they have requested that the Council conducts a ballot.
- 3.1.4 The Business Plan has been produced by the BID, following on from extensive consultation with town centre businesses. The Plan has been discussed at a number of meeting between officers and representatives of the BID, and a meeting between the Leader and the Cabinet member and the BID.

3.2 Issues

Compliance with legislation

- 3.2.1 The Council has responsibilities under the BID legislation to ensure that before any ballot is instructed, the relevant regulations have been complied with by the BID proposer.
- 3.2.2 The submission from the BID is attached. This contains the BID proposal, details of the consultation undertaken, details of the finances and financial management of the BID, and the BID has demonstrated that it has the finances available to meet the cost of the ballot if this is required. Officers have also been provided with relevant background documents.
- 3.2.3 The Council has also received (on the 26th August) the required request to the Council to instruct the Ballot Holder (Returning Officer) to conduct a ballot.
- 3.2.4 Officers have assessed that the BID proposals provide all the relevant information required under the regulations.
- 3.2.5 Therefore it is advised to Cabinet that it would be within the law to instruct the ballot holder to hold a ballot on these proposals.

Content of the BID proposals

3.2.6 The BID proposal is attached for Cabinet to read. Some key points to note are:

- The proposed BID levy will be 1% of rateable value and 0.75% for those businesses inside shopping malls, with fixed levy charges for lower rateable values rising in line with inflation for the next 5 years
- The area to be covered by the BID is proposed to be unaltered.
- Through the proposed business-led programme of investment the vision is *“to develop the town into a quality destination with a clear identity, which provides opportunities for premier retail niches, specialists and independents, which respects and nurtures its professional services, celebrate its attractive diverse leisure and cultural offer, builds upon the town’s heritage and looks to the future.”*
- The programme of investment will be delivered through the three strategic objectives and related projects. The strategic objectives cover the promotion of the town centre and its businesses, the development of the town centre experience, and business growth and investment in the town centre.
- The BID should receive £1.5m in total over the next five years and will start on the 1st January subject to a successful ballot.
- The plan provides a framework for action, recognising the level to which it is possible to be specific about the activities that the BID will fund from the levy. Pages 21 to 24 of the attachment detail the kinds of activities that will be supported and provides an indication of what will be spent on activities in support of each objective.
- The BID will continue to be delivered by a not-for-profit, limited by guarantee, company Northampton Town Centre Ltd (NTCL), who have engaged specialist support from Partners for Better Business Ltd (PFBB). The Board of NTCL is made up of local business people and includes a representative of the Council in the Cabinet Member for Regeneration, Councillor Hadland. This position is held ex-officio. All levy payers may be members of NTCL.
- The proposals emphasise the importance of working collaboratively including with the local authorities and includes monitoring arrangements to ensure that the proposals are implemented successfully.

The Council’s right to veto proposals

3.2.7 The Council should satisfy itself that the BID proposal does not conflict to a material extent with any existing local authority policy formally adopted by an contained in a document published by the Authority, nor propose a significantly disproportionate burden on particular persons or businesses by way of an unfair levy charge on a certain ‘class’ of levy payers. The Council

also needs to be satisfied with the extent of consultation with the Authority in preparing the proposals. It is sensible to do this prior to allowing the ballot to take place so as to minimise the risk of having to veto the proposals following the ballot.

- 3.2.8 From the work undertaken between officers and the BID, no areas that would require the Council to consider veto-ing the proposals have been identified.

Ballot

- 3.2.9 Subject to Cabinet approving this report's recommendations and the expiry of the call-in period, the Ballot process will commence on the 17th September with the ballot closing at 5pm on the 29th October. The ballot holder is able to vary this date if needed, but it is expected that the date proposed by the BID is achievable on this basis.

- 3.2.10 After the ballot, there is a 28-day period during which requests may be made to the Secretary of State to void the ballot result. Assuming that no such issue arises, the BID will be able to operate on this renewed basis from 1st January 2016.

- 3.2.11 It is proposed that the Cabinet member for Regeneration exercises the Council's right to vote on these proposals in a ballot.

3.3 Choices (Options)

- 3.3.1 Given that no areas have been identified where the Council may wish to consider exercising its veto, the Cabinet should issue instructions to ballot.
- 3.3.2 Cabinet could decide to defer consideration for a short period within the regulations for some purpose. This is not recommended.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The BID proposal represents the policies of NTCL as the BID proposers and does not represent NBC policy. However officers advise that the BID proposal does not conflict to a material extent with any existing local authority policy formally adopted by and contained in a document published by the Authority.

4.2 Resources and Risk

- 4.2.1 The Council will, as a business ratepayer itself, continue to pay the levy for town centre premises. This is within the existing budget.
- 4.2.2 BID activities may require financial co-ordination with the Council or collaboration financially. Such instances will be agreed individually as the proposals are implemented and will be at the discretion of both the Council and the BID.

4.2.3 The BID have been told clearly by the Council that the current baseline expenditure by the Council in the Town Centre may vary in the future and the BID have expressed their understanding that the Council will approve budgets annually but will discuss relevant matters with the BID.

4.2.4 The levy provides a useful additional spend on supporting businesses in the town centre and as such helps make the town centre better than would be the case without.

4.3 Legal

4.3.1 The relevant legislative requirements are being complied with.

4.4 Equality and Health

4.4.1 No specific health or equality matters have been raised by these proposals.

4.5 Consultees (Internal and External)

4.5.1 The consultation undertaken by the BID was extensive and is summarised in the proposal. It is understood that the consultation significantly affected the proposal. The Council has not carried out any separate consultation.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The development and enhancement of the town centre is a critical priority for NBC and the BID proposal contributes potentially to this.

5. Background Papers

5.1 Northampton Town Centre BID Proposal 2016-2020 (attached)

David Kennedy, Chief Executive. 01604 837726

**Northampton town centre BID
BID Proposal
and
Business Plan
2016 – 2020**

1. Foreword

Message from the Chair of the Northampton Town Centre Ltd

We all know the last few years have been extremely challenging for businesses across the country but we are now emerging from the deep recession. Lifestyles are changing and the way in which towns and cities are used throughout the country is different to what it was five years ago. Northampton as a whole is rapidly growing and has started to emerge as a town with innovative ideas and new investments.

The BID itself has also undergone change over the last eighteen months with a new approach to its representation of businesses and delivery of projects but with a plan which is no longer fit for purpose. The renewal provides us with an opportunity to create a new business plan which provides a clear framework of activity across all business sectors. This can take advantage of new opportunities as they emerge from changes in lifestyles, the economy and developments in Northampton town centre itself over the next five years.

The BID should be led and driven by businesses but must be able to work collaboratively and constructively with key stakeholders such as the Borough and County Councils and the Police. A BID should be a mechanism which enables the collective voice of the businesses to be heard and influence, as well as deliver projects on its own and with the support of organisations from the public and private sectors who should be considered as real partners in shaping the future of our town. The principle of any BID is to deliver projects and results that would not have happened without it.

This new plan is the result of in-depth discussions with many of you through individual conversations, surveys and workshops by areas. I believe it will take Northampton to a new level, reflecting your business values, being recognised for quality and excellence, locally regionally and nationally, to the benefit of all businesses across all business sectors.

So please familiarise yourself with the plan, get involved in making it happen and ensure that you take full advantage of Northampton as a place to do business, by voting YES for the new BID business plan in October.

Jessica D'Aulerio
Tangerine Red
Chair of Northampton Town Centre Ltd

2. Executive Summary

BID background

Business Improvement Districts are created by businesses and organisations which come together to collaborate on initiatives that improve the location where they trade or do business. Business Improvement Districts are driven by participating businesses - who work together to draw up a business plan which is voted on and, if agreed, is then funded through a levy based on business rateable values, as well as leveraging in additional funding where possible for investment into the delivery of projects for the benefit of businesses.

This levy is collected by the council and paid directly to the Business Improvement District company: the Northampton Town Centre Ltd (the BID Company for Northampton). The Northampton Town Centre Ltd is a not for profit company which is and will be accountable to the businesses in Northampton to manage the business improvement district business plan.

The benefits of a Northampton Business Improvement District

In 2010 businesses in the town voted in favour of a Business Improvement District (BID) plan to support businesses. It was at a time when this country faced an economic recession like no other. The BID should be a mechanism to bring businesses together and act as a collective voice and develop the town as somewhere different and unique to visit and work.

There should be a vision for a BID which sets itself a clear direction and purpose to which all stakeholders in Northampton can relate and enable everyone to work together collaboratively and effectively.

There is a lot to do and there are many opportunities which a BID can exploit to the benefit of businesses and organisations across all sectors. This new business plan is different from the first one in that it has a clear goal for the town to build on its unique strengths, enable businesses to share in the promotion and celebration of Northampton's assets and attract new businesses to the town to increase its overall attractiveness as a great place to live, work and do business. It will provide benefits to all business sectors. The plan has been developed to ensure that it:

- is balanced to cover all business sectors
- builds on the success to date
- clearly defines the role of the BID
- seeks to create and take advantage of new opportunities
- has focussed activity but remains relevant for next five years
- has deliverable and achievable objectives

It takes account of the changes which have occurred over the last five years and clearly lays out a business-led programme of investment to tackle issues identified by businesses with the aim of creating a positive and more profitable trading environment to potentially benefit all business sectors. To achieve this, the BID levy will be in line with the current BID at 1% of rateable value and 0.75% for those businesses inside shopping malls with fixed levy charges for lower rateable values, rising in line with inflation each year for five years.

The Area

The Northampton Business Improvement District covers the area within the ring road bounded by St Peters Way and Victoria Promenade in the south, Horseshoe Street and Horsemarket in the west, Upper and Lower Mounts in the north and York Rd and Cheyne Walk in the east.

The Vision

Through this business-led programme of investment the vision is:

‘To develop the town into a quality destination with a clear identity, which provides opportunities for premium retail niches, specialists and independents, which respects and nurtures its professional services, celebrates its attractive, diverse leisure and cultural offer, builds upon the town’s heritage and looks to the future.’

Strategic Objectives and Projects

The programme of investment will be delivered through the three strategic objectives and their related projects.

Promotion of Northampton town centre and its businesses

1. To **develop, build awareness and promote, locally and regionally, the identity** of Northampton town centre and the strengths of its different business sectors: retail and health and beauty, culture and leisure and professional services

Develop the Northampton town centre experience

2. To **create a sense of ‘place’** for visitors and people working in the town centre to enjoy

Business Growth and Investment in Northampton town centre

3. To **encourage growth, development and investment of businesses** which complement and build on the strengths of Northampton town centre.

Costs and funding

The budgeted income over the five year period of the BID is approximately £1.5 million. The yearly income will be made up of some £300,000 from the levy revenues and a sum averaging around £25,000 from voluntary private and public sector contributions.

Subject to a successful vote in October 2015, the new BID will start on 1 January 2016.

3. What is a Business Improvement District?

A Business Improvement District (BID) is a precisely defined geographical area within which the businesses have voted to invest collectively in local improvements to enhance their trading environment.

BIDs were enabled by parliament through the Business Improvement Districts (England) Regulations 2004. This legislation was based on the experience of some twenty years of successful BID activity in America and Canada. Since 2004, over 200 BIDs have been proposed and approved by business communities in England and Wales. These include Derby, Nottingham, Leamington Spa, Coventry, Bristol, Rugby, Birmingham, Bedford and Lincoln and 11 London boroughs.

There are a number of BID areas which have been operating for more than five years and have gone through a renewal ballot. In most cases those BIDs going on to a second term have received an even greater endorsement in the vote than they did the first time. BIDs have brought significant improvements to the trading environment of the businesses based in these locations. Further details are available on the Association of Town and City Management web site: www.atcm.org.

The lifetime of the BID is prescribed by the Regulations and is set at no more than 5 years. It is possible for a BID to be extended by proposing a new Business Plan at the end of the BID lifetime for a fresh formal vote by the businesses.

The purposes of a BID are to provide new or expanded works and services or environmental enhancements within the prescribed BID area, funded via a BID Levy charge. All services/improvements will be additional to those already provided by Northampton Borough Council or Northamptonshire County Council. This charge is payable by non-domestic rate payers and is collected by the Council in much the same way as business rates. The manner in which the BID Levy charge is calculated is defined in Section 12

All works and services will be contracted by the Northampton Town Centre BID Company, Northampton Town Centre Ltd, the BID body for the BID area. The objectives and aspirations of the Northampton Town Centre BID are set out in this BID Proposal and Business Plan.

This business plan has been prepared in line with best practice and guidelines of the 'Industry Criteria and Guidance Notes' prepared for the British Retail Consortium (BRC) and the Inter-Bank Rating Forum (IBRF).

A set of definitions for terms used throughout this document is contained in Appendix 1.

The vote

In order for the proposals set out in this Business Plan to go ahead, more than 50 per cent of business ratepayers who vote have to vote 'yes'. Those in favour also have to represent at least 50 per cent of the combined 'rateable values' of those who vote. If these two criteria are met, the Business Plan is activated and all businesses in the area concerned will be required to pay the levy.

The persons entitled to vote, and be liable for the levy, are the ratepayers of non-domestic premises in the Business Improvement District. Properties with a rateable value of less than £5,000 will be excluded from the vote and levy.

The council's Returning Officer will be the ballot holder for the Business Improvement District vote, Northampton Borough Council's Chief Executive Officer, David Kennedy. Details of voting procedures and how you can confirm persons entitled to vote can be found by

contacting the Northampton Returning Officer by telephone on 0300 330 7000 or by emailing elecereg@northampton.gov.uk.

Alteration of arrangements

The Business Improvement District, its boundaries, business plan and the levy percentage cannot be altered without an alteration ballot, although its board can adjust projects and spend as they feel appropriate, provided the basic tenets and budgets are not compromised.

The levy

A levy of 1% of rateable value (RV) is proposed for businesses with an RV of £10,000 or more and a levy of 0.75% of rateable value (RV) is proposed for businesses inside shopping malls with an RV of £10,000 or more which fall within the levy criteria laid down in Section 12. Those businesses which fall within the levy criteria laid down in Section 12 with a rateable value of £5,000 or more and less than a rateable value of £10,000 will have a charge of £100 and £75 if inside a shopping mall.

This levy arrangement will generate around £1.5 million of ring fenced funding over the five year life of the BID and will also be used to lever in additional funds where possible adding a further £125,000 over the life of the BID. This will be used to fund the projects identified in this Business Plan.

Duration

Our proposal is for the Northampton Business Improvement District plan to operate for five years and to commence, on the 1st January 2016. After five years, in 2021, it can be extended or renewed – but only after being subject to a further renewal ballot.

Timescales

Action Point	Action	2015
1	Establish Register of Businesses as specified in BID proposal	End of May
2	Notice by BID Proposer to Billing Authority & Secretary of State of intention to hold ballot (at least 84 days before Ballot Holder requested to hold ballot Action Point 4)	Wed 3 rd June
3	BID Proposer requests Billing Authority to instruct Ballot Holder to hold a Ballot (BID proposals need to be completed)	Wed 26 th Aug
4	Billing Authority formally requests Ballot Holder to hold ballot	Thur 27 th Aug
5	Ballot Holder issues Letter to Business Ratepayers to give information about the ballot and identify named person to receive ballot paper (latest date is 42 days before Ballot Day)	Target date: Thurs 3 rd Sept
6	Ballot Holder publishes Notice of Ballot (latest date = 42 days before ballot day) also to send copy to Secretary of State , a copy of the published notice of ballot, as per Schedule 2 3(d) of the 2004 Business Improvement Districts (England) Regulations	Target date: Thurs 10 th Sept Latest date: Thurs 17 th Sept
7	Ballot Holder Issues ballot papers (at least 28 days before Ballot Day)	Latest Date: Thurs 1 st Oct
8	Last day to appoint a proxy (tenth day before Ballot Day)	Mon 19 th Oct
9	Replacement of lost and spoilt ballot papers (from the fourth working day before the Ballot Day)	From Sat 24 th Oct
10	Ballot Day (up to 5pm)	Thurs 29 th Oct
11	Count and announcement of result	Fri 30 th Oct

It is intended that all businesses in the Northampton Business Improvement District area will benefit from the BID initiatives, regardless of whether they have voted in the ballot or not, or are due to be charged a levy, or not, assuming the ballot is successful.

4. Northampton BID - The first five years

Since 2010, some businesses in Northampton have disappeared but Northampton has not been alone. In that time across the country, over 150 medium to large national retailers have closed over 4,000 shops including familiar names such as Phones 4U and La Senza. Even in the first half of 2014, across the country, store closures outpaced store openings.

Northampton lost the House of Fraser due to challenges in securing a commitment to a long term lease but has been replaced by expanded store formats of Primark and Next in the Grosvenor Centre.

A growing influence of online shopping has led to retailers halting store expansion and we are starting to see the full effects of the digital revolution and consequent change in customer behaviour play out on the high street. Although the rate of growth of online sales is slowing, it still far outstrips store sales growth for most retailers. Fashion retailers were among the hardest hit. This change in the way in which towns and cities are used has resulted in a decline of footfall nationally between 2008 and 2013 of 26%.

Northampton BID was created in the midst of the deep economic recession with businesses coming together to use the BID in a positive way to create a business community and to try to address some of these challenges. The BID was developed from the original town centre partnership and was seen as an extension to the original town centre plan.

Northampton has seen considerable change in the last five years, much of it around the edge and outside the town-centre itself but some has occurred inside the BID area including the new bus station and changes in traffic flow with the re-opening of the middle of Abington Street.

The BID has done many things over the last four years to try and address the experience and perception of the town centre through investing heavily in Northampton in Bloom, PCSO's and events such as the Music Festival. However it is clear, that despite these activities, from the research undertaken for the new BID business plan, the town centre lacks a sense of identity and is losing out to retail parks at the edge of town and even smaller market towns such as Market Harborough as well as the more retail dominated centre of Milton Keynes.

Northampton has strengths including its cultural offer, its heritage, a strong specialist independent retail and leisure offer and a large open air market, but these remain understated and the town centre fails to tap into the opportunity provided by its relatively diverse and wealthy catchment area. Despite considerable investment and drive from the Borough Council, the lack of clarity and vision for the town centre also means that it is not easy to retain the confidence of existing businesses or attract new investors and businesses and develop and build a town centre which is distinctive and economically strong and vibrant.

This time of renewal for the BID provides a new opportunity for businesses to address this challenge and work with the Borough Council to shape the future of the town centre.

The benefits of the new BID

So, what will happen in the next five years?

Over the last year or so there has been a steady improvement in the economic situation globally and nationally. Lifestyles continue to change and influence the way in which we use our time and spend our money. Technology continues to develop and change the way we live, work and use our town and city centres both as individuals and as businesses.

In Northampton, the Borough Council has lead innovative and exciting changes to the town centre and its surrounding area with the Enterprise Zone and new investments appearing in the form of the Railway Station and the Innovation Centre and the Bus Station, the Errol Flynn film house, a new hotel on Albion Street Car Park and plans for the old Vulcan Works to become a centre for Creative Industries in the area being developed as the Cultural Quarter.

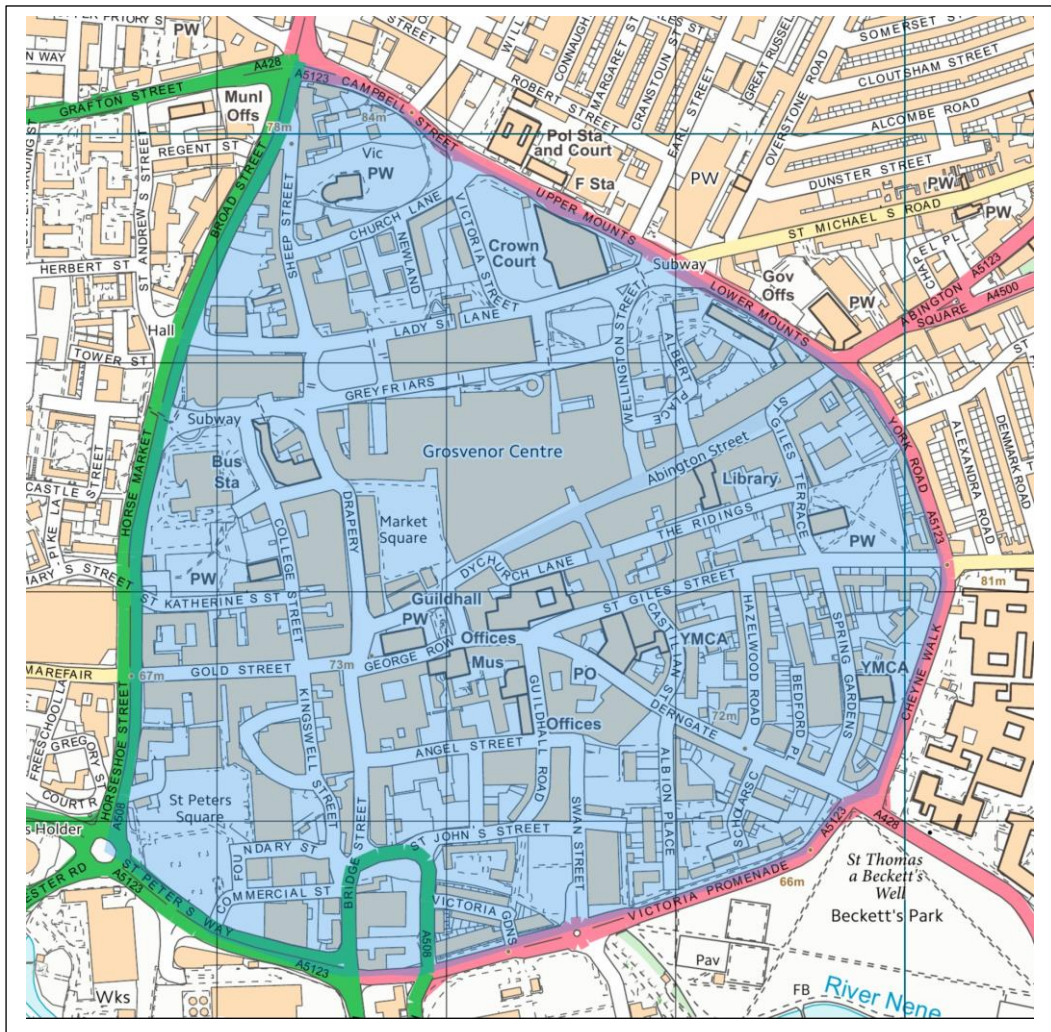
The University has completed the new student accommodation for 460 students in St Johns and the Northamptonshire County Council is well underway with its new offices for 2,000 people in the Cultural Quarter, all helping to secure the use of the town centre for office based employment and the presence of residential customers to enjoy Northampton's cultural, retail and leisure offer.

By 2018, over half the population in at least 500 towns across the country, will be frequent e-commerce users. Nationally, e-commerce already accounts for 16% of all retail sales and will increase by 18% this year against 2014. In the UK sales via mobile phone are rising dramatically, and many retailers are reporting that at least half their on-line sales are now via mobile devices.

We need to think about ways in which we can work together: to create multi-media opportunities for smaller businesses, to develop the profile of the cultural and leisure offer in Northampton, to highlight the heritage of the town centre and create an experience which is unique and distinctively 'Northampton'.

We recognise all these changes within our own businesses and make changes accordingly. However by working together through a Business Improvement District there is even greater potential to face the challenges and take advantage of the new opportunities.

5. Where will the Northampton BID operate?



The shaded area represents the full extent of the Northampton Business Improvement District. A list of roads and streets within the BID area is shown in Appendix 2.

A full list of streets within the BID area is shown in Appendix 2. All non-domestic hereditaments within the BID area will, if the BID is approved, be liable for the BID levy (as defined in section 12). The BID covers those businesses, whose rateable value is £5,000 or greater. Thus banks, building societies, car parks, Council facilities, restaurants, clubs and pubs, estate agents, leisure operators, recruitment agents, retail and health and beauty outlets, solicitors, hotels, museums, the bus station and transport and travel agents and all other non-domestic hereditaments are included within the BID and will, subject to the detailed levy criteria in Section 12, contribute to the BID's collective funding and activities flowing from the combined budget.

The BID area includes any smaller business areas located off these roads or streets that are located within the boundary of the defined BID area and any other road or street in the shaded area illustrated on the map, even if they are not listed in Appendix 2 and will include any new road or street which is developed or created during the life of the BID which is within the shaded area illustrated on the map..

6. Statutory and other services provided by Northampton Borough and Northamptonshire County Councils

Council's Support for Northampton BID

Northampton Borough Council and Northamptonshire County Council fully support the Northampton BID. In particular, they endorse the fundamental principle of additionality within the BID by agreeing to ensure that any change to existing services, due to budgetary constraints from either Council does not disproportionately effect the Northampton BID area. Thus, in line with BID legislation, BID services within the Northampton BID will be additional to (not in substitution for) those provided by both Councils.

The Council's commitment to the Northampton BID and the working relationships between the Northampton Borough Council and Northamptonshire County Council and Northampton BID Company are set out in complementary documents agreed between the Councils and Northampton BID Company.

- Memorandums of Understanding and an Operating Agreement which define the working relationship between the Councils and the BID Company, Northampton Town Centre Ltd and set out the Councils' Operational Support to the BID on a number of specific issues
- A set of statements of existing baselines services, each defining the benchmark for a specific service provided by the Councils and other public authorities to the businesses in the area

Council services for business

Thus businesses will continue to benefit from all the statutory council services provided for the benefit of all stakeholders in Northampton town centre (cleaning, lighting, access, safety and highways maintenance). In addition, the Councils deliver certain discretionary services either directly or indirectly both for businesses in general and for individual businesses. Details of these services are provided on the dedicated business pages of the Councils' web sites.

Individual Baseline Statements

In full support of the above commitments, Heads of Service within the Councils will draw up Baseline Statements on the specific services they are responsible for. These documents define the benchmarks for the provision of these services and how these will be measured.

The Baseline Services are defined below:

- Licensing
- Grounds & Trees Maintenance
- Highways & Lighting Maintenance
- Policing
- Community Safety
- CCTV Monitoring
- Business Crime prevention radio scheme
- Trading Standards
- Environmental Health and Licensing
- Signage
- Parking
- Public Transport
- Roads & Highway Maintenance

- Street Cleansing & Grounds Maintenance (fly posting, graffiti removal, street furniture maintenance, gully emptying)
- Waste Services (waste collection, trade waste)
- Christmas / Festive Lights, Christmas Marketing, Activities & Promotion
- Promotion and Events
- Markets

The process of creating the baseline statements proves valuable to both the service providers and the BID Company. The development of these partnerships and the additional focus on the services provided in the area, will give tangible benefits over and above those derived from the projects outlined below. Also by defining baseline services, it becomes possible to review their delivery, allows the BID to assess the impact upon delivery of its own services on a regular basis and provides an opportunity for the Councils to assess whether their service delivery is effective.

BID legislation requirements for the Councils

The BID regulations also determine that the Northampton Borough Council meets the following obligations:

- Conducting, through the council's Returning Officer, the formal BID vote in accordance with current BID legislation and procedures
- Assuming a positive outcome to the BID vote, collecting the BID levy defined in the BID Business Plan from Northampton businesses and transferring the levy sums direct to the Northampton BID Company. The Council will continue to make a charge for the BID levy collection and will transfer the levy sums to Northampton BID Company within 30 days of collecting it.
- Pay the appropriate BID levy set out in the Business Plan in respect of all its own hereditaments within the Northampton BID area.

The Northampton and Northamptonshire Councils' support for the BID will also take practical shape in the following specific ways:

- Continue to provide a Councillor from the Northampton Borough Council from the Cabinet to sit as a Director on the Northampton Town Centre Ltd Board
- Continue to provide Senior Council Officers to act as advisers to the Northampton Town Centre Ltd Board and to provide a business-focused dynamic link on all BID matters with senior Council staff. .

Monitoring and Review

Both Councils are committed to the regular monitoring of the operation of the BID Operating Agreement and reviewing its effectiveness in conjunction with Northampton BID Company. This will be carried out as follows:

- An annual review of each of the specific services for which a Baseline Statement is shown above. This will be led by the respective Head of Service who will provide an account to Northampton BID Company of how the service commitments have been actually delivered during the period and if necessary update the service levels to reflect the services each will provide in the following year.
- An annual review of the overall effectiveness of the Operating Agreement. This will be led by the Cabinet member with responsibility for the BID and will reflect the Cabinet's commitment to address any shortfalls and propose measures to evolve the partnerships to the mutual benefit of the Councils and Northampton BID Company. These reviews will be scheduled to best effect for the Council's and Northampton BID Company's yearly budgeting cycles.

Monitoring of basic service provision

Both Councils are committed to ensuring that their statutory and discretionary services are delivered to the area for the duration of the BID so that the activities of the BID will be totally additional and complementary. Provision of Baseline Statements will allow the BID Company to regularly appraise the delivery of core services and compare them with the details stated in the statements. From experience elsewhere we know this has an impact on delivery and helps to guarantee that money provided to the authorities via the business rates mechanism is targeted appropriately and well spent. This means that local businesses have some influence over Business Rates investment in their area and the effectiveness of local authority service provision.

7. The Research and Consultation Process

Background

This year has seen extensive research undertaken across a range of stakeholders to ensure that the plan which has emerged has an in depth understanding of the views and aspirations of the businesses in the area as well as an appreciation of the perceptions of those who visit and also work in the area.

Key activities

The research encouraged participation from all businesses across the town centre:

- All businesses (over 800 in number) in the proposed BID area were mailed survey forms and asked to complete them seeking their opinions on a variety of issues.
- All businesses were included in mail shots and publicity including BID newsletters and frequently asked questions.
- Approximately 25% of businesses participated in detailed one to one interviews.
- Besides a launch and information event at the start of the project, there were several open area meetings held for businesses across the town centre to discuss their vision for the Northampton BID and the challenges they have and opportunities they see for developing their business in the town centre.
- Businesses were invited to submit their views via letters, e bulletins and the BID website.
- The Northampton Hosts have promoted and prompted businesses to get involved in the area meetings, the one-one meetings and complete the survey.
- Active participation by business representatives from the Northampton BID Board in all aspects of the development of this plan.

The research also considered key plans and strategies which cover the town centre to inform the activities of the BID business plan.

What were the aims of the research?

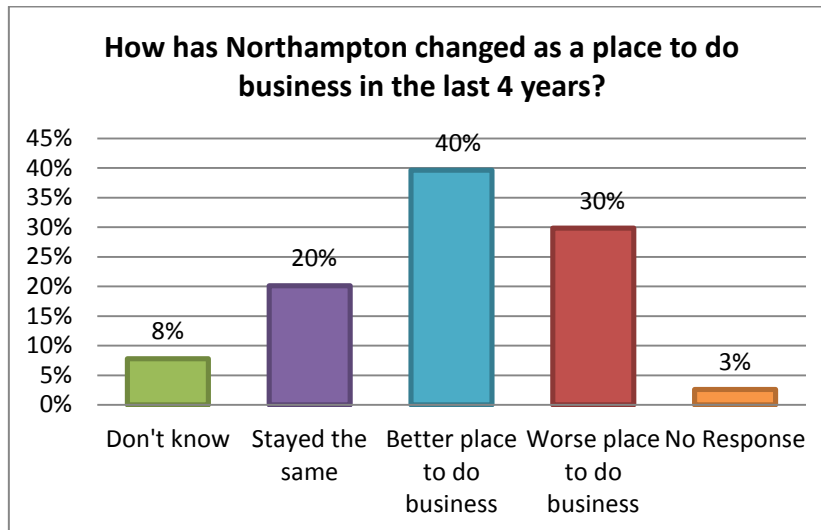
The objective of the research was to:

- Identify the key issues which directly impact upon all businesses in the area across all business sectors and to develop and achieve remedies that help businesses achieve their own internal objectives
- Identify any specific issues and opportunities by area to ensure that impacts on businesses of the different environments were fully appreciated.
- Understand current perceptions of Northampton and identify those issues which would affect how long people stay in the area and how much they might spend and then generate solutions to them.
- The survey form was comprehensive and probing, asking open questions as well as providing quantitative assessment through multiple choice answers and ranking of opportunities and challenges.

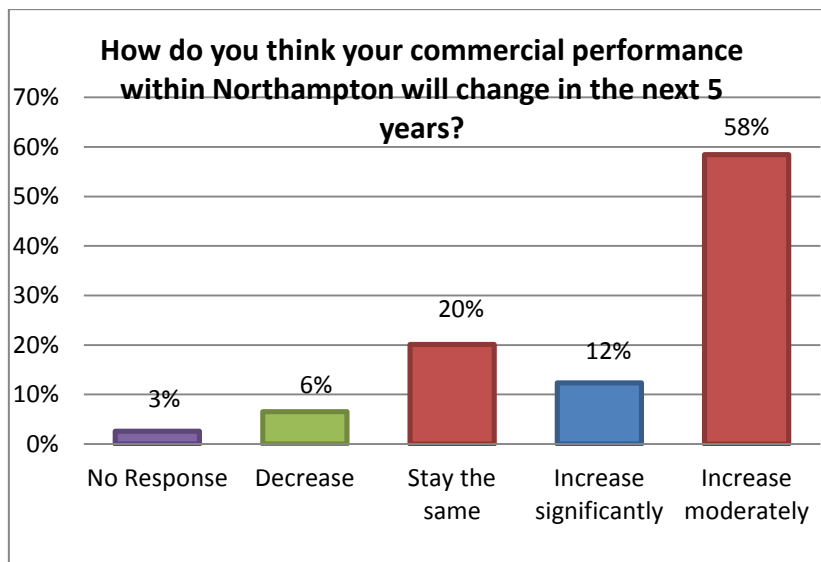
Research results

Business confidence in the town centre

Despite the deep recession and a slow recovery 40% of businesses in Northampton consider that the town centre has become a better place to do business over the last four years with 20% saying that it has stayed the same. Although this is encouraging a third of businesses still say that the town centre has become a worse place to do business.



When asked about their anticipated future trading performance there was a distinct level of confidence about their future in Northampton with 58% of businesses saying that they anticipate a moderate increase in levels of commercial performance over the next five years and 12% saying that they anticipate significant growth.



Developing the town centre's identity and influencing the future

'Developing town centre's identity and branding to attract more visitors' was the most important activity identified by 92% of businesses as having the potential to make the most difference. This was also the aspect of the workshops where there was most discussion and where businesses identified the architecture and heritage, the shoe industry and relationships with the motor industry as being particular aspects of the town centre which should be promoted and developed.

It was clear that there was a lot of passion from the businesses about the town centre but also frustration that the town centre could make more of its assets to attract more visitors, a broader range of demographic profile from the local catchment area and more businesses to the town centre.

The activity ranked seventh in terms of helping existing businesses was 'to provide support to new businesses moving in'. However it was clear through discussion with the businesses when ranking this activity, that they saw this as a way of improving and encouraging a better tenant mix rather than providing direct subsidy or business advice to new businesses. Many businesses expressed a strong view that there should not be support to new businesses which creates an unfair competitive advantage and the support should be more of a facilitation role, aimed at promoting and highlighting vacant property opportunities and targeting particular types of businesses to develop the breadth and depth of the retail and leisure offer in Northampton. This specific activity was ranked the fourth most helpful activity.

This was underlined by the fact that the highest level of all responses to the open question 'what would make the strongest contribution to improving your Northampton's business performance now and in the future' and represented 21% of all responses, relating directly to improving the quality of the tenant mix for retail and leisure in the town centre.

This is supported by key reports and studies over the last few years which are still relevant today. The first by caci in 2008 'Retail Strategy for Northampton Town Centre' which recommended that:

The town's retail needs to develop into a quality centre, with a strong retail circuit, providing opportunities for premium retail niches, specialists and independents alongside exceptional public realm and heritage that will provide Northampton's shoppers an outstanding retail experience throughout the town.

The more recent and updated 2012 report by Roger Tym and Partners' 'West Northamptonshire Retail Capacity' which recommended that:

Support the development of higher order comparison goods floorspace of up to 37,900 sq.m net in Northampton town centre in the period 2016-2026, to meet its qualitative deficiencies to ensure that the centre responds to competition from out of centre floorspace in Northampton and other regional centres. Applications for comparison goods development prior to this period within the town centre should be treated on their individual merits. Improve and develop the retail circuit, ensuring sufficient connectivity and integration between the different elements of the centre.

Although the caci Retail Strategy is potentially considered 'old' but in reality the town centre's retail mix has not moved on since 2009 and if anything it has deteriorated. Therefore there are many principles which still apply and many of the comments made by businesses today reflect the observations and recommendation made by caci.

caci's Retail Strategy made the following observations about implementing its recommendations:

Implementing the Retail Strategy

6.79 Because no single body or organisation has the power to implement the above proposed shopping strategy, implementation will necessitate a very strong partnership approach.

6.80 Implementing change through partnership working involves less top-down direction, but creating reward structure for positive participation. For this reason, the purpose of the

plan is not to prescribe and enforce change, but to provide a basis and rationale for mutually beneficial action.

This has clear resonance with the second and third most important initiatives which businesses identified as making the most difference to their business performance. They were for the BID to: 'Provide a strong collective voice to influence key strategic issues' and to 'Lobby the local authority on proposals/actions which impact on business and trading environment'. It was clear that there were many businesses who felt that their views are not being heard and that the BID should act as a collective voice to influence the local authorities in the way plans are implemented and the town centre is developed.

The Caci Retail Strategy underlines the importance of this view when talking about the implementation of plans and strategies in the town centre it stated that:

6.85 there is a danger that funding is spent in a way that appears to impose change on stakeholders, rather than be applied to schemes that stakeholders pro-actively support. For this reason, it will be important that funding is directed through the TCP, and awarded to schemes that have achieved either sufficient backing from affected stakeholders and/or been proposed by the relevant stakeholders themselves.

The businesses are frustrated as they do not feel that their views have been heard and now that the Town Centre Partnership (TCP) has been dissolved, they see the BID is the route for this. There is clearly a role for the BID to play in working with the local authorities to ensure that the implementation of initiatives both consider existing business views and conform to a commonly supported plan and direction for the town centre.

Developing and promoting the experience

Ranked below the need for vision and involvement by businesses in shaping the future of the town centre were the activities which are needed to develop the sense of identity and manage and change perceptions of the town centre through improving the experience and promoting its assets and strengths.

The initiatives which ranked relatively highly from a business perspective, were the experienced based initiatives and in particular those relating to safety and security. This included the Hosts, the NRCI Rangers, PCSO's, Christmas Wardens and CCTV as key elements in the support of preventing and deterring even low levels of anti-social behaviour and crime which potentially have a detrimental impact upon the visitor experience. In fact the activities relating to crime and safety represented a third of all the top combined activities (i.e. potential new activities and current activities) below the key ones relating to the town centre's identity and influencing the future.

However it was also clear from the workshops that crime is not a general issue but was a challenge in specific areas and businesses were keen to ensure that the general situation of relatively low levels of crime and anti-social behaviour is maintained. It was also a clear view expressed both through the workshops and the surveys that the BID should be working with partners and only adding additional support where needed and not providing the core needs of tackling this issue.

In the workshops, the heritage of the town centre came out as a key aspect of Northampton which should be used to help develop its distinctiveness and identity, in particular, the boot and shoe industry. More than 53% of businesses surveyed said that 'Improving the appearance of derelict, vacant or old buildings' was either important or very important in terms of an activity seen as helping their performance and should be used as an asset in developing the town centre's identity.

Businesses also recognised that the different parts of the town centre have different needs and it was important to ensure that any BID activity took account of these differences and ensured that no-one felt 'left-out'. In turn businesses also expressed the view that these differences were also assets to the town centre as a whole which if developed could contribute to the development of Northampton's identity as a town.

Potential activities ranked by most potential benefit to businesses.	
Developing town's identity and branding to attract more visitors	92%
Provide a strong collective voice to influence key strategic issues	87%
Lobbying local authority on proposals/actions which impact on business and trading environment.	87%
Marketing to target and attract new businesses/ investors	85%
Dedicated website and social media to target more customers/clients	81%
Provide business support for new businesses moving into BID area	77%
Specialist markets	74%
Improve parking experience	73%
Extension of current CCTV monitoring and coverage	66%
More Police Support Daytime	66%
Local networking and initiatives to encourage more local trading	66%
Marketing campaigns for retailers and leisure/hospitality venues	64%
Improved business crime prevention scheme	62%
More events and animation in the streets and open spaces	56%
Improved appearance of derelict, vacant or old buildings	53%
More/improved Christmas/Festive Lights	52%
Improved bus and public transport arrangements	51%
A dedicated press facility for individual business initiatives	49%
Develop loyalty scheme and data capture for businesses	49%
Extra cleaning of the roads and streets	48%
Improved management of streets, market square and open spaces	47%
Business to business marketing campaigns for professional services	44%
Improvements to the condition of roads and footpaths	44%
Improved signage and visitor information	43%
More Police Support Night time	43%
Provide links to training providers for skills development	39%
Exchange of best-working-practice forums, workshops and training	38%
Improved lighting in certain areas	34%

Other initiatives which ranked highly in terms of helping businesses were still experienced based activities which go towards making the town centre look and feel good such as events and markets, Northampton in Bloom, keeping the town centre clean and Christmas lights and trees. However with the businesses had clear views about ensuring that the BID should not be carrying the costs for all of these activities and felt that the BID has a role in influencing partners in targeting the use of their resources in particular ways. In particular this related to policing and cleaning.

The over-riding theme which emerged from discussions with businesses, particularly in the one-to-one meetings, is that marketing and event activities need to be part of a cohesive plan. This clearly has a direct bearing on the need for clear vision and creating a sense of place which was identified as top issues to be addressed. One of the key concerns on all aspects of marketing from businesses was the opportunities to feature and receive support are open and fair to all businesses, all business sectors and parts of the town centre.

8. The BID's response

Following our extensive research three key project areas of the Northampton BID have emerged reflecting the key issues and opportunities identified by the businesses. The activities within each of the project areas have been specifically designed to address and take advantage of these.

The overriding concern from businesses was to ensure that Northampton starts to develop a sense of its own identity and through this raise its profile so that its businesses are recognised much more and the town centre can benefit from the investments already made.

Despite the fact that Northampton has a strong presence of quality specialist independent retail businesses and a solid range of mid-market national chains and a market, the retail profile of the town centre is understated. The BID is well placed to develop this, creating a coherent marketing plan and targeting, in particular those wealthier elements of the local demographic in the catchment area.

Most professional service businesses in the business-to-business market, by their very nature have a market which reaches well beyond any catchment area for a town. It is important therefore to raise the profile of these Northampton businesses at a regional and national level in a targeted and cost effective way. This in turn will benefit all businesses across all sectors being associated with Northampton's values and identity as a town.

Northampton is made up of a number of areas with their own characteristics. The Cultural Quarter is already at a point where it has its own signage and is rapidly building upon its credentials as a recognised centre for culture and leisure, surrounded by specialist retail independents. The Grosvenor Centre has also recently had some refurbishment and there has been investment in the Market Square.

However there is more which can be done to enhance and build these and other areas such as the area around Gold Street which some refer to as part of the Castle Quarter, into even more distinctive parts of the town centre. The BID has a role to play in developing the identity and awareness of these different parts of the town centre all with their own different strengths and experiences. This can be done by both using its collective voice to influence other key stakeholders in the development of these areas and direct delivery of projects as part of a cohesive BID business plan which serves the needs of the businesses in all these areas.

It was clearly evident from the comments and feedback from businesses that Northampton BID as a collective voice now needs to use its success and have more confidence in itself when negotiating and working with partners and other stakeholders in the delivery of its aims and objectives. It should also encourage collaboration between businesses across all sectors and use and build upon the assets of Northampton.

Northampton businesses have considerable confidence in the future. Many have commented that the BID now needs build upon this, working with the businesses to define a new era of collaboration and partnerships which bring benefits and add value to all those associated with Northampton and which could not have been achieved by any one business working on its own.

Your business stands to benefit from these additional projects and activities which have been identified by businesses and visitors to Northampton as crucial to the future of business success in this area.

- to build on the assets of Northampton as a destination and as a place and develop an identity which sets it apart from other towns and cities.
- To increase the awareness of all the different parts of the town centre and encouraging people to explore and discover all that Northampton town centre has to offer
- to encourage growth, development and investment of businesses which complement and build on the strengths of Northampton

How will the delivery be monitored?

Monitoring and measuring the performance and effectiveness of the BID activities is an integral and essential part of the plan. Businesses need to be confident that their levy money is being invested as productively as possible to maximise results.

The effectiveness of the measures undertaken will be gauged by key performance indicators monitored and relevant for each project area, including footfall, customer surveys, business surveys, photographic evidence, car parking usage and retail turnover movement.

9. Vision and Objectives

Assuming a positive BID vote by a majority of businesses by both rateable value and number, BID operations will start on 1st January 2016 and will continue for a total of 5 years.

The Vision

Through this business-led programme of investment the vision is:

‘To develop the town centre into a quality destination with a clear identity, which provides opportunities for good quality retail niches, specialists and independents, which respects and nurtures its professional services, celebrates its attractive, diverse leisure and cultural offer, builds upon the town centre’s heritage and looks to the future.’

Strategic Objectives and Projects

The programme of investment will be delivered through the three strategic objectives and their related projects.

Promotion of Northampton town centre and its businesses

1. To **develop, build awareness and promote, locally and regionally, the identity** of Northampton town centre and the strengths of its different business sectors: retail and health and beauty, culture and leisure and professional services

Develop the Northampton town centre experience

2. To **create a sense of ‘place’** for visitors and people working in the town centre to enjoy

Business Growth and Investment in Northampton town centre

3. To **encourage growth, development and investment of businesses** which complement and build on the strengths of the Northampton town centre.

Objectives, Activities and Results

Objective 1: Promotion of Northampton town centre and its businesses

To **develop, build awareness and promote, locally and regionally, the identity** of Northampton town centre and the strengths of its different business sectors: retail and health and beauty, culture and leisure and professional services

Amount the BID will spend:

An initial budget of £90,000 p.a, increasing to £95,000 by year 5 – a total of £462,000 over five years.

Activities

- a. Work with all stakeholders to define, develop and promote the identity of Northampton town centre which reflects the strengths, characteristics and heritage of the town centre and creates a sense of pride in the town centre by its businesses and local population.
- b. Define, develop and promote the identities of different parts of Northampton town centre which reflect the different strengths and characteristics of each part of the BID area, linked to the development of a common identity for Northampton and aimed at maximising pedestrian flow around and across the whole of the town centre
- c. Develop the use of traditional marketing, PR, digital and social media channels to increase the awareness of Northampton as a town, its business sectors, its events

and all it has to offer, in a way which is consistent with its identity, to visitors and businesses alike.

- d. Develop effective communications between businesses to promote awareness of different issues which may affect trading conditions, opportunities and their immediate environment.
- e. Act as a collective voice and represent business interests with all stakeholders to influence any aspect of marketing and promotion of the town centre and its businesses to ensure that it is in line with the BID business plan objectives.

Retail and Health and Beauty:

- f. Design and coordinate campaigns which focus on key trading periods, highlight the particular strengths of this sector in Northampton and take advantage of new trading opportunities.
- g. Develop promotional schemes for people using the town centre's businesses which captures, market intelligence, develops marketing capability for the businesses and the BID and attracts even more shoppers and clients.

Culture and Leisure

- h. Raise the profile and awareness of the quality and diversity of the culture and leisure economy in Northampton town centre increasing the numbers of visitors enjoying this aspect of the town centre at all times of day, evening and night.
- i. Work with partner organisations to ensure that there is greater integration and coordination between key events and culture and leisure businesses across the town centre to develop the visitor experience and improves benefits to businesses.

Professional Services

- j. Develop specific campaigns to enable the professional service businesses in Northampton to raise their profile locally and regionally and benefit from the association with the Northampton town centre identity.
- k. Create events to support professional service businesses to promote themselves and highlight particular sector strengths to other businesses in Northampton and beyond.

Measures and Results:

- Use of the names of the different parts of the town centre being used by other organisations, businesses and stakeholders in the media and other information about the town centre
- Footfall to the area which is stronger than national high street trends
- Increased occupancy levels in hotels in Northampton
- Increased number of active users of digital media promoting the Northampton and its businesses.
- Increased levels of sales activity across the whole of the town centre
- Positive media exposure locally, regionally and nationally measured through numbers of articles, publications, click-throughs on digital media and value through using advertising value equivalent. (a.v.e)
- Numbers of businesses actively engaged in BID activities and the use of and their association with Northampton in their own marketing and promotion.
- Increased numbers of people visiting Northampton from wealthier postal code districts within the catchment area

Objective 2: Develop the Northampton town centre experience

To create a sense of 'place' for visitors and people working in the town centre to enjoy

Amount the BID will spend:

An initial budget of £107,000 p.a, increasing to £113,000 by year 5 – a total of £550,000 over five years.

Activities

- a. Support and encourage the development and implementation of initiatives which protect and enhance the buildings and other physical attributes of Northampton town centre, in ways which are consistent within the different areas of the town centre and which complement and develop the different characteristics of these areas.
- b. Work with landlords, agents and others to ensure that vacant premises or derelict properties are maintained and presented in a smart and tidy appearance and do not detract from the appeal of the immediate environment.
- c. Work with others to improve pedestrian flow between different parts of the town centre and its businesses through information and improved signage which highlights the characteristics of each part of the town centre and encourages people to explore and make more use of the town centre and all it has to offer
- d. Provide cleaning services where appropriate and only additional to services provided by the local authority, with a focus on targeted street cleaning and deep cleaning.
- e. Where appropriate, support the use of additional floral displays and festive and creative lighting to improve the appearance and vibrancy of the streets and open spaces, in a way which complements and develops the characteristics of each part of the Northampton BID area.
- f. Uniformed day time Hosts to:
 - a. help promote the area, to welcome visitors and provide support for the implementation of events and animation in the streets and open spaces
 - b. support businesses in tackling and communicating issues which affect their business on a day to day basis.
 - c. work closely with the Police and other agencies in tackling antisocial behaviour and crime issues which impact upon the visitor experience
- g. Tackle anti-social behaviour and crime issues which impact upon the visitor experience and affect businesses in certain areas, by working with partners and organisations in the town centre including voluntary organisations, the Police and CCTV.
- h. Work with businesses and other organisations to organise events around the whole of the BID area, to create an animated feel to the town as a whole and build the reputation of Northampton as a great place to be entertained.
- i. Work closely with the Councils and Car Park operators to influence the provision of a 'parking experience' across Northampton for both visitors and those who work in the area, in a way which is commercially sustainable, increases patronage and meets the needs of the town centre's businesses.

- j. Act as a collective voice to constructively represent business interests with all stakeholders in all aspects of development, planning and implementation of any event or initiative which businesses consider will potentially have an impact upon their trading environment.

Measures and Results:

- Increased number of events and street entertainment and a greater perception of things happening measured through surveys of visitors
- Use of the names of the different parts of the town centre being used by other organisations, businesses and stakeholders in the media and other information about the town centre
- Footfall to the area which is stronger than national high street trends
- Increased occupancy levels in hotels in Northampton
- Increased number of locations across Northampton town centre where events and street entertainment can occur.
- Increased numbers of cars using car parks and street parking in Northampton town centre
- Improved perception of the 'parking experience' in Northampton town centre
- Improved perception of attractiveness of the town centre measured through surveys of visitors and those who work in the town centre
- Improved perceptions of visitor and business safety and feeling of welcome.

Objective 3: Business Growth and Investment in Northampton town centre

To **encourage growth, development and investment of businesses** which complement and build on the strengths of Northampton town centre.

Amount the BID will spend:

An initial budget of £40,000 p.a, increasing to £42,000 by year 5 – a total of £205,000 over five years.

Activities

- a. Influence, support and encourage plans and proposals for new buildings, signage, building refurbishments and public realm developments which build upon the town centre's strengths, serve to develop the town centre's identity and complement and develop the characteristics of each part of the Northampton BID area.
- b. Seek to secure funding for a refresh of a retail strategy for the town centre and lead its implementation with partners.
- c. Work with partners, landlords and property agents to market the town centre to potential new retailers and investors in line with recommendations from an updated retail strategy for the town centre.
- d. Work with other organisations to monitor footfall, commercial performance, parking statistics, customer perceptions and other key measures across the Northampton BID area and provide regular reports and performance updates for businesses.

Measures and Results:

- Reduced levels of vacant and derelict properties in Northampton town centre.
- Improved perception of attractiveness of the town centre measured through surveys of visitors and those who work in the town centre
- Numbers of business enquiries through commercial property agents
- Monitoring of footfall and sales performances across Northampton town centre with regular reports and feedback to businesses.

10. Organisation, Resources and Delivery

Northampton Town Centre Ltd is a not for profit BID company, limited by guarantee. It is legally and operationally responsible to the businesses in the BID area for all BID activities and acts on their behalf.

The management structure of the BID is a Board responsible for governance and coordinating activity and delivery and working groups which develop individual projects.

The Board is elected by the members of the Northampton Town Centre Ltd, drawn predominantly from those paying a levy in the area and made up of a representative cross-section of the businesses and stakeholders of the area and key agencies associated with the successful delivery of the BID project. It will be driven by the private sector and includes one Councillor from the Northampton Borough Council as a Director.

The main role of the Board is to safeguard the interests of levy payers by ensuring that the business operates in line with the BID plan, is professional and offers consistent value for money in line with its targets. The Board will ensure that the implementation of the BID will be monitored and delivered cost-effectively, through keeping overheads to a minimum and using methods which will optimise the use of the revenue budget and add real value to the delivery of the plan.

All businesses will be encouraged to be actively involved in the Board and associated working groups to represent the levy payers. Through specific working groups, the Board will be instrumental in prioritising the requirements of the levy payers into deliverable projects which address their needs, within the framework of the business plan.

The Board will continue to provide a consistent, collective and effective voice for the businesses in Northampton town centre on all matters of concern to the levy payers.

The role of 'Director' on the Board and roles on the specific working groups are voluntary and undertaken with a commitment to represent the interests of all businesses in the BID area.

In support of its vision and objectives, the BID will encourage collaboration with all key stakeholders involved in the town centre through a town centre forum. Collaborative working between businesses and other organisation in the town centre will also be encouraged to build upon the sense of the business community and ensure that the skills and resources available for delivery of the BID are enhanced and deliver best value.

There will also be hands-on dedicated Project and Contract Management to support the initiatives from the working groups. This management role will also provide administrative support and project delivery for the BID Company as well coordinating activity with partner organisations and ensuring cost-effective delivery of projects through tendering and careful management of contracts.

The Northampton BID will be annually reviewed and the effectiveness of the measures undertaken will be gauged by Key Performance Indicators for each project area, including footfall, customer surveys, business surveys, photographic evidence, car parking usage and retail turnover movement.

Besides regular newsletters and other forms of bulletins, there will be an annual report providing details on activities and performance of the company against the objectives of the delivery plan for the previous year.

All levy payers shall be entitled to be members of the BID Company. There will be an Annual General Meeting at which all members are invited to attend and vote and at which Directors will be retired by rotation and new Directors elected in accordance with the articles of the company.

11. Northampton BID Budget and Finances

“The first Northampton BID was set up in 2011, at a time when the country was facing its worst recession and Northampton was not alone in facing considerable challenges. Changing lifestyles and increased options for shopping mean that the way in which towns are used continues to change dramatically and quickly. A BID provides the opportunity for businesses to have a real influence on their local environment to ensure that collectively we can take advantage of the new opportunities these changes will bring.

In the next five years we will strive to lever in additional cash funding and value in kind to support the delivery of this plan and add to the investment made by the Northampton businesses through the BID.

We feel that the investment we are seeking from businesses in the BID is modest in relation to what can be achieved. For the smallest business in the Business Improvement District, the daily cost is less than a first class postage stamp and even for a large business the daily cost is less than the price of a single cinema ticket.”

Jessica D'Aulerio
 Director of Tangerine Red
 Chair of the BID Company, Northampton Town Centre Ltd.

With levy bands and a 1% levy, the indicative costs to a business are:

Rateable Value	Annual	This equates to: weekly	This equates to: daily
£4,999 and below	none	none	none
£5,000 to £9,999	£100	£1.92	£0.27
£20,000	£200	£3.85	£0.55
£50,000	£500	£9.62	£1.37
£100,000	£1,000	£19.23	£2.74
£250,000	£2,500	£48.08	£6.85
£500,000	£5,000	£96.15	£13.70

Northampton's BID 5 year Budget: 2016 – 2020

	Year 1	Year 2	Year 3	Year 4	Year 5	Total	% to total
Income							
BID levy revenue (Note 1)	£ 303,094	£ 309,156	£ 315,339	£ 321,646	£ 328,079	£ 1,577,313	92%
Other Income (Note 2)	£ 25,000	£ 25,500	£ 26,010	£ 26,530	£ 27,061	£ 130,101	8%
Total Income	£ 328,094	£ 334,656	£ 341,349	£ 348,176	£ 355,139	£ 1,707,414	100%
Expenditure							
Objective 1 – Promotion of Northampton and its businesses	£ 90,000	£ 91,253	£ 92,532	£ 93,836	£ 95,166	£ 462,787	27%
Objective 2 - Develop the Northampton experience	£ 107,039	£ 108,530	£ 110,050	£ 111,601	£ 113,183	£ 550,403	33%
Objective 3 - Business Growth and Investment in Northampton	£ 40,000	£ 40,557	£ 41,125	£ 41,705	£ 42,296	£ 205,683	12%
Central Management Costs, Administration, Office (Note 3)	£ 66,000	£ 67,320	£ 68,666	£ 70,040	£ 71,441	£ 343,467	20%
Levy Collection costs	£ 9,900	£ 10,098	£ 10,300	£ 10,506	£ 10,716	£ 51,520	3%
Contingency (Note 4)	£ 15,155	£ 15,458	£ 15,767	£ 16,082	£ 16,404	£ 78,866	5%
Total Expenditure	£ 328,094	£ 333,216	£ 338,440	£ 343,770	£ 349,205	£ 1,692,725	100%
Accrual for Renewal (Note 5)	£ -	£ 1,440	£ 2,908	£ 4,406	£ 5,934	£ 14,688	
Notes							
Expenditure by area based upon proportion of levy received from each area							
1 Assumes a 95% collection rate and 2% per annum inflation							
2 Including income from landlords, associate members of the BID and other sources (including in-kind)							
3 Central admin, office and fixed overheads							
4 Calculated as 5% of total levy billed							
5 Accrual retained from levy revenue to provide for costs of renewal of the BID for any additional term, otherwise they will be spent on additional projects in the final year							

Cost of the BID Development

The costs incurred in undertaking the research and developing the BID proposals are being met by the Northampton Town Centre BID. The Northampton Borough Council is meeting the costs of holding the ballot for which we give sincere thanks.

Sources of Additional Funding

The BID Company is committed to seeking additional funding where possible to increase the benefits that can be delivered by the BID to businesses. Other possible income sources will include grants where the criteria matches the aims of the business plan, voluntary contributions from property owners, companies and organisations outside the BID area and those not liable for the levy. It is estimated that this could be around £125,000 over the five year period.

Through discussion, developers, property owners and other stakeholders in the area will be invited to participate in the Business Improvement District and improve delivery against the business plan objectives even further.

Application of BID Funds

The BID funds will be ring-fenced and will be controlled by participating businesses. Details of the BID Company's accountability to businesses are given in Section 13.

The budget headings and the project costs can be altered within the constraints of the revenue received through the levy. The BID Company will be empowered to move funds between budget headings to provide the services which best meet the requirements of the BID area. Such adjustments will be fully accountable to the businesses through the performance monitoring arrangements set out in section 6.

Governance and management of the BID Budget

In order to ensure that the projects remain relevant and continue to address needs and priorities

of the businesses in Northampton during its five year life, the Management Group may from time to time make recommendations to the Board that budget allocations are modified for each of the main projects and the management and administration of the BID.

It will be the responsibility of the Board to assess these recommendations and make adjustments to the allocations of expenditure budget as and when they deem appropriate. It will be the responsibility of the Board to ensure that all the main aims of the BID, stated in section 9, continue to be addressed and that all BID activity contributes towards the achievement of the vision. The Board will also monitor and gauge the effectiveness of the BID operations and activities.

12. BID Levy Criteria for the Northampton BID

Every BID has to establish its own levy rules. Reference has been made to the 'Industry Criteria and Guidance Notes' prepared for the British Retail Consortium (BRC) and the Inter-Bank Rating Forum (IBRF) in developing the rules which will apply to the Northampton BID.

The Northampton BID Company Board has tried to balance the ambitions of businesses in the BID plan against the affordability of the levy and the requirement to ensure that the BID is able to deliver best value.

1. Assuming a positive BID vote by a majority of businesses by number and rateable value (R.V) of those who vote, the BID levy will be charged on all hereditaments listed in the local Non-Domestic Rating List located within the BID area. This applies irrespective of whether or how a business has voted in the formal BID ballot. Legislation within the Local Government Finance Act (2003) enables the local authority to issue a bill for the levy. The levy is collected by the billing authority, Northampton Borough Council. The Northampton BID Company will invoice the billing authority, Northampton Borough Council, for the levy collected for exclusive use of the BID.
2. All businesses which will be subject to the BID will be entitled to vote for the BID proposal in a 28 day postal ballot which will commence on 1st October 2015, with the close of ballot at 5pm on 29th October 2015. The result will be announced the following day or as soon as possible thereafter.
3. If successful at the ballot, the BID will commence operation on 1st January 2016, and will be for a fixed term of 5 years
4. The levy amounts for ratepayers who have business premises which do not fall under the management of a shopping mall or a market and who do not pay service charges to the shopping mall operator or market operator will be applied as follows:
 - a. The BID levy will be 1% of the 2010 rateable value shown on Northampton Borough Council's (the billing authority's) Capita's NNDR billing system as at 1st September 2015 for each defined business within the scope of the BID, with the exception of those premises with a rateable value of less than £10,000 showing on the billing authority's Capita system as at 1st September 2015.
 - b. Ratepayers with a R.V. of less than £10,000 but more than £4,999 will pay a fixed band charge of £100.
 - c. Ratepayers with a R.V. of less than £5,000 will pay nothing for these properties and will not have a vote for these properties although they will enjoy the benefits that come with trading in the BID area
5. The levy amount for ratepayers who have business premises which do fall under the management of a shopping mall operator and who do pay a service charge to the shopping mall operator will be applied as follows:
 - a. The BID levy will be 0.75% of the 2010 rateable value shown on Northampton Borough Council's (the billing authority's) Capita's NNDR billing system as at 1st September 2015 for each defined business (including any premises used and owned by the shopping mall operator for purposes relating to the management of the shopping mall, excluding car parks) within the scope of the BID, with the exception of those premises with a rateable value of less than £10,000 showing on the billing authority's Capita system as at 1st September 2015.

- b. Ratepayers with a R.V. of less than £10,000 but more than £4,999 will pay a fixed band charge of £75.
 - c. Ratepayers with a R.V. of less than £5,000 will pay nothing for these properties and will not have a vote for these properties although they will enjoy the benefits that come with trading in the BID area
6. The levy will be due from businesses who are liable to pay business rates, including empty properties other than those that are exempt within the criteria laid out in Section 12 of this business plan (this section).
 7. The liable person is the ratepayer liable for occupied or unoccupied premises. In accordance with the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (S.I. 1989/1058) and the Non-Domestic Rating (Collection and Enforcement) (Miscellaneous Provisions) Regulations 1989 (S.I. 1989/1060), Northampton Borough Council will be responsible for the imposition, administration, collection, recovery and application of the BID levy. The Council will also be responsible for any enforcement action that may be appropriate in case of non-payment of the levy.
 8. There will be an annual inflationary increase of all levy charges (including fixed band charges) year on year for the duration of the Business Improvement District. This will be a minimum of 2% increase year on year or the inflation percentage as determined by the Consumer Price Index as at the 1st December of the year before the next billing process, whichever is the greater, rounded to the nearest tenth of a penny. (e.g if a levy bill is £200 the inflation applied to this at a level of 2% would be 40p per annum). Negative inflation will not apply. Inflation will not apply for the first full billing cycle in 2016.
 9. The levy will be charged annually in advance, although businesses which cease to have liability for business rates during the year will be entitled to a refund for the remainder of the period, and the new occupier will be charged on a pro-rata basis.
 10. Any changes during the life of the BID will be handled as follows:
 - a. New premises, or properties which were not on the rate valuation list but become subject to rates in the BID area or new streets raised in the BID area after the BID is in force will be expected to pay a BID Levy based on the % or fixed levy charge appropriate in relation to its new/current rateable value
 - b. Where property is split, two or more BID levies should be made on the revised premises from the date of split on the basis of the revised new/current rateable values
 - c. Where premises are merged the BID Levy should be charged at the appropriate % of the revised properties new/current valuation
 - d. Any change of use or ownership (or the creation of a new business within the BID (boundary) will be liable to the levy rate current at the time of the change.
 - e. Adjustments will be made for changes in occupation and if a property is deleted from the rating list and revised bills issued provided that the amount due on charge or refund is £50 or more. The charge or refund amount will be calculated pro rata between the date of the change in occupation and the date of the financial year end.
 - f. No amendments will be made to the rateable value of any property in the BID area as a result of any general or property specific re-valuation within the life of the BID other than for the criteria listed above.
 11. No other relief will be given to any class of non-domestic ratepayer and there is no distinction made between occupied or unoccupied hereditaments, both occupancy status attracting the full BID levy, unless it is a hereditament: -

- a. whose owner is prohibited by law from occupying it or allowing it to be occupied;
- b. which is kept vacant by reason of action taken by or on behalf of the Crown or any local or public authority with a view to prohibiting the occupation of the hereditament or to acquiring it;
- c. which is included in the Schedule of monuments compiled under section 1 of the Ancient Monuments and Archaeological Areas Act 1979(b);
- d. where, in respect of the owner's estate, there subsists a bankruptcy order within the meaning of section 381(2) of the Insolvency Act 1986(c);
- e. whose owner is entitled to possession of the hereditament in his capacity as trustee under a deed of arrangement to which the Deeds of Arrangement Act 1914(d) applies;
- f. whose owner is a company which is subject to a winding-up order made under the Insolvency Act 1986 or which is being wound up voluntarily under that Act;
- g. whose owner is a company in administration within the meaning of paragraph 1 of Schedule B1 to the Insolvency Act 1986 or is subject to an administration order made under the former administration provisions within the meaning of article 3 of the Enterprise Act 2002 (Commencement No. 4 and Transitional Provisions and Savings) Order 2003(e);
- h. whose owner is entitled to possession of the hereditament in his capacity as liquidator by virtue of an order made under section 112 or section 145 of the Insolvency Act 1986.
- i. where it is a place of religious worship, a hostel, a place of refuge or a place of rehabilitation.

in which case the hereditament will be exempt.

12. For clarity a hereditament which is the subject of a building preservation notice within the meaning of the Planning (Listed Buildings and Conservation Areas) Act 1990(a) or is included in a list compiled under section 1 of that Act will be subject to levy unless its use is covered by any of the other exemptions listed in Section 12 of the business plan (this section).
13. The BID levy contribution will not be reassessed if the rateable value is amended after the end of the BID. New or altered properties entered into the valuation list will become liable for the levy from the date they appear in the list.
14. Businesses with a rateable value of less than £5,000 will be exempt from the levy and will not be permitted to vote in the ballot. Any business with an R.V which falls below this will be encouraged to enter into a voluntary arrangement direct with the BID Company so that they can benefit from the full range of services provided by the BID.
15. Any hereditament where the occupier which is a charitable organisation in receipt of 80% mandatory charitable rate relief (awarded under section 43 - part 5 and 6 - of the Local Government Finance Act 1988), except those identified in section 11 i above, will be liable for a levy at 0.5% of their R.V. for all properties of a R.V. of £10,000 or more up to a R.V. of £50,000. Any hereditament where the occupier is a charitable organisation with an R.V of more than £50,000 will only pay a levy calculated on the basis of a R.V of £50,000. Any hereditament where the occupier is a charitable organisation with an R.V of less than £10,000 but of £5,000 or more will pay a fixed band charge, which in year 1 will be £50.
16. The BID financial year will start on 1st April and last for 365 days (366 in a leap year). The BID charge is a daily charge based on rateable value. It is to be paid in full in advance, the payment date being the 1st April of that year. The daily BID levy charge for each individual ratepayer is to be calculated by multiplying its rateable value by the BID

percentage levy or levy charge from either of the fixed bands and dividing the result by the number of days in the financial year.

17. Subject to this criteria stated above and within the BID boundary as defined in this document, the BID levy is a statutorily compulsory payment regardless of whether the business exercised its vote or voted against the BID.

13. Risk analysis

The responsibilities of Northampton Town Centre Ltd

Northampton Town Centre Ltd is a legal entity and a significant business in its own right. It not only has all the attendant risks and responsibilities that go with this but also, subject to the vote in favour of the BID, has a mandate from the businesses in the area to deliver the BID Business Plan. This is a significant responsibility which has an influence over the commercial prosperity of the Northampton town centre, the businesses in the area and their staff who rely upon it for their living.

It is important therefore, to articulate some of the external and internal issues that have a direct bearing on the ability of the Company to trade successfully, as well as highlight the consequences of not adopting the principles of the BID and the benefits that accrue from the delivery of the plan.

BIDs have been proving their worth and commercial value across the UK over the last seven years as effective mechanisms to improve trading environments for all sorts and types of businesses. Where BIDs have reached the end of their first term the majority have seen even greater votes in favor and larger turn-outs than the first time of voting. They are seen as providing businesses with very effective returns on investment. All other towns and cities in the east midlands region now have Business Improvement Districts. Nottingham has just announced that its Leisure and Retail BID will be merged as one, Northampton also has a BID.

BIDs in other places

BIDs have been proving their worth and commercial value across the UK over the last ten years as effective mechanisms to improve trading environments for all sorts and types of businesses. Where BIDs have reached the end of their first term the majority have seen even greater votes in favor and larger turn-outs than the first time of voting. They are seen as providing businesses with very effective returns on investment. Most major towns and cities in the south and east midlands now have Business Improvement Districts. These include Derby's Cathedral Quarter which successfully went through a renewal ballot and started its second BID term two years ago, Derby's St Peters Quarter and Loughborough are about to start their renewal process and Nottingham which had two BIDs merged into one and most recently, Wellingborough and Bedford have both gone through renewal and Luton became a Business Improvement District at the start of this year. The closest BID to Northampton town centre is Brackmills Industrial Estate which went through a renewal last year.

Working with key partners

In order to deliver exceptional value for money within the framework of the aims and objectives of the plan, the BID will work closely with other key stakeholders such as property owners, developers, the Borough and County Councils and the Police. It will seek, wherever possible to influence and shape larger projects to the benefit of its own aims while supporting others to achieve their own objectives.

In working with others, the over-riding principle of the BID should not be compromised i.e that the BID is providing services and benefits additional to those which would have happened if the BID had not been in existence.

Sustainable mechanism for the development of Northampton

The BID is a unique mechanism which combines solid business support with a compulsory payment scheme which creates benefit for all on an equitable basis. It also guarantees constant cash flow to deliver the projects and priorities identified by the businesses. It provides a solid platform for the BID Company to control costs, plan over the longer term and rise to the expectations of its stakeholders.

A contingency is contained within each of the project areas, meaning, that should the income from the additional voluntary contributions fall short of those budgeted for any period, costs can be adjusted accordingly.

In the unlikely event that circumstances beyond the control of the BID Company mean that it fails to bring about the benefits envisaged, the business electorate will have the final say. At the end of the 5 years, if no discernable difference is detected then a vote against renewal can simply “switch off” the BID and with it all business contributions.

There is no plan to rely upon bank or other financial support other than the levy and so there is no prospect of financial insecurity. In any event, the Company will produce regular management accounts and financial forecasts for information of the Board, nominated by the levy payers. Appointed auditors will produce end-of-year accounts, made available to all contributors and the local authority and these will be filed at Companies House in the normal way.

The Company is VAT registered to ensure that the tax can be reclaimed on expenditure. It also benefits from mutual trading status meaning that it is exempt from any Corporation Tax liability.

Final thoughts

“I have been very privileged, over the last five years to work closely with businesses who have had a passion to see Northampton grow and prosper and realise its true potential. There have been challenges along the way as we have tried to represent business interests amidst dramatic economic change and with a business plan which was designed with an eye on the past rather than the future.

This new business plan provides us with a unique opportunity to build upon the work we have done and ensure that the business community plays its part in the creation of a town centre in which we can all be proud.

Business confidence for the future of Northampton is strong. This plan provides us with a clear direction and new exciting era for Northampton. Take this opportunity to play your part and vote YES for this new BID business plan“

Alan Harland
Watts the Furnishers
Director Northampton Town Centre Ltd

Appendices

Appendix 1 – Definitions

- The following terms, used throughout this Proposal document, shall have the same meaning as provided in the Local Government Act 2003 and the Business Improvement Districts (England) Regulations 2004.
- This document is a BID proposal for the purposes of the Act. If approved it will become the BID arrangements which govern the way in which the BID levy can be used.
- “the 2003 Act” means the Local Government Act 2003.
- “the 1988 Act” means the Local Government Finance Act 1988.
- “BID” means Business Improvement District.
- “BID ballot” means a ballot under section 49(1) of the Local Government Act, 2003.
- “BID body” means, the body (whether corporate or not corporate) responsible for the implementation of the arrangements: the Northampton Town Centre Limited.
- “BID proposer” means a person who draws up BID proposals: the Northampton Town Centre Limited. .
- “commencement date” subject to regulation 9(12) of the Business Improvement Districts (England) Regulations 2004, means the day, pursuant to section 53 of the 2003 Act, the BID arrangements are to come into force.
- “hereditament” means anything which is or is treated as being a hereditament by virtue of the provisions of or any provisions made under section 64 of the 1988 Act including any hereditament to which regulation 6 of the Non-Domestic Rating (Miscellaneous Provisions) Regulations 1989 applies but otherwise excluding any hereditament to which regulations made under section 64(3)(b) of the 1988 Act apply.
- “renewal ballot” means a ballot under section 54(2) of the 2003 Act.

Appendix 2 – Streets included in the BID Area

Property - Major St	Definition
Abington Street	
Adelaide Place	
Albert Place	
Albion Place	
Angel Street	
Bedford Pl	Residential at the moment, no businesses
Bradshaw Street	
Bridge Street	from Junction at George Row/Mercers Row/Gold Street up to the A508 / A5123 junction
Broad Street	Town (east) side only
Campbell Square	Town (south) side only
Campbell Street	Town (south) side only
Castilian Street	
Castilian Terrace	
Cheyne Walk	Town (west) side only
Church Lane	
College Street	
Commercial Street	
Derngate	
Dychurch Lane	
Fetter Street	
Fish Street	
Foundry Street	
Gas Street	
George Row	
Gold Street	from Junction with Mercers Row/George Row up to A508 junction
Gold Street Mews	
Greyfriars	
Greyfriars Bus Station	
Greyfriars Car Park	
Grosvenor Shopping Centre	
Guildhall Road	
Hazelwood Road	
Horse Market	Town (east) side only
Horseshoe Street	Town (east) side only
Kingswell Street	
Ladys Lane	
Latymer Ct	Residential at the moment, no businesses
Lower Mounts	Town (south) side only
Market Square	
Market Walk Shopping Centre	
Mercers Row	

Property - Major St	Definition
Newland	Residential at the moment, no businesses
Notre Dame Mews	
Princes Walk	
Scholars Ct	Residential at the moment, no businesses
Sheep Street	
Silver Street	
Spencer Parade	
Spring Gardens	
St Giles Square	
St Giles Street	
St Giles Terrace	
St Johns Street	
St John's Terrace	
St Katherine's Street	
St Katherine's Terrace	
St Peters Square	
St Peter's Walk	Both sides (runs from Gold St to St Peters Square)
St Peters Way	Town (North) side on stretch from Bridge Street to Horse Shoe St / Towcester Road Junction
Swan Street	
The Drapery	
The Parade	
The Ridings Arcade	
Upper Mounts	Town (south) side only
Venton Centre = York Street	
Victoria Gardens	
Victoria Parade	
Victoria Promenade	Town (north) side only
Victoria Street	
Wellington Street	
Wood Hill	
Wood Street	
Woolmonger Street	Residential at the moment, no businesses
York Road	Town (west) side only

The BID area includes any smaller business areas located off these roads that are located within the boundary of the defined BID area and any other road or street in the shaded area illustrated on the map in Section 5 of this proposal, even if they are not listed above and will include any new road or street which is developed or created during the life of the BID which is within the shaded area illustrated on the map in Section 5 of this proposal.

Acknowledgements

The BID Company, Northampton Town Centre Ltd would like to acknowledge the support of the following in preparing this Business Plan:

Northampton Borough Council
Northampton County Council
Northamptonshire Enterprise Partnership
Northamptonshire Constabulary
Partnerships for Better Business Ltd

Further information

For more information about the BID or to discuss any aspect of this business plan please contact Chris Barker by calling 01604 837766 or e mailing on info@northamptonbid.co.uk

Postal Address:

Northampton Town Centre Ltd
Citizens Advice Bureau Offices,
2nd Floor Town Centre House,
7-8 Mercers Row,
Northampton
NN1 2QL

A downloadable copy of this Proposal and Business Plan is available at www.northamptonbid.co.uk

Appendices



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Northamptonshire Climate Change Strategy 2014-2017
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	9 September 2015
Key Decision:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	Customers & Communities
Accountable Cabinet Member:	Cllr Alan Bottwood
Ward(s)	All

1. Purpose

- 1.1 The Northamptonshire Climate Change Strategy 2014 - 17, has been produced. The report highlights the key achievements since the previous strategy was ratified in 2010 and seeks approval of the adoption of the revised strategy {and approval to sign up to the Climate Local Commitment}

2. Recommendations

- 2.1 To adopt the Northamptonshire Climate Change Strategy 2014-2017 including the target of reducing carbon dioxide emission by 4.5% over the period of the strategy.
- 2.2 To sign up to the Climate Local Commitment

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Northamptonshire Climate Change Strategy 2010 – 2014 was ratified by this Council in July 2010.
- 3.1.2 The strategy together with an annual action plan is produced and overseen by the Northamptonshire Climate Change Officers Group which includes representatives from this authority.
- 3.1.3 The document has been refreshed to cover the period 2014-2017.
- 3.1.4 Key achievements since the original strategy was adopted include a reduction in carbon dioxide emissions of 20% per capita across the county and 26% per capita in Northampton.
- 3.1.5 The strategy and action plan provide a framework for coordinated action to raise issues of climate change, reduce emissions of greenhouse gases and plan for and adapt to the impacts of climate change.
- 3.1.6 The strategy outlines work that has been carried out over the past four years. These include, training events for planning officers to improve awareness of the threats posed by climate change and how appropriate adaptations can be embedded in planning policy and work carried out by the Northamptonshire Warm Homes Partnership to improve energy efficiency in dwellings.
- 3.1.7 The strategy highlights the LGA Climate Local initiative under which local authorities make a formal commitment to addressing climate change.

3.2 Issues

- 3.2.1 The refreshed strategy contains a new target for reduction of carbon dioxide emissions of 4.5% over the three year period covered by the strategy, this is in line with national targets. In adopting the strategy the Council would commit itself to working towards this target within its own operations and by promoting action to reduce greenhouse gas emissions across the borough.
- 3.2.2 In signing up to the Climate Local Initiative the Council makes commitments to set, publish and regularly refresh locally owned and determined commitments to reduce carbon emission, and to share learning from our experiences and achievements with other councils.
- 3.2.3 Exceptional weather events over the last few years have highlighted awareness of climate change and the need for adaptations and mitigations to address it.

3.3 Choices (Options)

3.3.1 The Council can choose whether or not to ratify the climate change strategy and in doing so accept the targets for reducing carbon dioxide emissions in the Borough.

3.3.2 The Council can choose whether or not to sign up to Climate Local

4. Implications (including financial implications)

4.1 Policy

4.1.1 The commitments are in line with existing policy.

4.2 Resources and Risk

4.2.1 The officer time required to participate in the initiatives will be met within existing resources.

4.2.2 Further reductions in carbon dioxide emissions within the Council's estate should reduce energy costs.

4.3 Legal

4.3.1 There are none

4.4 Equality and Health

4.4.1 The approach outlined in the report has a potentially positive impact on health and inequalities.

4.5 Consultees (Internal and External)

4.5.1 Planning and Regeneration, Housing, Finance and Legal

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The proposals have a positive impact in respect to making every £ go further, better homes for the future and promoting health and wellbeing,

5. Background Papers

5.1 Northamptonshire Climate Change Strategy 2014 – 17

5.2 Climate Local <http://www.local.gov.uk/climate-local>

Ruth Austen Environmental Health and Licensing Manager Ext 7794

**Northamptonshire
Climate Change Strategy
2014 – 2017
Final**

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Executive Summary

A Northamptonshire Climate Change Strategy for 2010-2014 was adopted in April 2010. This document provides a review of what has been achieved over the last four years and refreshes the strategy for another three years. This report aims to be a working document that can stand-alone but references the original 2010-2014 strategy document as necessary rather than replicating or replacing it.

The implementation of the strategy is overseen by the Northamptonshire Climate Change Officers Group (NCCOG) and this final draft has been prepared following discussion of a first draft at the NCCOG meeting in February 2014 and the incorporation of feedback from this meeting and further feedback from members of the group.

This strategy has been formally endorsed by the Northamptonshire Local Nature Partnership and is due to be endorsed by the Northamptonshire Leadership Group in 2015, due to the reduction in the number of times they now meet annually. An action plan for the next year (2014-2015) will also be developed.

The intention is to continue the strategy for a further three years in much the same way as before since the 2010-2014 strategy has provided an effective framework for the co-ordination of activities in the county. In particular, the Climate Change Strategy Action Plans have been successfully delivered each year over the past four years, with over 95% of actions within each year's Action Plans implemented as intended.

There has also been clear progress in the reduction of carbon dioxide emissions in the county, with an almost 14% reduction in total emissions between 2005 and 2013 or a 20% reduction in per capita emissions. This exceeds the target set of an 8.9% in per capita emissions that was set in the 2010-2014 strategy. This update for 2014-2017 proposes a target of a further reduction in emissions of 1.5% per year (or 4.5% over the three years of the strategy) to match and support the national targets for reducing emissions.

Progress on adaptation to climate change is less clear but there is no doubt that there is now much more awareness of the need for adaptation. Some minor changes to the structure of the strategy have been made to match more closely the headings used in the National Adaptation Programme.

1. Introduction

1.1. The 2010-2014 strategy

The Northamptonshire Climate Change Strategy for 2010-2014 set the framework for action by members of the Northamptonshire Partnership to:

- Raise awareness of the issues of climate change and its impact on Northamptonshire;
- Reduce greenhouse gas emissions across the county; and
- Plan for and adapt to the predicted impacts of climate change.

The strategy was prepared through the auspices of the Northamptonshire Climate Change Officers Group (NCCOG), which reported via the EnvironMEANT Group to the former Regeneration and Growth Board (see Appendix One for NCCOG membership). It was endorsed in May 2010 by the Public Service Board, together with the first year Action Plan for 2010-11.

In order to implement the Strategy, annual Action Plans detailing the various activities to be undertaken by partners over each forthcoming year were developed. The actions, which follow the headings used in the Strategy, are all funded/resourced and highlight the 'lead organisation' for each activity. These annual Action Plans provide the framework for monitoring and capturing the various activities being undertaken to tackle the causes and effects of climate change. They are actively monitored on a quarterly basis via NCCOG with progress on actions assessed using a RAG rating.

The Northamptonshire Climate Change Strategy for 2010-2014 was adopted in April 2010 and it has been successful in supporting the implementation of a range of actions in the county over the past four years. Therefore it is intended that the Strategy should be updated and refreshed so that it can continue for a further three years from 2014 – 2017.

This document provides a review of what has been achieved over the past four years and updates the Strategy to reflect the changes in the national and local context and the developments in the understanding of the impacts of climate change that have occurred since 2010.

1.2. Changes in the local and national context since 2010

Reporting on the Climate Change Strategy is now through the Northamptonshire Local Nature Partnership (LNP) to the Northamptonshire Leadership Group (who will need to endorse this strategy update). The LNP has replaced the former EnvironMEANT Group which was formed as part of the countywide response to delivering the Northamptonshire Sustainable Community Strategy and the associated Local Area Agreement (LAA) environment targets. The LNP brings together the work of NCCOG with elements of the Local Flood Risk Operational Group, the Biodiversity Partnership and Local Wildlife Sites group.

There have also been changes to the way that local authorities are required to report on data to central government. The LAAs and National Indicators around which the targets for the 2010-2014

Climate Change Strategy were set have been replaced by a 'Single Data Set'¹. Although the reporting requirements have been reduced, the Single Data Set still includes:

- The need for local authorities to report on reducing greenhouse gas emissions from their own buildings and operations (former NI 185),
- Local nature conservation/biodiversity management (former NI 197),
- The government is also still issuing per capita CO₂ emission data (former NI 186) so this can still be used for monitoring progress of the strategy, and
- Government has retained the power to instruct local authorities to report on adaptation under the Climate Change Act 2008 (former NI 188).

Thus, although there are no longer any LAA targets to refer to, it is still intended to use national targets as the basis of the Climate Change Strategy, with consideration given to the implications if the national targets are adopted locally rather than setting any specific local targets.

1.3. Developments in the understanding of the impacts of climate change since 2010

A series of exceptional weather patterns in the UK over the last four years, including periods of unusually cold, dry and wet weather, have led to an increased perception that we are already experiencing aspects of climate change in this country. This in turn has led to more of a focus on the need to adapt to climate change as well to mitigate the impacts through the reduction of greenhouse gas emissions.

A hundred potential impacts of climate change in the UK were identified in a climate change risk assessment carried out in 2012, following which the government has adopted a National Adaptation Programme (NAP).

¹ The Single Data List is a list of all the data that local authorities are required to submit to central government departments in a given year - <https://www.gov.uk/government/publications/single-data-list>

2. The national context

2.1. Central government policy

Despite some controversy regarding conflicting short term priorities (e.g. the affordability of domestic fuel bills), central government policy on climate change remains clear, with respect to both the need to significantly reduce carbon dioxide emissions and the need to adapt to the consequences of climate change.

2.2. Greenhouse gas emission targets

The overall national target for the UK's greenhouse gas emissions is an 80% reduction compared to the 1990 baseline to be achieved by 2050. This is a legally binding target established by the 2008 Climate Change Act. Intermediate targets towards this have been set for a 34% reduction to be achieved by 2020 and a 50% reduction by 2027.

Actions to achieve this target through the development of a 'low carbon economy' and a series of 5-year carbon budgets are set out in the Carbon Plan².

Current initiatives to support progress towards these targets include:

- Participation in the EU Emissions Trading Scheme, which covers energy-intensive industrial installations and the aviation industry.
- Supporting the increasing use of renewable energy generation at large and small scale, including through Feed in Tariffs and the Renewable Heat Incentive.
- The introduction of the Green Deal to provide loans for energy efficiency improvements to domestic and non-domestic buildings, as well as the Energy Company Obligation to fund domestic energy efficiency improvement measures.
- Further reductions to the maximum emissions from new buildings through changes to Part L of the Building Regulations implemented in April 2014.
- The installation of 'smart meters' to facilitate the monitoring of energy consumption.
- The CRC Energy Efficiency Scheme and Climate Change Agreements.
- Salix finance for energy efficiency improvements by public sector organisations.
- Supporting the increasing use of biofuels for transport and electric vehicles.
- Action to reduce greenhouse gas emissions from agriculture, which are primarily nitrous oxide (from fertiliser use) and methane.

The Committee on Climate Change provides independent advice to government on the implementation of the Climate Change Act 2008 and their website is a useful source of accessible data on UK emissions broken down by sector³.

² <https://www.gov.uk/government/publications/the-carbon-plan-reducing-greenhouse-gas-emissions--2>

³ www.theccc.org.uk

2.3. The National Adaptation Programme

Following the completion of a climate change risk assessment in 2012, which identified 100 potential impacts of climate change in the UK, the government has adopted a National Adaptation Programme (NAP). This sets out what government and others are doing to become more 'climate ready' and identifies potential benefits of climate change as well as costs and other adverse implications.

The National Adaptation Programme⁴ has 7 key headings:

- Built Environment
- Infrastructure
- Healthy and Resilient Communities
- Agriculture and Forestry
- Natural Environment
- Business
- Local Government

The Northamptonshire Climate Change Strategy 2010-2014 used five headings in the adaptation section:

- There were no specific sections on Infrastructure or Healthy and Resilient Communities.
- There was one section on Biodiversity, Agriculture and the Natural Environment (which has been split into two in the NAP).
- There was a specific section on Flood Risk Management (whereas in the NAP, flood risk is considered as a key 'focus area' in most of the sections).

In order to be consistent, it is proposed that the updated Northamptonshire Climate Change Strategy should adopt revised headings for the adaptation section and action plan that more closely match those in the NAP. This is discussed further in section 6 of this report.

2.4. National initiatives

There are two national initiatives that partners in the county are participating in – Climate UK and Climate Local.

Climate UK⁵ co-ordinates and promotes local climate action across the UK, offering support to local authorities, businesses and communities to respond effectively to the challenges posed by climate change. It is a network constituting all of the climate change partnerships across the UK, including Climate East Midlands, through which Northamptonshire County Council (NCC) and other partners in the county contribute.

⁴ Full details of the NAP can be found at <https://www.gov.uk/government/publications/adapting-to-climate-change-national-adaptation-programme>

⁵ www.climateuk.net

Climate Local⁶ is a new initiative promoted by the Local Government Association to support local authorities' efforts to reduce greenhouse gas emissions and to adapt to climate change. It has superseded the Nottingham Declaration on Climate Change that many local authorities were signed up to. Daventry District Council has been a signatory to Climate Local since December 2012 with Corby Borough Council becoming a signatory in June 2014. Other district/borough Councils in the county are considering going through this process as well.

⁶ http://www.local.gov.uk/the-lga-and-climate-change/-/journal_content/56/10180/3574359/ARTICLE

3. The local context

3.1. Changes to local strategies and commitments

The Northamptonshire Local Nature Partnership has been established to rationalise the number of existing 'environment' based groupings operating in the county and provide a coherent framework to ensure the remaining groups can work effectively together. This has brought together the work of NCCOG, elements of the Local Flood Risk Operational Group, the Biodiversity Partnership and Local Wildlife Sites group.

The LNP aims to help the local area to manage the natural environment as a system and to embed its value in local decisions for the benefit of nature, people and the economy. It is a strategic partnership of a broad range of local organisations, businesses and people with the credibility to work with and influence other local strategic decision makers.

The Climate Change Strategy has also led to an increasing focus on planning for adaptation in the county. A series of training events for planners have been held to ensure that planning officials in Northamptonshire (NCC, districts and boroughs and the Joint Planning Units (JPUs)) are aware of and planning for the threats posed by climate change.

The Northamptonshire Home Energy Efficiency Partnership is now known as Northamptonshire Warm Homes, with its main focus being to reduce fuel poverty and improve home energy efficiency.

Following the implementation of the Flood and Water Management Act 2010, the County Council has also now become the Lead Local Flood Authority⁷. This means that NCC is responsible for developing, maintaining and applying a strategy for local flood risk management in the county and for maintaining a register of flood risk assets. They also have lead responsibility for managing the risk of flooding from surface water, groundwater and ordinary watercourses.

3.2. Report on what has been achieved since 2010

The following is a summary of the high level achievements:

- **The Climate Change Strategy Action Plan has been successfully delivered** each year over the past four years, with over 95% of actions within each year's Action Plans implemented as intended.
- Work on Environment has been **acknowledged by Northamptonshire Leadership Group**.
- **LAA targets for reduction in CO₂ emissions for the county have been exceeded**. The per capita emissions in Northamptonshire (former NI186) have decreased by 21.1% over the six year period from 2005 to 2011. (Analysis of the latest available emissions data is included in section 5 below).

⁷ For further information on this, see: <https://www.gov.uk/flood-risk-management-information-for-flood-risk-management-authorities-asset-owners-and-local-authorities>

- **Level FOUR of the former indicator NI 188** has been achieved. Northants Authorities were **first in the UK** to submit their self-assessment adaptation matrix to central government.
- Further improvements in the Biodiversity indicator have been achieved working in partnership with the Wildlife Trust, with **37% of local wildlife sites in active management** in 2013 (from a baseline of 22% in 2008-9).
- Funding has been secured through partnership bids to establish the **River Nene Nature Improvement Area** and the **Local Nature Partnership for Northamptonshire**.
- Various local and regional events have been delivered, including a successful **‘Peer Learning’ regional event** to share our approach to climate change and carbon and energy matters; and an **East Midlands Conference on ‘Allowable Solutions’**.
- The **Local Flood Risk Management Strategy** has been finalised and endorsed and approved by EDT Scrutiny Committee on the 11th September 2013 and by Cabinet on the 8th October 2013.
- The **DEFRA Community Resilience Pathfinder Scheme**⁸ is under way with the implementation stage starting in January 2014. This scheme provides funding for innovative community responses to increase flood resilience.
- NCC re-certified with the **Carbon Trust Standard**, valid from 01/04/2013 to 31/03/2015, following the achievement of an absolute carbon footprint reduction of 18% from 01/04/2011 to 31/03/2013⁹.
- NCC’s Energy and Carbon Management Team has gained **ISO50001 Energy Management Certification** from 10/10/2014 to 09/10/2017.

3.3. East Midlands Regional Climate Change Partnership

Northamptonshire County Council and other partners from the county are actively participating in Climate East Midlands, the publically funded regional climate change partnership that is implementing a Regional Programme of Action: ‘Tackling Climate Change in the East Midlands’.

3.4. Local climate change impact

The UK Climate Impact Programme, UKCIP, continues to disseminate information on the impacts of climate change based on the predicted changes in the climatic system in UKCP 09, which is still the latest available source of climate predictions.

⁸ <https://www.gov.uk/government/publications/flood-resilience-community-pathfinder-scheme-prospectus>

⁹ <http://www.northamptonshire.gov.uk/en/councilservices/environ/carbon/pages/default.aspx>

The Local Climate Impacts Profile (LCLIP) for Northamptonshire that is referred to in the 2010-2014 Climate Change Strategy is also still applicable and has not been updated.

4. Awareness of the issue of climate change

The need to raise awareness about climate change cuts across every area of the Strategy and for this reason it was highlighted within a specific section in the 2010-2014 strategy document.

A 'Greener Northants' website¹⁰ has been set up by the LNP to promote green behaviours and issues to everyone in the county and the projects being run by the partners. It was officially launched at the Northamptonshire Local Nature Partnership's Inaugural Annual Conference on 9th October 2013 at the University of Northampton. The website provides information on local projects, news and events and policies, guidance and strategies. There is also a dedicated Twitter feed @greennorthants.

A number of events and workshops have been held in the county with the aim of raising awareness of the issues of climate change and sustainability. Examples of these have included:

A Local Nature Partnership conference designed to outline the key themes and priorities of the LNP was held on 09/10/13. This was attended by over 250 delegates and speakers included the Director of Public Health and the Bishop of Peterborough.

An Allowable Solutions 'Nearer to Zero' event was held in July 2013 and September 2014 to support the development of a county-wide policy to support the utilisation of funding that may become available from this source.

A number of workshops on energy efficiency and climate change were delivered to farmers and landowners in 2012-13 by Groundwork, EA and NFU.

With regard to raising awareness through education settings, the Northamptonshire County Council Waste & Energy Education Team (NWEET)¹¹ has been working with approximately 24 schools across the county to increase recycling and improve energy efficiency through the EU funded ZECOS Project. This has led to the installation of biomass boilers in 3 schools, exemplar sustainability case studies and the appointment of a Schools Resource Efficiency Officer.

Activities to raise awareness need to be continued over the next three years and a range of factsheets are being planned to target different audiences with information about climate change and what they can do.

Over the next three years, there is also the opportunity to raise the awareness of landlords of properties (in the domestic and non-domestic sectors) that are not energy efficient that forthcoming legislation is likely to require them to carry out improvements. From April 2016, landlords should not be able to unreasonably refuse requests from their tenants for consent to energy efficiency

¹⁰ <http://www.greenernorthants.org>

¹¹ <http://www.wasteandenergyeducation.co.uk/>

improvements, where financial support is available, such as the Green Deal and/or the Energy Company Obligation (ECO). From April 2018, all private rented properties should be brought up to a minimum energy efficiency standard rating, likely to be set at EPC rating “E”. This legislation will support the achievement of carbon reduction targets as well as reducing energy costs for tenants.

5. Reducing greenhouse gas emissions

5.1. Trends in emissions data

Local authority carbon dioxide emissions are now published annually by DECC¹², with the latest available data relating to 2013 together with revised figures for each year since 2005. Note that two sets of these figures are published – a full data set and a reduced set showing just emissions within the scope of influence of local authorities. It is data from the latter that is quoted below since these correspond to the former NI186 data that was used for the original strategy. The main difference between these is that transport emissions are much lower in the latter set.

Figure 1 below shows the percentage breakdown of the CO₂ emissions by sector in Northamptonshire in 2005 and 2013. This shows that Northamptonshire's industry and commerce sector produces the greatest proportion of the county's CO₂ emissions (37% in 2013). There has also been an increase in the proportion due to transport of 1% over the eight year period while the proportion due to the industry and commercial sector has fallen by 1%.

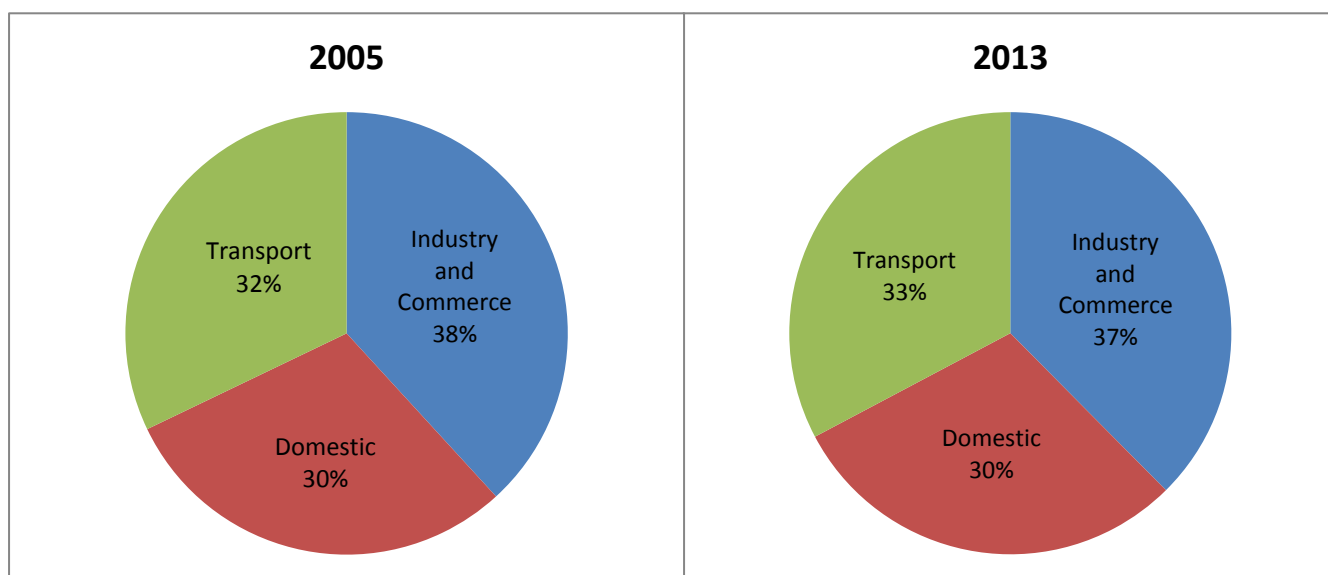


Figure 1: CO₂ emissions by sector in Northamptonshire

However, looking at the actual consumption figures between 2005 and 2013 in Figure 2, the overall trend is a gradual reduction in all sectors with the exception of 2010 and 2012, where the higher emissions are likely to be due to the exceptionally cold months at the beginning and end of that year.

¹² <https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-2013>

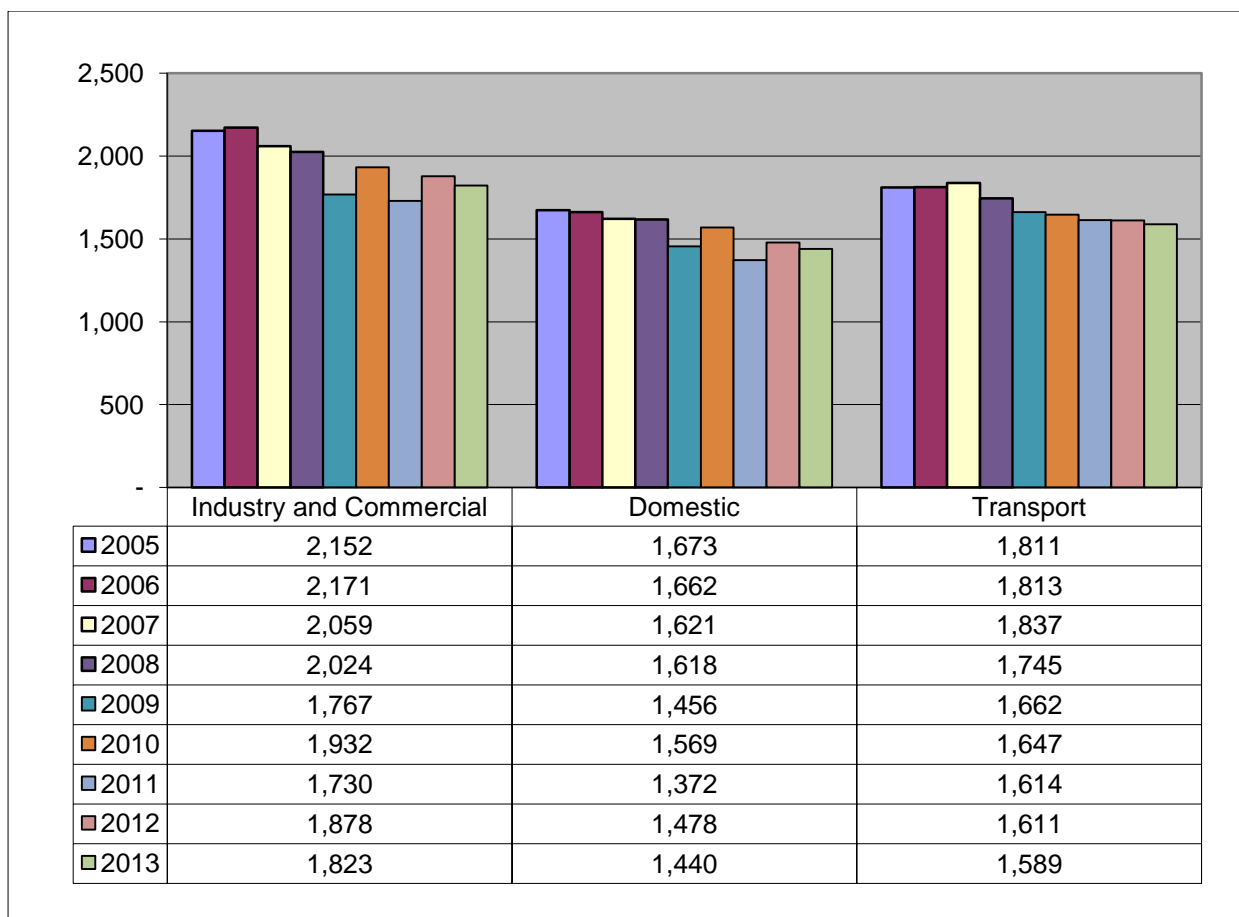


Figure 2: CO₂ emission trend per sector in Northamptonshire (units: kilotonnes of CO₂ p.a.)

Therefore emissions are falling in all sectors but more slowly in the transport sector (a reduction of just over 12% compared to 14% in the domestic sector and 15% in industry and commercial). Overall the reduction in total emissions is just under 14%.

	Northamptonshire			England
	Total emissions (kT p.a.)	Population (thousands)	Per capita emissions	Per capita emissions
2005	5,636	654.4	8.6	7.2
2006	5,646	663.6	8.5	7.1
2007	5,517	672.1	8.2	6.9
2008	5,387	678.3	7.9	6.7
2009	4,885	683.4	7.1	6.0
2010	5,148	687.9	7.5	6.3
2011	4,717	693.9	6.8	5.7
2012	4,967	700.6	7.1	5.9
2013	4,851	706.6	6.9	5.7

Table 1: Total CO₂ emissions and per capita Northamptonshire vs. England

The figures in Table 1 show that the per capita emissions in Northamptonshire have decreased by 20.3% over this eight year period – this is higher than the decrease in total emissions due to an 8% increase in the population.

For England as a whole, there has been a similar decrease in the per capita emissions from 7.2 to 5.7 tonnes per year (a decrease of 20.8%). Northamptonshire is thus slightly above the national average in terms of per capita emissions.

The 2010-2014 Climate Change Strategy included a target, initially set through the Local Area Agreement, of an 8.9% reduction in CO₂ emissions per capita for this period. The above data suggests that this target has been substantially exceeded.

While the percentage decreases in the emissions for the county have been similar to those for England as whole, there have been significant differences between the decreases in the local authority areas within the county. The following table summarises the reductions in each district/borough:

	2005 emissions (kT)	2013 emissions (kT)	Percentage reduction
Corby	695.1	593.8	14.6%
Daventry	810.8	706.1	12.9%
East Northants	658.9	563.1	14.5%
Kettering	752.4	709.4	5.7%
Northampton	1,391.2	1,133.1	18.5%
South Northants	738.0	648.9	12.1%
Wellingborough	589.5	497.0	15.7%
Northamptonshire	5,635.8	4,851.4	13.9%

Table 2: Total emissions by local authority area

These figures indicate that there have been greater percentage reductions in Northampton and Wellingborough in particular and lower reductions in Kettering. However, these differences appear to be primarily due to the respective changes in the Industry and Commercial sector in these areas, which probably reflect changes in economic activity levels rather than investment in measures designed to achieve reductions in emissions.

When the emissions for each local authority area are expressed as per capita (see table 3 below), a slightly different pattern emerges due to differing rates of increase in the population, with Corby closely followed by Northampton experiencing the greatest percentage reductions (both over a 25% reduction over this eight year period).

	2005 per capita emissions (T)	2013 per capita emissions (T)	Percentage reduction
Corby	12.8	9.2	27.5%
Daventry	10.7	9.0	16.1%
East Northants	8.0	6.4	20.4%
Kettering	8.7	7.4	14.7%
Northampton	7.1	5.2	26.0%
South Northants	8.7	7.4	14.7%
Wellingborough	8.0	6.5	17.9%
Northamptonshire	8.6	6.9	20.3%

Table 3: Per capita emissions by local authority area

A table providing full details of the breakdown of total and per capita emissions by local authority area and by sector is provided in Appendix 2.

5.2. Other local achievements in climate change mitigation

The NCC Energy & Carbon Management team (E&CM) were the first local authority shortlisted for an award at the Energy Awards 2012 (jointly with one of our contactors M&C Energy Group). The E&CM team's achievements include reduced energy bills for NCC as a result of their approach to energy procurement and solar PV installations to schools, fire stations and libraries.

Northamptonshire County Council has been awarded the Carbon Trust Standard – for successfully measuring, managing and improving carbon efficiency across all operations, including schools, by a further 18 per cent. This award is the highest recognition of achievement the county council can gain regarding carbon management and actual carbon reduction. In the last two years the authority has honed its energy efficiency strategies to cut carbon emissions by another 15,812 tonnes of CO₂. These carbon reductions have been achieved by three key strategies:

- The street lights switch off and implementation of the street lighting PFI programme
- The rationalisation of the council's office and other non-school property estate.
- The continued investment in energy efficiency works in schools and other council buildings.

The ZECOS project has been implemented, which aims to reduce carbon emissions in three communities across Northamptonshire (Oundle, Braunston and Crick and Long Buckby). A series of community engagement events are underway to try to work with the public to develop schemes that will meet this aim, including energy efficiency and renewable generation projects.

Northamptonshire Warm Homes (NWH)¹³ has co-ordinated a number of fuel poverty projects including:

'Wrapped Up' – Emergency thermal improvements for householders in fuel poverty or with health problems that are likely to be exacerbated by a cold home. Primarily targeted at those over 70.

NCC WHPP project – Debt and energy efficiency advice to those in fuel poverty, delivered by Community Law. Targeting of assistance is to be based on data purchased from the Energy Savings Trust.

DECC Fuel Poverty Project – Full funding for insulation and heating improvement measures for those in fuel poverty as determined by a questionnaire (not necessarily requiring receipt of benefits) and others at risk including those over 70, with health problems, off gas or in private rented homes.

¹³ <http://www.northantwarmhomes.com/>

NWH are also promoting the availability of financial assistance through ECO and the Green Deal, collective fuel switching and oil buying syndicates in rural areas. There are also further schemes planned by individual boroughs/districts, e.g. Wellingborough BC's partnership with Yorkshire Energy Partnership (YEP) and its contractor Cosyseal Ltd to offer residents in the Borough free energy efficiency measures under ECO obligations from March 2014.

In the business and public sectors, there has been ongoing work with Investors in the Environment (IIE) to assist SMEs in the county to become more resource efficient, saving carbon and money.

Implementation of the Northants Transport Plan to ensure that more focus is given to behaviour change to achieve carbon reduction through modal shift, and an increased emphasis on low carbon fuels.

Northamptonshire Waste Partnership (NWP) has implemented a Waste Strategy and Action Plan (2012-16) to continue to engage with NCCOG to help reduce CO₂ by reducing, reusing and recycling waste. NCC is also aiming to divert 25% of waste from landfill by 2015/16 through the Residual Waste Project.

KierWSP, who run the Northamptonshire Highways contract, are implementing a Sustainability Action Plan in relation to this contract. The key performance indicator for this is the reduction in carbon footprint based on fuel (including red diesel), electricity, gas (where available), water (excluding Towcester) and waste to landfill. A 47.9% reduction was reported for 2011/12 compared to the baseline year of 2008/09.

A range of partnership projects have been implemented that are aiming to support increasing low and zero carbon energy use, including the promotion of the Renewable Heat Incentive, community energy schemes and opportunities to use waste heat and anaerobic digestion. There are also plans for solar parks in Corby, an energy efficiency park in Kettering and an alliance with British Gas on solar pv initiatives.

5.3. Implications of national emissions targets over 2014 – 2017

It is proposed that any targets set for Northamptonshire should be set in line with the national targets. The government's Carbon Plan defines targets in terms of 5 year carbon budgets, i.e. total emissions over 5 years with a total of 3,018 MtCO₂e for 2008 – 2012 and 2,782 MtCO₂e for 2013 – 2017. This corresponds to a 7.82% reduction over 5 years or an average of a 1.56% reduction each year. It is therefore suggested that the 2014-2017 should also aim for reductions in the emissions in the county of 1.5% per year or 4.5% over the 3 years.

Based on the 2013 data reported above, a reduction of 1.5% per year corresponds to the following reduction in emissions for each sector:

- Industry and commerce - about 27,300 tonnes per year reduction
- Domestic - about 21,600 tonnes per year reduction
- Transport – about 23,800 tonnes per year reduction

It is acknowledged that a large proportion of these reductions will be the result of the local implementation of national schemes such as Feed-in-Tariffs, the Renewable Heat Incentive and Green Deal and (in the domestic sector) the Energy Company Obligation (ECO). However, the actions associated with this Climate Change Strategy will support the uptake of these schemes within the county and also seek to support the development of community energy projects in line with the aims of the government's recently published Community Energy Strategy¹⁴.

However there is increasing investment in renewable electricity generation in the county, e.g. Wellingborough BC has approved solar photovoltaic installations on both buildings and land that they own.

It should also be noted that one of the key ways to reduce emissions is to support the development of alternative, low carbon energy sources of heat. In particular, opportunities will be sought to promote the use of wood fuel, especially in rural areas, and to encourage the establishment of district heating networks where these may be viable.

¹⁴ <https://www.gov.uk/government/publications/community-energy-strategy>

6. Adaptation to the impacts of climate change

6.1. Revised headings related to adaptation

It was decided that the adaptation section of the Strategy should be restructured so that the five headings more closely match the seven key headings used in the National Adaptation Programme. The main implications of this are that Flood Risk Management has been absorbed into a new section entitled 'Healthy and Resilient Communities' and that 'Infrastructure' has been specifically included with the Built Environment.

The key achievements and current initiatives relating to adaptation are summarised under the revised headings below.

In the case of adaptation in particular, it is intended that we will work closely with the Environment Agency (EA) to implement local initiatives to improve climate resilience and to draw on the resources available via the EA's 'Climate Ready'¹⁵ service to support decision making in this area.

6.1.1. Built Environment and Infrastructure

(Previously Built Environment)

The Planning Authorities' Development Plan documents have been reviewed to ensure policies are effective in encouraging sustainable construction and adaptation, including the next steps towards what will be needed in 50-100 years and the promotion of Northamptonshire as a sustainable and pro-active county. Surface water management plans will also be required for new developments.

A number of Green Infrastructure projects have been implemented in the county, including effective implementation of Sustainable Drainage Systems (SuDS) as part of NCC's new role as the Lead Local Flood Authority, working with KierWSP (the contractor working in partnership with the County Council to maintain and improve the highways infrastructure), working with the districts to increase the number of street trees in the county and exploring opportunities for large scale woodland creation in planned sustainable urban extensions.

6.1.2. Healthy and Resilient Communities

(Previously combined with Natural Environment, now includes Flood Risk Management)

The **Local Flood Risk Management Strategy**¹⁶ has been finalised and was endorsed and approved by EDT Scrutiny Committee on the 11th September 2013 before being finally approved by NCC Cabinet on the 8th October 2013.

The **Northampton Surface Water Management Plan** (SWMP) is now complete and four further SWMPs (for South Northants, Daventry District, East Northants and Wellingborough) have commenced.

¹⁵ <http://www.environment-agency.gov.uk/research/137559.aspx>

¹⁶ <http://www.northamptonshire.gov.uk/en/councilservices/Environ/flood/Pages/Strategy.aspx>

Flood Risk Management Plans (FRMP): NCC is one of only three Lead Local Flood Authorities that have supported the Environment Agency with the development of the ‘mock-up of a draft FRMP’. These new plans are a legal requirement under the Flood Risk Regulations (2009) and must be in place by April 2015¹⁷.

A process and formal protocol for the reporting and investigation of flooding incidents has also been developed.

Northamptonshire is proud to be one of 13 **Pathfinder Projects** funded by DEFRA exploring how to support communities to improve their flood resilience. The Northamptonshire Pathfinder Project sets out to provide information about community flood resilience through an online toolkit detailing ‘how to’ information on the actions residents, businesses and communities can take to improve their flood resilience. The toolkit is being developed throughout 2014 and will be available on the Northamptonshire County Council website.

The impact of climate change on health also needs to be considered. In particular, extreme weather conditions such as heat waves, severe cold snaps and flooding present challenges to delivery of health services as well as introducing new risks to health. The Sustainable Development Unit is funded by the NHS to promote sustainability across the public health and social care system. They have developed a toolkit - “Under the Weather - Adapting to a changing climate”¹⁸ - to support Health and Wellbeing boards, and others; and ensure organisations and communities are prepared for the impact of climate change.

6.1.3. Natural Environment, Agriculture and Forestry

(Previously Biodiversity, Agriculture and the Natural Environment)

The **Towards a Naturally Resilient Northamptonshire Strategy** has been implemented to promote the use of natural interventions to adapt to the likely impacts of climate change.

Nene Valley has become a Nature Improvement Area (NIA). Partners ranging from the Wildlife Trust, RSPB, Environment Agency, Joint Planning Units, River Nene Regional Park, as well as the County Council received approximately £700k funding from DEFRA over three years (2012-2015) to work with landowners and partners to restore habitats along the River Nene. This funding is part of an £11m overall project and investment in the Nene Valley.

The annual **Northamptonshire Tree Planting Scheme**, delivered in conjunction with the Woodland Trust, has resulted in over **125,000 trees being planted in schools, communities and farms** across Northamptonshire since 2012.

There has also been the **development of new Guidance on Highway Tree Planting**, helping to encourage tree planting on new and existing developments, as well as a trial of a slow/low growing climate resilient grass seed mix for the county verges to help reduce maintenance costs and help in adapting to a changing climate.

¹⁷ http://a0768b4a8a31e106d8b0-50dc802554eb38a24458b98ff72d550b.r19.cf3.rackcdn.com/LIT_8650_2787bc.pdf

¹⁸ <http://www.sduhealth.org.uk/areas-of-focus/community-resilience.aspx>

Biodiversity in the county has improved, with the percentage of Local Wildlife Sites in positive management (formerly NI 197) up to **37% in 2013**; up from 22% in 2008/9.

An event on soil management is being planned with the NFU to replicate similar events that have been successful in Derbyshire/Leicestershire.

The Nene Catchment Partnership¹⁹ (between Natural England, the Environment Agency and RNRP) has been running since 2009 with the aim of promoting Catchment Sensitive Farming. This is land management that minimises pollution of watercourses through an arrangement of measures such as appropriate management of the use of fertilisers and pesticides and promoting good soil structure and rain infiltration. This is consistent with the Defra Catchment Based Approach²⁰ to improve the quality of our water environment, which was launched across the whole of England in June 2013 after an initial pilot phase in 2012. It also offers the opportunity for integrated delivery of NAP objectives and associated Green Infrastructure.

The agriculture and forestry theme will become more of a focus for EA and Climate East Midlands over the next year, which may lead to further initiatives in this area.

6.1.4. Business, Industry and Commerce

(Previously Industry and Commerce)

Business and supply chain resilience is high on the agendas of many of the partners involved in the climate change strategy.

Targeted support is available for 'Business Continuity' to businesses in Northamptonshire that are most sensitive to the impacts of climate change to help them take adaptive action, continuing the work being carried out by Climate East Midlands with funding from the EA. This has included a number of workshops being held across the county for businesses and organisations on business resilience and adapting to the impacts of severe weather. More of these events will be arranged, specifically targeting areas that have suffered from flooding in the past.

The Environment Agency are providing guidance (via the Climate Ready Support Service) on identifying new risks and opportunities within a supply chain and working out how to increase business resilience by making targeted changes to chain operations. 'Assessing and managing climate change risks in supply chains'²¹ provides a five step framework to help businesses understand and manage the risks that extreme weather and our changing climate pose to the increasingly complex supply chains of UK companies.

Business Resilience Healthchecks can be carried out online via the Climate East Midlands website²².

¹⁹ <http://www.riverneneregionalpark.org/default.asp?PageID=286&n=RNRP+Project+CSF>

²⁰ <https://www.gov.uk/government/publications/catchment-based-approach-improving-the-quality-of-our-water-environment>

²¹ <http://www.environment-agency.gov.uk/research/137639.aspx>

²² <http://www.climate-em.org.uk/resources/item/business-resilience-healthcheck/>

6.1.5. Local Government and Public Services

(Previously Public Services)

‘Planning to adapt’ activities will continue to be embedded into public sector processes, practices and policies through:

- A dedicated post to progress this via an EM led programme.
- Implementation of Environment Agency supported guidance and tools that are being produced to support Local Authorities.
- Local Authority Climate Adaptation Indicator Project.

7. Implementation 2014-2017

The Strategy will continue to be implemented by NCCOG in association with a range of partners as relevant for each activity. In addition there are a number of groups that focus on specific areas of the Strategy (e.g. NCCOG, Northamptonshire Home Energy Efficiency Partnership, Northamptonshire Biodiversity Partnership and many others) to ensure that the actions are taken forward and that objectives and targets are met.

Each year, the Strategy will be supported by an Action Plan that covers each area of the Strategy and provides additional information about what we will do and the measures we will use to track our progress and the targets that we have set ourselves. The actions, which will follow the headings used in the Strategy, will highlight the 'lead organisation' for each activity and be funded/resourced appropriately.

These annual Action Plans will provide the framework for monitoring and capturing the various activities being undertaken to tackle the causes and effects of climate change. They will be actively monitored at the quarterly NCCOG meetings with progress on actions assessed using a RAG rating.

The Action Plan will be reviewed at the end of each financial year and a further Action Plan will be developed for the following year, along with an annual progress report for the Northamptonshire Leadership Group. Targets will also be reviewed regularly to ensure that they are consistent with the evolving science and any changes to related national or regional strategies.

Appendices

Appendix 1 – Northamptonshire Climate Change Officer Group (NCCOG) – Membership

Appendix 2 – Summary of emissions by local authority area

Appendix 1 – Northamptonshire Climate Change Officer Group (NCCOG) Membership

- Northamptonshire County Council
- Corby Borough Council
- Daventry District Council
- East Northamptonshire Council
- Kettering Borough Council
- Northampton Borough Council
- South Northamptonshire Council
- Borough of Wellingborough Council
- Northamptonshire Police
- Northamptonshire NHS
- University of Northampton
- Climate East Midlands
- Environment Agency
- Northamptonshire Enterprise Partnership
- Northamptonshire Chamber
- Groundwork Trust
- Northamptonshire ACRE
- North Northants Joint Planning Unit
- West Northants Joint Planning Unit
- Northamptonshire Waste Partnership
- Northants Warm Homes (Formerly Northamptonshire Housing Energy Efficiency Partnership)
- MG-WSP
- Electric Corby

Appendix 2 – Summary of emissions by local authority area

Local Authority Area	Year	Industry and Commercial Total (kT)	Domestic Total (kT)	Transport Total (kT)	Grand Total Emissions (kT)	Population ('000s)	Industry and Commercial Per Capita (T)	Domestic Per Capita (T)	Transport Per Capita (T)	Grand Total Per Capita Emissions (T)
Corby	2005	461.9	139.0	94.1	695.1	54.5	8.5	2.6	1.7	12.8
	2006	459.5	138.5	92.6	690.6	55.4	8.3	2.5	1.7	12.5
	2007	440.5	134.7	92.8	668.0	56.8	7.8	2.4	1.6	11.8
	2008	424.4	134.4	88.6	647.4	57.9	7.3	2.3	1.5	11.2
	2009	366.1	122.6	85.9	574.6	59.0	6.2	2.1	1.5	9.7
	2010	413.0	133.3	85.6	631.8	60.1	6.9	2.2	1.4	10.5
	2011	358.8	117.3	84.0	560.0	61.6	5.8	1.9	1.4	9.1
	2012	385.3	125.1	82.9	593.3	63.1	6.1	2.0	1.3	9.4
	2013	387.3	124.0	82.5	593.8	64.2	6.0	1.9	1.3	9.2
Percentage change		-16.2%	-10.8%	-12.3%	-14.6%	17.8%	-28.8%	-24.3%	-25.6%	-27.5%
Daventry	2005	280.6	204.1	326.1	810.8	75.7	3.7	2.7	4.3	10.7
	2006	283.5	204.0	328.7	816.2	76.5	3.7	2.7	4.3	10.7
	2007	268.3	198.3	337.6	804.1	77.0	3.5	2.6	4.4	10.4
	2008	260.5	197.9	313.6	772.0	77.1	3.4	2.6	4.1	10.0
	2009	241.7	179.5	296.9	718.2	77.7	3.1	2.3	3.8	9.2
	2010	267.8	192.4	295.2	755.3	77.7	3.4	2.5	3.8	9.7
	2011	242.2	168.5	294.9	705.6	78.1	3.1	2.2	3.8	9.0
	2012	241.4	180.8	296.1	718.3	78.3	3.1	2.3	3.8	9.2
	2013	242.0	174.6	289.5	706.1	78.6	3.1	2.2	3.7	9.0
Percentage change		-13.8%	-14.5%	-11.2%	-12.9%	3.8%	-16.9%	-17.6%	-14.4%	-16.1%

Local Authority Area	Year	Industry and Commercial Total (kT)	Domestic Total (kT)	Transport Total (kT)	Grand Total Emissions (kT)	Population ('000s)	Industry and Commercial Per Capita (T)	Domestic Per Capita (T)	Transport Per Capita (T)	Grand Total Per Capita Emissions (T)
East Northamptonshire	2005	167.6	210.2	281.1	658.9	81.9	2.0	2.6	3.4	8.0
	2006	171.7	210.4	278.0	660.1	83.3	2.1	2.5	3.3	7.9
	2007	162.4	206.7	280.7	649.8	84.8	1.9	2.4	3.3	7.7
	2008	156.1	204.3	267.7	628.2	85.6	1.8	2.4	3.1	7.3
	2009	140.3	185.7	256.5	582.5	85.9	1.6	2.2	3.0	6.8
	2010	155.1	200.6	251.1	606.8	86.3	1.8	2.3	2.9	7.0
	2011	139.4	175.0	246.5	560.8	86.9	1.6	2.0	2.8	6.5
	2012	146.2	189.1	248.0	583.2	87.4	1.7	2.2	2.8	6.7
	2013	135.2	183.3	244.7	563.1	88.0	1.5	2.1	2.8	6.4
Percentage change		-19.4%	-12.8%	-13.0%	-14.5%	7.4%	-24.9%	-18.8%	-19.0%	-20.4%
Kettering	2005	220.8	223.9	307.7	752.4	86.6	2.5	2.6	3.6	8.7
	2006	240.7	223.2	318.3	782.2	88.0	2.7	2.5	3.6	8.9
	2007	221.8	217.1	324.9	763.8	89.9	2.5	2.4	3.6	8.5
	2008	221.5	217.1	309.3	747.9	91.2	2.4	2.4	3.4	8.2
	2009	192.7	195.9	286.1	674.8	92.1	2.1	2.1	3.1	7.3
	2010	239.3	212.0	289.6	740.8	92.9	2.6	2.3	3.1	8.0
	2011	220.2	185.1	284.0	689.4	93.8	2.3	2.0	3.0	7.3
	2012	231.3	199.5	281.5	712.4	94.8	2.4	2.1	3.0	7.5
	2013	235.4	194.9	279.1	709.4	95.7	2.5	2.0	2.9	7.4
Percentage change		6.6%	-13.0%	-9.3%	-5.7%	10.6%	-3.6%	-21.3%	-18.0%	-14.7%

Local Authority Area	Year	Industry and Commercial Total (kT)	Domestic Total (kT)	Transport Total (kT)	Grand Total Emissions (kT)	Population ('000s)	Industry and Commercial Per Capita (T)	Domestic Per Capita (T)	Transport Per Capita (T)	Grand Total Per Capita Emissions (T)
Northampton	2005	585.7	490.8	314.7	1,391.2	196.8	3.0	2.5	1.6	7.1
	2006	578.3	482.4	313.6	1,374.3	200.4	2.9	2.4	1.6	6.9
	2007	546.7	469.8	313.7	1,330.2	203.0	2.7	2.3	1.5	6.6
	2008	547.9	470.1	302.1	1,320.1	205.6	2.7	2.3	1.5	6.4
	2009	449.7	419.0	290.0	1,158.6	207.9	2.2	2.0	1.4	5.6
	2010	466.6	451.0	285.3	1,203.0	210.1	2.2	2.1	1.4	5.7
	2011	425.9	393.4	276.9	1,096.2	212.5	2.0	1.9	1.3	5.2
	2012	485.7	425.2	273.9	1,184.8	214.6	2.3	2.0	1.3	5.5
	2013	446.5	415.0	271.7	1,133.1	216.7	2.1	1.9	1.3	5.2
Percentage change		-23.8%	-15.4%	-13.7%	-18.5%	10.1%	-30.8%	-23.2%	-21.6%	-26.0%
South Northamptonshire	2005	214.6	223.7	299.7	738.0	84.9	2.5	2.6	3.5	8.7
	2006	213.3	224.5	296.9	734.8	85.5	2.5	2.6	3.5	8.6
	2007	201.3	221.0	301.2	723.5	85.9	2.3	2.6	3.5	8.4
	2008	203.0	220.5	286.5	710.0	85.8	2.4	2.6	3.3	8.3
	2009	189.4	197.8	270.0	657.2	85.7	2.2	2.3	3.2	7.7
	2010	197.2	213.2	267.1	677.5	85.6	2.3	2.5	3.1	7.9
	2011	178.5	187.8	262.7	629.0	85.4	2.1	2.2	3.1	7.4
	2012	199.1	201.2	263.2	663.4	86.4	2.3	2.3	3.0	7.7
	2013	193.5	195.6	259.8	648.9	87.5	2.2	2.2	3.0	7.4
Percentage change		-9.8%	-12.6%	-13.3%	-12.1%	3.0%	-12.5%	-15.2%	-15.9%	-14.7%

Local Authority Area	Year	Industry and Commercial Total (kT)	Domestic Total (kT)	Transport Total (kT)	Grand Total Emissions (kT)	Population ('000s, mid-year estimate)	Industry and Commercial Per Capita (T)	Domestic Per Capita (T)	Transport Per Capita (T)	Grand Total Per Capita Emissions (T)
Wellingborough	2005	221.2	181.1	187.1	589.5	74.0	3.0	2.4	2.5	8.0
	2006	224.4	178.7	185.0	588.1	74.5	3.0	2.4	2.5	7.9
	2007	218.3	173.5	186.1	577.9	74.7	2.9	2.3	2.5	7.7
	2008	210.9	173.5	177.3	561.6	75.1	2.8	2.3	2.4	7.5
	2009	187.3	155.5	176.7	519.5	75.1	2.5	2.1	2.4	6.9
	2010	192.9	166.6	173.3	532.7	75.2	2.6	2.2	2.3	7.1
	2011	165.4	145.1	165.3	475.7	75.6	2.2	1.9	2.2	6.3
	2012	189.4	156.8	165.5	511.8	76.1	2.5	2.1	2.2	6.7
	2013	182.8	152.5	161.8	497.0	76.0	2.4	2.0	2.1	6.5
Percentage change		-17.4%	-15.8%	-13.6%	-15.7%	2.6%	-19.5%	-18.0%	-15.8%	-17.9%
Northamptonshire Total	2005	2,152.4	1,672.9	1,810.5	5,635.8	654.4	3.3	2.6	2.8	8.6
	2006	2,171.4	1,661.7	1,813.1	5,646.2	663.6	3.3	2.5	2.7	8.5
	2007	2,059.2	1,621.1	1,836.9	5,517.2	672.1	3.1	2.4	2.7	8.2
	2008	2,024.2	1,617.8	1,745.1	5,387.1	678.3	3.0	2.4	2.6	7.9
	2009	1,767.2	1,456.0	1,662.1	4,885.4	683.4	2.6	2.1	2.4	7.1
	2010	1,931.9	1,569.0	1,647.1	5,147.9	687.9	2.8	2.3	2.4	7.5
	2011	1,730.4	1,372.0	1,614.2	4,716.7	693.9	2.5	2.0	2.3	6.8
	2012	1,878.4	1,477.7	1,611.2	4,967.2	700.6	2.7	2.1	2.3	7.1
	2013	1,822.6	1,439.8	1,589.1	4,851.4	706.6	2.6	2.0	2.2	6.9
Percentage change		-15.3%	-13.9%	-12.2%	-13.9%	8.0%	-21.6%	-20.3%	-18.7%	-20.3%

Appendices:
4



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Finance (to 31 July) and Performance Report to 30 June 2015
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	9th September 2015
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Directorate:	Management Board
Accountable Cabinet Member:	Cllr M Hallam
Ward(s)	N/A

1 Purpose

- 1.1 The purpose of this report is to assist Cabinet in monitoring the delivery of the Corporate Plan within the agreed capital and revenue budgets for the General Fund (GF) and Housing Revenue Account (HRA).
- 1.2 To inform Cabinet of the latest forecast outturn position for the Council's capital programme for 2015-16 and changes to the Programme approved under delegated powers

2 Recommendations

- 2.1 That Cabinet reviews the contents of the report and appendices, and identifies actions to be taken to address any issues arising from it.
- 2.2 That Cabinet note the changes to the 2015-16 General Fund Capital Programme as detailed in Appendix 3.

- 2.3 The Cabinet approve the purchase of a Strategic Acquisition within the Enterprise Zone reported in paragraph 3.5.2
- 2.4 That Cabinet approve the re-phasing of capital budgets for the Dallington New Build scheme in the HRA Capital Programme.

3 Issues and Choices

3.1 Report Background

- 3.1.1 This report presents the Council's key financial and performance exceptions for the year to date, together with changes in the revenue budget and capital programme. It further highlights any emerging issues as identified by service managers.
- 3.1.2 The report also brings forward any capital appraisals and variations for noting and approval.
- 3.1.3 The report takes into consideration the progress of key projects being delivered across the Council, achievement against performance indicators and financial/resource information.
- 3.1.4 Portfolio holders receive detailed information on specific measures monitoring the Corporate Plan within their individual portfolios.

3.2 Exceptions





3.2.1 Performance Exceptions on Corporate Plan Priorities


This section of the report highlights those measures that are under (▲) or over (●) performing by corporate priority against their profiled monthly targets. Appendix 1 provides further detail of the issues and actions being taken by relevant service areas.

YOUR TOWN: RED KPIS				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
ESC01n Total bins/boxes missed in period (M)	Environment	▲	1,078	350
In comparison to May 15 there is over 100 cases increase - Operations can confirm that on two occasions in June the garden service was not able to complete due to vehicle issues, so back up was deployed on Sundays to clear the back log. This would have pushed the figures up, as well as increases in the number of Jus outside of KPI. It is however a positive to see that of all the cases, only 1 remained outstanding by month end compared to previous months, this is the lowest it has been in a long while.				
ESC02 % missed bins corrected within 24hrs of notification (M)	Environment	▲	62.71%	98.00%
May 2015 has decreased from previous month in terms of number JUS put right within target by 2%, but has a higher number of cases, so overall still within overall KPI target.				
ESC04 % household waste recycled and composted (NI192) (M)	Environment	▲	44.22%	48.00%
The month of June sees a percentage increase of 0.20% of KG's sent for recycling, reuse and composting in comparison to May 15. The best performing stream is green waste which has seen an increase of 1.21% in tonnages. The worst performing stream is paper which has decreased slightly.				

MPE01 No. of new businesses locating on NWEZ (Q)	Regeneration, Enterprise & Planning	▲	2	5
Although the profile is below target at the moment, it is anticipated that it will be met throughout the year.				
MPE02 No. of new jobs created on NWEZ (Q)	Regeneration, Enterprise & Planning	▲	25	200
Over 1000 jobs have already been created in the Enterprise Zone and the current target in this financial year will be achieved.				
PP17 % victims/witnesses satisfied with Anti-Social support service (Q)	Community Safety	▲	50.00%	95.00%
During Q1 of 2015/16 there were a total of 3 victims/witnesses involved in cases closed with the Anti-Social Behaviour Unit. Of these, 2 could be contacted for feedback and 1 of these was satisfied with the support and contact they had received.				
The victim/witness who didn't provide a positive response was concerned about the criminal matters that the ASBU case was linked to rather than the support they had received from the unit itself.				

YOUR TOWN: BLUE KPIS				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
CH10 No. of unique visits to Museum Pages (M)	Community Engagement	●	16,741	10,700
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	Environment	●	1.33%	5.00%
NI157a % Major Planning applications determined in 13 weeks or agreed extension (M)	Regeneration, Enterprise & Planning	●	100.00%	80.00%
NI157b % of 'minor' planning apps determined within 8 weeks or agreed extension (M)	Regeneration, Enterprise & Planning	●	100.00%	95.00%
PP22 % Hackney Carriage and private hire vehicles inspected which comply with regulations (M)	Community Safety	●	81.25%	70.00%
TCO05n Town Centre footfall (Q)	Regeneration, Enterprise & Planning	●	3,710,504	3,500,000

YOU: RED KPIS				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
HML05 Total no. of people sleeping rough on the streets (A)	Housing		19	12
Of the 19 people observed, 12 were Eastern European with no recourse so very limited housing options are available.				
HML07 Number of households that are prevented from becoming homeless (M)	Housing		38	183
Although the figures for prevention is up marginally on the previous period, the service needs to really drive this forward. There are a range of initiatives being developed at present to enable this to happen successfully therefore improvement should be seen relatively quickly in this area.				
IG03 % FOI/EIR cases responded to within 20 working days (M)	Leader		93.80%	95.00%
Four cases were over the 20 day limit due to issues collating the information required. The worst case was 26 days. (75/79)				
LT01 Total Visits to Leisure Centres (M)	Community Engagement		243,938	267,830
Poor selection of films available for hire by Leisure Trust meant cinema figures were down.				

YOU: BLUE KPIS				
Measure ID & Name	Portfolio	Performance	YTD ACTUAL	YTD TARGET
HMO01 No. HMOs with Mandatory licence	Community Safety		281	94

3.3 Key Financial Indicator Exceptions

Dashboard Indicator Description	Variation from Budget	
	General Fund	Housing Revenue Account
	£000	£000
Controllable Budgets	61	(43)
Debt Financing	(332)	0
Total	(271)	(43)

3.4 General Fund Revenue Budget (Blue)

The following table summarises the major variations from budget for the General Fund.

Service Area	£000
Asset Management	10
Major Projects and Enterprise	61
Head of Planning	(56)
Housing	(4)
Borough Secretary	31
Head of Customer and Cultural Services	42
Director of Customers & Communities, Head of Communities and Environment	(68)
Local Government Shared Services	116
Corporate	(71)
Controllable Total	61
Debt Financing and HRA Recharges	(332)
Total	(271)

Budget Managers are working to mitigate the pressures on their budgets and bring forecasts back in line with budgets.

3.4.1 General Fund Revenue Budget (Blue)

- 3.4.1.1 **Asset Management (Green)** forecast overspend relates to additional staffing costs to help deliver the property projects currently being pursued by the Council offset by higher rental income than expected.
- 3.4.1.2 **Major Projects and Enterprise (Amber)** forecast overspend due to additional staffing costs delivering the demands of the Enterprise Zone and helping to deliver the Council's regeneration and growth agenda.
- 3.4.1.3 **Head of Planning (Green)** forecast saving relating to various small savings including staff savings from vacant posts and additional planning fee income.
- 3.4.1.4 **Housing (Green)** forecast savings reflects a number of small variances across the service.
- 3.4.1.5 **Borough Secretary (Green)** forecast overspend reflects a number of small variances across the service.

- 3.4.1.6 **Head of Customer and Cultural Services (Green)** forecast overspend reflecting additional costs in relation to new cleaning contract, electrical works and CCTV enhancements offset by savings in budgets for NNDR, Utilities and rent.
- 3.4.1.7 **Director of Customers and Communities, Head of Communities and Environment (Green)** forecast saving reflecting additional deductions made through the Environmental Services Contract and additional income on the ground maintenance charge to the HRA.
- 3.4.1.8 **Local Government Shared Services (Red)** forecast overspend relates to the underachievement of budgeted savings for Revenues and Benefits offset by a saving due to the pension auto enrolment not starting in 2015/16.
- 3.4.1.9 **Corporate (Green)** forecast saving reflecting an underspend on Carbon Tax budget as NBC no longer falls within the scope of the scheme.
- 3.4.1.10 **Debt Financing and HRA Recharges (Blue)** forecast saving reflecting lower interest on new borrowing and additional investment interest due to investment balances being higher than budgeted.
- 3.4.2 **Controllable HRA Revenue Budget (Green)**
 - 3.4.2.1 The forecast underspend position on the HRA relates mainly to additional income through Non-Dwelling rents.
- 3.5 **Capital Programme**
 - 3.5.1 **General Fund Capital Programme**
 - 3.5.1.1 Cabinet in July approved carry forwards from 2014/15 of £7.23m. In line with approved processes, the Capital Programme Board has approved changes to the General Fund capital programme as set out in Appendix 3. These additions, totalling £185k, are predominantly funded from section 106 contributions and therefore have no impact on the forecast funding from capital receipts and borrowing. The General Fund Capital Programme now stands at £69.05m.
 - 3.5.1.2 There are no significant forecast variances as at the end of July.
 - 3.5.1.3 Any further additions to the capital programme, including further strategic property purchases, will be subject to the development of a robust business case.
 - 3.5.2 **Strategic Acquisition within the Enterprise Zone (EZ)**
 - 3.5.2.1 The Council has been approached to purchase a parcel of land within the EZ. A plan of the land is shown in Appendix 4. The site is part of the National Grid Gas Holder site at the junction between Towcester Road and St Peter's Way.
 - 3.5.2.2 The Site offers the Council the strategic opportunity to develop the southern corridor of the town centre in a way complementary to the EZ objectives. The Council has the opportunity to develop the site for a range of uses.
 - 3.5.2.3 A purchase price of up to £1.5m is proposed and initial valuations upon current permitted use classes, conducted internally by a RICS registered valuer, are in line with or above this figure. The Council is due to receive a clawback payment in the region of £0.75m due to covenants in place around the disposal of an adjacent plot of land and this could offset the purchase price. The balance of up to £0.75m will be funded from the Strategic Investment Reserve.

3.5.2.4 The site is 5 acres in size with most of the site being cleared already. Further due diligence over ground contaminations, wayleaves and pre-contract enquiries will be undertaken.

3.5.2.5 Cabinet is asked to approve the purchase of this parcel of land within the Enterprise Zone.

3.5.3 HRA Capital Programme

3.5.3.1 The approved HRA Capital Programme includes £9.3m to fund the construction of 100 new dwellings at Dallington. The phasing of the construction programme and the approved borrowing limits set by Central Government requires the budget to be re-phased to be £0.6m in 2015/16 and £8.7m in 2016/17. Cabinet is requested to approve this change. After also taking into account the carry forwards of £7.77m approved by Cabinet in July, the forecast outturn expenditure for the HRA Capital Programme is £35.36m.

3.6 Data Quality

3.6.1 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.

3.7 Choices (Options)

3.7.1 Cabinet is asked to note the reported position financial position.

3.7.2 Cabinet are asked to note the changes to the General Fund Capital Programme for 2015-16 as set out in Appendix 3.

3.7.3 Cabinet are asked to approve the re-phasing of the new build scheme within the HRA Capital Programme.

4 Implications (including financial)

4.1 Policy

4.1.1 The Council agreed a balanced budget for the Capital Programme and Revenue Budgets for both the General Fund and the HRA in February 2015. Delivery of the budget is monitored through the budget monitoring framework.

4.1.2 Corporate measures are monitored regularly 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 This report informs the Cabinet of the forecast outturn positions for capital and revenue, for both the General Fund and HRA, as at the end of July 2015. It also highlights the key risks identified to date in delivering those budgets and where performance measures are significantly over or under performing.

- 4.2.2 There will be an on-going impact in future years if any of the savings within the 2015/16 budget are not achieved, particularly where services move outside the direct control of the Council.
- 4.2.3 All objectives, measures and targets within Service Plans are risk assessed and challenged before final approval. The challenge process includes the agreement of performance targets and the capacity to deliver the plans with appropriate resources set aside to do so.
- 4.2.4 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements.

4.3 Legal

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

4.4 Equality and Health

- 4.4.1 There are no specific equalities implications arising from this report.
- 4.4.2 A full Community/Equalities Impact Analysis has been completed for both the Corporate Plan, and the 2015/19 Budget, which are available on the Council website

4.5 Consultees (Internal and External)

- 4.5.1 Heads of Service, Budget Managers and Management Board are consulted as part of the budget and performance monitoring process on a monthly basis.
- 4.5.2 Performance data (financial and non-financial) is published on the Council website.

4.6 How the Proposals Deliver Priority Outcomes

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

4.7 Other Implications

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

5 Background Papers

- 5.1 Appendix 1 - Corporate Performance Exception Report – June 2015
- 5.2 Appendix 2 - All measures report – June 2015
- 5.3 Cabinet and Council Budget and Capital Programme Reports February 2015

Management Board, c/o David Kennedy, Chief Executive, 01604 837726
Glenn Hammons, Section 151 Officer, 01604 366521

Corporate Performance

Exceptions Report

June 2015



NORTHAMPTON
BOROUGH COUNCIL

Introduction

This report details a list of performance indicators monitoring the Council's Corporate Plan which are either under, or over performing against target.

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

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

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

Report Key:

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

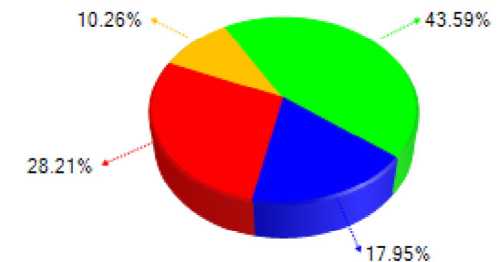
NORTHAMPTON
BOROUGH COUNCIL

NBC Corporate Plan

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

Corporate Plan	
	YTD
Northampton alive with innovation, enterprise and opportunity	★
Theme	
	YTD
Your Town - A town to be proud of	★
You - How your Council will support and empower you and your community	●

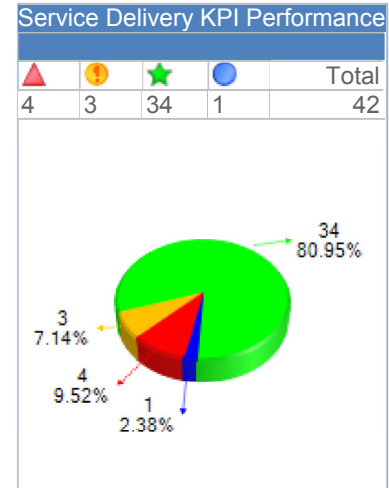
Corporate Plan - Current Status				
▲	⚠	★	●	Total
11	4	17	7	39





Performance Dashboard

LGSS Performance	
Health of the Partnership	★
Theme	
Service Delivery	★
Reputation	⚠
Savings	★

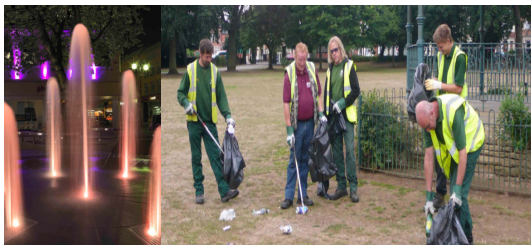


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Service Delivery KPI Exceptions

	Actual	Target	Performance
IT02 Annual SOCITM score (A)	5.21	5.97	▲
Nov 14 - The performance against the national Socitm benchmark for this year shows a significant reduction from 99th centile to 60th. The numbers submitted were much lower this year (only 88 completed questionnaires), with only one strategic manager responding and 13 tactical managers. Therefore - just one person with a negative view will affect the management scores shown in the data set. Operational staff were more positive in their responses. LGSS IT and NBC need to discuss the likely causes for the reduction and agree a service improvement plan to rectify the situation. This will be discussed at the Client Liaison meeting to be held on 11 December 2014.			
			Source Date 31/03/2015
PF02 Final Outturn Budget within 20% of Weighted Forecast Controllable Budget (A)	No	Yes	▲
			Source Date 31/03/2014
PF04 Statutory claims and Statistical Returns meet requirements (M)	No	Yes	▲
			Source Date 31/03/2014
PROC04 % Contractual spend with Local Suppliers (Q)	39.00 %	55.00 %	▲
Jun 15- Local supplier spend rose during June which has increased the year to date spend with local suppliers as also.			
			Source Date 30/06/2015

YOUR TOWN



Northampton - on track

Invest in safer, cleaner neighbourhoods

Celebrating our heritage and culture

Making every £ go further

YOUR TOWN: RED measures

Measure ID & Name	Dec 14	Mar 15	Jun 15	Jun 15 YTD		Current YTD Profiled Target Jun 2015	Outturn Target	DOT v's same time last yr	
ESC01n Total bins/boxes missed in period (M)	392	260	433	1,078	▲	350	1,400	✖	Smaller is Better
<p>In comparison to May 15 there is over 100 cases increase - Operations can confirm that on two occasions in June the garden service was not able to complete due to vehicle issues, so back up was deployed on Sundays to clear the back log. This would have pushed the figures up, as well as increases in the number of Jus outside of KPI. It is however a positive to see that of all the cases, only 1 remained outstanding by month end compared to previous months, this is the lowest it has been in a long while.</p>									
ESC02 % missed bins corrected within 24hrs of notification (M)	86.48 %	91.15 %	47.81 %	62.71 %	▲	98.00 %	98.00 %	✖	Bigger is Better
<p>May 2015 has decreased from previous month in terms of number JUS put right within target by 2%, but has a higher number of cases, so overall still within overall KPI target.</p>									
ESC04 % household waste recycled and composted (NI192) (M)	32.96 %	37.19 %	45.26 %	44.22 %	▲	48.00 %	48.00 %	✖	Bigger is Better
<p>The month of June sees a percentage increase of 0.20% of KG's sent for recycling, reuse and composting in comparison to May 15. The best performing stream is green waste which has seen an increase of 1.21% in tonnages. The worst performing stream is paper which has decreased slightly.</p>									
MPE01 No. of new businesses locating on NWEZ (Q)	9	6	2	2	▲	5	20	✔	Bigger is Better
<p>Although the profile is below target at the moment, it is anticipated that it will be met throughout the year</p>									
MPE02 No. of new jobs created on NWEZ (Q)	15	326	25	25	▲	200		✖	Bigger is Better
<p>Over 1000 jobs have already been created in the Enterprise Zone and the current target in this financial year will be achieved</p>									
PP17 % victims/witnesses satisfied with Anti-Social support service (Q)	100.0 %	100.0 %	50.0 %	50.0 %	▲	95.0 %	95.0 %	✖	Bigger is Better
<p>During Q1 of 2015/16 there were a total of 3 victims/witnesses involved in cases closed with the Anti-Social Behaviour Unit. Of these, 2 could be contacted for feedback and 1 of these was satisfied with the support and contact they had received.</p>									
<p>The victim/witness who didn't provide a positive response was concerned about the criminal matters that the ASBU case was linked to rather than the support they had received from the unit itself.</p>									

YOUR TOWN: BLUE measures

Measure ID & Name	Dec 14	Mar 15	Jun 15	Jun 15 YTD		Current YTD Profiled Target Jun 2015	Outturn Target	DOT v's same time last yr	
CH10 No. of unique visits to Museum Pages (M)	3,510	6,579	4,688	16,741	●	10,700	46,000	✓	Bigger is Better
Web hits continue to out perform target being 167% above year to date target - possibly slightly due to the way in which hits are counted, but increase in digital marketing and the use of social media is also likely to have an effect.									
NI157a % Major Planning applications determined in 13 weeks or agreed extension (M)	100.00 %	91.67 %	100.00 %	100.00 %	●	80.00 %	80.00 %	✓	Bigger is Better
100% applications determined within agreed time scales.									
NI157b % of 'minor' planning apps determined within 8 weeks or agreed extension (M)	100.00 %	95.00 %	100.00 %	100.00 %	●	95.00 %	95.00 %	✓	Bigger is Better
100% applications determined within agreed time scales.									
PP22 % Hackney Carriage and private hire vehicles inspected which comply with regulations (M)	88.46 %	83.33 %	66.67 %	81.25 %	●	70.00 %	70.00 %	✓	Bigger is Better
No specific multi agency operations undertaken this month. Vehicles checked were those specifically requested following complain or accident report.									
TCO05n Town Centre footfall (Q)	3,666,041	2,937,848	3,710,504	3,710,504	●	3,500,000	13,250,000	✗	Bigger is Better
Footfall in the first quarter exceeds our target figure but is less than 2014/15 actual figures									

YOUR TOWN: BLUE measures (4 Monthly)

Measure ID & Name	Jul 14	Nov 14	Mar 15	Mar 15 YTD		Current YTD Profiled Target Mar 2015	Outturn Target	DOT v's same time last yr	
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	0.33 %	1.00 %	2.67 %	1.33 %	●	5.00 %	5.00 %	↓	Smaller is Better
2.67% of land and highways that were assessed had an unacceptable level of detritus									

YOU





- Better homes for the future
- Creating empowered communities
- Promoting health and wellbeing
- Responding to your needs

YOU: RED measures

Measure ID & Name	Dec 14	Mar 15	Jun 15	Jun 15 YTD		Current YTD Profiled Target Jun 2015	Outturn Target	DOT v's same time last yr	
HML07 Number of households that are prevented from becoming homeless (M)	?	?	15	38	▲	183	732	?	Bigger is Better
Although the figures for prevention is up marginally on the previous period, the service needs to really drive this forward. There are a range of initiatives being developed at present to enable this to happen successfully therefore improvement should be seen relatively quickly in this area.									
IG03 % FOI/EIR cases responded to within 20 working days (M)	98.3 %	98.6 %	94.9 %	93.8 %	▲	95.0 %	95.0 %	✖	Bigger is Better
Four cases were over the 20 day limit due to issues collating the information required. The worst case was 26 days. (75/79)									
LTO1 Total Visits to Leisure Centres (M)	60,534	91,060	74,926	243,938	▲	267,830	1,010,813	✖	Bigger is Better
Poor selection of films available for hire by Leisure Trust meant cinema figures were down..									

YOU: BLUE measures

Measure ID & Name	Dec 14	Mar 15	Jun 15	Jun 15 YTD		Current YTD Profiled Target Jun 2015	Outturn Target	DOT v's same time last yr	
HMO01 No. HMOs with Mandatory licence	229	229	281	281		94	376		Bigger is Better
The target of 94 represent the annual target which translates as 24 per quarter indicating strong performance for Quarter 1									

Corporate Performance

All Measures Report

June 2015



NORTHAMPTON
BOROUGH COUNCIL

Introduction

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

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

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

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

Report Key:

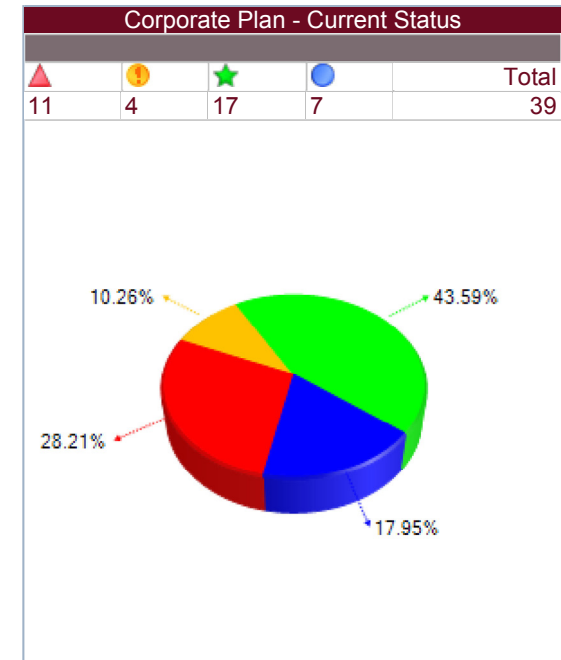
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NORTHAMPTON
BOROUGH COUNCIL

NBC Corporate Plan

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

Corporate Plan	
	YTD
Northampton alive with innovation, enterprise and opportunity	★
Theme	
	YTD
Your Town - A town to be proud of	★
You - How your Council will support and empower you and your community	●



Your Town



Your Town - Monthly Measures

Measure ID & Name	Mar 15	Apr 15	May 15	Jun 15	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
AST05a External rental income demanded against budgeted income (M)	98.83 %	102.86 %	102.85 %	103.69 %	103.69 %		95.00 %	95.00 %	Bigger is Better		100.21 %
We are continuing to exceed the agreed target budgeted rent.											
Source Date 30/06/2015											
AST05b % commercial rent demanded within the last 12 months (more than 2 months in arrears) (M)	0.17 %	0.10 %	0.09 %	0.32 %	0.32 %		3.00 %	3.00 %	Smaller is Better		4.06 %
Any invoices that are older than 28 April are considered to be more than 2 months in rent arrears.											
There is a slight increase this month but all outstanding arrears are being effectively managed and the figure will hopefully reduce again for next month.											
Source Date 30/06/2015											
AST12 % achieved where return on (sub group) investment properties meets agreed target rate (M)	92.00 %	90.14 %	90.14 %	90.14 %	90.14 %		92.00 %	92.00 %	Bigger is Better		94.94 %
The percentage of properties meeting or performing above the agreed target return for June is 90%.											
The performance in July 2015 could change if the numbers of vacant property increases through tenants vacating premises or decreases if vacant units are re-let. The % may also change if income producing assets are created or removed from the investment portfolio.											
Currently, the vacancy rates for NBC's investment property are low due to a proactive approach to property management. This approach has resulted in a higher turnover of tenants for some assets in some locations. Property reviews are now carried out on an ad hoc basis with underperforming assets identified and considered for reinvestment or disposal.											
Active management of the investment portfolio and the disposal of assets approved for disposal by cabinet or by the cabinet member responsible for Regeneration, Enterprise and Planning will continue throughout 2015.											
Source Date 30/06/2015											
BV008 Percentage of invoices for commercial goods & serv. paid within 30 days (M)	98.60 %	98.87 %	99.35 %	99.41 %	99.20 %		99.00 %	99.00 %	Bigger is Better		99.69 %
Source Date 30/06/2015											
BV012_12r Ave. no. of days/shifts lost to sickness for rolling 12 month period (M)	10.53	10.48	10.47	10.26	10.26		9.85	9.00	Smaller is Better		10.55
The figure has dropped to 10.26 from May and is very close to NBC's best figure of 10.11 days. Examining the raw data the majority of this figure is as a result of long term sick absence.											
Source Date 30/06/2015											
CH10 No. of unique visits to Museum Pages (M)	6,579	6,045	6,008	4,688	16,741		10,700	46,000	Bigger is Better		12,727
Web hits continue to out perform target being 167% above year to date target - possibly slightly due to the way in which hits are counted, but increase in digital marketing and the use of social media is also likely to have an effect.											
Source Date 30/06/2015											

Your Town - Monthly Measures

Measure ID & Name	Mar 15	Apr 15	May 15	Jun 15	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year				
CS05 Percentage satisfied with the overall service provided by the Customer Service Officer (M) 112 satisfaction surveys were performed in June, 104 people were satisfied with the service provided.	90.91 %	★	98.89 %	●	91.79 %	★	92.86 %	★	94.05 %	★	90.00 %	90.00 %	Bigger is Better		95.83 %
Source Date 30/06/2015															
CS13a % of calls for NBC managed services into contact centre answered (M) Contact centre, achieved 95.38% of calls answered against a target of 90%. Calls increased a further 905 from previous month for housing services and reduced for other NBC services by 675 giving an overall increase of 230. Average wait reduced to 2 minutes 10 seconds	97.92 %	●	97.38 %	★	94.28 %	★	95.66 %	★	95.85 %	★	90.00 %	90.00 %	Bigger is Better		83.64 %
Source Date 30/06/2015															
CS14a % OSS customers with an appointment seen on time (M) The Face to face service hit target with 97.83% of customers seen within target. The average wait time was 2 min 03 seconds across the whole service area. Drop in footfall increased by 477 on the previous month with an average wait time at 2 minutes and 20 seconds. 99.25% seen within 10 minutes. Appointments continue to meet target with 93.58 % seen within 15 minutes of their appointment time, with an average wait time of 1 minute 50 seconds	96.7 %	★	94.7 %	★	99.2 %	●	93.6 %	★	95.6 %	★	90.0 %	90.0 %	Bigger is Better		93.0 %
Source Date 30/06/2015															
ESC01n Total bins/boxes missed in period (M) In comparison to May 15 there is over 100 cases increase - Operations can confirm that on two occasions in June the garden service was not able to complete due to vehicle issues, so back up was deployed on Sundays to clear the back log. This would have pushed the figures up, as well as increases in the number of Jus outside of KPI. It is however a positive to see that of all the cases, only 1 remained outstanding by month end compared to previous months, this is the lowest it has been in a long while.	260	▲	331	▲	314	▲	433	▲	1,078	▲	350	1,400	Smaller is Better		866
Source Date 30/06/2015															
ESC02 % missed bins corrected within 24hrs of notification (M) May 2015 has decreased from previous month in terms of number JUS put right within target by 2%, but has a higher number of cases, so overall still within overall KPI target.	91.15 %	▲	89.43 %	▲	55.10 %	▲	47.81 %	▲	62.71 %	▲	98.00 %	98.00 %	Bigger is Better		94.80 %
Source Date 30/06/2015															
ESC04 % household waste recycled and composted (NI192) (M) The month of June sees a percentage increase of 0.20% of KG's sent for recycling, reuse and composting in comparison to May 15. The best performing stream is green waste which has seen an increase of 1.21% in tonnages. The worst performing stream is paper which has decreased slightly.	37.19 %	▲	42.34 %	▲	45.05 %	▲	45.26 %	▲	44.22 %	▲	48.00 %	48.00 %	Bigger is Better		46.97 %
Source Date 30/06/2015															
ESC09 % of Fly Tipping incidents removed within 2 working days of notification (SO2) (M) All fly tipping incidents were removed within target	99.79 %	★	99.89 %	★	100.00 %	★	100.00 %	★	99.96 %	★	100.00 %	100.00 %	Bigger is Better		99.61 %
Source Date 30/06/2015															
NI157a % Major Planning applications determined in 13 weeks or agreed extension (M) 100% applications determined within agreed time scales.	91.67 %	●	100.00 %	●	100.00 %	●	100.00 %	●	100.00 %	●	80.00 %	80.00 %	Bigger is Better		86.67 %
Source Date 30/06/2015															
NI157b % of 'minor' planning apps determined within 8 weeks or agreed extension (M) 100% applications determined within agreed time scales.	95.00 %	●	100.00 %	●	100.00 %	●	100.00 %	●	100.00 %	●	95.00 %	95.00 %	Bigger is Better		94.67 %

Your Town - Monthly Measures

Measure ID & Name	Mar 15	Apr 15	May 15	Jun 15	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
Source Date 30/06/2015											
NI157c % of 'other' planning apps determined within 8 weeks or agreed extension (M)	100.00 %	96.92 %	99.00 %	100.00 %	98.67 %		95.00 %	95.00 %	Bigger is Better		90.86 %
100% applications determined within agreed time scales.											
Source Date 30/06/2015											
PP06 % change in serious acquisitive crime from the baseline (M)	-13.24 %	-0.82 %	-1.45 %	-1.53 %	-1.53 %		-1.46 %	-6.50 %	Smaller is Better		-7.60 %
There has been a 1.5% (-39 crimes) reduction in Serious Acquisitive Crime during Q1. This includes a 1.7% reduction in domestic burglary, 0.7% reduction in vehicle crime and a 4.3% reduction in robbery (business & personal combined).											
the figures for previous months have been altered slightly due to changes in recorded crime											
Source Date 30/06/2015											
PP22 % Hackney Carriage and private hire vehicles inspected which comply with regulations (M)	83.33 %	85.71 %	82.14 %	66.67 %	81.25 %		70.00 %	70.00 %	Bigger is Better		63.93 %
No specific multi agency operations undertaken this month. Vehicles checked were those specifically requested following complain or accident report.											
Source Date 30/06/2015											

Your Town - Quarterly Measures

Measure ID & Name	Sep 14	Dec 14	Mar 15	Jun 15	Overall perf. to Date	YTD	Current Profiled Target	Annual Target	Polarity	Perf. vs. same time last year	YTD value same time last year
IG02 Av. days to respond to LGO enquiries (excl. pre-determined cases) (Q)	27.50	14.50	25.00		?	?	28.00	28.00	Smaller is Better	?	3.57
No LGO cases required a response this quarter											
Source Date 30/06/2015											
MPE01 No. of new businesses locating on NWEZ (Q)	1	9	6	2		2	5	20	Bigger is Better		0
Although the profile is below target at the moment, it is anticipated that it will be met throughout the year											
Source Date 30/06/2015											
MPE02 No. of new jobs created on NWEZ (Q)	177	15	326	25		25	200		Bigger is Better		31
Over 1000 jobs have already been created in the Enterprise Zone and the current target in this financial year will be achieved											
Source Date 30/06/2015											
PP17 % victims/witnesses satisfied with Anti-Social support service (Q)	100.0 %	100.0 %	100.0 %	50.0 %		50.0 %	95.0 %	95.0 %	Bigger is Better		100.0 %
During Q1 of 2015/16 there were a total of 3 victims/witnesses involved in cases closed with the Anti-Social Behaviour Unit. Of these, 2 could be contacted for feedback and 1 of these was satisfied with the support and contact they had received.											
The victim/witness who didn't provide a positive response was concerned about the criminal matters that the ASBU case was linked to rather than the support they had received from the unit itself.											
Source Date 30/06/2015											
TC05n Town Centre footfall (Q)	4,176,018	3,666,041	2,937,848	3,710,504		3,710,504	3,500,000	13,250,000	Bigger is Better		3,895,189
Footfall in the first quarter exceeds our target figure but is less than 2014/15 actual figures											
Source Date 30/06/2015											

Your Town - 4 Monthly Measures

Measure ID & Name	Jul 14		Nov 14		Mar 15		Overall perf. to Date	YTD	Current Profiled Target	Annual Target	Polarity	Perf. vs. same time last year	YTD value same time last year
ESC05 % of Land and Highways assessed falling below an acceptable level - Litter (NI195a) (4M)	0.67 %		1.33 %		2.50 %		1.50 %		2.00 %	2.00 %	Smaller is Better		1.33 %
2.5% of land and highways that were assessed had an unacceptable level of litter													
Source Date 31/03/2015													
ESC06 % of Land and Highways assessed falling below acceptable level - Detritus (NI195b) (4M)	0.33 %		1.00 %		2.67 %		1.33 %		5.00 %	5.00 %	Smaller is Better		1.83 %
2.67% of land and highways that were assessed had an unacceptable level of detritus													
Source Date 31/03/2015													
ESC07 % of Land and Highways assessed falling below acceptable level - Graffiti (NI195c) (4M)	0.33 %		0.33 %		0.83 %		0.50 %		0.00 %	2.00 %	Smaller is Better		0.39 %
0.83% of land and highways that were assessed had unacceptable levels of graffiti													
Source Date 31/03/2015													
ESC08 % of Land and Highways assessed falling below acceptable level - FlyPosting (NI195d) (4M)	0.00 %		0.00 %		0.00 %		0.00 %		0.00 %	2.00 %	Smaller is Better		0.00 %
In line with target													
Source Date 31/03/2015													

Your Town - Annual Measures

Measure ID & Name	Mar 14		Mar 15		Outturn Target Mar 2016	Polarity
MPE03 No. of business start ups within the Borough (A)		>>		>>	70	Bigger is Better
						Source Date >>

You



You - Monthly Measures

Measure ID & Name	Mar 15	Apr 15	May 15	Jun 15	Overall perf. to date	YTD	Current Profiled Target	Outturn Target	Polarity	Perf. vs. same time last year	YTD value same time last year
HML01 Total no. of households living in temporary accommodation (M)	77 ▲	69 ★	71 ★	70 ★	70	★	70	70	Smaller is Better	▲	63
<p>The figures for overall TA is on target this month although there are currently plans in progress to improve the provision and streamline the management of the same therefore over the next few weeks and month an improvement in performance is anticipated.</p> <p style="text-align: right;">Source Date 30/06/2015</p>											
HML07 Number of households that are prevented from becoming homeless (M)	? ?!	10 ▲	13 ▲	15 ▲	38	▲	183	732	Bigger is Better	?	?
<p>Although the figures for prevention is up marginally on the previous period, the service needs to really drive this forward. There are a range of initiatives being developed at present to enable this to happen successfully therefore improvement should be seen relatively quickly in this area.</p> <p style="text-align: right;">Source Date 30/06/2015</p>											
HML09 Number of households for whom a full homelessness duty is accepted (M)	? ?!	21 ⚠	17 ●	24 ▲	62	⚠	60	240	Smaller is Better	?	?
<p style="text-align: right;">Source Date 30/06/2015</p>											
IG03 % FOI/EIR cases responded to within 20 working days (M)	98.6 % ⚠	100.0 % ★	86.4 % ▲	94.9 % ▲	93.8 %	▲	95.0 %	95.0 %	Bigger is Better	➡	96.9 %
<p>Four cases were over the 20 day limit due to issues collating the information required. The worst case was 26 days. (75/79)</p> <p style="text-align: right;">Source Date 30/06/2015</p>											
IG04 % Subject Access requests responded to within 40 days (M)	100.0 % ★	100.0 % ★	100.0 % ★	100.0 % ★	100.0 %	★	95.0 %	95.0 %	Bigger is Better	➡	100.0 %
<p>All subject access requests were done on time</p> <p style="text-align: right;">Source Date 30/06/2015</p>											
LT01 Total Visits to Leisure Centres (M)	91,060 ★	82,553 ▲	86,459 ▲	74,926 ▲	243,938	▲	267,830	1,010,813	Bigger is Better	▲	271,723
<p>Poor selection of films available for hire by Leisure Trust meant cinema figures were down.</p> <p style="text-align: right;">Source Date 30/06/2015</p>											
PP53 % Service requests responded to within 3 working days (M)	82.45 % ▲	92.47 % ⚠	94.78 % ★	89.85 % ⚠	92.32 %	⚠	93.00 %	93.00 %	Bigger is Better	➡	89.03 %
<p>The volume of service requests continues to be high which is impacting performance</p> <p style="text-align: right;">Source Date 30/06/2015</p>											

You - Quarterly Measures

Measure ID & Name	Sep 14	Dec 14	Mar 15	Jun 15	Overall perf. to Date	YTD	Current Profiled Target	Annual Target	Polarity	Perf. vs. same time last year	YTD value same time last year
AHP01 Number of affordable homes delivered (Q) Awaiting figures.	46 ▲	59 ▲	? ?	? ?	? ?	? ?	50	250	Bigger is Better	?	41
Source Date 30/06/2015											
HMO01 No. HMOs with Mandatory licence The target of 94 represent the annual target which translates as 24 per quarter indicating strong performance for Quarter 1	203 ●	229 ●	229 ●	281 ●	281 ●	94	376	Bigger is Better	↗		123
Source Date 30/06/2015											
HMO08 No. of HMOs with an additional licence (Q) The target for this activity for the year is 500 ~ the quarter period is +125. On that basis performance is ahead of target	0 ★	122 ▲	41 ▲	253 ★	253 ★	125	500	Bigger is Better	↗		0
Source Date 30/06/2015											
IG01 % LGO cases responded to within 28 days (excl. pre-determined cases) (Q) No cases required investigation this quarter	100.0 % ★	50.0 % ▲	100.0 % ★	?	?	?	95.0 %	95.0 %	Bigger is Better	?	100.0 %
Source Date 30/06/2015											
LT02 Total No. of people enrolled in swimming program (M)	? ?	? ?	3,124 ★	3,133 ★	3,133 ★	3,050	3,200	Bigger is Better	↗		2,846
Source Date 30/06/2015											
PP03 % Off licence checks that are compliant (Q) Only one off licence non compliant. Minor issue in relation to displaying licence. Area focussed on was Kingsthorpe to fit in with the current Community Alcohol Plan that is currently in place.	100.00 ●	100.00 ●	83.33 ⚠	85.71 ★	85.71 ★	85.00	85.00	Bigger is Better	?		?
Source Date 30/06/2015											

You - Annual Measures

Polarity	Measure ID & Name	Mar 14		Mar 15		Outturn Target Mar 2016
Bigger is Better	NI154 Net additional homes provided (A)	834.00	▲	574.00	▲	1,132.00

The JCS was adopted in January 2015 and revises the Plan period to 2029.

Source Date 31/03/2015

Cabinet 9th September 2015

Capital Budget Changes April to July 2015 – Approved under Delegation

General Fund Schemes

Reference	Scheme Title	2015/16 £	Comments
BA645-01	Duston Leisure Centre Access	15,000	To Improve access to Duston Leisure Centre – funded from section106
BA218	Milverton Crescent Common Pathway	64,000	To install a cross park pathway at Milverton Crescent Common – funded from section 106
BA685 V01	Northampton Bike Hire Scheme	45,000	S106 funding for 3 new docking bays (5 bikes each) – Riverside Retail, Kettering Rd or Racecourse and Weston Favell shopping.
BA219	Standens Barn CC Security	10,229	To improve the security at Standens Barn community centre – s106 funded
BA649 V01	Skatepark Café Extension	12,000	To cover increased costs – self-funded from increased rental income.
BA645 V02	Crestwood Eoad – Footpath Improvement/Traffic Calming	39,576	Transfer of Section 106 funds to NCC to undertake works at Crestwood Road

Appendices
2



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	TREASURY MANAGEMENT OUTTURN 2014-15
---------------------	-------------------------------------

AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	9 September 2015
Key Decision:	NO
Within Policy:	YES
Policy Document:	NO
Directorate:	LGSS
Accountable Cabinet Member:	Mike Hallam
Ward(s)	Not Applicable

1. Purpose

1.1 To inform Cabinet of the Council's performance in relation to its borrowing and investment strategy for 2014-15, and provide an update of the same in respect of the first quarter of 2015-16.

2. Recommendations

2.1 That Cabinet recommend to Council that they note the Council's treasury management performance for 2014-15 (outturn), and updated treasury management data for quarter 1 of 2015-16.

3. Issues and Choices

3.1 CIPFA Code of Practice on Treasury Management in the Public Services

3.1.1 The Council has 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”).

3.2 Issues

Summary of Key Headlines

3.2.1 The main headlines for the period are:

- The Council continued to make use of internal borrowing to fund its capital expenditure programme, generating savings in the revenue budget. This benefits the Council’s revenue budget position as the costs of external borrowing are avoided, at least until such time as the Council’s cash position or interest rate conditions change and there are drivers to go to the external market. See [paragraph 3.2.24](#)
- In house investment returns received on cash balances compared favourably to the benchmarks. A return of 0.66% was achieved compared to the 7 day LIBID benchmarks of 0.35%. In respect of local authority benchmarks the NBC performance has been in line with or above the comparator group averages throughout the year. See [paragraphs 3.2.30 to 3.2.36](#).
- The debt financing budget outturn was £477k under budget, due to a number of factors, of which the most important was that the Council had significantly higher levels of cash balances throughout the year than budgeted. See [paragraphs 3.2.46 to 3.2.47](#)
- The Council has operated throughout the year within the Treasury and Prudential Indicators set out in the Council’s Treasury Management Strategy Statement (TMSS) and in compliance with the Council’s Treasury Management Practices. See [paragraph 3.2.51 to 3.2.53](#)
- The borrowing position at the end of quarter 1 2015-16 was broadly unchanged from that as at 31 March 2015. See [paragraph 3.2.25](#)
- Investment balances during quarter 1 2015-16 averaged £79m, with a weighted average rate of interest of 0.72%. See [paragraph 3.2.37](#)

The Economic Environment

3.2.2 A detailed commentary for the quarter ending 30 June 2015 is provided in **Appendix 1** to advise Members of the latest economic position. This information has been provided by Capita Asset Services – Treasury Solutions (CAS Treasury Solutions), the Council’s treasury management advisors.

3.2.3 The key economic messages are:

- The economic recovery slowed in the first quarter;
- Survey measures pointed to renewed vigour in Q2;
- Wage growth picked up as the labour market tightens;
- Deflation lasted only one month, but the outlook remain subdued;
- Another split vote on the MPC drew nearer, but a rate hike this year remained unlikely;
- The general election confirmed that the fiscal squeeze will re-intensify next year;
- The possibility of a “Grexit” became greater

Risk implications of decisions taken and transactions executed

3.2.4 The Treasury Management Code of Practice identifies eight main treasury management risks. Definitions of these are included in the Council’s Treasury Management Practices (TMPs) for 2014-15 approved by Council 24 February 2014. The management of these risks during 2014-15 is covered in the following paragraphs.

- a) Credit and counterparty risk – This continued to be an area of considerable risk for all local authority investors, given the prevailing uncertain economic and banking environment. The Council managed this risk extremely closely during the year through strict adherence to its treasury management policies and practices and a tightly controlled counterparty list that took into account a range of relevant factors including sovereign rating, credit ratings, inclusion in the UK banking system support package and credit default swap spreads. The advice of the Council’s treasury management advisors was also an underlying feature. None of the Council’s counterparties failed to meet the contractual obligations of their treasury transactions with the Council during 2014-15.
- b) Liquidity risk – This was managed effectively during 2014-15 through proactive management of the Council’s cashflow, including the choice of suitable investment values and maturity dates and the maintenance of sufficient levels of liquid cash in money market funds and deposit accounts. The Council also maintained its access to overdraft facilities and temporary borrowing facilities as a contingency for use in exceptional circumstances. The Council undertook no long or short-term borrowing to manage liquidity during 2014-15.
- c) Interest rate risk - The Council’s upper limits for fixed and variable interest rate exposures in respect of investments, borrowing and net external debt are managed as treasury indicators. These are reported at **Appendix 2**. The indicators were not breached during 2014-15.
- d) Exchange rate risk - The Council has a policy of only entering into loans and investments that are settled in £ sterling, and has no treasury management exposure to this category of risk.

- e) Refinancing risk – The Council did not refinance any of its debt during 2014-15 and was therefore not exposed to this category of risk during the year.
- f) Legal and regulatory risk - The Council carried out its treasury management activities for 2014-15 within the current legal and regulatory framework. LGSS officers responsible for strategic and operational treasury management decisions are required to keep abreast of new legislation and regulations impacting on the treasury management function, and have applied any changes as necessary. Legal and regulatory risks associated with other organisations with which the Council deals in its treasury management activities have been managed through counterparty risk management policies.
- g) Fraud, error and corruption and contingency management – LGSS officers involved in treasury management are explicitly required to follow treasury management policies and procedures when making investment and borrowing decisions on behalf of the Council. All treasury activities must be carried out in strict accordance with the agreed systems and procedures in order to prevent opportunities for fraud, error and corruption. The measures in place to ensure this include a scheme of delegation and segregation of duties, internal audit of the treasury function, detailed procedure notes for dealing and other treasury functions, and emergency and contingency planning arrangements (including a business continuity plan for treasury management).
- h) Market risk – Investments that may be subject to fluctuations in market value in some circumstances include certificates of deposit, gilts, bonds and money market funds.

The Council has deposits placed in money market funds, whereby the underlying assets of the fund are subject to capital fluctuations as a result of interest rate risk and credit risk. However the structure of the fund minimises the movement of capital value due to the restrictions laid down by the credit rating agencies. The Council did not experience any fluctuations in the capital value of its money market funds in 2014-15.

The Council purchased certificates of deposit in 2014-15. In the main these were held to maturity and were not subject to movement in capital value. Two certificates of deposit taken out in 2014-15 were sold prior to maturity in the first quarter of 2015-16, on the advice of the broker, to realise a capital gain.

The Council did not invest in gilts or bonds during 2014-15.

Summary Portfolio Position

3.2.5 A snapshot of the Council's debt and investment position is shown in the table below:

	Actual as at 31 March 2014		TMSS 2014-15 31 March 15 Forecast (as agreed by Council Feb 2014)		Actual at 31 March 2015		Actual at 30 June 2015	
	£m	Rate %	£m	Rate %	£m	Rate %	£m	Rate %
Borrowing								
HRA	193.0	3.29%	193.0	3.29%	193.0	3.29%	193.0	3.29%
GF	23.0	5.53%	27.7	4.86%	15.1	3.22%	15.1	3.23%
GF - Third Party Loans	10.0	3.32%	39.3	4.75%	15.5	3.14%	15.5	3.14%
Total Borrowing	226.0	3.56%	260.0	4.28%	223.6	3.28%	223.6	3.28%
Investments	73.0	0.61%	35.0	0.50	64.3	0.73%	79.9	0.75%
Total Net Debt / Borrowing	153.0		225.0		159.2		143.7	
Third party loans	10.0		39.3		16.9		17.2	

3.2.6 The table shows the extent of which cash balances are used to finance capital expenditure. This benefits the Council's revenue budget position as the costs of external borrowing are avoided, at least until such time as the Council's cash position or interest rate conditions change and there are drivers to go to the external market.

3.2.7 Further analysis of borrowing and investments is covered in the following two sections.

Borrowing

3.2.8 The Council can take out loans in order to fund spending for its capital programme for the benefit of Northampton. The amount of new borrowing needed each year is determined by capital expenditure plans and projections of the Capital Financing Requirement (CFR), forecast reserves and current and projected economic conditions.

New loans and repayment of loans:

3.2.9 The table below shows the details of new loans raised and loans repaid during the year 2014-15. All borrowing activity relates to the General Fund.

3.2.10 Two LOBO loans with a total amortised value of £15.72m were repaid on maturity. These were at interest rates of 5.68% (£11.6m) and 7.03% (£4.12m).

The loans were re-financed using surplus cash resources, realising net savings of £829k in 2015-16.

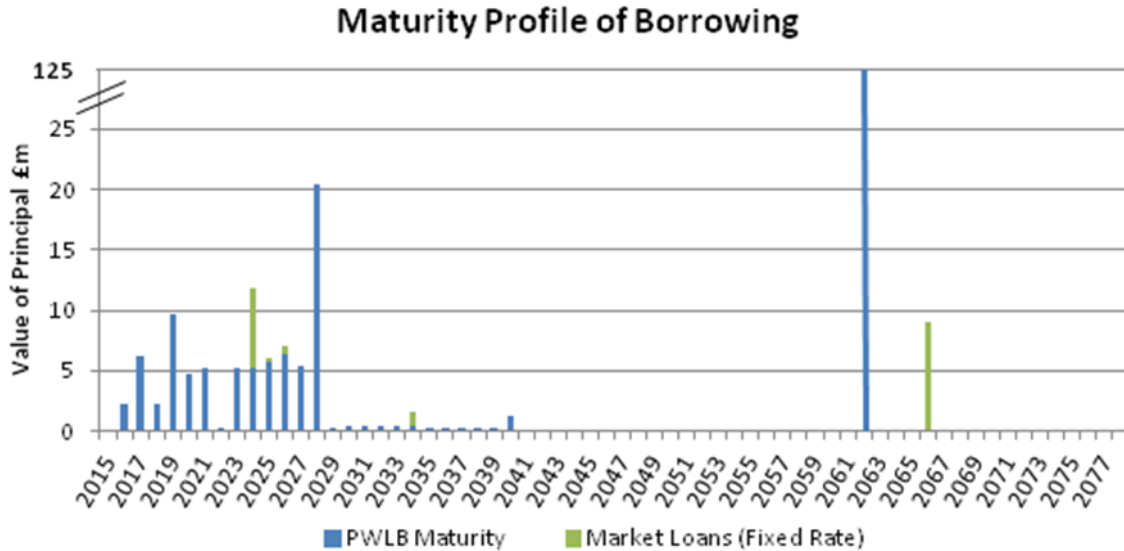
3.2.11 The Growing Places Fund (GPF) and Local Infrastructure Funding (LIF) are loans provided through government agencies to support the infrastructure schemes in the Enterprise Zone (EZ). The GPF loan, accessed through SEMLEP, is funding St Peters Way Roundabout/Black Lion Hill and the Cosworth site. The LIF loan, provided by the Homes and Communities Agency (HCA), is funding the St James Mill Road sub-station. Both provide bridge funding until such time as they can be repaid from the business rates uplift that will arise in the EZ.

3.2.12 Much of the remaining activity related to borrowing from the PWLB to fund loans to third parties, and repayment of annual amounts on EIP and annuity loans related to this borrowing.

Lender	Loan Type	Start Date	Maturity Date	£m	Interest Rate %	Duration (yrs)	Comments
Raised							
Public Works Loan Board	Maturity	17/04/2014	17/04/2019	1.52	2.54	5	To fund third party loan
Public Works Loan Board	Maturity	12/05/2014	12/05/2019	1.52	2.68	5	To fund third party loan
Public Works Loan Board	Maturity	19/08/2014	19/08/2019	1.50	2.58	5	To fund third party loan
Public Works Loan Board	Annuity	22/07/2014	22/07/2039	1.24	3.82	25	To fund third party loan
Growing Places Fund	Bespoke	01/09/2014	01/04/2022	1.04	1.74	8	To be repaid from business rates uplift. Repayment date is target repayment date
Growing Places Fund	Bespoke	23/10/2014	02/04/2022	2.46	1.74	7	
Growing Places Fund	Bespoke	13/01/2015	03/04/2022	0.13	1.74	7	
Growing Places Fund	Bespoke	14/01/2015	04/04/2022	3.01	1.74	7	
Local Infrastructure Funding	Bespoke	24/12/2014	31/03/2026	0.34	3.07	11	To be repaid from business rates uplift. Repayment date is final repayment date (some amounts are due for repayment earlier)
Local Infrastructure Funding	Bespoke	06/02/2015	31/03/2026	0.28	3.07	11	
Local Infrastructure Funding	Bespoke	27/02/2015	31/03/2026	0.26	3.07	11	
Local Infrastructure Funding	Bespoke	31/03/2015	31/03/2026	0.15	3.07	11	
Repaid							
Landesbank Hessen-Thuringen	LOBO	06/03/2000	06/03/2015	4.12	7.03	15	Repayment on maturity
Landesbank Hessen-Thuringen	LOBO	04/02/2000	04/02/2015	11.60	5.68	15	Repayment on maturity
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.04	3.97	25	Repayment of annual EIP amount re borrowing to fund third party loan
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.04	3.97	25	
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.04	3.97	25	
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.04	3.97	25	
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.06	3.97	25	
Homes & Communities Agency	Annuity	01/04/1985	01/10/2033	0.02	9.25	49	Repayment of annual annuity amount

Profile of borrowing:

3.2.13 The following graph shows the maturity profile of the Council's loans, including borrowing to fund loans to third parties.



3.2.14 The graph is dominated by a 50 year loan of £125m taken out in March 2012 as part of the HRA self-financing.

3.2.15 The Council has one remaining LOBO loan of £9m, with an interest rate of 4.85%, maturing in February 2066. The loan equates to 4% of the total loan portfolio. It is assigned to the HRA and is represented in the graph by the blue bar on the right hand side.

3.2.16 The presentation differs from that in the treasury indicator for maturity structure of borrowing at Appendix 2, in that the Council's remaining LOBO loan is included at final maturity rather than the next call date. In the current low interest rate environment the likelihood of the interest rates on this loan being raised and the loan requiring repayment at the break period is extremely low.

3.2.17 All the Council's borrowing is at a fixed interest rate which limits the Council's exposure to interest rate fluctuations.

Loan restructuring

3.2.18 When market conditions are favourable long term loans can be restructured to:

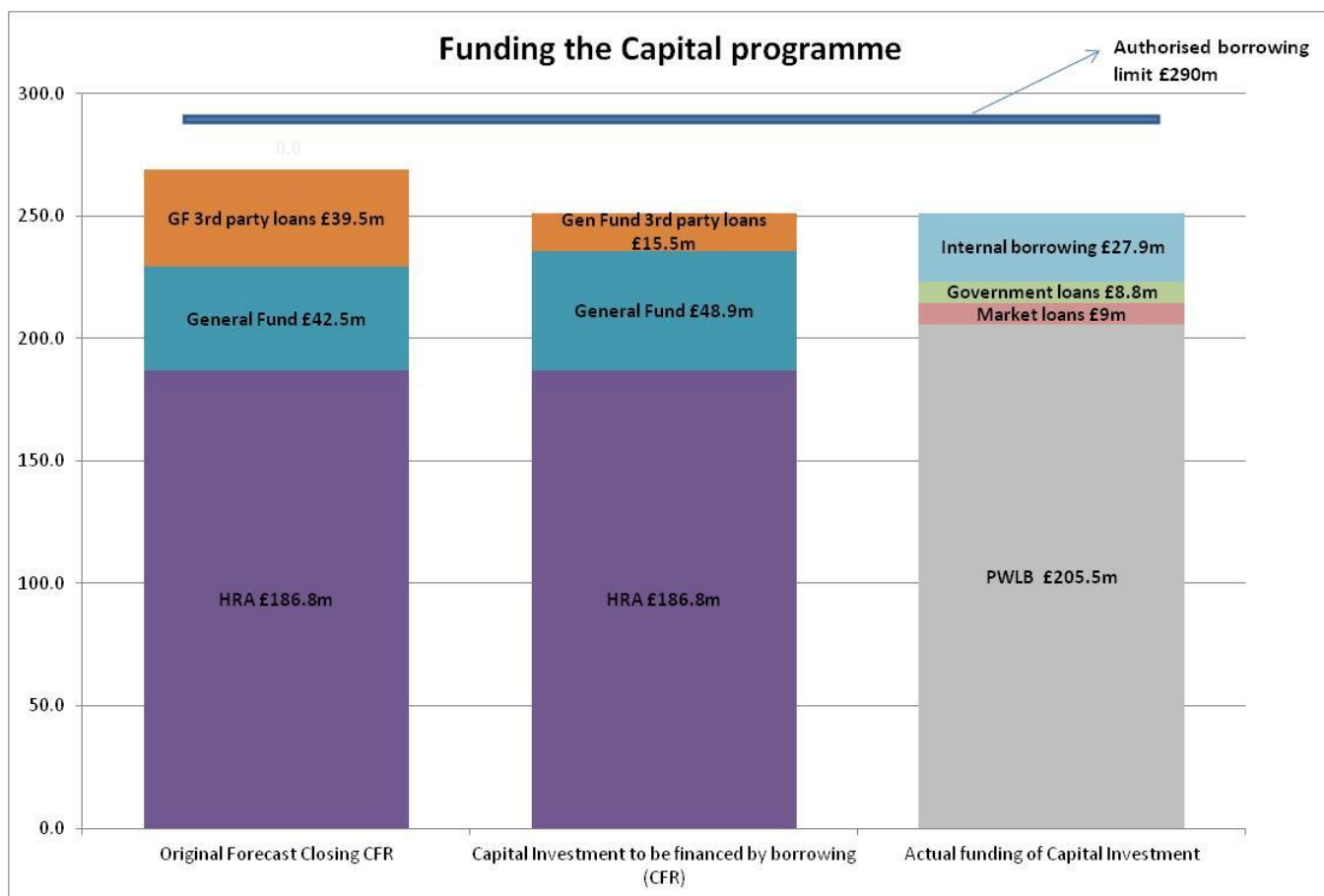
- generate cash savings,
- reduce the average interest rate,
- enhance the balance of the portfolio by amending the maturity profile and/or the level of volatility. (Volatility is determined by the fixed/variable interest rate mix.)

3.2.19 During 2014-15 there were no opportunities for the Council to restructure its borrowing due to the position of the Council's debt portfolio compared to market conditions. Further debt rescheduling will be considered subject to conditions being favourable but it is unlikely that opportunities will present themselves in the near future. The position will be kept under review, and when opportunities for savings do arise, debt rescheduling will be undertaken to meet business needs.

Funding the Capital Programme

3.2.20 The Treasury Management Strategy Statement (TMSS) sets out the plan for treasury management activities over the next year. It identifies where the authority expects to be in terms of borrowing and investment levels. When the 2014-15 TMSS was set, it was anticipated that the Capital Financing Requirement (CFR), the Council's liability for financing the agreed Capital Programme (including loans to third parties), would be £268.8m. This figure is naturally subject to change as a result of changes to the approved capital programme and carry forwards that might occur.

3.2.21 The graph below compares the maximum the Council could borrow in 2014-15 with the forecast CFR at 31 March 2015 and the actual position of how this is being financed as at 31 March 2015.



3.2.22 The graph shows the Council's estimated CFR at budget build and actual CFR at year end split between HRA, General Fund and GF borrowing to fund loans to third parties.

3.2.23 Council's current capital investment financed via borrowing as at 31 March 2015 was £38.8m below the Authorised Borrowing Limit set for by Council at the start of the year.

3.2.24 In addition, the graph shows how the Council is currently financing its borrowing requirement. As at 31 March the Council was using £27.9m of internal borrowing to finance capital investment. Internal borrowing is the use of the Council's surplus cash to finance the borrowing liability instead of borrowing externally. The strategy of internally borrowing, by carefully managing the Council's balance sheet, is currently the most appropriate strategy which enables savings to be generated and reduces the level of cash invested and credit risk associated with investing.

Quarter 1 2015-16

3.2.25 The borrowing position at the end of quarter 1 2015-16 is unchanged from that at 31 March 2015 apart from small movements in temporary borrowing relating to amounts deposited with NBC by two local organisations under long standing arrangements.

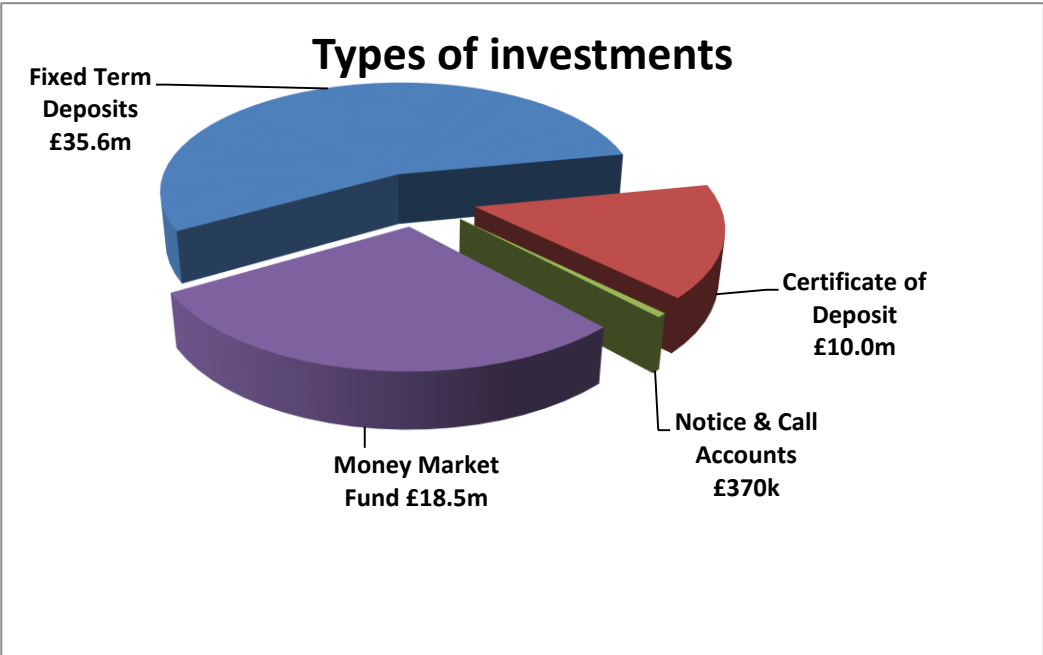
Investments

3.2.26 Investment activity is 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 2014-15. This ensures that the principle of considering security, liquidity and yield, in that order (SLY), is consistently applied. The Council will therefore aim to achieve the optimum return on investments commensurate with proper levels of security and liquidity. Any variations to agreed policies and practices are reported to Cabinet and Council

3.2.27 The strategy currently employed by the Council of internal borrowing also has the effect of limiting the Council’s investment exposure to the financial markets, thereby reducing credit risk.

3.2.28 The Council’s investment portfolio as at 31 March 2015 is attached at **Appendix 3**. As at 31 March the level of investment totalled £64.47m. This excludes loans to third parties, which are classed as capital expenditure. The level of cash available for investment is as a result of reserves, balances and working capital the Council holds. These funds can be invested in money market deposits, placed in funds or used to reduce external borrowings.

3.2.29 A breakdown of investments, as at 31 March by type is shown in the graph below. The majority of investments are fixed term deposits with banks for periods up to one year. Investments are made within the boundaries of the Investment Strategy and credit worthiness criteria. The weighted average time to maturity is 148 days.



Investment Performance

3.2.30 The Council’s average rate of return on investments in 2014-15 was 0.66%. Performance above the 7 day LIBID (London Interbank Bid Rate) averaged 0.31% against a target of 0.29%. The average differential to 7 day LIBID represents an uplift of £3,100 per £1m invested.

- 3.2.31 The ability to meet the 7 day LIBID performance target is reliant on the market providing financial products with suitable rates that also comply with the risk requirements set out within the Council's Treasury Management Strategy.
- 3.2.32 The Council has benchmarked its investment performance against other local authorities, using data from the Capita Investment Benchmarking Forum, which provides quarterly benchmarking data, on a snapshot basis, on investment returns. The following table sets out the Council's performance compared with other local authorities during 2014-15 using this indicator.

Average Investment Returns 2014-15				
Benchmarking Forum Classification	30 June 2014	30 Sept 2014	31 Dec 2014	31 March 2015
Northampton Borough Council	0.67%	0.68%	0.70%	0.73%
Benchmarking Group	0.60%	0.62%	0.64%	0.67%
Non Metropolitan Districts	0.67%	0.69%	0.69%	0.72%
Whole population	0.66%	0.68%	0.68%	0.70%

- 3.2.33 The NBC performance has been above or in line with the comparator group averages throughout the year. The circumstances and risk appetite of individual local authorities will be reflected in their returns. For example some local authorities will invest in non-rated building societies and consequently have access to higher rates, but with an increased level of risk; others will limit their investments to the least risky counterparties and investment types such as the DMO and/or government gilts, but with a commensurate reduction in returns. The aim is to optimise returns within the parameters of the Council's Treasury Strategy, which reflects its assessment of risk.
- 3.2.34 To ensure the Council is maximising the current opportunities contained in the Treasury Management Strategy it will continue to work with its external treasury management advisers to review the position, and if opportunities exist outside of the existing strategy , it will propose these to senior management and members for consideration.
- 3.2.35 Where appropriate, investments have been locked out for periods of up to one year with nationalised banks (UK Government backed) at higher rates of interest. In a rising interest rate environment it is appropriate to keep investments fairly short in duration so as to take advantage of interest rate rises as soon as they occur.
- 3.2.36 Leaving market conditions to one side, the Council's return on investment is influenced by a number of factors, the largest contributors being the duration of investments and the credit quality of the institution or instrument. Credit risk is a measure of the likelihood of default and is controlled through the creditworthiness policy approved by Council. The duration of an investment

introduces liquidity risk, the risk that funds can't be accessed when required, and interest rate risk, the risk that arises from fluctuating market interest rates. These factors and associated risks are actively managed by the LGSS Treasury team together with the Council's Treasury Advisors (CAS). Using credit ratings, the investment portfolio's historic risk of default stand at 0.031%. This simply provides a calculation of the possibility of average default against the historical default rates. The Council is also a member of a benchmarking group run by CAS which shows that, for the value of risk undertaken, the returns generated are in line with the Model Band.

Quarter 1 2015-16

3.2.37 Investment balances in quarter 1 of 2015-16 averaged £79m, with a weighted average rate of interest of 0.72%. In terms of performance this was 0.35% (35 basis points) above the average 7 day LIBID, against a target of 0.29% above 7 day LIBID.

Outlook

3.2.38 The Council's treasury advisor, Capita Asset Services, has provided the following forecast of interest rates:

	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%
5yr PWLB rate	2.30%	2.40%	2.50%	2.60%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%
10yr PWLB rate	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.70%	3.80%	3.90%	4.00%	4.10%
25yr PWLB rate	3.60%	3.70%	3.80%	4.00%	4.10%	4.20%	4.30%	4.40%	4.40%	4.50%	4.60%
50yr PWLB rate	3.60%	3.70%	3.80%	4.00%	4.10%	4.20%	4.30%	4.40%	4.40%	4.50%	4.60%

3.2.39 Capita Asset Services undertook a review of its interest rate forecasts after the May Bank of England Inflation Report. The ECB's quantitative easing programme to buy up EZ debt caused an initial widespread rise in bond prices and, correspondingly, a fall in bond yields to phenomenally low levels, including the debt of some European countries plunging into negative yields. Since then, fears about recession in the EZ, and around the risks of deflation, have abated and so there has been an unwinding of this initial phase with bond yields rising back to more normal, though still historically low yields.

3.2.40 This latest forecast includes a move in the timing of the first increase in Bank Rate from quarter 1 of 2016 to quarter 2 of 2016 as a result primarily of poor growth in quarter 1, weak wage inflation and the recent sharp fall in inflation due to the fall in the price of oil and the impact of that on core inflation. The UK fell marginally into deflation in April (-0.1%) and figures near zero will prevail for about the next six months until the major fall in oil prices in the latter part of 2014 falls out of the twelve month calculation of CPI inflation. The Governor of the Bank of England, Mark Carney, has repeatedly stated that increases in

Bank Rate will be slow and gradual. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when average disposable income is only just starting a significant recovery as a result of recent increases in the rate of wage inflation, though some consumers will not have seen that benefit come through for them.

3.2.41 From a strategic perspective, the Council is continually reviewing options as to the timing of any potential borrowing and also the alternative approaches around further utilising cash balances and undertaking shorter term borrowing which could potentially generate savings subject to an assessment of the interest rate risks involved. Cash flows this year have been sufficiently robust for the Council to use its balance sheet strength and avoid taking on new borrowing.

Third Party Loans

3.2.42 Northampton Town Football Club – Further loan tranches to the value of £5.75m were drawn down by Northampton Town Football Club during the year to support stadia expansion and associated development. Loans under the original facility agreement were granted as maturity loans; drawdowns on the hotel facility loan agreement take the form of annuity loans.

3.2.43 Cosworth - A loan of £1.4m was made to Cosworth to fund the acquisition of machinery at their new factory in the enterprise Zone. Repayments of principal are on an EIP basis.

3.2.44 Unity Leisure – During 2014-15 Cabinet approved the provision of a £300k loan to Northampton Leisure Trust (NLT) to facilitate purchase a soft play facility, based in Northampton. This will be drawn down during 2015-16 and will be cost-neutral to the Council.

3.2.45 University of Northampton –The Council has worked with the South East Midlands Local Enterprise Partnership (SEMLEP) to secure the LEP project rate from PWLB for a loan facility of £46 million to support the creation of a waterside campus. The loan is now expected to be drawn down during the last quarter of 2015-16. Alongside this Northamptonshire Enterprise Partnership (NEP) has worked with Northamptonshire County Council to secure a further £14m at the LEP project rate from PWLB for the same project.

Debt Financing Budget

3.2.46 The table below shows the budget, outturn and variance for the Council's General Fund debt and investment portfolio in 2014-15. This demonstrates the revenue (current) effects of the treasury transactions executed.

	Budget	Outturn	Variance
	£000	£000	£000
Interest payable	1,910	1,770	(140)
Interest receivable	(872)	(1,323)	(451)
Soft Loan Accounting Adjustments	(419)	(419)	0
MRP	1,342	1,253	(89)
Recharges from/(to) HRA – interest on balances	136	339	203
Total	2,097	1,620	(477)

3.2.47 The main reasons for the variances were as follows:

- Interest payable – budgeted new and replacement borrowing was actually funded internally from cash balances creating a saving.
- Interest receivable – cash balances and interest rates were both higher than budgeted; interest earned on a third party loan was not anticipated at the start of the year and so not budgeted
- MRP – there was a lower level of funding by borrowing in 2013-14 due to carry forwards in capital programme
- HRA recharges - cash balances and interest rates achieved were both higher than budgeted.

PWLB Governance Arrangements

3.2.48 The Government has tabled an amendment to the infrastructure Bill which would enable the Government to abolish the Public Works Loan Board and transfer its lending to another body using the processes set out in the Public Bodies Act 2011.

3.2.49 The Government plans to set out its proposals on transferring the lending function to another body in a consultation document in due course.

3.2.50 As a Council we have been reassured by the Department for Communities and Local Government that the reform is about the governance only and that that proposals will have no impact on existing loans held by local authorities or the government's policy on Local Authority borrowing.

Compliance with Treasury Limits and Prudential Indicators

3.2.51 With effect from 1st April 2004 The Prudential Code became statute as part of the Local Government Act 2003 and was revised in 2011.

3.2.52 The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of the Council are affordable, prudent and sustainable. To ensure compliance with this the Council is required to set and monitor a number of Prudential Indicators.

3.2.53 During the financial year 2014-15 the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement (TMSS) and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in **Appendix 2**.

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 a number of policy and strategy documents. These policy documents are reported to Cabinet and Council as part of the budget setting process. The Council's Treasury Strategy for 2014-15 was approved by Council on 24 February 2014.

4.1.2 This report complies with the requirement to submit an annual treasury management review report to Council.

4.3.2 The CIPFA Treasury Management Code of Practice requires the Council to nominate 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 outturn position is shown at paragraph 3.2.46 to 3.2.47.

4.2.2 The risk management of the treasury function is specifically covered in the Council's Treasury Management Practices (TMPs), which are reviewed annually. Treasury risk management forms an integral part of day-to-day treasury activities.

4.2.3 The risk implications of decisions taken and transactions executed during 2014-15 financial year are discussed in the body of the report at paragraph 3.2.4.

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.

4.4 Equality

4.4.1 An Equalities Impact Assessment was carried out on the Council's Treasury Strategy for 2014-15, and the associated Treasury Management Practices (TMPs) and the Schedules to the TMPs. The EIA assessment is that a full impact assessment is not necessary, as no direct or indirect relevance to equality and diversity duties has been identified

4.5 Consultees (Internal and External)

4.5.1 Consultation on treasury management matters is undertaken as appropriate with the Council's treasury advisors, Sector, and with the Portfolio holder for Finance.

4.5.2 Under the 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. This report will be presented to Audit Committee at their meeting of 9 November 2015.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The Council has 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").

4.6.2 Under the umbrella of the Treasury Management Code of Practice, the Council's Treasury Management Policy Statement "...acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management."

4.6.3 This supports the Council's priority of making every £ go further.

4.7 Other Implications

4.7.1 No other implications have been identified.

5. Background Papers

None

Glenn Hammons, Chief Finance Officer 0300 330 7000

Economic Update (provided by CAS Treasury Solutions)

Quarter Ended 30th June 2015

1. The latest economic data showed that the recovery slowed in the first quarter. However, the latest National Accounts painted the recovery in a better light than previously thought. Indeed, Q1's quarterly GDP growth estimate was nudged up from 0.3% to 0.4% on the back of some stronger construction data. What's more, given the strength of the business surveys, we wouldn't be surprised if Q1's growth figure was revised even higher in time.
2. In any case, the surveys suggest that the recovery got swiftly back on track in Q2. On the basis of past form, the average level of the Markit/CIPS composite PMI is consistent with quarterly GDP growth of around 0.8%. And the Bank of England's Agents' scores point to a similarly-strong pick-up. Granted, only limited official data has been published so far for Q2, but April's industrial production and trade figures paint an encouraging picture for the economic recovery at the start of the quarter.
3. Early indicators suggest that the recovery in household spending has maintained plenty of momentum in Q2. Although retail sales volumes rose by just 0.2% on the previous month in May, this followed a 0.9% rise in April. Accordingly, even if sales volumes were unchanged in June, they would still have risen by 0.9% over Q2 as a whole, matching Q1's rise. What's more, spending off the high street looks to have remained robust as well. The Bank of England's Agents' Score of turnover in the services sector points to a further acceleration in nominal spending on services in the near term. In addition, the latest consumer confidence figures suggest that households still think now is a good time to undertake major purchases.
4. Household spending should continue to be supported by developments in the labour market. The ILO unemployment rate has now fallen to 5.5%, not far above pre-crisis levels. And the employment rate is the highest since records began. The significant tightening in the labour market over the past eighteen months or so has begun to feed through into pay, with annual growth in headline average weekly earnings (excluding bonuses) picking up to 2.7% in April, its strongest since February 2009. We expect nominal wage growth to strengthen a bit further over the coming months as the unemployment rate continues to nudge down. The subdued outlook for inflation should underpin real wage growth.

5. The latest consumer prices figures showed that deflation lasted just one month. CPI inflation rose from -0.1% in April to +0.1% in May, reflecting the slower pace of falls in food prices and a rebound in petrol prices. We had stressed for a long while that deflation was likely to be fleeting, as it primarily reflected temporary external factors such as the fall in energy prices and food prices, as well as an appreciation in sterling, rather than weakness in domestic demand. Meanwhile, there have not been any signs that very low inflation has had any adverse second round effects on inflation expectations or spending decisions. Nonetheless, inflation looks set to hover just above zero for the next six months, and it wouldn't take much during that period, perhaps a renewed 10% fall in the oil price, for the UK to be tipped back into deflation.
6. Unsurprisingly, then, the Monetary Policy Committee do not appear to be in any rush to raise interest rates. Granted, the minutes of June's MPC meeting showed that for two members, the decision to leave rates on hold was "finely balanced". And a recent interview with the Financial Times, resident MPC hawk Martin Weale suggested that he is not too far off restoring his vote to raise rates again. But with inflation close to zero, the first budget of the next parliament due to be published in July, and the situation in Greece becoming increasingly troubling, it looks that they will wait at least another few months before turning against the grain again. And with the rest of the committee likely to stand pat for even longer, it looks unlikely that there will be an increase in interest rates this year. Indeed, we still think that the first hike in Bank Rate will occur in Q2 next year, broadly in line with market expectations.
7. Meanwhile, with the Conservatives winning an outright majority in May's general election, the fiscal squeeze is set to re-intensify next year. We will know more detail about the Chancellor's plans at the Budget on the 8th July, but we already know that in order to meet their manifesto pledge, the Conservatives will have to implement a fiscal consolidation worth around 5% of GDP over the next four years. And given that they have pledged to not increase VAT, income tax or national insurance in the next parliament, more of the planned squeeze will have to come through cuts to spending than in the last parliament. Admittedly, these plans may be watered down, but it is clear that fiscal policy will be a hindrance, not a help, to the economic recovery over the next few years, and underlines that monetary policy will have to remain extremely accommodative. Meanwhile, the general election brought with it another cloud to the economic recovery – namely a referendum on the UK's membership of the European Union which could happen during 2016, though a May date now appears unlikely.
8. Internationally, the major development over the past quarter has been the deterioration of the situation in Greece. At the time of writing, the country is still a member of the euro-zone, but its future as part of the single currency

has become increasingly uncertain. Greece urgently needs financial assistance in order to meet its debt repayments, but is unwilling to accept the reforms which creditors demand in exchange for funds. The situation is so severe that emergency capital controls have been imposed in order to stop the Greek banking system from collapsing. It is still possible that Greece and its creditors are able to strike a last-minute deal, but it is clear that this is likely to only offer a short-term solution, and Greece will need to undertake substantial debt restructuring or outright default if it is to return its public finances to a sustainable position in the long run. Whilst the UK's direct economic and financial exposures to Greece are small, there could be an adverse impact on the UK's economy from a wider fallout and period of general financial market instability that would be likely to prevail if a "Grexit" were to occur.

9. Finally, UK equity prices have significantly underperformed their US counterparts since the beginning of Q2, with the FTSE 100 falling by 2.3%, whilst the S&P 500 has fallen by only 0.5%. That said, UK equity prices have performed better than those in Europe, which have been hit by renewed fears of a Grexit. Meanwhile, sterling has remained strong against the euro, due to these fears as well as the ECB's ongoing programme of Quantitative Easing. UK 10-year government bond yields have also increased by about 50 basis points since the beginning of Q2. This probably reflects a confluence of factors, such as easing fears of a prolonged bout of deflation, and growing concerns about the impact of a deterioration in the situation in the euro-zone. In any case, gilt yields had looked too low early this year given the fundamental strength of the economic recovery.

Prudential & Treasury Indicators – 2014-15 Outturn Position

Background and Definitions

For the background, definitions and risk analysis for the prudential and treasury indicators for 2014-15, please see the Treasury Management Strategy 2014-15 report to Council 24 February 2014.

Prudential Indicators

Affordability

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

Ratio of financing costs to net revenue stream		
	2014-15	2014-15
	Estimate	Actual
	%	31 March 2015 %
General Fund	8.58%	5.85%
HRA	34.18%	33.81%

The driver for actual financing costs on the General Fund being lower than estimated is an underspend of £477k on the debt financing budget, the reasons for which are set out in the main body of the report.

Actual financing costs on the HRA were broadly in line with budget.

b) Estimate of the incremental impact of capital investment decisions on the council tax

<i>Estimates of incremental impact of new capital investment decisions on the Council Tax</i>	
	2014-15
	Estimate
	£.p
General Fund	2.22

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	
	2014-15
	Estimate £.p
HRA	6.27

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)

Gross external debt less than CFR				
	Excluding third party loans		Including third party loans	
	2014-15 Budgeted	2014-15 Actual 31 March 2015	2014-15 Budgeted	2014-15 Actual 31 March 2015
	£000	£000	£000	£000
Gross external debt at 30 Nov 2014	216,441	208,568	228,441	224,083
2013-14 Closing CFR	222,454	222,042	234,454	232,042
Changes to CFR:				
2014-15	6,879	13,672	34,380	19,187
2015-16	2,418	10,421	26,418	59,720
2016-17	429	11,205	429	8,759
Adjusted CFR	235,989	257,340	299,490	319,708
Gross external debt less than adjusted CFR	Yes	Yes	Yes	Yes

This is the key indicator of prudence. It is intended to show that external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital requirement for the current and new two financial years.

The forward looking changes to CFR (2015-16 and 2016-17) are estimates that will be firmed up on an ongoing basis as new capital programme expenditure decisions are made and more accurate forecasts on existing schemes in the programme become available.

Gross external debt during the year, and at 31 March 2015, remained below the adjusted Capital Financing Requirement

Capital Expenditure

e) Estimate of capital expenditure

Capital Expenditure		
	2014-15	2014-15
	Estimate £000	Outturn £000
General Fund	18,352	24,504
HRA	46,700	29,965
Total	65,052	54,469
Loan to Third Parties	27,500	7,150
Total	92,552	61,619

In the General Fund, the original capital programme expenditure estimate was increased by scheme carry forwards from 2013-14, and the addition of new schemes during the year.

In the HRA, expenditure was below budget and schemes will be carried forward into the 2015-16 capital programme.

Expenditure on loans to third parties was significantly lower than budgeted due to the re-profiling of loans to the University of Northampton scheme into 2015-16.

Full details of the 2014-15 capital outturn, variances and budget carry forwards to 2015-16 are set out in the Finance and Monitoring Outturn Report to Cabinet on 15 July 2015.

f) Estimates of capital financing requirement (CFR)

Capital Financing Requirement (Closing CFR)		
	2014-15	2014-15
	Estimate	31 March 2015
	£000	Actual
		£000
General Fund	42,531	48,911
HRA	186,803	186,803
Total	229,334	235,714
Loan to Third Parties	39,500	15,515
Total	268,834	251,229

The CFR can be understood as the Council's underlying need to borrow money long term for a capital purpose – that is, after allowing for capital funding from capital receipts, grants, third party contributions and revenue contributions. Changes to the CFR are linked directly to the use of borrowing to finance new capital expenditure (including finance leases), and to the repayment of debt through Minimum Revenue Provision (MRP).

The General Fund CFR at 31 March 2014 is above the estimate due to an increase capital expenditure funded by borrowing for the reasons set out at (e) above.

The HRA CFR has remained unchanged since none of the HRA capital programme in 2014-15 was financed by borrowing.

External Debt

g) Authorised limit for external debt

Authorised Limit for external debt		
	2014-15	2014-15
	Boundary	31 March 2015
	£000	Actual
		£000
Borrowing - NBC	245,000	208,072
Borrowing - Third Party Loans	40,000	15,515
Other long-term liabilities	5,000	496
TOTAL	290,000	224,083

The long term liabilities figure relates to finance leases.

External debt remained below the authorised limit throughout 2014-15.

h) Operational boundary for external debt

Operational boundary for external debt		
	2014-15	2014-15
	Boundary £000	31 March 2015 Actual £000
Borrowing - NBC	235,000	208,072
Borrowing - Third Party Loans	40,000	15,515
Other long-term liabilities	5,000	496
TOTAL	280,000	224,083

The long term liabilities figure relates to finance leases.

External debt remained below the operational boundary throughout 2014-15.

i) HRA Limit on Indebtedness

HRA Limit on Indebtedness	
2014-15	2014-15
Limit £000	Closing HRA CFR 31 March 2015 £000
208,401	186,803

The HRA limit on indebtedness is £208.401m. This is the HRA debt cap imposed by the Department for Communities and Local Government at the implementation of HRA self-financing. The HRA CFR of £186.803m, which is the measure of indebtedness, is below the limit.

Compliance

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

The Council has adopted CIPFA's Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes. The adoption is included in the Council's Constitution, approved by the Council on 14 March 2011, at paragraph 6.10 of the Financial Regulations

Treasury Indicators

l) Upper limits on interest rate exposures

Upper limits on interest rate exposures - Investments and Borrowing		
	2014-15	2014-15
	Limit	Actual 31 March 2015
	%	%
Fixed Interest Rate Exposures	150%	106%
Variable Interest Rate Exposures	150%	-6%

Upper limits on interest rate exposures - Investments		
	2014-15	2014-15
	Limit	Actual 31 March 2015
	%	%
Fixed Interest Rate Exposures	100%	71%
Variable Interest Rate Exposures	100%	29%

Upper limits on interest rate exposures - Borrowing		
	2014-15	2014-15
	Limit	Actual 31 March 2015
	%	%
Fixed Interest Rate Exposures	100%	96%
Variable Interest Rate Exposures	100%	4%

The purpose of these three indicators is to express the Council's appetite for exposure to variable interest rates, which may, subject to other factors, lead to greater volatility in payments and receipts. However this may be offset by other benefits such as lower rates. Separate indicators have been set and monitored for debt and investments, as well as for the net borrowing position. Maximum exposure for fixed and variable rates during the year may add up to more than 100% (or 150% in the case of the combined indicator) as each is likely to occur on a different date. Actual exposure at 31 March 2015, and during the year, remained within the agreed limits.

m) Total principal sums invested for periods longer than 364 days

Upper limit on investments for periods longer than 364 days		
	2014-15	2014-15
	Upper Limit	Actual 31 March 2015
	£000	£000
Investments longer than 364 days	6,000	2,500

Investment periods have generally been kept to 364 days or below to maintain liquidity and to minimise counterparty risk in line with the Council's treasury strategy.

k) Maturity Structure of Borrowing

Maturity structure of borrowing		2014-15	2015-15
	Lower Limit	Upper Limit	Actual 31 March 2015
	%	%	%
			Actual 31 March 2015 £000
Under 12 months	0%	20%	1%
1-2 years	0%	20%	3%
2-5 years	0%	20%	8%
5-10 years	0%	20%	13%
10-20 years	0%	40%	15%
20-30 years	0%	60%	1%
30-40 years	0%	80%	0%
Over 40 years	0%	100%	60%
			134,116

The Treasury Management Code of Practice requires the maturity of borrowing to be determined by reference to the earliest date on which the lender can require payment.

The Council's one remaining LOBO loan is presented as maturing within 12 months, due to the six monthly break clauses, whereby the lender can opt to increase the rate, and the Council can choose to accept or decline the new rate. However in the current interest rate environment it is not to the lender's advantage to increase the rate at the break dates and this option is not likely to be exercised.

Appendix 3

NBC Investment Portfolio as at 31 March 2015

Type	Start Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Fixed	22/04/14	21/04/15	Bank of Scotland plc	Maturity	0.9500%	-2,000,000.00
Fixed	21/05/14	20/05/15	Bank of Scotland plc	Maturity	0.9500%	-3,000,000.00
Fixed	27/08/14	26/08/15	Bank of Scotland plc	Maturity	0.9500%	-3,000,000.00
Fixed	09/09/14	09/06/15	DBS Bank Ltd	Maturity	0.6500%	-4,000,000.00
Fixed	09/09/14	08/09/15	Bank of Scotland plc	Maturity	0.9500%	-2,000,000.00
Fixed	30/09/14	30/09/15	East Lothian Council	Maturity	0.7000%	-3,000,000.00
Fixed	14/11/14	14/05/15	Credit Suisse AG	Maturity	0.6500%	-5,000,000.00
Fixed	16/12/14	16/12/16	Blaenau Gwent County Borough Council	Maturity	0.9300%	-2,500,000.00
Fixed	12/12/14	04/06/15	Royal Bank of Scotland plc	Maturity	0.9400%	-5,000,000.00
Fixed	07/01/15	06/01/16	Bank of Scotland plc	Maturity	1.0000%	-2,500,000.00
Fixed	16/02/15	15/02/16	Bank of Scotland plc	Maturity	1.0000%	-2,500,000.00
Fixed	20/02/15	19/02/16	DBS Bank Ltd	Maturity	0.7000%	-3,000,000.00
Fixed	26/02/15	25/02/16	Bank of Scotland plc	Maturity	1.0000%	-3,000,000.00
Fixed	26/03/15	24/03/16	Bank of Scotland plc	Maturity	1.0000%	-2,000,000.00
Fixed	12/03/15	10/09/15	Nationwide Building Society	Maturity	0.6600%	-3,000,000.00
Fixed Total						-45,500,000.00
Call	31/03/14		HSBC Bank plc	Maturity	0.0500%	-370,000.00
Call Total						-370,000.00
MMF	31/03/14		Ignis Sterling Liquidity 2 GBP	Maturity	0.4734%	-15,000,000.00
MMF	31/03/14		Insight Liquidity Sterling C3	Maturity	0.4352%	-1,335,000.00
MMF	01/07/14		LGIM Sterling Liquidity 4	Maturity	0.4348%	-2,138,000.00
MMF Total						-18,473,000.00
						-64,343,000.00