

NORTHAMPTON BOROUGH COUNCIL



COUNCIL

Monday, 21 September 2015

YOU ARE SUMMONED TO ATTEND A MEETING OF NORTHAMPTON BOROUGH COUNCIL, WHICH WILL BE HELD AT THE GUILDHALL NORTHAMPTON ON MONDAY, 21 SEPTEMBER 2015 AT 6:30 PM WHEN THE FOLLOWING BUSINESS IS PROPOSED TO BE TRANSACTED

1. DECLARATIONS OF INTEREST

2. MINUTES.

To approve the minutes of the proceedings of the Meeting of the Council held on 20th July 2015

3. APOLOGIES.

4. MAYOR'S ANNOUNCEMENTS.

5. PUBLIC COMMENTS AND PETITIONS

6. MEMBER AND PUBLIC QUESTION TIME

7. CABINET MEMBER PRESENTATIONS

(Copy herewith)

8. OPPOSITION GROUP BUSINESS

Councillor G Eales to make a statement on: "The importance of trade unions and their rights."

9. CIL - APPROVAL OF THE CABINET REPORT

(Copy herewith)

10. DEVOLUTION OF DEVELOPMENT CONTROL POWERS ON CROSS BOUNDARY PLANNING APPLICATIONS AND IN RESPECT OF AN APPLICATION RELATING TO LAND TO THE REAR OF COTTINGHAM DRIVE, MOULTON

(Copy herewith)

11. EXEMPTION FROM CALL-IN AND URGENT EXECUTIVE DECISIONS.

(Copy herewith)

12. TREASURY MANAGEMENT OUTTURN 2014-15

(Copy herewith)

13. NOTICES OF MOTION

- i) Councillor McCutcheon to propose and Councillor Birch to second:

“This Council notes that the West Northamptonshire Joint Core Strategy has not worked out entirely to the benefit of Northampton.

This Council notes that much development will be placed just outside the Borough Boundary.

This Council further notes this means Northampton will have the challenges that come with large scale housing development. However, South Northamptonshire District Council and Daventry District Council will keep the additional Council Tax income and New Homes Bonus that will come from this new development on Northampton’s doorstep.

This Council believes the Borough Boundary, in the longer-term, should be extended to incorporate SUEs, as outlined in the Joint Core Strategy, which are immediately outside Northampton and also other very close developments such as Grange Park. So this Council believes there should be a limited expansion of the Northampton Borough Boundary.

This Council further believes if there is a review of the borough boundary it must be done with full public consultation”

- ii) Councillor G Eales to propose and Councillor Stone to second:

“This Council recognises that in order to provide confidence to the staff at all levels, the senior leadership of the Council must work in close partnership with the Trade Unions who represent our employees. Northampton Borough Council will only deliver excellent public services when Trade Unions, councillors and senior management work together.

So this Council believes that it is important to develop a reputation as a good employer and to build a relationship with staff and their representatives based on mutual trust.

To this end the Council agrees the following:-

1. The Trade Unions have an important role to play in a democratic and accountable public authority.
2. To have regular local joint meetings with all the recognised staff Trade Unions.
3. To guarantee sufficient facility time and resources in order that the Trade Unions can properly represent all their members.
4. To re-enter national pay bargaining for local government”.

iii) Councillor Cali to propose and Councillor Haque to second:

“This Council notes that Female Genital Mutilation (FGM) is a cultural practice that makes some young girls in our local communities very vulnerable. It is often referred to as ‘cutting’ and is a form of child abuse. It happens to young girls in our county and in our town.

This Council believes we can act together to stop it happening in our town.

This Council will do the following:-

- Work with the Police and other agencies so that we understand the scale of the problem.
- Ensure all relevant front line staff through training are aware of this issue, how to support victims and how to support campaigners against the practice

This Council resolves to identify the groups that are campaigning against this practice in order to

- Sign post vulnerable girls and their families to them
- Support the campaigns by disseminating any appropriate literature
- Ensure the relevant local campaign groups are aware they have the support of this Council”.

iv) Councillor Bottwood to propose and Councillor Ansell to second:

“A Green Flag flying above a public open space recognises that the space meets the highest possible standards, is maintained beautifully and has excellent facilities. This Council welcomes with pride the award of Green Flag status to Abington Park and Delapre Park. This Council recognises the hard work of the staff, Friends groups and volunteers who have worked throughout the year to make these awards possible.

This council recognises the wealth of green and open spaces that Northampton has to offer, is rightly proud of these spaces and commits to protecting them and maintaining them to a high standard”.

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

The Guildhall
Northampton

D. Kennedy Chief Executive

Public Participation

1. Comments and Petitions

- 1.1 A member of the public (or an accredited representative of a business ratepayer of the Borough) may make a comment or present a petition on any matter in relation to which the Council has powers. A comment or presentation of a petition shall be for no more than three minutes. No notice of the nature of the comment to be made or of the petition is required except for the need to register to speak by 12 noon on the day of the meeting.

(Public comments and petitions will not be taken and the Annual Council Meeting or other civic or ceremonial meetings.)

NOTES

- i. *Comments may be on one or more subjects but each person has no longer than three minutes to have their say.*
- ii. *The same person may make a comment and present a petition on different subjects. In such instances that person will have three minutes to make their comment and a separate three minutes to present a petition.*

2. Member and Public Questions

- 2.1 A member of the public (or business ratepayer of the Borough) may ask a maximum of two written questions at each meeting, each limited to a maximum of 50 words, on any matter in relation to which the Council has powers. Each question shall:
- be submitted in writing and delivered, faxed or e-mailed to Democratic Services no later than 10.00am seven calendar days before the day of the meeting; and
 - include the name and address of the questioner and the name of the Cabinet member/Committee Chair to whom the question is put.
- 2.2 At the meeting, copies of all questions and the responses to them from the public and Members will be made available to the public and press. The Mayor may allow one supplementary question, without notice, that arises directly from the original question or response.

(Questions will not be taken at the Annual Council Meeting or at civic or ceremonial meetings or meetings called to deal with specific items of business.)

NOTES

In respect of paragraph 2.1 above, questions may be rejected on certain grounds that are set out on page 4-12 of the Council's Constitution and which may be viewed at

www.northampton.gov.uk/site/scripts/download_info.php?fileID=1919 or by seeking advice using the contact details below.

3. Motions

- 3.1 A member of the public may register to speak to a motion under the ‘Notices of Motion’ item on the agenda. Registration to speak must be made to Democratic Services by 12 noon on the day to the meeting. Speaking to a motion is restricted to three minutes per person.

(The ‘Notices of Motion’ item will not be taken at the Annual Council meeting or meetings called for civic or ceremonial purposes.)

4. General

A member of the public may make a comment, present a petition, ask a question or speak to a motion at the same meeting subject to the restrictions set out above.

5. Contacts

Democratic Services: e-mail democraticservices@northampton.gov.uk

Tel 01604 837722

Mail Democratic Services
Northampton Borough Council
The Guildhall
St Giles Square
Northampton NN1 1DE

MINUTES

OF THE PROCEEDINGS OF A MEETING OF NORTHAMPTON BOROUGH COUNCIL HELD AT THE GUILDHALL, NORTHAMPTON, ON Monday, 20 July 2015 AT SIX THIRTY O'CLOCK IN THE EVENING

PRESENT: HER WORSHIP THE MAYOR Councillor Flavell (in the Chair).

COUNCILLORS: Ansell, Ashraf, Aziz, Beardsworth, Bottwood, Cali, Caswell, Choudary, Culbard, Davenport, Duffy, G Eales, T Eales, Eldred, Golby, Gowen, Hadland, Hallam, Haque, Hibbert, J Hill, M Hill, Kilbride, King, Lane, Larratt, Lynch, Markham, Marriott, McCutcheon, Meredith, Nunn, Oldham, Parekh, Patel, Russell, Sargeant, Shaw, Smith and Stone.

1. DECLARATIONS OF INTEREST

There were none.

2. MINUTES.

The minutes of the meeting held on the 8th June 2015 were agreed and signed by the Mayor.

3. APOLOGIES.

Apologies were received from Councillors Chunga, Birch and Walker.

4. MAYOR'S ANNOUNCEMENTS.

The Mayor noted that her 'Bloomin Great Tea Party' had been held on 22nd June 2015 and a significant amount of money was raised.

It was noted that on 11th July Northampton joined Towns, Cities and Communities around the world in remembering the Srebrenica genocide where she participated in a wreath laying ceremony.

The Mayor asked that Members join her in showing their respects on Saturday 15th August 2015 at a Service of Remembrance on to mark the 70th anniversary of VJ Day.

The Mayor appealed to Councillors to volunteer collecting for the Poppy Appeal. It was noted that volunteers would be needed for static sites in Northampton between the Saturday 24th October and Saturday 7th November 2015. For further details, Members were asked to contact the Branch Secretary, Deirdre McMillan. deirdremcmillan@outlook.com or 01604 451244 for details.

5. PUBLIC COMMENTS AND PETITIONS

Mr Norman Adams addressed Council and questioned what the Administration thought of the first budget of the National Government; he commented that they had been obliged to sell the Housing Stock having to give back the money raised to the exchequer, obtaining just 50% of the right to buy receipts and the benefits cap of £20,000 and reminded the Leader of her previous promise that the Decent Homes money would not be squandered.

6. MEMBER AND PUBLIC QUESTION TIME

The Mayor advised that 16 questions had been received from Councillors and members of the public and that the answers had been tabled in accordance with the Constitution.

Questions and answers given were as tabled (included in an updated agenda on the website) unless where stated supplementary questions were asked – detailed below.

In response to a supplementary question relating to question 3, Councillor Hadland explained that there had been a meeting between the Council and the consortium and that the Council were not in a position to reveal who they were.

In response to a supplementary question relating to question 8, Councillor Markham explained that she had met with Mrs Butcher and had identified 5 pieces of land; further meetings would be had.

In response to a supplementary question relating to question 12, Councillor Bottwood explained that there were conditions with all contracts but that they had put solutions into place and had caught up with the back log at the end of last week.

In response to a supplementary question relating to question 14, Councillor Hadland explained that Castle House was just one of a number of sites forming the Heritage Gateway and each application will be supported on their own merits and that there could be no prejudgement of any potential planning application.

In response to a supplementary question relating to question 15, Councillor Bottwood explained that the water level in Swanhaven lakes was the responsibility of Anglian Water.

7. CABINET MEMBER PRESENTATIONS

Councillor Markham submitted her Cabinet Member report and explained that the outturn position at the end of 2014/15 was in good financial health which she attributed to the diligent work of the previous Administration and Council officers. She further noted that she had welcomed the first budget of the 2015 to 2020 national Government and the introduction of the National Living wage. She noted that the Chairman of Northampton Town Football Club (NTFC) had announced he had agreed the heads of terms for the sale of controlling interests in the Football Club and also made reference to the numerous commemorations that the Council had participated in in recent weeks. In response to questions asked, Councillor Markham explained that the administration was carrying out an exploratory exercise relating to devolution to local authorities. Responding to questions asked, Councillor Markham stated that

the Living Wage had been adopted already by the Council and noted that whilst the cost of living had levelled, the living wage was currently significantly higher than the minimum wage.

Councillor Hallam submitted his Cabinet Member report and explained that Audit training was being held on Monday 27th July 2015 and encouraged all Members who were interested in Audit to attend. In response to questions asked, he noted that there had been an ownership issue with regards to Swanhaven Lakes and offered assurance that he would listen to pleas of funding assistance.

Councillor Hadland submitted his Cabinet Member report and noted that on the 16th July 2015 there had been a ministerial visit to Northampton, specifically to look at the Enterprise Zone; on the same date a West Northamptonshire Joint Strategic Planning Committee (WNJSPC) meeting was held and due to a number of ongoing issues, Members considered leaving the Committee the best way forward. However, whilst no longer being part of the Committee, NBC would continue with joint working until the expiration of the Committee in Autumn 2015. In response to questions, Councillor Hadland confirmed that all planning applications are advertised in the press and public places and informed Council that they were at the final stage of demolition of the old Castle Station. In response to a further question, Councillor Hadland explained that of the 67 jobs created through the Business Incentive Scheme, the employment offered was of varying skills, some of which were apprenticeships.

Councillor Eldred submitted his Cabinet Member report and noted that there had been numerous events held recently, including the Northampton Carnival and Alive@Delapre. He stated that they had received very good feedback for both the events and local businesses had been very positive about it and thanked Councillors and Officers for their help at the events. He further commented that the Beach would be making a return to the Market Square. It was noted that there had been many events held in the local museums and a temporary 'Pimms Bar' had assisted in increasing visitors. In response to questions asked, Councillor Eldred commented that he would be able to exchange information with any Councillors with regards to the number of people who had volunteers and the hours put in.

Councillor Hibbert submitted his Cabinet Member report and noted that the number of licensed Housing in Multiple Occupation (HMOs) had increased and further action would be taken against those not licensed. It was explained that there had been multi-agency working with the Housing and Wellbeing Team and Northampton General Hospital to assist vulnerable people being discharged from the hospital and intergrading into the community. In response to questions asked, Councillor Hibbert stated that he was not aware of the exact number of rough sleepers, but that as soon as he had them he would pass them on to the interested Councillors. He also explained that tenants who were not adhering to the 'Tenant's Charter' was an issue for Northampton Partnerships Homes (NPH).

Councillor King submitted her Cabinet Member report and explained that whilst there had been an increase in the overall number of crimes, the number of serious acquisitive crimes had decreased. She also went on to list the number of projects that the Community Payback team had undertaken in partnership with NBC and the CSP.

In response to questions asked, Councillor King confirmed that she would supply a breakdown of figures to Councillors with regards to the Domestic Homicide Reviews from the Police. She further confirmed that the Police were treating the increased number of elderly being abused as a priority and were working together to provide support and to identify the most vulnerable.

Councillor Bottwood submitted his Cabinet Member report and commented that there had been a successful prosecution of a person being fined for not clearing up their dog excrement and had been issued with a £200 fine. In response to questions asked, Councillor Bottwood commented that there was a continued dialogue with Environmental Management Service (EMS) to ensure that backlogs were dealt with promptly in future. He further explained that he was not sure how travellers who had recently arrived at the Mayfair Carpark had gained access to the site but that a padlock appeared to have been removed. He further stated that there was no area of the Town that had been deliberately excluded from Northampton in Bloom.

8. OPPOSITION GROUP BUSINESS

Councillor Stone, as Leader of the Labour Group stated that there was a need for a cross party approach to Planning issues in order to benefit the Town. She commented that an ethical planning policy was necessary she considered the current planning policy as favouring the interests of the developers. She stated that Article 4 had restricted the number of HMO's to 15% but that there was a need for family homes and not allowing them being developed into one bed room flats as a way of maximizing profits. She further reported that there was currently a housing crisis and that this was being exacerbated by developers avoiding investing the money promised though the Section 106 agreement and investment into infrastructure. She further commented that byelaws needed introducing to retail areas to limit the number of pound shops, tanning shops and betting shops; areas needed to be safe and well lit and there was a need to put people before exploitative planning.

In response, Councillor Hadland stated that the Labour Group had been almost absent from discussions relating to Planning Policy for the past 12 years and state that everybody would like to have a nice environment and a plethora of family homes. It was explained that the Joint Core Strategy currently stipulates that 35% of new homes built have to be affordable and this satisfied some housing needs. He further reported that it was better to have a development with some affordable homes than no development with no affordable homes.

Councillor Stone responded by stating that this was an issue of cross party working and emphasised the need to consider Town and County Planning. Planning, she stated was a policy for good and there was a need to put people before exploitative developers.

9. OVERVIEW & SCRUTINY ANNUAL REPORT 2014/2015

Councillor Lane, as the Chair of the Overview and Scrutiny Committee, submitted a report which sought Council to note the contents. He thanked the Overview and Scrutiny Officer and Councillor Gowen and Ansell for Chairing the Panels.

Councillor Sargeant seconded the report:

RESOLVED:

That Council noted the Overview and Scrutiny Annual Report 2014/15.

10. CHANGES TO CONSULTATION APPOINTMENTS

Councillor Markham submitted a report which sought the confirmation of changes to Outside Bodies and Consultation Appointments.

Councillor Hallam seconded the report.

RESOLVED:

That the Appointments to Outside Bodies and Consultation Appointments set out in the report be confirmed.

11. NOTICES OF MOTION

- i) Councillor Stone proposed and Councillor T Eales seconded that:

“This Council notes that the EU Referendum Bill is currently working its way through the parliamentary process.

This Council also notes that Northampton and the surrounding area have many businesses that operate across the European Union such as Carlsberg and Cosworth.

This Council believes that it is time Northampton residents and the rest of the UK population had a vote on our European Union membership.

This Council believes that it is in the overwhelming interests of Northampton that the United Kingdom of Great Britain and Northern Ireland remains a member of the European Union.

This Council urges Northampton residents to vote ‘Yes’ to remain in the European Union in the forthcoming coming referendum”.

Councillor Markham proposed and Councillor Hallam seconded an amendment:

Amended motion to read:

This Council notes that the EU Referendum Bill is currently working its way through the parliamentary process.

This Council also notes that Northampton and the surrounding area have many businesses that operate across the European Union such as Carlsberg and Cosworth.

This Council believes that it is time Northampton residents and the rest of the UK population had a vote on our European Union membership.

This Council urges Northampton residents to vote in the forthcoming referendum and to ensure that they are as informed as possible about the choice they will be making when casting their ballot.

Council debated the amendment.

Upon a vote, the amendment was carried and became the substantive motion.

Council debated the substantive motion.

Upon a vote the motion was carried.

ii) Councillor G Eales proposed and Councillor Smith seconded:

“This Council notes that our contract with Enterprise Managed Services (EMS) comes to an end in 2018.

Therefore this Council believes all options must be considered when this seven year period ends.

This Council believes consideration needs to be given for bringing all or part of Environmental Services back in house.

This Council asks the Cabinet to set up an in-house bid team so that this option can be both carefully and fairly considered”.

Councillor Bottwood proposed and Councillor Hallam seconded an amendment:

Amended motion read:

This Council notes that our contract with Enterprise Managed Services (EMS) comes to an end in 2018.

Therefore this Council believes all options must be considered when this seven year period ends.

Council debated the amendment.

Upon a vote, the amendment was carried and became the substantive motion.

Council debated the substantive motion.

Upon a vote the motion was carried.

Council noted that the proposer of Motion iii) had agreed to incorporate the amendments submitted by the Conservative Group and agreed to the alteration (as below)

iii) Councillor McCutcheon to propose and Councillor Russell to second:

This Council notes that Northampton has taken much pride in its association with Walter Tull. Walter Tull was born in 1888 and was the only second player of mixed race to play in top division football. Walter Tull played for Northampton Town and appeared in 110 matches and scored many goals.

In 1914 Walter Tull joined the British Army and fought in six major battles. He proved to be a brave soldier but was sadly killed in action in 1918.

This Council passed a motion in December 2012 proposed by David Mackintosh, the then Leader of the Council, to support the campaign for Walter Tull to be posthumously awarded the Military Cross.

This Council asks the Chief Executive to write to our three Members of Parliament stating this Council wishes them to continue with the campaign to have Walter Tull posthumously awarded the military cross”.

Council debated the motion.

Upon a vote, the motion was carried.

iv) Councillor Beardsworth to propose and Councillor Meredith to second:

“Northamptonshire County Council instigated similar terms and conditions changes to their staff contracts ahead of those put in place by NBC last year. Following a thorough review, NCC have subsequently decided that the changes to sick pay were overly harsh. NCC Chief Executive Paul Blantern notes that Council “understand the goodwill and tremendous effort that (staff) continue to demonstrate during austerity”. As such they have, with immediate effect, relaxed the policy, reducing the number of days before staff are eligible to sick pay from three to one. NCC requires a further £148 million in savings over the next 5 years, and this Council is informed by the administration that NBC are in far better financial shape. If this is true, there can be no financial justification for this policy moving forward.

This Council resolves to recognise the hard work, commitment and professionalism of staff under extremely trying circumstances, and to immediately pay sick pay from the second day of illness”.

Council debated the motion.

Upon a requisition for a recorded vote;

There voted for the Motion: Councillors Ashraf, Beardsworth, Cali, Choudary, Culbard, Davenport, Duffy, G Eales, T Eales, Gowen, Haque, Marriot, McCutcheon, Meredith, Russell, Smith and Stone.

There voted against the Motion: Councillors Ansell, Aziz, Bottwood, Caswell, Eldred, Golby, Hallam, Hibbert, J Hill, M Hill, Kilbride, King, Lane, Lynch, Malpas, Markham, Nunn Oldham, Parekh, Patel, Sargeant and Shaw.

There abstained the Mayor.

The Motion was lost.

The meeting concluded at 9.03pm

Question for Full Council Monday 20th July 2015

Question 1

Question to Councillor Hibbert from Mr Norman Adams

A recent report by Capital Economics states that 'Public expenditure to housing does not take into account the future costs to the welfare system of meeting higher rents in the private rented sector and 'affordable rent' social housing.

And comes to the conclusion 'it is therefore a form of fiscal myopia: saving pennies in the short term only to waste pounds in the future'.

DO you agree?

Response

**Councillor Hibbert
Cabinet Member for Housing**

Question for Full Council Monday 20th July 2015

Question 2

Question to Councillor Hibbert from Mr Neil Clarke

Discretionary Housing Payments and any amount awarded is entirely at the discretion of Northampton Borough Council with no right to go to the Tribunal Service on the decision.

Residents can write to the Benefits Manager and ask for a review of the Assessors decision

Q1: How many residents (2014/15) asked for a review?

Q2: How many residents were awarded a better outcome post review?

Response

**Councillor Hibbert
Cabinet Member for Housing**

Question for Full Council Monday 20th July 2015

Question 3

Question to Councillor Hadland from Councillor Stone

Work on the new East Stand at Sixfields Stadium has unfortunately stopped.
As a major creditor to NTFC, what leverage are we using to ensure the stadium is finished soon?

Response

Councillor Hadland
Cabinet Member for Regeneration, Enterprise and Planning

Question for Full Council Monday 20th July 2015

Question 4

Question to Councillor Markham from Councillor Stone

Northamptonshire County Council previously had a policy of not paying its staff sick pay for the first three days. This has now been reduced to one. Will the Leader consider learning the lessons from the County Council and perhaps do the same on this Council?

Response

**Councillor Markham
Leader of the Council**

Question for Full Council Monday 20th July 2015

Question 5

Question to Councillor Eldred from Councillor Stone

What summer activities/events for young people has the Borough Council planned for this school holiday?

Response

**Councillor Eldred
Cabinet Member for Community Engagement**

Question for Full Council Monday 20th July 2015

Question 6

Question to Councillor Hadland from Councillor Ashraf

Can the Cabinet Member provide us with an update on progress in joining up of St. James Mill Road and the road end in St. James Retail Park?

Response

**Councillor Hadland
Cabinet Member for Regeneration, Enterprise and Planning**

Question for Full Council Monday 20th July 2015

Question 7

Question to Councillor Markham from Councillor Ashraf

Overview and Scrutiny Committee agreed the Parking Report on Monday 23rd March 2015 and it is now waiting to go to Cabinet. Can the Leader confirm which particular cabinet meeting this report will be discussed and what are her initial thoughts on the conclusions/recommendations (without pre-judging any Cabinet decision)?

Response

**Councillor Markham
Leader of the Council**

Question for Full Council Monday 20th July 2015

Question 8

Question to Councillor Hadland from Councillor Davenport

This Council has previously committed to the Richard Butcher Memorial Pitch. Can the Cabinet Member tell us how he intends to take this forward in the coming months?

Response

**Councillor Hadland
Cabinet Member for Regeneration, Enterprise and Planning**

Question for Full Council Monday 20th July 2015

Question 9

Question to Councillor Hallam from Councillor Gowen

The average district council, in 2014/2015, is collecting 97.9% of council tax but for Northampton it is 96.2%. Last year the collection rate in Northampton was 96.3%.

What is the Borough Council doing to meet the average collection rate for district councils? (statistics according to DCLG).

Response

Councillor Hallam
Cabinet Member for Finance

Question for Full Council Monday 20th July 2015

Question 10

Question to Councillor Eldred from Councillor Gowen

Can the Cabinet Member confirm that they will not carry out a 'Community Governance' review before May 2019? The last one cost approximately £130,000 only for most communities to reject the idea of a Parish Council.

Response

**Councillor Eldred
Cabinet Member for Community Engagement**

Question for Full Council Monday 20th July 2015

Question 11

Question to Councillor Hallam from Councillor Gowen

The Conservative Government in their recent budget announced a range of welfare changes such as a new benefit cap of £20,000. This is likely to have an impact on demand for Borough Council services, how is the Council preparing for this?

Response

Councillor Hallam
Cabinet Member for Finance

Question for Full Council Monday 20th July 2015

Question 12

Question to Councillor Bottwood from Councillor G Eales

The contractor is now strictly picking up only two green sacks per week. The contract doesn't come to end until 2018 and many residents are angry. Will the Cabinet Member inform me of the Administration's strategy for dealing with situation over the next three years?

In the short-term however, how is the Council proposing to collect black bin bags and fly tipping left on the streets due to the contractor only collecting just two green sacks?

Response

Councillor Bottwood
Cabinet Member for Environment

Question for Full Council Monday 20th July 2015

Question 13

Question to Councillor Eldred from Councillor Culbard

Will the Administration, in this next term of office, try and get the arts council accreditation status back for our museums?

Response

**Councillor Eldred
Cabinet Member for Community Engagement**

Question for Full Council Monday 20th July 2015

Question 14

Question to Councillor Hadland from Councillor Haque

The Borough Council and County Council said the former Castle House site in Spring Boroughs should be used as a 'Heritage Gateway'. However, the County Council proposal is not keeping with this. Is the Cabinet Member opposed to the County Council plan for 30 houses on the site? If the Cabinet Member is opposed, please can Northampton Borough Council state its opposition in the strongest of terms?

Response

Councillor Hadland
Cabinet Member for Regeneration, Enterprise and Planning

Question for Full Council Monday 20th July 2015

Question 15

Question to Councillor Bottwood from Councillor Duffy

If Swanhaven lakes (along Billing Brook road on left before The Tanners pub) are a major flood defence for the area, why haven't the filters been regularly inspected and kept clear? This lack of care has resulted in pollution by oil from neighbouring areas causing deaths and suffering to the lakes' wildlife.

Response

Councillor Bottwood
Cabinet Member for Environment

Question for Full Council Monday 20th July 2015

Question 16

Question to Councillor Hibbert from Mr Adams

Houses in Multiple Occupation when undertaking the checks are you including minimum room sizes?

Response

**Councillor Hibbert
Cabinet Member for Housing**



Report of the Leader of the Council

Northampton Borough Council

21st September, 2015

Northampton Town Centre Limited BID

Along with Councillor Hadland I recently met representatives of Northampton Town Centre Limited, the Business Improvement District, to hear their proposal to ballot business ratepayers on a further 5-years for the BID to deliver improvements in the Town Centre. I congratulate the BID on their work over the last 5 years and wish them the best in the ballot, which closes on the 29th October at 5pm.

Town Centre activity

The Council is supporting the town centre in many ways. Summer activities in the Market Square, including the much-loved Beach, and the 'Love Northampton – Let's Keep it Clean' campaign have taken place and been well supported. Alongside these, the Council has marketed the Greyfriars site development opportunity and is getting a lot of interest from potential development partners.

Local Plan update

Cabinet has initiated the process to carry out a review of the Local Plan, and has agreed as part of this process to engage an Advisory Committee of 5 Councillors to work with the Cabinet Member responsible, Councillor Hadland.

Universal Credit

The Council has been informed that Universal Credit will be implemented in Northampton from the 23rd November 2015 for new single claimants. Discussions are underway between officers and the DWP with regard to working together on its implementation and on information for the public.

Northampton Landlords Forum

On the 28th July, I met, along with Councillor Hibbert, private landlords at the Northampton Landlords Forum. Very useful discussion took place on the Council's proposal to develop a social lettings agency and also with regard to the Council's current work with landlords. It was a useful and productive meeting and I look forward to further discussions as we work with landlords to improve and enhance private sector rented housing in the Town.

Child Sexual Exploitation

Child Sexual Exploitation is a significant issue across the country and it is important that all Councils are prepared and able to play their part in combatting and preventing this activity. There is an active programme of work between the County Council, Police and other agencies including District Councils. I am pleased to report that the Borough Council is hosting a countywide working conference of officers from District and Borough Councils later this month to further develop good practice in this important area.

Commemorations

Thank you to all the members who attended the Service marking Victory over Japan (VJ) Day in August at Holy Sepulchre. Planning is now underway for Remembrance Sunday on the 8th September, working with the Royal British Legion and for observing the Silence at 11am on the 11th at the Memorial on Wood Hill. I would encourage all members to support the Poppy Appeal as always.

I am also pleased to report that the Royal British Legion are once again planning to hold a Parade on Armed Forces Day (25th June 2016) which the Council will be happy to support as in 2015.

The Council is also hosting a ceremony at which veterans from Northamptonshire who were part of the Arctic Convoys will be awarded the Ushakov Medal in honour of their service.

Councillor Mary Markham
Leader of the Council



Cabinet Member Report for Finance

Northampton Borough Council

21st September, 2015

Finance

The Council's draft Accounts for the 2014/15 financial year are being audited by the External Auditor, KPMG, and their report to the Audit Committee on 7th September is expected to provide a positive opinion on the Accounts and confirm the Council is providing value for money. The Audit Committee will consider this report and sign off the Accounts before they are expected to be formally approved by the External Auditor by 30th September.

The Council is on course to deliver its Budget for 2015/16 with an underspend reported to Cabinet in September.

As previously advised the Council's Medium Term Financial Plan (MTFP) approved in February 2015 places the Council in a good financial position for the next two years. However, over the medium term as Government funding is expected to reduce further a deficit of £7m is anticipated by 2019/20. The Council is in the process of refreshing its assumptions and forecasts for its MTFP, and these will be reported to Cabinet as part of draft Budget proposals in December 2015. A key driver for the updated forecasts will be information from Government arising from the Spending Review 2015 which is expected to report in late November 2015.

Revenues and Benefits

The service continues to perform well against its key performance indicators despite some ongoing resource challenges. Turnover of staff within the team continues to be high and to support maintaining levels of performance the service are continually recruiting to vacant posts. LGSS have an award winning training and development team and therefore the service remains highly capable in terms of continually training both new and existing members of the team.

Improvements to the now separate Revenues and Benefits telephony service continue to be implemented and the service will be investing resource in this area to ensure we can deliver to service users' levels of expectation.

In addition to the services established posts, a resilience team will be in place for the service and operational by December 2015. This team will start to manage peaks removing excess work, improving performance and also creating an income stream to the partnership during off – peak periods. This is an important part of the future service offering for the partnership and ensures it capable of supporting a number of future scenarios faced as a result of reforms to welfare.

LGSS continues to attract interest from prospective partners and are currently engaged with a number of other Council's interested in either joining the partnership or using our services. Growth of the partnership remains very important in order to manage the challenges faced over the coming years in terms of performance, alongside supporting the need for cost savings for the Council.

An important consultation will be commenced shortly to start to engage with local partners and recipients of Council Tax Reductions. This consultation will start to consider options for the 2016-17 schemes and will support any proposed changes to the existing scheme in operation in 2015-16.

Councillor Mike Hallam
Cabinet Member for Finance



Cabinet Member Report for Regeneration, Enterprise & Planning

Northampton Borough Council

Monday 21 September 2015

Town Centre Operations

The closure of Midsummer Meadow went as planned and the NHS major permit holders from that site were relocated to St Michaels.

St Michael's car park was fully relined and we took the opportunity to introduce more parent and child bays.

Concessionary parking was given to Northampton Fire Service in support of their 80th Anniversary open day on Upper Mounts

The Grosvenor Centre lift refurbishment continues and will be completed in time for Christmas shopping..

Regeneration, Enterprise & Planning

The extension to the Outpost Café at the Skatepark was opened last month. This development was in response to the success of the original venture, and represents an excellent investment for the Council.

The Ark restaurant at Midsummer Meadow is under new management, and the business has got off to a good start.

N/2015/0438 – the planning application for redevelopment to provide new headquarters and other offices including parking at the Travis Perkins site, Lodge Way was approved in principle by the Planning Committee on 28th of July.

The Brackmills South SUE (Hardingstone) public inquiry finished on the 30th of July and the Planning Inspectorate has confirmed that the Secretary of State will issue a decision on or before 1st of February 2016.

Spring Boroughs Neighbourhood Plan. An examiner, Chris Collison has been appointed to assess the Plan. It is anticipated the Plan will be examined towards the end of the year.

Duston Neighbourhood Plan will go to a referendum on 5th November.

An application has been received for the new Aldi store off Queens Park Parade. PI/2015/511 - The proposal is for a single storey food store with associated parking.

Delapre Abbey – The project continues apace and is programmed to complete in July 2016. Works are progressing including works to the 18th Century Stable Block as well as the Billiard Room. Underpinning is now complete and mechanical & electrical installation is commencing. The external scaffolding will be removed in the near future, giving the first opportunity to see the cleaned and restored elevations.

Heritage Open Days take place from 10th to 13th September, and the locations open to the public include everything from ancient to Art Deco.

Abington Street – four planters are complete with planting to be completed 2nd September. Three additional planters will be installed in due course.

Castle Station – the demolition and subsequent works to the new taxi rank is progressing.

Four Waterside – preparatory works continue and designs for revised road layout has been agreed with NCC. These works are now in the planning stages.

Greyfriars – The demolition works are complete. These were completed within the expected timeframe. The marketing of the site has now begun. An advert has recently appeared in the Property Press, and the initial response has been excellent. The next stage is for initial expressions of interest to be returned by 9th October 2015.

Councillor Tim Hadland

Cabinet Member for Regeneration, Enterprise & Planning



Cabinet Member Report for Community Engagement

Northampton Borough Council

Monday 21 September 2015

Partnership & Communities **Councillor Community Fund**

65 grants have been made from the Councillor Community Fund since April. At the end of August the total amount awarded was £22,956.00, providing support to a wide range of local voluntary organisations and local projects.

Community Grants

During the grant year 2014/15, 21 local organisations were successful in applying for funding, and a total amount of £55,518 was awarded for this period. For the current grant year 2015/16, to date a total amount of £12,000 has been awarded to 4 local organisations from the £50,000 pot. The Community Grants panel continue to meet on a quarterly basis to discuss and consider all applications.

Our Place

The National Our Place programme has now been completed, with NBC receiving sign-off for the work it has undertaken through this funded project. The project has enabled NBC to produce, develop and deliver a realistic and achievable Operational Plan for developing 8 of the boroughs community centres in partnership with their management committees. The plan is to further utilise this approach in the development of the other 13 community centres.

Events

Alive at Delapre was a success with over 15,000 visitors attending the event.

Throughout August and part of September the beach was again in the market square for the 4th year running, attracting positive feedback from those attending. The Air ambulance service held two awareness days in this period and the local PCSO's hosted a property marking day. The heritage bus was parked on the market on Friday 11th September to promote the heritage trail.

Culture & Heritage

July saw the opening of 'Beastly Machines' with lots of interactive activities for all the family at Northampton Museum & Art Gallery. The exhibition features a menagerie of moving animals by Derbyshire based sculptor Johnny White and is proving very popular with young children and adults alike.

Visitors to the museum continued to enjoy 'Love in the Time of the Italian Baroque' and 'For the Love of Venice' and during the month two events were linked to the Italian exhibitions – the first, a Life Drawing Master Class led by renowned local artist, Chris Fiddes.

The second an 'An Evening of Wine & Opera' started with wine tasting provided by the Wine Connection team in The Derngate followed by popular arias sung by rising opera star, Francesca Stevens. The event sold out. The 31st July saw the preview night of Northampton Museums & Art Gallery's 150th exhibition which was attended by over 150

guests who enjoyed music by local folk band 'The Kings Gambit', looking round the exhibition and a glass of wine sponsored by Aspers Casino. The exhibition is proving popular with both young and old, many of them recognising 'Alfie' from the days of Gordon Scott's shoe shop in Abington Street. Finally, 'Stitching Magic' opened in September and showcases work by members of the Northamptonshire Branch of the Embroiderers' Guild.

There was something for children of all ages at the summer holiday workshops at Abington Park Museum including two sold out events - Bug Hunts and a Teddy Bears' Picnic for the youngest along with Art from Nature workshops. Beastly Machines, Heraldic Shields, Leather Stamping, Archaeology and Elephant Workshops all took place at Northampton Museum & Art Gallery. Families enjoyed the Medieval Mayhem theme day at Abington Park Museum which featured living history demonstrations, falconry displays and archery along with craft activities.

A third Shoe Making workshop in August with Hetty Rose again sold out and more workshops are planned for 2016.

During July 17,045 footwear photographs were taken of around 2,273 pairs of shoes for the Virtually Shoes project funded by The Arts Council England. A total of 85,664 photographs of footwear have been taken to date.

During July and August four talks were researched and delivered by volunteers working on the Conflict & Community project which is funded by the Heritage Lottery Fund. Further talks are planned in September. The project will also see volunteers deliver WW1 outreach session to libraries and other venues over the summer holidays.

August saw the first in a series of talks entitled 'Object in Focus' which explores objects from the collection in more detail. Further talks are planned between September and November.

July saw volunteers offering 554 hours of their time to various projects and events at the Museum. The Virtual Shoe project funded by the Arts Council England commenced in April and 377.5 hours were completed by volunteers assisting with the photography of the shoes during July.

Looking forward, 'Whose Round is it?' looks at the part the brewing industry has played in a town that still has over 70 pubs and will see the staff at the museum brew a 'Museum bitter' under the expert tuition of staff at Phipps Brewery.

Finally, July year to date visits to both museums are 12% above target and the highest for over 3 years.

Customer Services

Customer Services are working alongside Benefits, NPH and our Housing and Wellbeing Team on the plan for the introduction of Universal credit ensuring support is on hand to support claimants with this change.

We are pleased to announce a partnership with Barclays Digital Eagles. A series of drop in sessions and in-depth classroom sessions have been made available and started during August. The Digital Eagles are offering practical advice on using computers and the internet. Trainers have been on hand for everyone who attends. The Digital Eagles have already been trained on NBC, LGSS and NPH website's and will also be helping people navigate these websites and online services. The sessions have got off to a flying start with several very satisfied clients including one happy client in his eighties now able to get

online to use email, social media, Skype and much more. Mr Wright who lives alone is now planning on using his new skills to contact old friends and make video calls with relatives in America and Australia.

From August The Sunflower Centre moved their Face to Face appointments into the OSS supporting victims of domestic abuse in an easy accessible, comfortable and private environment.

Councillor Brandon Eldred
Cabinet Member for Community Engagement



Cabinet Member Report for Housing

Northampton Borough Council

September 2015

Housing and Wellbeing Service

We have now recruited a permanent Private Sector Housing Manager who has substantial housing regulatory experience, has introduced and managed HMO licensing schemes, and has an impressive track record of prosecuting rogue landlords. We have also recruited a permanent Housing Options and Advice Manager who is an accomplished problem solver who has an in-depth knowledge of the housing legislation and is especially adept at preventing homelessness. They will be part of the Housing & Wellbeing Senior Management Team and will join us later this month.

We have also recruited to a number of other posts which were vacant following the staffing review held earlier this year. In order to complete the team, a second round of recruitment is planned for September and October 2015.

Community Wellbeing Company

Officers from the Housing and Wellbeing Service have continued to work closely with the County Council, NBC's partners and other stakeholders to support and influence the development of the County Council's new company and operating model.

NCC has now published the results of its public consultation on what residents would like to see in relation to the delivery of wellbeing services in Northamptonshire. The results of the consultation can be found on the County Council's website.

On 24th September 2015, I will be Chairing a meeting of the Northampton Wellbeing Partnership (a group of around 50 organisations delivering housing, health and community wellbeing services in the borough) to explore how best to co-ordinate, integrate, develop and support services in Northampton.

Northampton's new Housing Strategy

Work has started on the development of a new, overarching Housing Strategy.

The 5 year, overarching Housing Strategy will be underpinned by a number of supporting strategies and policies, including a Private Rented Housing Strategy, Homelessness Strategy, Rough Sleepers Strategy, Older People's Housing Strategy and the Housing Allocations Policy.

On 27th September 2015, the Council will be holding a Housing Strategy Workshop, at Franklin Gardens, to provide a wide range of stakeholders with the opportunity to talk about the challenges and opportunities in Northampton and the future priorities.

Northampton's Housing Strategy 2016-21 is due to be published in March 2016.

Tackling Domestic Abuse

As previously reported, the Government has provided an extra £434,276 to help strengthen and improve services that tackle domestic abuse in Northamptonshire.

The money designated for the refuge providers is for one year only and has been distributed to them. A sum of money was granted to fund work with all stakeholders including commissioners to develop a costed sustainable business model for the future. To this end, Officers have met with and engaged Professor Fotaki from Warwick Business School to lead on this work commencing in September 2015.

On 7th September 2015, NBC will host a Domestic Abuse Workshop (organised by the Housing and Wellbeing Service, the Police and NCC) which will be attended by representatives from the seven local housing authorities in Northamptonshire. The purpose of the Workshop is to encourage the other housing authorities to learn from, support and adopt the new approach that is being championed by NBC.

Landlords Forum

On 28th July 2015, the Leader of the Council and I hosted a meeting of the Northampton Landlords Forum in the Guildhall.

More than 70 local landlords and letting agents attended the event, which also included displays from the Fire and Rescue Service, British Gas, Care and Repair, Community Safety, Environmental Services, Planning Services, Private Sector Housing and Housing Options and Advice.

The Landlords Forum received updates on the introduction of the Additional HMO Licensing Scheme and Article 4 Direction, and was briefed on the Council's plans to establish a not-for-profit social lettings agency in the town.

Future meetings events are planned for 20th October 2015 and 23rd February 2016.

Licensing of Houses in Multiple Occupation

At the end of July 2015, the number of three storey Houses in Multiple Occupation (HMOs) licensed under Northampton's Mandatory HMO Licensing Scheme reached 280, with a further 21 mandatory licence applications still being processed.

Since introducing its Additional HMO Licensing Scheme in November 2014, the Council has licensed a total of 268 two storey HMOs and is currently processing another 80 additional licence applications.

Officers are continuing to work closely with the Fire Service and other agencies to identify licensable HMOs, and have been asked to review the Council's HMO Licence Fee policy and recommend ways in which it can be amended to support the Council's objective of rewarding good, responsible landlords and penalising bad, non-compliant landlords, including those who have not licensed their HMOs on time.

Councillor Stephen Hibbert
Cabinet Member for Housing



Cabinet Member Report for Community Safety

Northampton Borough Council

Monday 21 September 2015

Community Safety

There has been an increase in overall crime of 2.2% (+409 crimes) since April 2015. Serious Acquisitive Crime continues on a downward trend with a decrease of 2.0% (-52 crimes). All crime types within this have seen reductions; robbery -0.3%, vehicle crime - 1.3% and domestic burglary -3.5%. Violence against the person has increased by 10.5% (+489 crimes). Anti-Social Behaviour continues to show a good reduction, decreasing by 7.3% (-1086 incidents) since April 2015 with personal Anti-Social Behaviour incidents reducing by 6.6% (-329 incidents), nuisance by 6.9% (-534 incidents) and environmental by 11.0% (-223 incidents).

The four main Partnership Weeks of Action (WoA) have been completed in Kings Heath, Kingsthorpe, Mounts and Blackthorn (including part of Goldings), and have been the main focus of delivery for Community Safety activity over the summer months. As with previous WoA's, a range of activities have taken place, seeing high levels of community engagement and participation, providing the opportunity to provide advice and support on a wide range of community safety and crime issues. As with previous years, the WoA have been well supported by partnership agencies and in particular the Police who took the lead on 2.

Community Payback work continues across the town in a variety of locations with the main focus being on the Week of Action areas. There is already a full planned calendar of work for Community Payback up until October 2015.

Community Safety are undertaking their annual work with the University of Northampton in preparation for Fresher's Week at the end of September, where the team will be providing advice, support and engagement on a wide range of matters. This year also sees similar work being undertaken in partnership with Northampton College and their students, which is a welcome addition to our partnership work.

Communities and Forums

Forums

All forums met again during July and revisited their action plans. Planning for activities over the next 12 months is underway and an Intergeneration Day between the Youth & Pensioners Forum looking at World War I has already taken place. Other events currently being planned are: International day for persons with Disabilities; Women's Forum Health Awareness & Wellbeing Day; co-ordinated approach to Black History Month; forums involvement in Holocaust Memorial Day; International Coming Out Day celebrations.

The Youth Forum will be supporting the 3rd year of the Break the Shire event with 8 schools involved this year funded by Councillor Community Funds. The Youth Forum will be again providing tours of The Guildhall on Heritage Weekend and members undertook the required training during the summer holidays.

The LGBT Forum took part in the Umbrella Fair again in August and once again signed up more people to support the Straight Allies campaign. The filming of 'I'm Still Me', a

production by Northampton School for Boys used at the LGBT conference, also took place in the summer holidays and will form part of the new education pack to be used in October.

Community Centres

Our Place consultation has been undertaken with Kings Heath and Kingsthorpe Community Centre's during the Weeks of Action delivered over the summer period. Support continues to be provided on key project work and stakeholder groups. Volunteering to support the centres continues to be a focus, approximately 60 individuals have expressed an interest, and this is being progressed. Other funding opportunities that will help support the further development of our community centres are being progressed.

Councillor Anna King

Cabinet Member for Community Safety



Cabinet Member Report for Environment

Northampton Borough Council

Monday 21 September 2015

Environmental Health

On 4th August the Council prosecuted a food business operator for two offences relating to re-wrapping of food and not having the correct approvals in place for the processes that were being carried out at the premises. The defendant entered guilty pleas and was fined £280 per offence with £28 victim surcharge and £1740 legal costs. Prosecutions are only taken when informal approaches have failed to achieve compliance with legal requirements or in the cases where there is a significant risk to public safety.

During July and August over 1200 section 46 Notices were issued to occupiers of domestic premises. These notices outline refuse collection arrangements. Neighbourhood Wardens are working to monitor their areas for breaches of these notices and where these are identified enforcement action is being taken.

Environmental Services

Generally the environmental services contract is performing satisfactorily, although there are major challenges in relation to some aspects of the refuse collection service. The council remains in dispute with its contractor in relation to their failure to remove sacks in accordance with their contractual commitment. Pending a resolution of the dispute, a quick and effective response by the council means all sacks are being removed and enforcement action is being taken as appropriate. All additional costs incurred by the council are being passed to the contractor and are not being picked up from the public purse.

Environmental Services (Direct Services)

Green Flag Awards

Abington Park and Delapre Abbey have been awarded the Green Flag Award. The award is in recognition of staff being committed to providing to the community, as a whole, the opportunity to enjoy the facilities offered by the parks. They ensure that the parks are a welcoming place, safe and secure and are well maintained and clean. They endeavour to meet the expectations of all our visitors and encourage people in the borough, who may not have been to the parks before, to visit them. We believe that the Green Flag Award is a vitally important tool to attract, enhance and for preserving our public spaces for present and future generations.

Love Northampton – Let's Keep It Clean

In response to the findings of the Overview & Scrutiny committee's Keep Northampton Tidy report, a month long anti-litter campaign to tidy up the town centre is ongoing throughout September. Working with partners, businesses and residents the campaign intends to promote awareness of the cleansing work carried out in the town centre, look at ways to improve perceptions of the town, and educate visitors about the impact littering, in particular the dropping of cigarette butts and fast food packaging, has on the town.

Councillor Alan Bottwood

Cabinet Member for Environment

Appendices
1



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL

Meeting 21st September 2015

Agenda Status: Public

Directorate: Regeneration, Enterprise
and Planning

Report Title	Community Infrastructure Levy – Examiner’s Report
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1. Purpose

1.1 Following the recommendation of Cabinet to introduce the Community Infrastructure Levy (CIL) Charging Schedule from 1st April 2016 it must be formally approved by a resolution of the full council of the charging authority.

2. Recommendations

2.1 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 of attached Cabinet report)

2.2 The CIL Regulation 123 List attached at Appendix 2 be approved

2.3 Exceptional circumstances relief be not applied to Northampton Borough

2.4 CIL policy on payments in kind and the Instalment Policy (Appendix 3 of the attached Cabinet report) be approved

3. Issues and Choices

3.1 Report Background

3.1.1 Cabinet, at its meeting on 9th September 2015 considered the findings of the Examiner’s report of the Draft Community Infrastructure Charging Levy and recommended it be reported to Council for formal approval, as required by

regulation. A copy of that report is attached and contains the detailed background and explanation of the process.

- 3.1.2 There is a need to make constitutional changes to enable and empower the Council to implement the various changes outlined in the attached report, and to resource the operational functions to facilitate the implementation of CIL.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 See attached Cabinet report

4.2 Resources and Risk

- 4.2.1 See attached Cabinet report

4.3 Legal

- 4.3.1 See attached Cabinet report

4.4 Equality

- 4.4.1 None

4.5 Other Implications

- 4.5.1 None

5. Background Papers

- 5.1 Cabinet report 9th September Community Infrastructure Levy – Examiner’s Report and appendices
- 5.2 Report of the Examination of the Draft Northampton Borough Council CIL Charging Schedule (July 2015)

Richard Palmer, Team Leader Planning Policy, ext 7279

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.

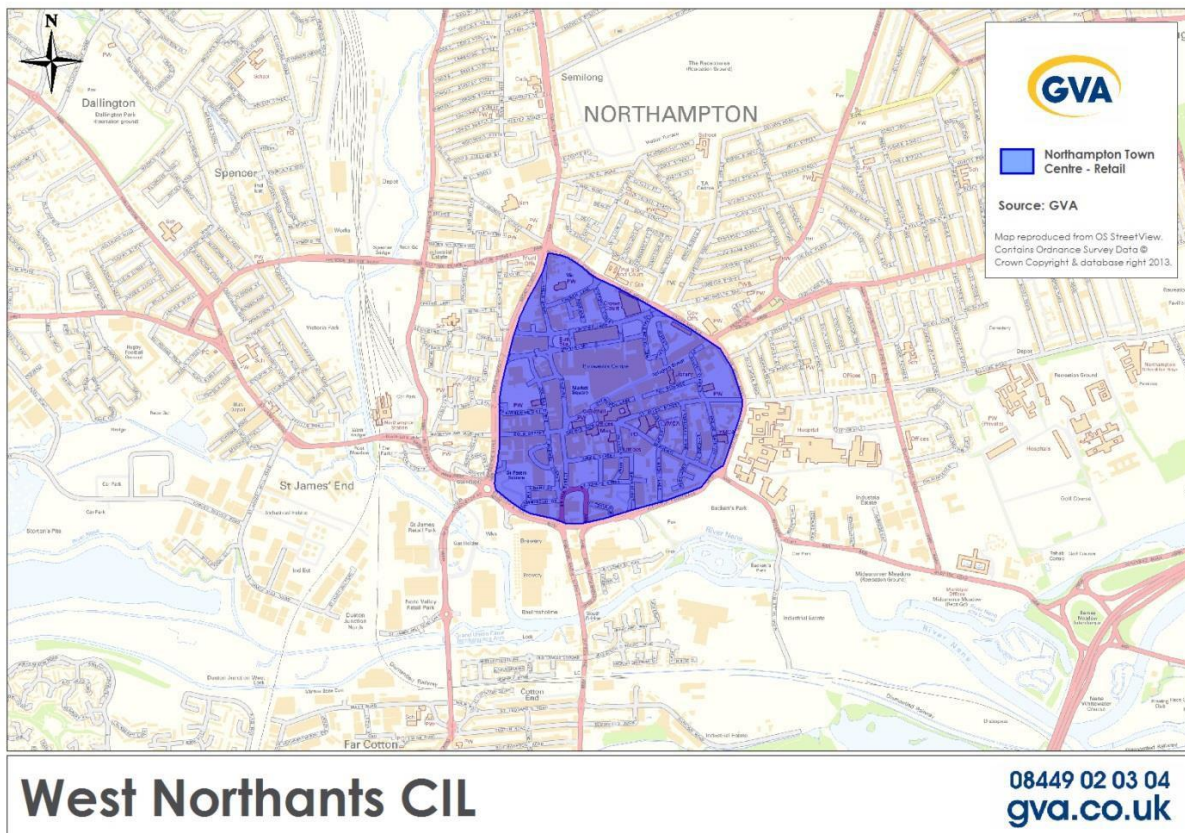
2. The Charging Schedule

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

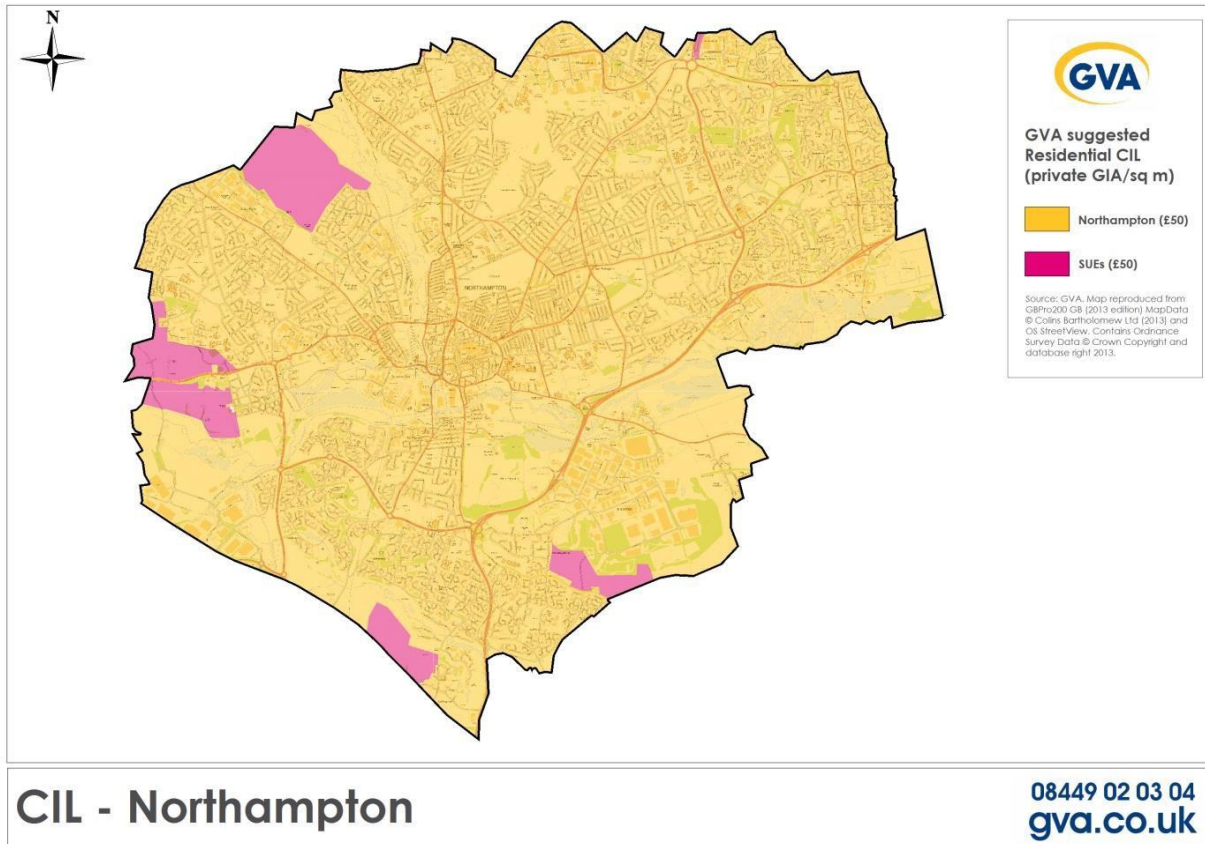
Northampton Borough Council Charging Schedule

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



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL
21st September 2015

Agenda Status: Public

Directorate: Borough Secretary

Report Title	Devolution of development control powers on cross boundary planning applications and in respect of an application relating to land to the rear of Cottingham Drive, Moulton
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1. Purpose

- 1.1 To seek approval of Full Council to devolve the Council’s planning control functions to Daventry District Council to determine a cross-boundary planning application for the residential development of up to 42 dwellings on land to the rear of Cottingham Drive, Moulton, and to delegate to Planning Committee the Council’s planning control functions to determine cross boundary planning applications until the end of the municipal year.

2. Recommendations

- 2.1 Full Council devolve to Daventry District Council the discharge of this Council’s planning control functions under Section 70 (1) (Part III) of the Town and Country Planning Act 1990 to determine a proposed cross boundary planning application in relation to residential development on land to the rear of Cottingham Drive, Moulton.
- 2.2 Full Council delegate to Planning Committee the discharge of the Council’s planning control functions under Section 70 1) (Part III) of the Town and Country Planning Act 1990 to determine cross boundary planning applications until the end of the municipal year.

3. Issues and Choices

Report Background

- 3.1 It is proposed to develop 42 dwellings on a site to the rear of Cottingham Drive, Moulton. Cottingham Drive and the properties along this are within the administrative area of Northampton Borough Council, however the land to the rear and the site of the proposed dwellings are within the administrative area

of Daventry District Council. The vehicular access to the site is currently proposed from Cottingham Drive utilising a field access sited between existing dwellings. This access road and some of the gardens of the proposed dwellings are the only elements of the development which would be within the Borough Council's administrative area.

- 3.2 In circumstances where an application site crosses the administrative boundary between two Local Planning Authorities (LPAs) two identical applications should be submitted, one to each LPA, seeking planning permission for the development of land falling within each LPA's administrative area and identifying the relevant area on a site plan.
- 3.3 The National Planning Practice Guidance (NPPG) sets out the applicable procedures in respect of payment of the application fee:-

"The planning fee is paid to the local planning authority whose area contains the largest part of the application site".
- 3.4 In this case, the significant majority of the application site falls within the administrative area of Daventry District Council, accordingly, the application fee is payable solely to Daventry District Council
- 3.5 The NPPG states that where an application site straddles one or more LPAs boundaries, it is necessary to submit identical applications to each LPA, identifying on the plans which part of the site is relevant to each. Although it is strictly possible and lawful for an applicant to formulate distinct planning applications for each LPA where each application only describes and seeks consent for the development proposed within each LPA's administrative area, such an approach would be artificial since the LPA would need to be provided with details of the development proposed in the other LPA's administrative area in order to make an appropriate determination of the application.
- 3.6 In the absence of alternative administrative or statutory arrangements, a planning application should be determined by the LPA in whose administrative area the development is proposed to be carried out. In the case of cross-boundary applications, this can lead to two LPAs making individual determinations, imposing different conditions on the permissions and entering into separate S106 agreements. This is not recommended as it does not promote a coordinated approach to development management and the permissions granted by each LPA may be inconsistent in terms of the conditions attached to them and the obligations entered into the related S106 agreements. This is, of course, highly undesirable in terms of achieving a coordinated approach to delivering development. It is also contrary to Government guidance, which encourages joint working between LPAs in relation to the use of their planning powers. Paragraph 178 of the National Planning Policy Framework (NPPF) advises that public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to strategic priorities. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities, a concept that underpins the approach to strategic plan-making pursued jointly by Northampton Borough Council, Daventry District Council and South Northants Council.

- 3.7 Pursuant to Section 101(1) of the Local Government Act 1972 a local authority may arrange for the discharge of any of its functions by a committee, a subcommittee, an officer of the authority or by any other local authority.
- 3.8 Accordingly the Council could delegate its decision making powers to Daventry District Council in respect of the determination of this particular cross-boundary planning application in respect of which Daventry District Council will be paid the full application fee in any event and would then determine both the applications submitted directly to them.
- 3.9 As the proposed development within Northampton Borough would involve mainly the provision of the access road only and that the Local Highway Authority is the same i.e. Northamptonshire County Council, Officers consider that it would be appropriate in this particular case for Northampton Borough Council to delegate its development control functions to Daventry District Council. This Council will be consulted on the application and the Planning Committee will be asked to agree comments to be sent to Daventry District Council.
- 3.10 Over the last two years there have been a number of similar instances of cross boundary developments coming forward and in the majority of those cases the Council has resolved to devolve its development control powers to neighbouring authorities rather than deal with planning applications on portions of sites where no fee would be received yet costs incurred in the processing of the application.
- 3.11 As the consideration of cross boundary planning applications by Full Council can result in delays of several weeks going forward to assist with the expediency of decision making and in order to be more pro-active and responsive in bringing potential development forward it is considered that Full Council delegate to Planning Committee the discharge of its planning control functions to determine cross boundary planning applications until the end of the 2015/16 municipal year.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 This has no policy implications.

4.2 Resources and Risk

- 4.2.1 Costs for public consultation and associated administrative costs would be borne by Daventry District Council and they would be receiving the planning application fees of approximately £16,170. Council should note that no planning application fee would be payable to the Borough and in the event that this Council decides not to delegate its decision making powers the full cost of the administration of the application would fall to the Council.

4.3 Legal

4.3.1 Legal implications are as set out in the report.

4.4 Equality

4.4.1 There are no equality issues.

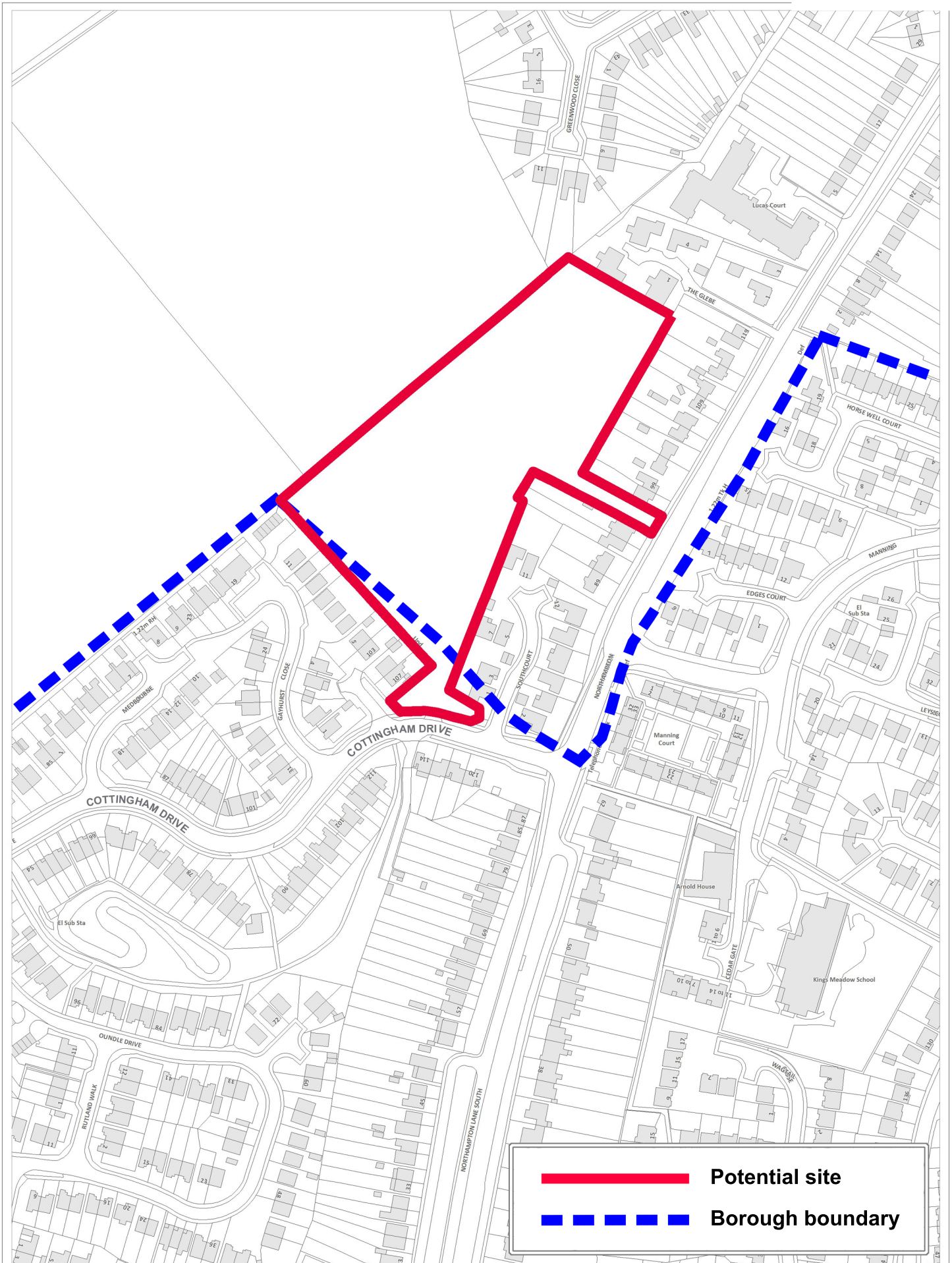
4.5 Other Implications



4.5.1 None

5. Background Papers

5.1 None

David Kennedy
Chief Executive



	Potential site
	Borough boundary



Date: 8th September 2015
 Scale: 1:2500 @ A4
 Dept: Planning
 Project:

Title
Cottingham Drive

Appendices: 0



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL
21st September 2015

Agenda Status: Public

Directorate: Borough Secretary

Report Title	Exemption from call-in and urgent executive decisions.
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1. Purpose

- 1.1 To report to Council on the use of the power contained in the Constitution to exempt a decision from call-in where the decision being taken is urgent.

2. Recommendations

- 2.1 Council is recommended to note the content of this report.

3. Issues and Choices

3.1 Report Background

- 3.1 When a decision is made by the Cabinet, or an individual Cabinet Member or a Key Decision is made by an Officer with delegated authority, that decision is subject to call-in for scrutiny. A decision may be implemented after the call-in period has expired, unless the Overview and Scrutiny Committee exercises the right to call-in within that period.
- 3.2 Paragraph 15.10 of the Overview and Scrutiny Procedure Rules in the Constitution sets out that the call-in procedure shall **not** apply where the decision being taken is urgent. A decision is urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. It is necessary for the Mayor to agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency.
- 3.3 The Overview and Scrutiny Procedure Rules require that decisions taken as a matter of urgency must be reported to the next available meeting of the Council. This report complies with this requirement.

- 3.4 Council is therefore asked to note that the Cabinet Member for Regeneration, Enterprise and Planning made a delegated decision on 7th July 2015 that was treated as a matter of urgency and was not therefore subject to call-in. The Mayor agreed that the decision was reasonable in all the circumstances and to it being treated as a matter of urgency. A summary of the decision is set out below:

The approval of:

- a) The acquisition of the freehold interest in the property at 42 Sheep Street, subject to a maximum purchase price of £250,000 that would include taxes on the acquisition, to help support wider development and to promote economic regeneration in the locality.
- b) Authority being delegated to the Director of Regeneration Enterprise and Planning, in consultation with the Cabinet Member for Regeneration Enterprise and Planning.

- 3.5 The reason for the urgency was that:

The auction of 42 Sheep Street was due to take place on Thursday 9th July 2015 and the Council had only very recently been made aware of the proposed disposal at auction of 42 Sheep Street by Legal and General. The Council wished to facilitate a comprehensive scheme of development at the former Greyfriars Bus Station site. The strategic acquisition of the property at 42 Sheep Street would have been an opportunity to integrate the property into the Council's adjacent landholdings and enhance the development potential of the wider scheme of development at Greyfriars. If the Council was not able to participate in the auction on 9th July, due to any delay likely to be caused by the call-in process, this could have resulted in loss of an opportunity for the Council to potentially purchase the property and redevelop the plot to support wider Council objectives.

- 3.6 Whilst this decision was made to acquire the property, the Council was unsuccessful at auction.

- 3.7 The decision was exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None.

4.2 Resources and Risk

- 4.2.1 None.

4.3 Legal

4.3.1 Contained within the body of the report.

4.4 Equality

4.4.1 There are no direct equality and diversity implications arising from this report.

4.5 Other Implications

4.5.1 None.

5. Background Papers

5.1 None

Francis Fernandes
Borough Secretary & Monitoring Officer
0300 330 7000

Appendices
1



NORTHAMPTON
BOROUGH COUNCIL

COUNCIL
21 September 2015

Agenda Status: Public

Directorate: Management Board

Report Title	Treasury Management Outturn 2014-15
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1. Purpose

1.1 The purpose of the report is to inform Council of 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 Council note the treasury management performance for 2014-15 (outturn), and updated treasury management data for quarter 1 of 2015-16.

3. Issues and Choices

3.1 Report Background

3.1.1 See Cabinet report attached

4. Implications (including financial implications)

4.1 Policy

4.1.1 See Cabinet report attached

4.2 Resources and Risk

4.2.1 See Cabinet report attached

4.3 Legal

4.3.1 See Cabinet report attached

4.4 Equality

4.4.1 See Cabinet report attached

4.5 Other Implications

4.5.1 See Cabinet report attached

5. Background Papers

5.1 None

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David Kennedy, Chief Executive, 01604 837726
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CABINET REPORT

Report Title	TREASURY MANAGEMENT OUTTURN 2014-15
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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.

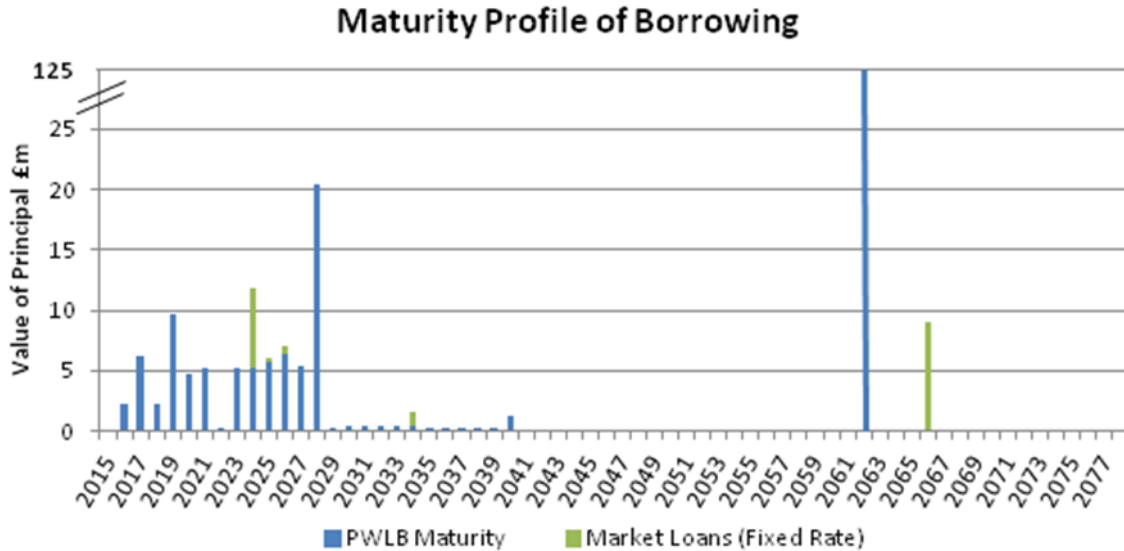
3.2.11 The Growing Places Fund (GPF) and Local Infrastructure Funding (LIF) are loans provided through government agencies to support the infrastructure schemes in the Enterprise Zone (EZ). The GPF loan, accessed through SEMLEP, is funding St Peters Way Roundabout/Black Lion Hill and the Cosworth site. 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:

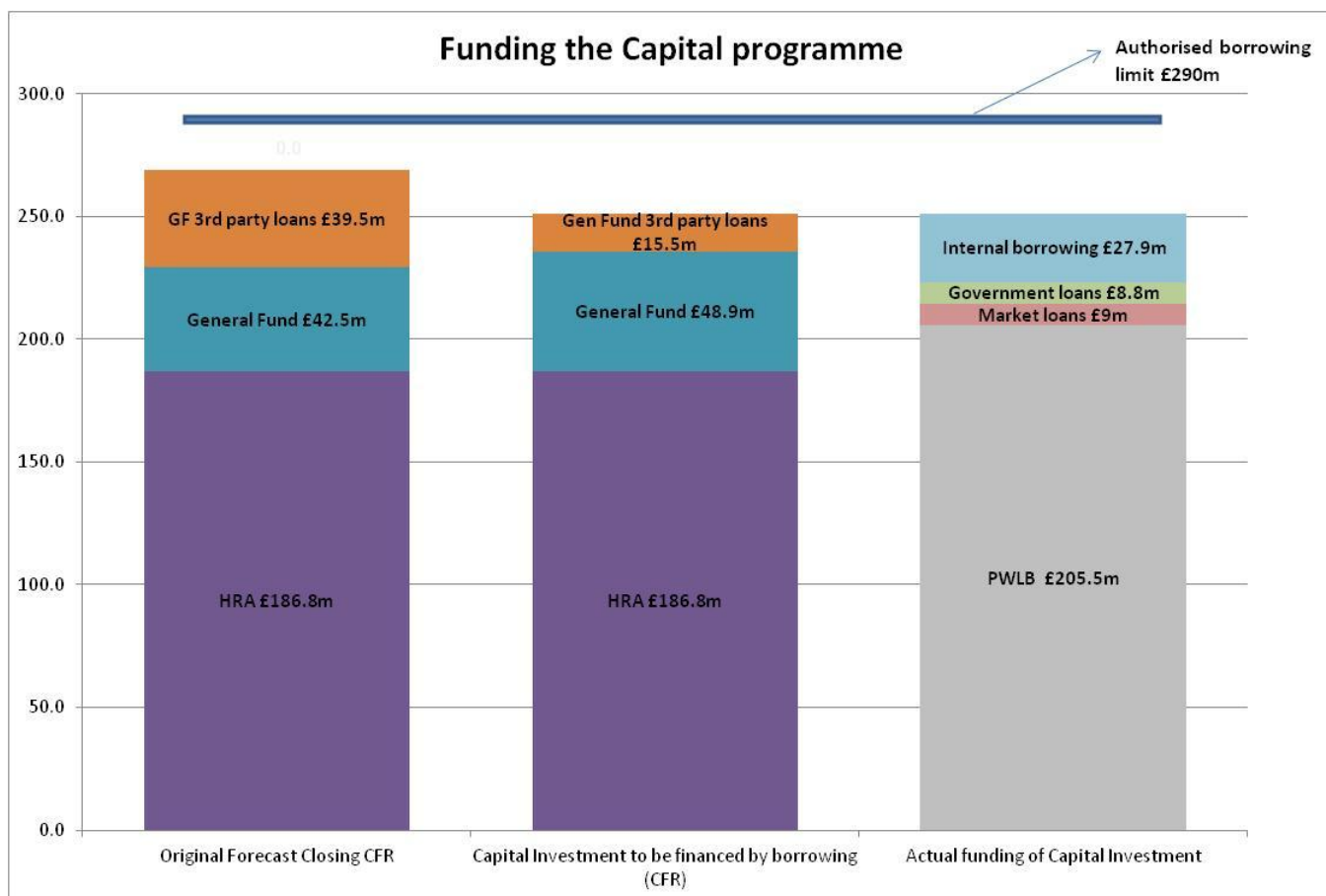
- generate cash savings,
- reduce the average interest rate,
- enhance the balance of the portfolio by amending the maturity profile and/or the level of volatility. (Volatility is determined by the fixed/variable interest rate mix.)

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.

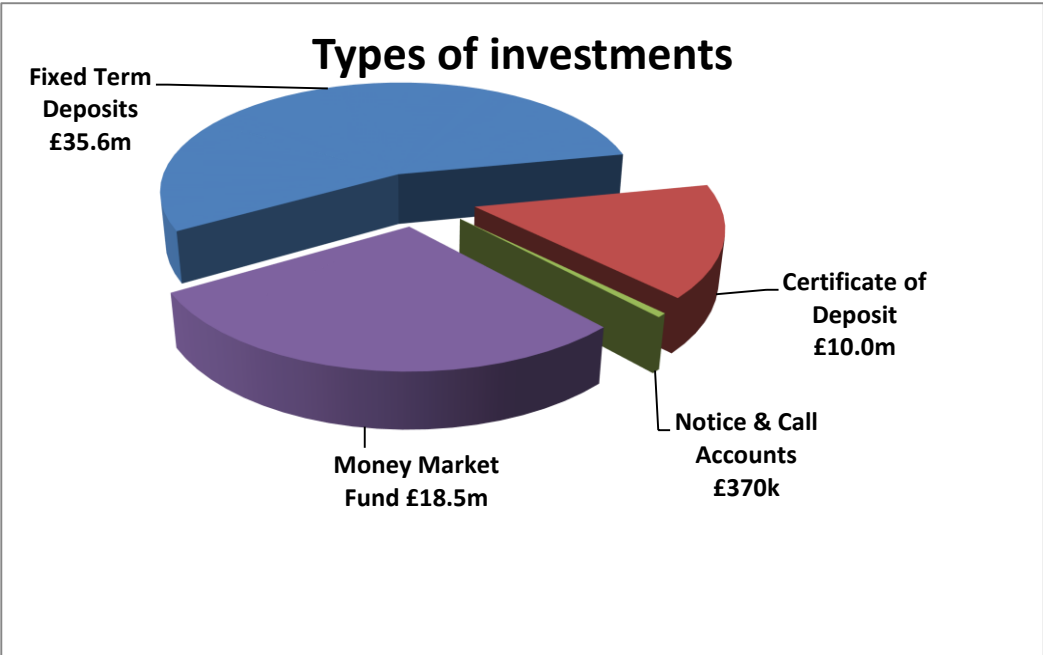
Investments

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