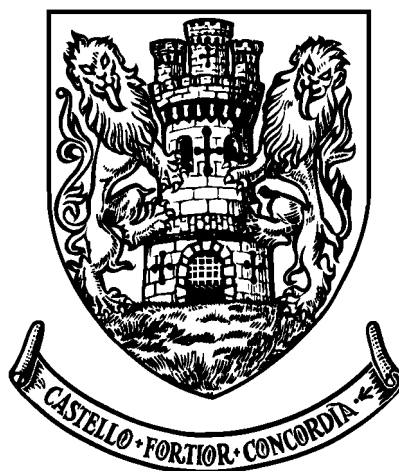


# NORTHAMPTON BOROUGH COUNCIL



## COUNCIL

Monday, 23 January 2017

**YOU ARE SUMMONED TO ATTEND A MEETING OF NORTHAMPTON BOROUGH COUNCIL, WHICH WILL BE HELD AT THE GUILDHALL NORTHAMPTON ON MONDAY, 23 JANUARY 2017 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 Monday, 23 January 2017.

**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 Stone to make a statement on "Northampton – Cleaner, Greener and Safer".

**9. REPORT BACK FROM THE AUDIT COMMITTEE ON THE EXTRAORDINARY COUNCIL MEETING ON THE 2ND NOVEMBER 2015**

(Verbal report)

**10. CHANGES TO CONSULTATION APPOINTMENTS**

(Copy herewith)

**11. TREASURY MANAGEMENT**

(Copy herewith)

**12. NOTICES OF MOTION**

- i) Councillor Stone to propose and Councillor Beardsworth to second:

“This Council notes our current Environmental Services contract expires in 2018.

This Council believes our re-provisioned service in 2018 should be based on three fundamental principles-

1) Effectiveness and flexibility: the ability of an excellent service to adapt to changing needs and circumstances.

2) A Highly Responsive Service: deal constructively with complaints and suggestions from the general public such as promptly responding to fly tipping and graffiti.

3) Partnership: Resident Associations, Park Groups, the University, Colleges and Parish Councils to be involved in the design of the service and to be encouraged to help manage the service according to their needs.

This Council looks forward to the work being undertaken by the respective Scrutiny Group and asks them and the Cabinet to consider this motion.”

- ii) Councillor McCutcheon to propose and Councillor Ashraf to second:

This Council notes that in the Northamptonshire County Council draft budget they have put in achieving unitary status for 2019/20 to save themselves £10 million per annum.

This Council further notes that Daventry District Council has described Northamptonshire County Council’s financial position as ‘grave’ and it is at ‘substantial risk’ of becoming insolvent.

The County Council hope to solve some of their financial problems by abolishing the boroughs / district councils and taking their cash.

This Council is opposed to a County Council unitary authority.

This Council believes the best solution for the town is a Northampton unitary authority with a limited expansion of the borough boundary to incorporate all SUEs and fringe developments.

This Council will ask our MPs to support us in this ambition.

This Council resolves to pursue this ambition with as much determination as the County Council is showing for their plans”.

- iii) Councillor B Markham to propose and Councillor Meredith to second:

Council regrets that the 100 new council houses to be built at Dallington Grange , announced with great fanfare in March 2014, will not now be built by the original planned date. Councillors, from all parties remain committed to see these houses built as soon as practical.

Council notes that the £8.4 Million of Government grants achieved on the back of, the original proposal will be lost at the end of the 2017/18 Financial Year unless the council starts work on or can bring forward alternative proposals.

Therefore, as a matter of future policy, this council commits itself to bring forward and if at all possible start work on new council homes in the coming 12 months ensuring that this money will be used to provide homes for local families”.

iv) Councillor Beardsworth to propose and Councillor B Markham to second:

“This Council remains committed to replacing the current two tier arrangements operating in Northamptonshire with Unitary Councils.

Council however rejects Northamptonshire County Council's plan for a single county-wide local authority believing that it is essential that local government remains local. Making local government more remote would only decrease accountability and public engagement”.

v) Councillor King to propose and Councillor J Hill to second that:

“Northampton Borough Council and its Community forums are delighted to work in partnership with many local diverse communities. We will continue to celebrate Diwali, Carnival, Chinese New Year and also remember Holocaust Memorial, Srebrenica Memorial, Black History Month, World Aids Day, International Women’s Day, International Men’s Day and challenge gender-phobia (International Day Against Homophobia, Transphobia and Biphobia)2.

vi) Councillor Larratt to propose and Councillor King to second:

“This Council welcomes the recent establishment of a Parish Council Forum within the Borough. The Council recognises and supports the work of Parish Councils’ and what they do to support the community within their respective areas of the Borough. This Council, therefore, resolves to work closely with the Parish Councils within the Borough, supporting them in their work for the benefit of their communities”.

### **13. 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](http://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](mailto: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, 12 December 2016 AT SIX THIRTY O’CLOCK IN THE EVENING

**PRESENT:** HIS WORSHIP THE MAYOR Councillor MALPAS (in the Chair).

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

### 1. DECLARATIONS OF INTEREST

There were none.

### 2. MINUTES.

The minutes of the meeting held on the 7<sup>th</sup> November 2016 were agreed by the Mayor with the following amendments to Item 7 – Cabinet Member presentations, the Churches site mentioned is in St James’ Ward not St David’s as written.

### 3. APOLOGIES.

Apologies were received from Councillors Gowen, Choudary, Flavell, Walker, Caswell, Parekh and Duffy.

### 4. MAYOR'S ANNOUNCEMENTS.

The Mayor announced that Remembrance Sunday, held on 13<sup>th</sup> November had been well attended by Councillors and reported that on Monday 14<sup>th</sup> November the Mayoress and I went to support Poppy count. This year Northampton has raised over £122,000 with another £15,000 expected to come in from local supermarkets.

The Mayor further announced that the First International Men’s Day took place in Market Square on Friday 18<sup>th</sup> November. This was well supported by a number of Councillors and the local community and a week later the Mayor’s Gala Dinner was held at the Guildhall on Friday 25<sup>th</sup> November – raising money for the Mayors Charity Guide Dogs Northampton.

It was noted that the Mayor and Mayoress had visited a number of care homes from 5<sup>th</sup> – 9<sup>th</sup> December and were pleased to see the hard work and dedication that staff carry out supporting those in care. On Sunday 18<sup>th</sup> December – all Councillors were invited to attend Nine Lessons and Carols which would be taking place at All Saints’ Church.

The Mayor announced that Councillor Shaw was due to get married to Natasha on the 22nd December 2016, and on behalf of the Council wished him well on his wedding day.

## **5. PUBLIC COMMENTS AND PETITIONS**

Mr Steve Miller addressed Council and commented that he was pleased to see the both opposition groups had submitted motions relating to the reduction of Air Quality and Pollution. He commented that whilst there had been reports that air quality around the bus station was not for consideration due to the fact that it was in a non-residential area. However, he voiced concern that those working in and near the station should also have a right to clean air. He further reported that even though there was a Low Emission Strategy, there was a need for pollution to be measured across the whole of the Town and not just in air quality management areas.

Mr Norman Adams voiced his concerns about the Councils diminishing housing stock and reported that since April 2012 392 homes had been sold off and 27 were closed for demolition and calculated that that the replacement rate was less than 5%. He requested that the Council start to deliver more homes and replace houses that have been sold through right to buy, and start building and replacing those sold like for like.

Mr Dave Willis commented that he had been an agent during the last election for the Labour candidate and questioned how the former Leader had received £30,000 payment without it being properly declared. He further questioned whether Mr David Mackintosh MP had been aware of the payments as he subsequently rushed through decisions to loan the Football Club money and alleged that he had brought his way into Parliament and lied his way into staying there. He requested that the Council pass a motion of no confidence in David Mackintosh MP.

Mr Hugh Legge commented that he was concerned about the way that the former Leader of the Council had sold off some of the valuable artefacts auctioned off and questioned whether this had followed the proper processes and expressed his disappointment that the museum had lost its accreditation through the sale of the Sekhemka statue.

## **6. MEMBER AND PUBLIC QUESTION TIME**

The Mayor advised that 10 questions had been received from Councillors and from members of the public and that the answers had been tabled in accordance with the Constitution.

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

In response to a supplementary question relating to question 1, Councillor Hadland reported that the new system had been installed a year ago and that whilst it provided technical improvements there had been a loss of public facing service, but it was hoped that this would be reinstated as soon as possible.

In response to a supplementary question relating to question 2, Councillor Hibbert commented that whilst he recognised there were some problems applying 'pay to stay', Cabinet were awaiting further instructions from the government and that they would not know the full details until that had happened.

In response to a supplementary question relating to question 3, Councillor Hibbert gave assurance that 100 new Council homes were to be built but that the project was currently subject to due diligence.

In response to a supplementary question relating to question 4, Councillor King confirmed that there had been no reduction in CCTV coverage.

## **7. CABINET MEMBER PRESENTATIONS**

Councillor Nunn, the Leader of the Council, submitted his Cabinet Member report and elaborated thereon. He noted the findings of the Internal Auditors Report and reiterated an apology to the residents of Northampton for the serious shortcomings that had been highlighted in the report. He referred to the Transformation Programme which had been conceived by the former leader of the Council, Councillor M Markham and noted the progress that was being made. The Leader explained that with regards to Unitary Status, it was an issue that remained on the national agenda. He noted the popularity of the concept of a Unitary Northampton with an enlarged boundary, but that the Government were seeking proposals from areas where all councils involved would need to reach an agreement with Northampton's neighbouring councils for boundaries to be extended.

In response to questions asked, Councillor Nunn commented that with regards to the Transformation Programme, any Councillor who wanted to gauge the effectiveness should speak to staff directly and in reference to Unitary Council, he stated that the Council had commissioned a piece of work to be undertaken which he anticipated would be shared with all group leaders at some time in the future. Responding to further questions raised, relating to the PwC report, Councillor Nunn stated that a Governance Action Plan was underway and assured Council that any future major projects would go through the proper process. Responding to a question asked about why extra funding for the Football Club loan had been taken under delegated powers, Councillor Nunn explained that he had not been a member of the Cabinet at that time but that he would enforce following proper procedures and recommendations would be referred back to Cabinet in the future.

Councillor Larratt submitted his Cabinet Member report elaborated further by noting that on Saturday 17<sup>th</sup> December 2016 a Christmas market would be held on the Market Square and that there would be a competition to see the most festive decorated stall. He further noted highlighted a number of Councillor Training sessions that had been diarised and referred to in the report and asked that should any of the members have any further ideas with regards to training sessions, they should contact him as working groups often benefited from further ideas from Councillors.

In response to questions asked, Councillor Larratt explained that whilst he had



sympathy with concerns raised with regards to the number of betting shops, he had no control over those present on the Market Square. He commented that he was concerned with the Markets traders and stalls and stated that the Market Advisory Group had been making progress although he questioned the attendance record of the Labour nominee. Responding to queries relating to street lighting, Councillor Larratt explained that they would need to work with the County Council to develop some heritage lighting. He further reported that he appreciated that a lack of lightings in some Council run-parks was concerning and stated that he would look at lights being provided as a matter of urgency and would take it up with the County Council.

Councillor Hadland, submitted his Cabinet Member report and elaborated thereon. He noted that he had recently attended the Small Business Saturday event and reported that there had been a lot of positivity and optimism amongst local small businesses. Responding to questions asked, Councillor Hadland stated that he was not aware of the costs of the Danes Camp lift, but that he would find out and relay the information. He clarified that the loan to Delapre Abbey was to benefit the whole of the Town and that it would essentially be for the residents of the Town; referring to questions relating to transparency, Councillor Hadland confirmed that the details and figures were being analysed and would be considered in the New Year. In answer to further questions, Councillor Hadland explained that there was a big difference between neighbourhood plans and unitary plans and that the boundaries would be clarified in the future.

Councillor Hallam submitted his Cabinet Member report and elaborated further by commented that following a meeting with the Chair of Overview and Scrutiny, a scoping session would be held on the 4<sup>th</sup> January 2017 to look at the Environmental Services contract. He also reported that in 2017, the Council would be re-instating the Abington Park Train, which had previously been ruined by vandals and was previously a much loved feature of the park. In response to questions asked, Councillor Hallam stated that the timescales of the Low Emission Strategy had been published in the Scrutiny Papers and that the installation of additional litterbins would be extended to Kettering and Wellinborough Road in due course. Referring to the reversal of the Council's previous policy on damaged play equipment, he noted that he would clarify whether this would extend to areas including those occupied by Northampton Partnership Homes. He further noted that leaf blowers would be used in the Eastern area of Northampton. He thanked the previous Cabinet Member for Environment, Councillor Bottwood, for his work in securing new play equipment.

Councillor Hibbert submitted his Cabinet Member report and elaborated further by thanking all of the officers and the volunteers who had worked hard on the Nighshelter project. He commented that there had recently been a rough sleeper's count that had been undertaken with the help of volunteers and that 9 rough sleepers had been identified and commented that he considered the rough sleepers strategy to be working. In response to questions asked, Councillor Hibbert explained that he Social Lettings Agency would assist in getting the right homes for the right people and stated that whilst he did not want to house in neighbouring towns, it was preferable to people being homeless.

At this juncture of the meeting, the Mayor informed Council that time restrains had

drawn the Cabinet Member Presentations to a close.

## **8. OPPOSITION GROUP BUSINESS**

Councillor Birch commented that there were real issues affecting residents of Northampton, one of which was residents earning below the national average and that they were struggling. She further reported that the GCSE pass rate had also fallen behind the national average and questioned why this had happened. She noted that Northampton was a County Town and that the Town itself had many architectural gems and good infrastructure being so close to M1 corridor as well as being well known for its past and present shoe production. She reported that the Town had all in the ingredients for a successful and vibrant place to live and work, but that it fell short; she stated that the role of culture and arts played an important part in enhancing Towns and enriching people's lives. Councillor Birch commented that to promote tourism through championing the arts could be hugely beneficial to the Town and improving its reputation, noting that the creative industries had grown nationally by 9.9%. She further noted that the creative industry was growing faster than any other sector and reported that the presence of the Royal and Derngate had increased tourism and urged the Council to invest in Culture and Heritage.

Councillor King responded by stating that a recently published article in the Guardian had shown that Northampton was the top place outside of London for Regeneration. She further explained that extensive work was being undertaken in Abington Park and Vulcan works, between the University and the Council.

Responding to Councillor King, Councillor Birch asked why, with all the regeneration, were people not staying in the Town and choosing to reside elsewhere. She reported that Northampton had lots of culture which enhanced the lives of many and stated that the arts removed barriers of religion and language and emphasised the need for the arts to be invested in to ensure that future generations and children had access.

## **9. AMENDMENTS TO CONSTITUTION**

The Leader proposed a report which sought Council's approval to amend the Constitution in respect of the Chief Executive's delegated power to disburse and manage grants to community and voluntary organisation through the partnership grant allocation process.

Councillor Larratt seconded the report.

### **RESOLVED:**

That the amendment to the Constitution detailed in Appendix 2 or the report be approved.

## **10. REMUNERATION OF THE POST OF DIRECTOR OF REGENERATION, ENTERPRISE AND PLANNING**

Councillor Nun submitted a report which sought Councils approval to payment of a salary package in excess of £100,000 and to authorise the payment of a consolidated market supplement.

Councillor Hadland seconded the report.

Council debated the report.

**RESOLVED:**

- 2.1 That a pay package for the post of Director of Regeneration, Enterprise and Planning at a fixed point of £124,000 per annum, (which included a consolidated market supplement of £14,897 per annum) be approved;
- 2.2 That the Council's current Pay Policy states that it was not the Council's normal policy to pay market supplements to Chief Officers be recognised, specifically approves the payment of a consolidated market supplement of £14,897 per annum to the Director of Regeneration, Enterprise and Planning on this occasion for the reasons explained in this report.

**11. EXTERNAL AUDIT CONTRACT PROCUREMENT**

Councillor Nunn submitted a report which advised Council of the extension to the current appointment of KPMG as External Auditors to the Council and to agree the process for appointing external auditors for the audit of the 2018/19 accounts onwards.

Councillor Larratt seconded the report.

**RESOLVED:**

That Council accepted the proposal from Audit Committee that Northampton opt to join the national scheme for selecting external auditor appointments for the five financial years commencing 1<sup>st</sup> April 2018 being offered by Public Sector Audit Appointments (PSAA), and for officers to formally respond by the deadline of 9<sup>th</sup> March 2017 to be part of the scheme

**12. CHANGES TO COMMITTEE PLACES**

Councillor Patel submitted a report that sought Councils approval for changes to Committee Places.

Councillor Oldham seconded the report.

**RESOLVED:**

1. That Councillor Parekh replaced Councillor M Markham on the Overview and Scrutiny Committee.
2. That Councillor M Markham replaced Councillor Bottwood as Chair of the Audit Committee.
3. That Councillor Oldham replaced Councillor Parekh on the Audit Committee.

### 13. NOTICES OF MOTION

- i) Councillor Beardsworth proposed and Councillor Meredith seconded:

This Council is concerned about the problems arising from traffic congestion in the Town Centre and in particular in The Drapery and surrounding streets since the opening of the Northgate Bus Station and the re-introduction of stops into the Drapery. The local newspaper has highlighted problems caused by grid-lock in The Drapery and our own air quality monitoring has raised concerns for public health.

With regeneration of the Greyfriars area due to begin next year, we call on this Council along with County Highways to carry out a review of traffic movements in and out of Sheep Street and Drapery area of the town aimed at reducing bottle-necks, improving air quality and enforcing traffic orders.

This should be the first stage of a comprehensive study of access and traffic movements within the A5123 inner ring-road.

Council debated the motion

Upon a vote, the motion was lost.

The Mayor noted that the proposer of Motion ii) had agreed to incorporate the alterations of the motion and Council and agreed to the alteration (as below).

Mr Sawyer addressed Council on Motion ii) and commented that enforcement should only be considered as a last resort and that education would be a preferable option. He explained that the biggest cause of congestion was not idling engines, but congestion. He further reported that it was not mandatory for buses to have diesel engines as there were alternatives and stated that the same applied to Hackney carriages; he noted there would be costs incurred in the conversion of engine types but that it could potentially decrease pollution by up to 20%

- ii) Councillor Haque to propose and Councillor Ashraf to second:

This Council notes we have a serious issue in this town with air pollution. However, testing for air quality is restricted to 7 areas. We understand that there is a scrutiny group looking at this issue and that is very welcome.

One action we can take in the meantime is to seek powers under relevant regulations to enable the Council to enforce powers that prevent engines being kept running unnecessarily whilst the vehicle is stationary on a public road.

To keep a taxi, bus, commercial vehicle or a car idling is against the law and can incur fines of up to £20 or £40 if not paid with a timeframe.

Enforcement of this law will help reduce pollution at key points of the town.

This Council therefore agrees to develop an enforcement strategy with immediate effect.

Council debated the motion.

Upon a vote, the motion was lost.

iii) Councillor Marriott proposed and Councillor Chunga seconded:

This Council notes that the Equality Act provides protections against discriminatory treatment based on the concept of 'Protected Characteristics.'

Currently workers with a terminal illness are not classified as having a Protected Characteristic and therefore have very limited legal protection against employers dismissing them due to illness.

This Council further notes that employers are therefore free to dismiss terminally ill workers once they have made 'reasonable adjustments' to the employee's job to assist with the illness. Council agrees that the last thing a terminally ill worker would need is the distress at the same time as facing up to a terminal illness is to have to fight for the right to continue working and not to face the indignity of being sacked.

In addition Council notes that the loss of death in service benefits to terminally ill workers sacked before death is a further distress at a time when security for a family for the future should be protected.

Therefore this Council agrees to support the TUC's 'Dying to Work Campaign' currently being developed in the Midlands and to support the lobbying of MP's to establish new legislation, currently being drawn up by the society of Labour Lawyers which;

- \* Seeks to get terminally ill workers covered by Protective Rights at Work in line with those covered by Pregnancy / Maternity Rights.
- \* Seeks to protect death in service benefits.
- \* Seeks to allow workers with terminal illness to die in dignity.

Council debated the motion.

Upon a vote, the motion was carried.

iv) Councillor Hallam proposed and Councillor King seconded:

This Council recognizes the frustration of local residents, when pieces of play equipment are damaged and then removed as opposed to being repaired. Council therefore resolves to adopt a new policy that play equipment will be repaired and replaced, as opposed to being removed when damaged and will formalize a budget for this as part of the 2017/18 budget setting process.

Council also recognizes the valuable contribution that play equipment can make to local communities and resolves to continue its work with Parish Council's, Residents Association's and Friends of Parks Groups to continue to identify funding for potential

new schemes to bring additional play equipment to our local areas.

Council debated the motion

Upon a vote, the motion was carried.

The meeting concluded at 8.53pm

# Agenda Item 7

Report of the Leader of the Council

Northampton Borough Council

Monday 23 January 2017



## **Governance**

Since the Governance Action Plan was first described and reported to the Audit Committee on 5<sup>th</sup> December, good Governance has continued to be a high priority. This reflects in all my day to day discussions with the Chief Executive and Officers.

In addition, the weekly meetings of the Executive Programme Board have ensured that all key issues or projects are assessed and their governance and compliance to the processes set out in the Governance Action Plan considered carefully.

I have also continued to have weekly update meetings with the Borough Secretary regarding the Corporate Governance & Support Officer Programme Board, which he leads on.

## **Development**

As key developments continue across the town, creating jobs and enhancing what the town has to offer, I have been very pleased to visit a number of these developments recently, or meet with the people involved, including meetings on Greyfriars development, and a number of other major developments.

On 5<sup>th</sup> December, Cllr. Hadland and I visited the site of the new Hellerman Tyton building, and witnessed the latter stages of the groundworks taking place, ready for construction to begin. We were delighted to be able to meet with the project team and the Managing Director of Hellerman Tyton, and make it clear how pleased the council is that they are developing this important employment site.

We also attended, and spoke at, a contractors and suppliers event run by Wates construction, who are involved locally in projects such as the Vulcan Works. The event made local suppliers and sub-contractors aware of the opportunities available to them in the town.

I was glad to have the opportunity to visit the Guildhall Hotel project, and meet with the husband and wife team who are undertaking an incredible renovation of the premises in Guildhall Road. The quality of this development, and the attention to detail, illustrated to me what a fantastic addition to the Cultural Quarter this fine hotel will become once it is opened.

I have also continued to be involved in the Local Plan Advisory Group, given the importance of this area of our work.

## **Other Activity**

I have worked closely with Cllr Hallam, the Director, and other staff to ensure a thorough public consultation takes place regarding Environmental Services Re-provision, and have been delighted to see the level of response that has been received. Consultation remains a vital part of our work on this project.

I have had a number of meetings with the Leaders of other councils, both collectively and individually, discussing a number of issues, including Unitary Authorities. This also provides an opportunity to learn from what other councils are doing, and identify further innovative ideas, and as part of this I met in December with the Leader of Milton Keynes council, who like us are a key member of SEMLEP.

I have attended SEMLEP meetings, and was delighted to be amongst those welcoming SEMLEP colleagues and others to Northampton for their AGM in December.

I recently met with the Chair of the Hope Centre, to strengthen my knowledge of their work, and to help the council maintain the good working relationship that we have with the Hope Centre at all levels, and I joined with Cllr and NBC staff colleagues, along with other volunteers, to participate in the Rough Sleepers Count, assessing the number of rough sleepers within the town.

I also attended the Groundwork AGM, and was glad to be able to thank them for the privilege of being the council's representative on their Board, as I pass that responsibility onto the Deputy Leader, who will be working with Cllr. King to ensure that we maximise the benefit this great organisation can bring to local communities within our town.

I was glad to meet with the Twinning Committee to discuss plans for this year's visit by Marburg, and how we can mark this 25<sup>th</sup> anniversary year, and in the run up to Christmas, I was delighted to accompany the Mayor, Mayoress, and the Deputy Leader on a visit to the market square and the 'Best Dressed Stall' competition, and also to visit the Royal Mail sorting office in Crow Lane to thank the staff for their hard work they put in to delivering mail to our residents, both at Christmas and throughout the year.

As the town becomes busier, and car park usage increases, traffic increases are inevitable, and our town needs to be better able to cope. In December I called a meeting of relevant NBC and NCC Officers, along with the Police and Bus Operator, to discuss an action plan for improving traffic flows in key parts of the town. Traffic issues reached a height on 23<sup>rd</sup> December, bringing huge traffic congestion across UK towns, not least Northampton. This work is ongoing, and there are no easy answers, and there may not be many popular answers either, but my view is that it is essential that residents and visitors do not suffer the unacceptable delays that have arisen, and that we must take action.

Finally, on 12<sup>th</sup> January I was delighted to attend, and speak at, the Northampton Partnership Homes Tenant's Conference. This event was extremely well attended, and I congratulate NPH for the highly successful engagement event, and for the ongoing achievements that were demonstrated at the event.

**Councillor Jonathan Nunn**  
**Leader of the Council**





## Report of the Deputy Leader of the Council

### Northampton Borough Council

Monday 23<sup>rd</sup> January 2016

As Deputy Leader of the Council, I have been supporting the Leader and Cabinet colleagues across a variety of areas within the council, and can report on some of my specific responsibilities as below.

#### Councillor Training

The Councillor Development Group is meeting on 18<sup>th</sup> January and I will give Council a verbal update on the outcome. The following is the programme of events at the time of writing:

- **12/01/17 - Liquor Licencing** training for members of the Licencing Committee
- **25/01/17 – Briefing on Benefits** – Officers from Revenues and Benefits will deliver two identical sessions open to all Councillors of 1.5 hours at 2.00 pm and 6.00 pm
- **30/01/17 – VOICE Northamptonshire** will make a presentation on their work that is open to all Councillors. Two sessions one at 2.00 pm and another at 6.00 pm
- **01/02/17 – Local Plan Briefing** open to all Councillors to be delivered by Peter Baguley, Head of Planning. One session, 6.00 pm to 8.00 pm. Further sessions will be delivered at appropriate stages.
- **06/02/17 – Lone Working System** to be delivered by Louise Musson. Two one hour sessions, one at 2.00 pm and another at 6.00 pm
- **22/02/17 – Overview & Scrutiny Training** for Scrutiny Committee Members. Provided by an external training provider. One session 6.00 pm to 8.30 pm
- **02/03/17 – Council Performance and Performance Reports Briefing** open to all Councillors and delivered by Alice Turrell. Two sessions, 2.00 pm to 3.00 pm and 6.00 pm to 7.00 pm
- **08/03/17 – Community Engagement Training** open to all Councillors. One three hour session commencing at 5.00 pm. Provided by an external training provider
- **22/03/17 – Urban Development Briefing** open to all Councillors and delivered by John Dale and Peter Baguley. One session at 2.00 pm lasting all afternoon and will involve site visits by mini bus
- **29/03/17 – Chairing Skills Training** open to all Councillors. Two sessions one in the afternoon, 3.00 pm to 5.00 pm and one in the evening, 6.00 pm to 9.00 pm. Provided by an external training provider
- **26/04/17 – Social Media Training** open to all Councillors. Two sessions one at 2.00 pm and the other at 6.00 pm. Provided by an external training provider

Further details regarding these sessions, all of which will be held in the Jeffery Room, can be obtained from Tracy Tiff.

Members are asked to register to attend these events with Tracy Tiff as soon as possible.

#### Market

I was pleased to attend the Christmas Market on Saturday 17<sup>th</sup> December with the Mayor and Mayoress, and the Leader of the Council. It was an enjoyable occasion,

when the Mayor and Mayoress judged the best dressed stalls and awarded prizes. It was pleasing to see the market busy and well supported.

The next meeting of the Market Advisory Group takes place on 24<sup>th</sup> January 2017. At this meeting I hope we can address how best to make this forum representative and effective, where Market Traders fully participate.

### **Sports Clubs**

I am currently undertaking a series of meetings with the Chief Executives of our valued sports clubs, starting with Northamptonshire County Cricket Club on 16<sup>th</sup> January 2017.

### **Scrutiny**

Cabinet considered its response to the Health Check of the Local Economy and Northampton Borough Council Owned Street Lights at its meeting on 11<sup>th</sup> January 2017.

Cabinet will consider its responses to outstanding reports as follows:

- Impact of the effectiveness of the enforcement of Licensing Policies – Taxis and Private Hire – February 2017
- Impact of Anti-Social Behaviour on the Town – February 2017
- Match Day Parking – February / March 2017

### **Street Lighting**

The Cabinet considered its response to the Scrutiny Report Regarding Northampton Borough Council owned street lights on 11<sup>th</sup> January. Cabinet accepted the recommendation of the Scrutiny Panel to establish an Officer / Member Working Group to progress the work, and the Leader of the Council has asked me to chair the group.

The timetable for the work of the group is as follows:

- Officer / Member working party established – February 2017
- Work stream scoping exercise undertaken – February/March 2017
- Work programme agreed by Working party – March/April 2017
- Completion of the NBC owned street lighting asset list – May/June 2017.
- Options appraisal undertaken; including full cost implications and risk analysis – July/August 2017
- Officer/Member working party agree options appraisal – August/September 2017
- Report to Cabinet autumn 2017

Our Planning Officer and Heritage Officer are continuing to work with NCC / Balfour Beatty officers to ensure an appropriate replacement street lighting scheme in the sensitive heritage area around the Guildhall and All Saints Church. I believe that this collaborative working is proceeding well.

At the last meeting I agreed to investigate the situation with regard to the street lights in Millers Meadow, most of which were reported as being out. The present position is that our contractors, who have been busy dealing with the towns Christmas Lights, are assessing the situation in Millers Meadow. We asked the contractor to deal with the issue urgently, and we expect the work to be completed by the end of January.

**Councillor Phil Larratt**  
**Deputy Leader of the Council**



## **Cabinet Member Report for Finance**

### **Northampton Borough Council**

**Monday 23 January 2017**

#### **Finance**

The draft Budget and Medium Term Financial Plans covering the General Fund and Housing Revenue Accounts were presented for to Cabinet on 14th December for consultation. Since this date the consultation process has been taking place through a number of routes including through the Council's website and a public meeting held on 12th January. The proposals for the final budget will be considered at Cabinet on 15th February and then for approval at Council on 29th February.

The provisional local government finance settlement was announced by Government on 15th December. This confirmed the government funding for Revenue Support Grant and Business Rates baselines were in accordance with the allocations the Council accepted from the Government through their four year funding offer in the autumn. The Government also announced the outcome of its consultation on changes to New Homes Bonus (NHB). As expected the changes included reducing the period over which NHB is paid from 6 years currently to 4 years by 2018 and introducing a threshold for growth of 0.4% before any NHB will be paid. As forecast in the draft Budget these changes will lead to reductions in the amount the Council receives through NHB in the coming years. In addition the Government is undertaking further consultation about whether NHB should be paid if approval is given for homes to be built following an appeal against the original decision. The outcome of this is expected in 12 months' time and a key issue for this Council is whether the approved on appeal proposal is to be applied retrospectively.

#### **Revenues and Benefits**

The performance of the service remains on target for the end of this financial year, with results in responding to calls from customers at an all-time high at over 92% over the past period. This level of performance is expected to continue over the next few months and the service will also go live with its first point resolution service from April 2017. This service aims to complete more enquiries at the earliest opportunity or through the automation of transactions via our website. In turn this will improve our service and reduce repeat contact to the Council.

Northampton Borough Council have delegated the decision on the formation of a new separate joint committee for Revenues and Benefits to the Deputy Leader of the Council and the Chief Executive. LGSS are currently developing plans for the formation of this committee, which will provide resilience to our service users alongside efficiency savings to the Council over the next 5 years and beyond. In partnership with LGSS and Milton Keynes Council the new service represents one of the biggest shared services of its kind in the Country.

**Councillor Brandon Eldred**  
**Cabinet Member for Finance**



## Cabinet Member Report for Housing and Wellbeing

Northampton Borough Council

23<sup>rd</sup> January 2017

### Northampton's Rough Sleepers Count

On 9<sup>th</sup> December 2016, I took part in a borough-wide count of rough sleepers, organised by the Council's Housing Options & Advice Manager.

A total of 27 volunteers (representing a broad range of organisations, including the Hope Centre, Midland Heart, Bridge, local faith groups and the Council) took part in the count, which covered all of the wards in the borough and was carried out between Midnight and 3.00am.

The volunteers observed a total of 9 people 'bedded down' in the borough. This was less than half the number found during our last Rough Sleepers Count, held on 24<sup>th</sup> March 2016, when the volunteers observed a total of 21 people 'bedded down' in the borough.

Northampton's next Rough Sleepers Count will take place in July 2017.

### Northampton's Emergency Nightshelter

In my last report, I explained that the building works and decoration are now complete and that we are seeking to recruit a Co-ordinator, Assistant Co-ordinator and a team of around 60 volunteers.

I am pleased to report that, at the time of writing, interviews are taking place for the Co-ordinator and Assistant Co-ordinator roles and formal written applications have been received from two thirds of the volunteers that are needed to run the Nightshelter.

Although the Nightshelter cannot open until the full complement of volunteers is recruited and trained – because we need to be sure that we can keep it open 7 days a week, all year round – Officers are working extremely hard to enable the Nightshelter to open on 31 January 2017.

I will provide a further update on the Nightshelter - and when it will open – at the Council meeting.

Anyone wishing to support the nightshelter (by becoming a volunteer or donating equipment, furniture or money) should visit the Northampton Nightshelter webpage on the Council's website:

[www.northampton.gov.uk/northamptonnightshelter](http://www.northampton.gov.uk/northamptonnightshelter)

### Social Lettings Agency

I am very pleased to report that, at its meeting on 11<sup>th</sup> January 2017, Cabinet approved the Business Case and the establishment of Guildhall Residential Lettings, an in-house Social Lettings Agency that will help the Council to improve standards in Northampton's private rented sector, bring empty homes back into use, reduce its use of Bed & Breakfast and make it easier for people to access good quality, well managed, affordable private rented accommodation.

Recruitment of the Social Lettings Agency staff – including an Empty Homes Officer – is underway with a view to the full team being in place by the beginning of April 2017.

### **Licensing of Houses in Multiple Occupation**

The Housing and Wellbeing Service has commenced the process for determining the need for an Additional HMO Licensing Scheme in the Far Cotton and Delapre areas.

An Additional HMO Licensing Scheme is being considered alongside an Article 4 Direction. As part of their appraisal of the need for an Additional HMO Licensing Scheme, Officers are gathering evidence from a variety of sources, surveying properties and speaking to residents to establish the number of HMOs in the area and the impact that HMOs are having on the local community.

On completion of the research, the Council will make a decision on whether or not the evidence supports the need for an Additional HMO Licensing Scheme. If the evidence supports the need for a scheme, an Additional HMO Licensing Consultation Report will be produced and this will form the basis of a robust consultation exercise of a minimum of 12 weeks.

### **Prosecution of HMO Landlord**

I am delighted to report that, earlier this month, a private landlord was prosecuted and fined for failing to secure the appropriate licence for an HMO in Northampton.

At a preliminary hearing at Northampton Magistrates Court on 10 January, the landlord pleaded guilty to the charge of failing to licence a property as a house in multiple occupation. He was fined £1000 and ordered to pay the Council's full legal costs of £3760.22 and a victim surcharge of £100 within the next 28 days. The 4 tenants are now able to pursue a Rent Repayment Order, seeking the repayment of up to 12 months' rent.

The Council is committed to improving the private rented sector in Northampton by tackling criminal, rogue and irresponsible landlords. This prosecution shows that we can take decisive, affirmative action to protect renters from the risks associated with unlicensed properties. We will continue to pursue legal action against irresponsible landlords wherever appropriate.

**Councillor Stephen Hibbert**  
**Cabinet Member for Housing and Wellbeing**



## **Cabinet Member Report for Community Engagement & Community Safety**

**Northampton Borough Council**

**Monday 23 January 2017**

### **Councillor Community Fund**

Since the beginning of April 2016, 199 Projects, totalling £93,386.20 have been supported through the Cllr Community Fund.

### **Partnership Support**

Partnership Grant Process opened on Tuesday 3<sup>rd</sup> January and closes on Friday 17<sup>th</sup> February 2017. Showcase event held in the Great Hall, more than 20 organisations that we have funded in 2016-17 attended to show the work that they have delivered. The event was also used to launch the 2017-18 grant, which will have a three year option of delivery.

### **Forums**

Northampton Borough Council won the National Award for Hate Crime. Holocaust Memorial Event will be held on Thursday 26<sup>th</sup> January in the Great Hall at 6pm. Full programme arranged of performances, speakers and readings to Mark the day. A civic service will be held in the Guildhall Courtyard on Friday 27<sup>th</sup> January at 12pm.

### **Events**

The events programme for 2017 is starting to take shape with event application forms being received from numerous event organisers.

The first community event will be Chinese New Year on Sunday 12<sup>th</sup> February (change of date from the 5<sup>th</sup>). Other forthcoming events include a Food Festival, Beer Festival, Carnival, Music Festival and Race for Life.

### **Culture & Heritage**

December saw The Northampton Town & County Art Society Annual Show open at Northampton Museum & Art Gallery. This was the 103<sup>rd</sup> exhibition of this long established and prestigious Art Society and features over 200 pieces of work from the top professionals and amateurs in the county, the majority of which are for sale.

Complementing the exhibition 'Experienced Hands – the Art of the Shoemaker' the first of a series of talks took place in December and looked at the Factory Life in the Boot and Shoe Industry and attracted an audience of 18.

The Shoe Resources Officer and Virtually Shoes Officer both spoke at the 'Dress and Textile Conference in Edinburgh'. Later in the month, the Shoe Resources officer was invited to speak at the University of Northampton's 'Art of Punk' conference

During November, a hire agreement was made with a paranormal organisation for regular events at Abington Park Museum in 2017.

Redecoration work planned at Abington Park Museum is due to start in early February 2017.

### **Museum Expansion Project**

Following the approval of the cost plan meetings with the main contractor, Wates, have been underway to begin work on developing the detailed project plan and agree the schedule of expenditure. It has been formally announced that the main museum will close on February 19<sup>th</sup> 2017 to allow for the packing and decant of objects in the museum displays in advance of invasive survey work beginning in April 2017.

### **Customer Services**

Following on from the Transformation workshop it was identified that staff wanted to understand the support available to help us all balance our busy lives. In November's full team meeting our Partners, 'First for Wellbeing', presented to the Customer Service Team, an overview of the services they offer and the support available. The national statistics confirm that 1 in 5 people suffer from anxiety or mental health issues. They are an OSS Partner who offers a drop in service every Friday morning within the OSS available to both staff and Customers.

Feedback from staff was extremely positive and we are currently investigating bespoke resilience training for all front line staff.

### **Community Safety**

The community safety team continues to lead and/or support a wide range of projects and initiatives to support the Police and other partners to make Northampton safer. The increase in crime has started to slow down, although overall still showing an increase compared to last year. The Killing with Kindness event was held in the Grosvenor Centre in partnership with the Police. The event was well attended by public with good engagement. The opportunity was also taken to provide seasonal crime prevention advice. Bridge Street closures were put in place for 23 December, Christmas Eve and New Year's Eve from 11pm until 4.30am, making a positive contribution to the public's enjoyment of the night time economy over the festive period. Work to identify priority locations for 2017/18 for Community Safety Partnership 'Weeks of Action' is underway. Final decision on locations will be made by the Community Safety Partnership at their March board meeting.

**Councillor Anna King**

**Cabinet Member for Community Engagement & Community Safety**



## Cabinet Member Report for Environment

Northampton Borough Council

Monday 23 January 2017

### Environmental Services Re-Provision

Following the decision of Cabinet in November 2016 to contract out Environmental Services when the current contract with Enterprise/Amey comes to an end in June 2018, the details of the procurement strategy were agreed by Cabinet earlier this month in readiness for the start of the formal procurement process.

Consultation with borough residents, community groups and councillors is currently still ongoing and, once complete, will be collated and analysed so that responses can be used to inform the way environmental services are to be delivered in the town from June 2018.

Consultation events have taken place as follows:

- Community steering group – 13<sup>th</sup> May 2016
- Combined steering group/cabinet advisory group – 11<sup>th</sup> July / 29<sup>th</sup> September 2016
- Staff panel – 12<sup>th</sup> April / 13<sup>th</sup> October 2016
- Community Reps panel – 12<sup>th</sup> April / 4<sup>th</sup> May / 28<sup>th</sup> June / 14<sup>th</sup> December 2016
- Councillors' workshop – 14<sup>th</sup> December 2016
- Drop in Surgery (councillors/community reps) – 4<sup>th</sup> January 2017

In addition to these events I have also attended/have in the diary meetings with the following community groups to directly gain their feedback and submit as part of the consultation process and I would welcome invitations to the meetings of other local groups.

- Brookside Residents Council
- St. James Residents Association
- Moulton Leys Residents Association
- St. David's Residents Association
- Northampton Federation of Residents Association
- Abington Park Management Committee
- Friends of Abington Park
- Friends of Eastfield Park

All residents of the town were also invited to take part in an online survey which will be used to inform the design of the new service post June 2018. The survey closes at the end of the month. The survey has been well received by the public and response levels are already high. As well promoting the consultation on our own website and social media feeds, it has been promoted across the various local media outlets.

A scrutiny panel is underway to ensure the environmental services procurement process is robust and delivers the best possible outcomes for the cleanliness and maintenance of the town in the future. Overview and Scrutiny Committee met on 4<sup>th</sup> January to agree membership of the Environmental Services Re-provision working group. Councillor Meredith was appointed chair and Councillor Ashraf vice chair.



## **Environmental Services**

Waste and recycling collections continued as usual, with the exception of brown bin collections, which were suspended between 26 December and 7 January to allow for extra recycling to be collected. The service ran smoothly and was well received. Real Christmas trees are being collected on the scheduled brown bin collection day, or scheduled bin bag collection day, from 8 January for a four-week period.

The winter shrub maintenance continues to progress across the town. Most areas in the South and North of the town are nearly completed and the teams are working towards the eastern side of the town.

Leaf clearance collections are continuing, both on footpaths and in the parks. As well as manual clearance of leaves on the footpaths, Enterprise are also using a mechanical leaf collector, called an Amazon, for the collection of leaves in the parks

The enhanced tree maintenance program for this year, year 1, is being finalised, and work will be starting shortly.

## **Play Equipment**

The Council is currently developing a Play Equipment Strategy to provide a broad framework for the management and future development of fixed play equipment areas across the Borough. It will introduce a policy of systematic renewal and repair to play equipment on all Council owned play areas.

The strategy will be there to encourage future Developers, Voluntary Sector and the Council to work together to enhance play provision and promote its use by the whole community.

Play areas help to encourage children and young people to be active, which is vitally important for their physical, emotional and social development.

A budget has been identified and will be finalised as part of the 2017 / 2018 budget setting process.

In the last few months new play equipment has been ordered/replaced in:-

- Eastfield Park
- Banbury Lane
- Southfields Park
- Bridgewater Drive
- The Racecourse
- Parklands Open Space
- Fieldmill Square

Equipment has also been ordered for Abington Park and plans to bring back the Children's Train were unveiled at the last Abington Park Management Committee.

## **Environmental Enforcement**

The enforcement pilot has now been completed. During the pilot over 1,505 fixed penalty notices have been served.

Given the success of the pilot, the process is now underway to put in place a longer term arrangement. Expressions of interest will be sought next month for the new arrangements to go live in the town in the spring.

### **Air Quality**

Work is progressing to analyse the feedback from the consultation on the Low Emissions Strategy. A report will be presented to Cabinet in the near future which will provide feedback and give details of proposed actions to address ongoing air quality issues.

### **Park Management Committees**

There are eight Park Management Committees established across the Borough. Abington, Delapre, Racecourse, Swanshaven, Victoria, Bradlaugh, Eastfield and the newest, Becketts Park.

Each PMC brings key stakeholders around the table, to manage and develop the park. Each PMC has a set of action plans, which includes suggested projects, which will enhance or improve the park.

Through Abington PMC the Friends have been supported to access funding which is enabling the completion of mosaic works to the sensory garden. Becketts have been supported to develop Buddies of Becketts, of which there are now 20 members/volunteers who have recently carried out some planting of daffodils, cleaning of signage and removal of epicormic growth.

All of the Chairs of the PMCs and Friends Groups have been involved in the engagement of the environmental services re-provision.

**Councillor Mike Hallam**  
**Cabinet Member for Environment**



## Cabinet Member Report for Regeneration, Enterprise & Planning

Northampton Borough Council

Monday 23 January 2017

### Town Centre

#### Parking

The overall parking total for the period April – December was 2,064,621, an increase of 73198 (3.72%) in comparison with the same period in 2015.

The two hour free parking in the council's multi-storey car parks in the same period saw an increase of 81,681 (11.7%) in comparison with the same period in 2015.

#### Footfall

Footfall in the town centre for December was 1,566,315 an increase of 39,341 (2.57%) in comparison with the same period in 2015.

This is much better than the national picture, where decreases have been the norm.

Overall for the whole year 2016 footfall figures show 15,881,235 visitors to the town centre an increase of 578,999 (3.78%) in comparison with 2015.

#### Planning

##### Local Plan Part 2

The Local Plan Advisory Group has been meeting weekly as the issues are considered for each policy heading.

Work on the Draft Policies is proceeding well

##### Applications and Permission

- Former Green Oaks Primary School – Residential development of 82 dwellings. Committee approved in principle at December's committee subject to completion of S106.
- United Trades Club, Balmoral Road – Three residential buildings comprising total of 80 specialised supported living apartments. Committee approved in principle at December's committee subject to completion of S106.
- Milton Ham – Public Inquiry took place, last week of November/beginning of December. Lasted 5 days. Awaiting confirmation that the Inquiry is closed from Inspector.
- S106 agreements signed and decisions issued on the following:
  - Former Bective Middle School – Erection of 100 pupil all through 3 to 18 years special school. Issued on 23/12/16
  - Brackmills Point (Land South of Bedford Road, Lilliput Road) – Construction of two warehouse and distribution units with ancillary office accommodation. Issued 22/12/16.
- Vulcan Works and Former Amalgamated Tyres site - Planning and Listed Building applications received for development of site for the University of Northampton's Institute for Creative Leather Technology & Leather Conservation Centre and to provide lettable

units for creative industries (Vulcan Works) and 4-storey building to provide shared office space and rooms for small and medium enterprise (Amalgamated Tyres site)

- Lakeview House – planning application received 21/12/16 for development of 45 no. 1 bedroom flats for the elderly.

### **Kingsthorpe Conservation Areas**

The public consultation relating to the Kingsthorpe Conservation Area reviews has ended and a report relating to the comments received and the revised appraisals will be considered by Cabinet on 8<sup>th</sup> February 2017.

### **Neighbourhood Plans**

The Growing Together Neighbourhood Plan Referendum will be held on Thursday, 23<sup>rd</sup> February 2017.

### **Business Incentive Scheme**

31 Businesses have been supported, creating 253 jobs and leveraging £1.3 million private sector investment.

The Rail Enhancement (Graffiti paint over) project has been completed, resulting in an improved impression of the Town when arriving by train.

### **St Giles Street**

Additional bollards have been installed to prevent irresponsible parking and to assist with traffic flow.

### **Delapre**

The necessary legal documents which will govern the relationship between the Council and DAPT in the future were finally concluded just before Christmas, and this enabled DAPT to proceed to submit their application to the HLF Resilience fund.

The main contract is nearing completion, and arrangements for the commissioning and opening of this exciting Heritage are moving forward.

**Councillor Tim Hadland**

**Cabinet Member for Regeneration, Enterprise & Planning**

Appendices:  
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**NORTHAMPTON**  
BOROUGH COUNCIL

**COUNCIL**  
**23<sup>rd</sup> January 2017**

**Agenda Status: Public**

**Directorate: Borough Secretary**

<b>Report Title</b>	<b>Changes to Consultation Appointments</b>
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**1. Purpose**

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1.1 To confirm the changes to Consultation Appointments.

**2. Recommendations**

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2.1 That the appointments Consultation Appointments set out in the report, be confirmed.

**3. Issues and Choices**

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**3.1 Report Background**

3.1 At the Council meeting on 19<sup>th</sup> May 2016 the following Consultation Appointments were made to the Community Enabling Fund Advisory Panel (Chief Executive) Councillors Flavell (Chair) and Councillors Walker, Sargeant, Birch and Cali

3.2 Council are being asked to ratify the following change to the Consultation Appointments:

- i) Councillor Stone to replace Councillor Cali on the Community Enabling Fund Advisory Panel

3.3 Appointments to all other Consultation Appointments agreed by Council on the 19<sup>th</sup> May 2016 remain unchanged.

**4. Implications (including financial implications)**

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**4.1 Policy**

4.1.1 N/A

## **4.2 Resources and Risk**

4.2.1 N/A

## **4.3 Legal**

4.3.1 There are no legal implications

## **4.4 Equality**

None

## **4.5 Other Implications**

4.5.1 N/A

## **5. Background Papers**

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5.1 None

**Emma Powley  
Democratic Services**

Appendices

1



**NORTHAMPTON**  
BOROUGH COUNCIL

# **COUNCIL**

## **23 JANUARY 2017**

**Agenda Status: Public**

**Directorate: LGSS**

<b>Report Title</b>	<b>TREASURY MANAGEMENT MID YEAR REPORT 2016-17</b>
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### **1. Purpose**

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1.1 The purpose of the report is to provide a mid-year update on the Treasury Management Strategy 2016-17, approved by Council in February 2016.

### **2. Recommendations**

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2.1 That Council note the treasury management activities and performance for the period 1 April to 30 September 2016.

### **3. Issues and Choices**

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#### **3.1 Report Background**

3.1.1 See Cabinet report attached

### **4. Implications (including financial implications)**

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#### **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**

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5.1 None

**Mike Batty, Group Accountant (Treasury) - LGSS), 01604 367858**





## CABINET REPORT

<b>Report Title</b>	<b>TREASURY MANAGEMENT OUTTURN 2015-16</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	7 September 2016
<b>Key Decision:</b>	NO
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	LGSS
<b>Accountable Cabinet Member:</b>	Brandon Eldred
<b>Ward(s)</b>	Not Applicable

### **1. Purpose**

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1.1 To inform Cabinet of the Council's performance in relation to its borrowing and investment strategy for 2015-16, and provide an update of the same in respect of the first quarter of 2016-17.

### **2. Recommendations**

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2.1 That Cabinet recommend to Council that they note the Council's treasury management performance for 2015-16 (outturn), and treasury management data for quarter 1 of 2016-17.

### **3. Issues and Choices**

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#### **3.1 Report Background**

##### **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 as follows:

- 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 3.2.16 to 3.2.21
- Loans to the value of £46m were made to the University of Northampton in March 2016 to facilitate the construction of a new waterside campus. The loans were funded by PWLB borrowing of £46m at a special ‘project rate’ applied for by SEMLEP. See paragraphs 3.2.9 and 3.2.46
- In house investment returns received on cash balances compared favourably to the benchmarks. A return of 0.77% was achieved compared to the average 7 day LIBID benchmark of 0.36%. In respect of local authority benchmarks the NBC performance has been above the comparator group averages throughout the year. See paragraphs 3.2.27 to 3.2.34.
- The debt financing budget outturn was £624k under budget. This saving arose from a number of factors, including internal funding of borrowing requirements, higher cash balances and investment rates than budgeted and reduced Minimum Revenue Provision (MRP) requirements on borrowing to fund prior years’ capital programme expenditure. See paragraphs 3.2.47 to 3.2.48
- 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 paragraphs 3.2.49 to 3.2.51
- The borrowing position at the end of quarter 1 2016-17 has reduced by £225k due loan repayments and capitalisation of interest on government borrowing, and movements in temporary borrowing. See paragraph 3.2.22

- Investment balances during quarter 1 2016-17 averaged £73m, with a weighted average rate of interest of 0.84%. See paragraph 3.2.35 to 3.2.37

## **The Economic Environment**

3.2.2 A detailed commentary for the quarter ending 30 June 2016 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 UK economic messages are as follows:

- The growth rate in 2015 and the first quarter of 2016 was disappointing compared with the two previous years;
- The Governor of the Bank of England, Mark Carney, has warned that the vote for Brexit is anticipated to cause a slowing in growth, and the Monetary Policy Committee (MPC), are likely to cut the bank rate and would consider doing further quantitative easing purchasing of gilts in order to support growth;
- Sterling has fallen against the Euro by 14% from its peak in November 2015;
- The government target of achieving a UK budget surplus by 2020 has been eased;
- The May Bank of England Inflation Report forecasts inflation barely getting back up to the 2% target within the 2-3 year time horizon. However beyond that period there is likely to be an acceleration in the pace of increase in inflation

## **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 2015-16. The management of these risks during 2015-16 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 2015-16.
- b) Liquidity risk – This was managed effectively during 2015-16 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 access to temporary borrowing facilities, and overnight loans from Northamptonshire County Council (NCC) were arranged on three occasions in the final quarter of the year to meet the Council's liquidity requirements.

- 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 2015-16.
- 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 2015-16 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 2015-16 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 AAA rated funds 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 2015-16.

The Council purchased Certificates of Deposit (CDs) in 2015-16. In the main these were held to maturity and were not therefore subject to

movement in capital value. Three CDs were sold prior to maturity and a capital gain was realised.

The Council did not invest in gilts or bonds during 2015-16.

## 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 2015		TMSS 2015-16		Actual at 31 March 2016		Actual at 30 June 2016	
			31 March 16 Forecast (as agreed by Council Feb 2015)					
	£m	Rate %	£m	Rate %	£m	Rate %	£m	Rate %
<b>Borrowing</b>								
HRA	193.0	3.29%	193.0	3.29%	193.0	3.29%	193.0	3.29%
GF	15.1	3.22%	20.7	3.51%	23.2	2.94%	23.0	2.72%
GF - Third Party Loans	15.5	3.14%	15.3	3.13%	51.1	2.16%	51.1	2.16%
<b>Total Borrowing</b>	<b>223.6</b>	<b>3.28%</b>	<b>229.0</b>	<b>3.30%</b>	<b>267.3</b>	<b>3.04%</b>	<b>267.1</b>	<b>3.05%</b>
<b>Investments</b>	<b>64.3</b>	<b>0.73%</b>	<b>27.0</b>	<b>0.70%</b>	<b>65.9</b>	<b>0.90%</b>	<b>69.2</b>	<b>0.84%</b>
<b>Total Net Debt / Borrowing</b>	<b>159.3</b>		<b>202.0</b>		<b>201.4</b>		<b>197.8</b>	
<b>Third party loans</b>	<b>16.9</b>		<b>15.30</b>		<b>52.38</b>	<b>2.28%</b>	<b>52.29</b>	<b>2.28%</b>

Note – TMSS 2015-16 Third Party Loan figures exclude the loan to the University of Northampton, which at the time was planned but not budgeted (net nil budgetary effect)

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

## Borrowing

3.2.7 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:

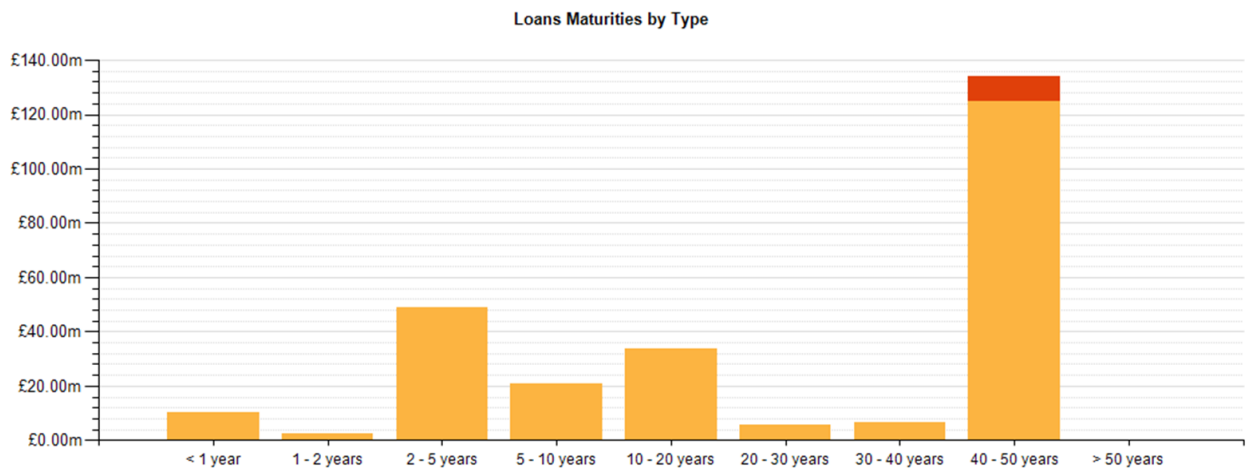
3.2.8 The table below shows the details of new long term loans raised and loans repaid during 2015-16. All borrowing movements shown relate to the General Fund.

Lender	Loan Type	Start Date	Maturity Date	£m	Interest Rate %	Duration (yrs)	Comments
<b>Raised</b>							
Public Works Loan Board	Maturity	10/03/2016	20/03/2021	28.50	1.38	5	To fund third party loan
Public Works Loan Board	Annuity	10/03/2016	10/03/2056	17.50	3.82	40	To fund third party loan
<b>Repaid</b>							
Public Works Loan Board	Maturity	12/01/2010	12/01/2016	2.02	3.47	6	Repayment on maturity
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.05	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	0.05	3.97	25	
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.05	3.97	25	
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.05	3.97	25	
Public Works Loan Board	EIP	22/01/2014	22/01/2039	0.07	3.97	25	
Public Works Loan Board	Annuity	22/07/2014	22/07/2039	0.04	3.82	25	Repayment of annual annuity amount
Homes & Communities Agency	Annuity	01/04/1985	01/10/2033	0.02	9.25	49	

3.2.9 Loans totalling £46m were raised in 2015-16 and relate to PWLB borrowing at the project rate to fund loans to the University of Northampton to support the creation of a waterside campus. Loans repaid include a £2m PWLB maturity loan in January 2016, and annual amounts on EIP and annuity loans.

### Profile of borrowing:

3.2.10 The following graph and table show the maturity profile of the Council's loans, including borrowing to fund loans to third parties.



Year Ended	Fixed	LOBO Vanilla	Total
< 1 year	£10.088m		£10.088m
1 - 2 years	£2.496m		£2.496m
2 - 5 years	£49.039m		£49.039m
5 - 10 years	£20.753m		£20.753m
10 - 20 years	£33.513m		£33.513m
20 - 30 years	£5.715m		£5.715m
30 - 40 years	£6.416m		£6.416m
40 - 50 years	£125.000m	£9.000m	£134.000m
> 50 years			£0.000m
Grand Total	£253.020m	£9.000m	£262.020m

3.2.11 The graph is dominated by maturities in the 40-50 year period, made up of a 50 year loan of £125m taken out in March 2012 as part of the HRA self-financing and a LOBO loan of £9m assigned to the HRA (represented in red on the graph) maturing in 2066.

3.2.12 The presentation differs from that in the treasury indicator for maturity structure of borrowing at Appendix 2 in that:

- a) The graph above includes borrowing to fund loans to third parties; and
- b) 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;

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

### **Loan restructuring**

3.2.14 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.)

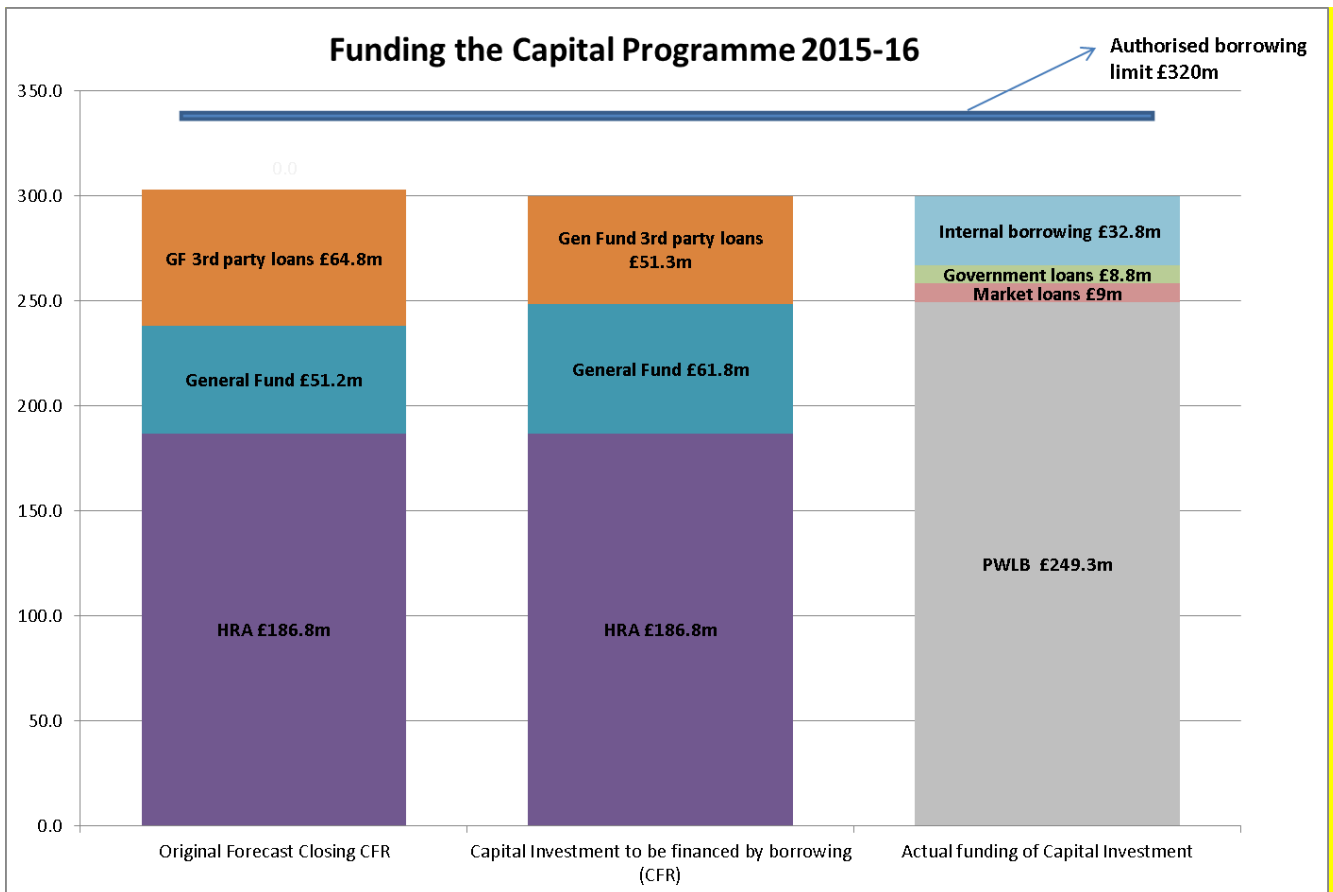
3.2.15 During 2015-16 there were no opportunities for the Council to restructure its borrowing due to the position of the Council's debt portfolio compared to market conditions. Further debt rescheduling will be considered subject to conditions being favourable but it is unlikely that opportunities will 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

3.2.16 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 2015-16 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 £256.2m. This figure is naturally subject to change as a result of changes to the approved capital programme and carry forwards that might occur.

3.2.17 The graph below compares the maximum the Council could borrow in 2015-16 with the forecast CFR at 31 March 2016 and the actual position of how this was financed as at 31 March 2016.





- 3.2.18 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.
- 3.2.19 Council's current capital investment financed via borrowing as at 31 March 2016 was £20.1m below the Authorised Borrowing Limit set for by Council at the start of the year.
- 3.2.20 The Council continued to make use of internal borrowing to fund its capital expenditure programme, generating savings in the revenue budget. Internal borrowing is the use of the Council's surplus cash to finance the borrowing liability instead of borrowing externally. 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.
- 3.2.21 The graph shows how the Council is currently financing its borrowing requirement. As at 31 March the Council was using £32.8m of internal borrowing to finance capital investment. 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.

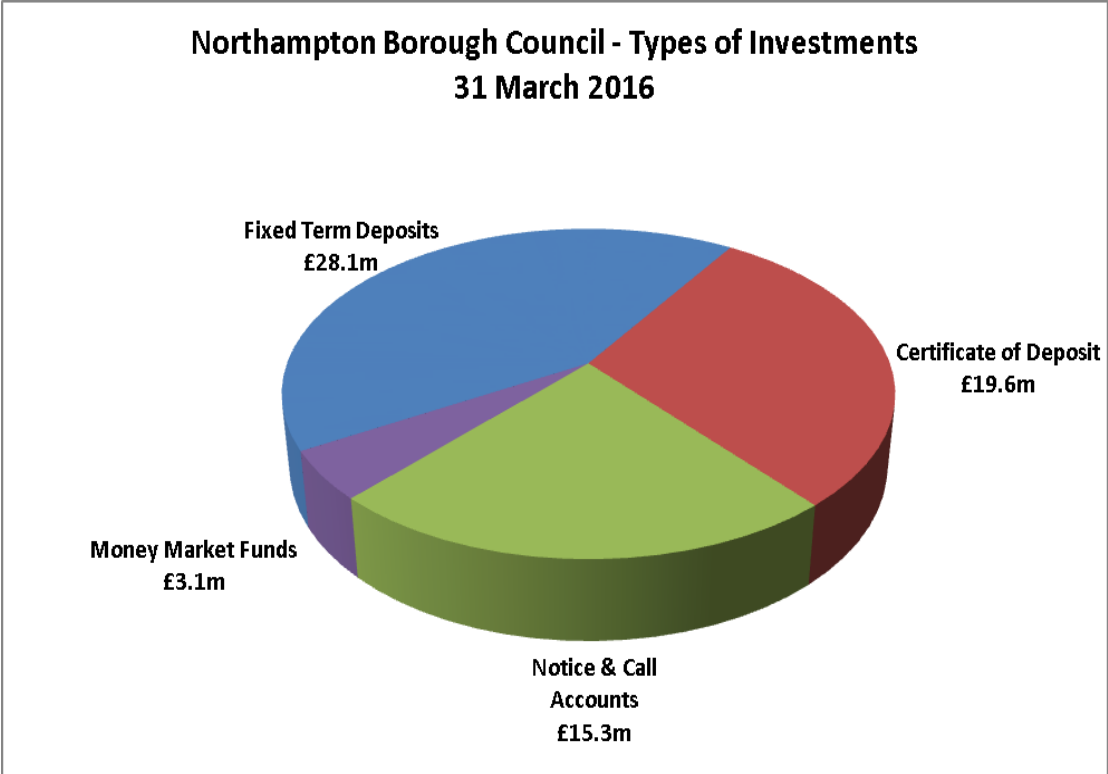
#### **Quarter 1 2016-17**

- 3.2.22 The borrowing position at the end of quarter 1 2016-17 has reduced by £225k. Movements in the period include loan repayments on Growing Places Fund loans, capitalisation of interest on Local Infrastructure Fund loans and movements in balances deposited with NBC by local organisations under long standing arrangements.

#### **Investments**

- 3.2.23 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 2015-16. 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
- 3.2.24 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.
- 3.2.25 The Council's investment portfolio as at 31 March 2016 is attached at **Appendix 3**. As at 31 March the level of investment totalled £65.9m. This excludes loans to third parties, which are classed as long term debtors. 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.

3.2.26 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 131 days.



**Investment Performance**

3.2.27 The Council's average rate of return on investments in 2015-16 was 0.77%. Performance above the 7 day LIBID (London Interbank Bid Rate) of 0.36% averaged 0.41% against a target of 0.29%. The average differential to 7 day LIBID represents an uplift of £4,100 per £1m invested.

3.2.28 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.

3.2.29 The Council has benchmarked its investment performance against other local authorities, using the Capita Investment Benchmarking Forum, which provides quarterly benchmarking data on investment returns, on a snapshot basis. The

following table sets out the Council's performance compared with other local authorities during 2015-16 using this indicator.

<b>Average Investment Returns 2015-16</b>				
<b>Benchmarking Forum Classification</b>	<b>30 June 2015</b>	<b>30 Sept 2015</b>	<b>31 Dec 2015</b>	<b>31 March 2016</b>
Northampton Borough Council	0.75%	0.75%	0.84%	0.90%
Benchmarking Group	0.68%	0.65%	0.71%	0.69%
Non Metropolitan Districts	0.68%	0.68%	0.69%	0.74%
Whole population	0.69%	0.68%	0.70%	0.74%

3.2.30 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.

3.2.31 The NBC performance has been above all the comparator group averages throughout the year.

3.2.32 Data produced by CAS shows that, for the value of risk undertaken, the returns generated are above the Model Band. Using credit ratings, the investment portfolio's historic risk of default at 31 March stood at 0.022%. This provides a calculation of the possibility of average default against the historical default rates.

3.2.33 Money market funds have been used for liquidity requirements, and core cash has been locked out for periods of up to one year in fixed term investments, including certificates of deposit, at higher rates of interest. The Council has also made use of notice accounts (up to 180 days) offered by Santander at competitive rates.

3.2.34 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).

3.2.35 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.

### Quarter 1 2016-17

3.2.36 Investment balances in quarter 1 of 2016-17 averaged £73m, with a weighted average rate of interest of 0.84%. Performance above the 7 day LIBID (London Interbank Bid Rate) of 0.36% averaged 0.48% against a target of 0.29%.

3.2.37 Following the Brexit vote, investment rates are falling and the MPC has cut the bank rate to 0.25%. It is too early to fully assess the Council's likely performance against benchmarks going forward following these changes in the interest rate environment. However the expectation is that the LIBID rate will drop and that the Council's investment performance will also gradually move downwards as existing fixed term investments fall out and are replaced by new investments at lower rates. The gap between the average monthly investment performance compared to 7 day LIBID is expected to reduce as 2016-17 proceeds, with the greatest impact being seen in 2017-18.

3.2.38 At 30 June 2016 the Council's performance continues to compare well with other councils, with a portfolio weighted average rate of return of 0.84%, compared to 0.72% for the benchmarking population average (227 authorities).

### Outlook

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

	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.50%	0.50%	0.50%
5yr PWLB rate	1.00%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.30%	1.30%
10yr PWLB rate	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%	1.80%	1.80%	1.80%	1.90%
25yr PWLB rate	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%
50yr PWLB rate	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%

3.2.40 Capita Asset Services undertook a quarterly review of its interest rate forecasts on 4 July 2016 after letting markets settle down somewhat after the Brexit result of the referendum on 23 June. It is generally agreed that this outcome will result in a slowing in growth in the second half of 2016 at a time when the Bank of England has only limited ammunition in its armoury to promote growth by using monetary policy. Capita therefore expect that Bank Rate will be cut by 0.25%, probably at the 14 July MPC meeting but possibly at its quarterly Inflation Report meeting on 4 August when it has a greater opportunity to report in depth on its research and findings. Bank Rate could

even be cut to 0% or 0.10% over this period. Thereafter, Capita do not expect the MPC to take any further action on Bank Rate in 2016 or 2017 as they expect the pace of recovery of growth to be weak during a period of great uncertainty as to the final agreement between the UK and the EU on arrangements after Brexit. However, the MPC may also consider renewing a programme of quantitative easing; the prospect of further purchases of gilts in this way has already resulted in 10 year gilt yields falling below 1% for the first time ever. Capita do not expect Bank Rate to start rising until quarter 2 2018 and for further increases then to be at a slower pace than before. The Governor of the Bank of England, Mark Carney, has repeatedly stated that increases in Bank Rate will be slow and gradual after they do start. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when the growth in average disposable income is still weak and for some consumers, who have had no increases in pay, could be non-existent (other than through some falls in prices).

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 The Council has made a number of loans to third parties, and details are set out in the following paragraphs

3.2.43 Cosworth - A loan of £1.4m was made to Cosworth in 2014-15 to fund the acquisition of machinery at their new factory in the Enterprise Zone. Repayments of principal are on an EIP basis, with the final payment due on 1 January 2019.

3.2.44 Northampton Town Football Club – Loans were made to Northampton Town Football Club during 2013-14 and 2014-15 to improve stadium facilities at Sixfields (£9m) and to develop a hotel at Sixfields (£1.25m). These were funded by PWLB borrowing. However, following failure by NTFC to pay due payments on the loan interest between May and September 2015, NBC made the decision to protect the public purse and exercised its rights under the loan agreement requiring immediate repayment of the remaining £10.22m of loans in totality (consisting of the original loan of £10.25m less repayments that had been made). When this did not materialise, the Council took action to formally cancel the loan agreements. In November 2015, new owners purchased NTFC. In order for NBC to recover the full £10.22m from the previous owners, the Council agreed to assign the £10.22m loan debt from NTFC back to NBC. The loan has been fully impaired in NBC's accounts for 2015-16.

3.2.45 Northampton Town Rugby Football Club – Loans totalling £5.5m were made to the Rugby Club during 2013-14. The loan arrangements are in the form of 25 year EIP loans. Funding for the loans was through PWLB borrowing.

- 3.2.46 Unity Leisure – A 5 year loan of £300k was made to Northampton Leisure Trust on 10 July 2015 to facilitate the purchase a soft play facility in Northampton. Repayments of principal are on an EIP basis.
- 3.2.47 University of Northampton –The Council 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, which is guaranteed by HM Treasury, was drawn down by the UoN in two tranches on 10 March 2016, comprising a £28.5m 5 year maturity loan and a £17.5m 40 year annuity loan. Northamptonshire County Council, working with the Northamptonshire Enterprise Partnership (NEP) have provided a further £14m of loan funding for the same project.

## Debt Financing Budget

3.2.48 The table below shows the budget, outturn and variance for the Council's General Fund debt and investment portfolio in 2015-16. This demonstrates the revenue (current) effects of the treasury transactions executed.

	<b>Budget</b>	<b>Outturn</b>	<b>Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Interest payable	1,225	1,032	(193)
Interest receivable	(709)	(1,155)	(446)
Soft Loan Accounting Adjustments	925	925	0
MRP	1,468	1,262	(206)
Recharges from/(to) HRA – interest on balances	102	323	221
<b>Total</b>	<b>3,011</b>	<b>2,387</b>	<b>(624)</b>

3.2.49 The main reasons for the variances were as follows:

- Interest payable – budgeted new and replacement borrowing was funded internally from cash balances creating a saving.
- Interest receivable – cash balances and interest rates were both higher than budgeted.
- Third party loans – Included in the interest payable and receivable variances are loss of interest receivable from the cancellation of the NTFC loan agreement and additional unbudgeted net interest receipts on third party loans after allowing for PWLB borrowing costs.
- MRP – there was a lower level of funding by borrowing in 2014-15 than budgeted due to carry forwards in the capital programme. This was partially offset by budget adjustments relating to self-funded borrowing. Further savings arose from the refinancing of previous years capital expenditure, with borrowing repaid on short life assets
- HRA recharges - cash balances and interest rates achieved were both higher than budgeted.

## Compliance with Treasury Limits and Prudential Indicators

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

3.2.51 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.

3.2.52 During the financial year 2015-16 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**.

## **Bank Contract**

3.2.53 The Council has tendered for a new bank contract with effect from 1 October 2016. The contract was awarded to Barclays Bank and work is underway to deliver the work required to change to the new provider. There will be a transitional period of dual running with both HSBC and Barclays until all transactions are moved to the new accounts, but this will be kept to a minimum

## **3.3 Choices (Options)**

3.3.1 This report is provided for information only.

## **4. Implications (including financial implications)**

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### **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 2015-16 was approved by Council on 23 February 2015.

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 paragraphs 3.2.47 to 3.2.48.

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 and Health**

4.4.1 An Equalities Impact Assessment was carried out on the Council's Treasury Strategy for 2015-16, 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, Capita Asset Services, 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 14 November 2016.

### **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 **Working Hard and Spending your Money Wisely**.

### **4.7 Other Implications**

4.7.1 No other implications have been identified.

## 5. Background Papers

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None

**Glenn Hammons, Chief Finance Officer 0300 330 7000**

### Economic Update (provided by CAS Treasury Solutions)

#### Quarter Ended 30th June 2016

1. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country. However, the 2015 growth rate finally came in at a disappointing 1.8% so this shows that growth had slowed down, though it still remained one of the leading rates among the G7 countries. Growth improved in quarter 4 of 2015 from +0.4% to 0.7% but fell back again to +0.4% (2.0% y/y) in quarter 1 of 2016. During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme and uncertainty created by the Brexit referendum. However, since the peak in November 2015, sterling has fallen against the Euro by 14% which will help to make British goods and services much more competitive and will increase the value of overseas earnings by multinational companies based in the UK. In addition, the Chancellor has announced that the target of achieving a budget surplus in 2020 will have to be eased in order to help the economy recover from the expected slowing of growth during the second half of 2016.
2. The Bank of England May Inflation Report included a forecast for growth for 2016 of 2.0% and 2.3% for 2017 on the assumption that the referendum result was a vote to remain. The Governor of the Bank of England, Mark Carney, warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. In his 30 June and 1 July speeches, Carney indicated that the Monetary Policy Committee (MPC), would be likely to cut Bank Rate and would consider doing further quantitative easing purchasing of gilts, in order to support growth. However, he did also warn that the Bank cannot do all the heavy lifting and suggested that the Government will need to help growth by increasing investment expenditure and possibly by using fiscal policy tools (taxation).
3. The May Bank of England Inflation Report forecast was notably subdued with inflation barely getting back up to the 2% target within the 2-3 year time horizon. However, the falls in the price of oil and food twelve months ago will be falling out of the calculation of CPI during 2016 and in addition, the recent 10% fall in the value of sterling is likely to result in a 3% increase in CPI over a time period of 3-4 years. There is therefore likely to

be an acceleration in the pace of increase in inflation which could make life interesting for an MPC which wants to help promote growth in the economy by keeping Bank Rate low.

4. The American economy had a patchy 2015 – quarter 1 0.6% (annualised), 3.9% in quarter 2, 2.0% in quarter 3 and 1.4% in quarter 4, leaving growth in 2015 as a whole at 2.4%. Quarter 1 of 2016 came in at +1.1% but forward indicators are pointing towards a pickup in growth in the rest of 2016. The Fed embarked on its long anticipated first increase in rates at its December meeting. At that point, confidence was high that there would then be four more increases to come in 2016. Since then, more downbeat news on the international scene and then the Brexit vote, has caused a re-emergence of caution over the timing and pace of further increases. It is likely there will now be only one more increase in 2016.
5. In the Eurozone, the ECB commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month; this was intended to run initially to September 2016. In response to a continuation of weak growth, at the ECB's December meeting, this programme was extended to March 2017 but was not increased in terms of the amount of monthly purchases. At its December and March meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. This programme of monetary easing has had a limited positive effect in helping a recovery in consumer and business confidence and a start to some improvement in economic growth. GDP growth rose by 0.6% in quarter 1 2016 (1.7% y/y) and is expected to continue growing but at only a modest pace. The ECB is also struggling to get inflation up from near zero towards its target of 2%.

## Prudential & Treasury Indicators – 2015-16 Outturn Position

### Background and Definitions

For the background, definitions and risk analysis for the prudential and treasury indicators for 2015-16, please see the Treasury Management Strategy 2015-16 report to Council 23 February 2015.

### Prudential Indicators

#### Affordability

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

Ratio of financing costs to net revenue stream		
	2015-16	2015-16
	Estimate	Actual
	%	31 March 2016
		%
General Fund	7.04%	9.43%
HRA	35.94%	34.50%

Actual financing costs on the General Fund were lower than budgeted. There was an underspend of £624k 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 in line with the budget, other than depreciation charges, which were lower than anticipated, and interest on cash balances, which were higher than budgeted.

##### 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>	
	2015-16
	Estimate
	£.p
General Fund	0.47

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	
	2015-16
	Estimate £.p
HRA	20.10

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	
	2015-16 Budgeted	2015-16 Actual 31 March 2016		2015-16 Budgeted	2015-16 Actual 31 March 2016
	£000	£000		£000	£000
<b>Gross external debt at 31 March 2016</b>	206,850	216,593		222,396	267,653
2014-15 Closing CFR	236,473	235,714		253,738	251,229
Changes to CFR:					
2015-16	1,533	12,859		49,082	48,674
2016-17	910	11,738		657	11,458
2017-18	7,379	10,125		7,125	9,845
<b>Adjusted CFR</b>	<b>246,295</b>	<b>270,436</b>		<b>310,602</b>	<b>321,206</b>
<b>Gross external debt less than adjusted CFR</b>	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 (2016-17 and 2017-18) 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 2016, remained below the adjusted Capital Financing Requirement

## Capital Expenditure

### e) Estimate of capital expenditure

Capital Expenditure		
	2015-16	2015-16
	Estimate £000	Outturn £000
General Fund	13,187	12,655
HRA	26,593	33,693
<b>Total</b>	<b>39,780</b>	<b>46,348</b>
Loan to Third Parties	47,800	46,300
<b>Total</b>	<b>87,580</b>	<b>92,648</b>

In the General Fund and HRA the original capital programme expenditure estimate was increased by scheme carry forwards from 2015-16, and the addition of new schemes during the year, but then reduced at outturn by carry forwards to 2016-17.

Expenditure on loans to third parties was lower than budgeted due to the removal of planned loan tranches to Northampton Town Football Club from this category.

Full details of the 2015-16 capital programme outturn, variances and budget carry forwards to 2016-17 are set out in the Finance and Monitoring Outturn Report to Cabinet on 13 July 2016.

**f) Estimates of capital financing requirement (CFR)**

Capital Financing Requirement (Closing CFR)		
	2015-16	2015-16
	Estimate	31 March 2016
	£000	Actual
		£000
General Fund	51,203	61,770
HRA	186,803	186,803
<b>Total</b>	<b>238,006</b>	<b>248,573</b>
Loan to Third Parties	64,814	51,330
<b>Total</b>	<b>302,820</b>	<b>299,903</b>

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 2016 is higher than the estimate primarily due to existing borrowing for loans to Northampton Town Football Club being transferred to the Council's main GF loan portfolio.

The HRA CFR has remained unchanged as none of the HRA capital programme in 2015-16 was financed by borrowing.

The CFR related to loans to third parties has reduced due to the removal of loans (existing and planned) to Northampton Town Football Club from this category.

**External Debt**

**g) Authorised limit for external debt**

Authorised Limit for external debt		
	2015-16	2015-16
	Boundary	31 March 2016
	£000	Actual
		£000
Borrowing	315,000	267,304
Other long-term liabilities	5,000	348
<b>TOTAL</b>	<b>320,000</b>	<b>267,652</b>

The long term liabilities figure relates to finance leases.

External debt remained below the authorised limit throughout 2015-16.



## h) Operational boundary for external debt

Operational boundary for external debt		
	2015-16	2015-16
	Boundary £000	31 March 2016 Actual £000
Borrowing	305,000	267,304
Other long-term liabilities	5,000	348
<b>TOTAL</b>	<b>310,000</b>	<b>267,652</b>

The long term liabilities figure relates to finance leases.

External debt remained below the operational boundary throughout 2015-16.

## i) HRA Limit on Indebtedness

HRA Limit on Indebtedness	
2015-16	2015-16
Limit £000	Closing HRA CFR 31 March 2016 £000
208,401	186,803

The HRA limit on indebtedness is £208.041m. This is the HRA debt cap set by the Department for Communities and Local Government in "The Northampton Borough Council (Limits on Indebtedness) Determination 2015". 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

<b>Upper limits on interest rate exposures - Investments and Borrowing</b>		
	2015-16	2015-16
	Limit	Actual 31 March 2016
	%	%
Fixed Interest Rate Exposures	150%	105%
Variable Interest Rate Exposures	150%	-5%

<b>Upper limits on interest rate exposures - Investments</b>		
	2015-16	2015-16
	Limit	Actual 31 March 2016
	%	%
Fixed Interest Rate Exposures	100%	72%
Variable Interest Rate Exposures	100%	28%

<b>Upper limits on interest rate exposures - Borrowing</b>		
	2015-16	2015-16
	Limit	Actual 31 March 2016
	%	%
Fixed Interest Rate Exposures	100%	97%
Variable Interest Rate Exposures	100%	3%

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 2016, 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		
	2015-16	2015-16
	Upper Limit	Actual 31 March 2016
	£000	£000
Investments longer than 364 days	4,000	0

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

The table excludes PWLB borrowing taken by the Council to fund loans to third parties. Repayment of such borrowing is matched to loan repayments from the third party, and the loan maturity profile does not therefore have a direct impact on the Council's cash flows.

Maturity structure of borrowing			2015-16	2015-16
	Lower Limit	Upper Limit	Actual 31 March 2016	Actual 31 March 2016
	%	%	%	£000
Under 12 months	0%	20%	7%	15,619
1-2 years	0%	20%	0%	-
2-5 years	0%	20%	9%	20,127
5-10 years	0%	20%	12%	25,463
10-20 years	0%	40%	13%	27,212
20-30 years	0%	60%	0%	319
30-40 years	0%	80%	0%	-
Over 40 years	0%	100%	58%	125,000

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 has one LOBO loan, which is shown 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. 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 2016

Class	Type	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Deposit	Fixed	28/04/15	26/04/16	Bank of Scotland plc	Maturity	1.0000%	-2,000,000.00
Deposit	Fixed	14/05/15	13/05/16	Royal Bank of Scotland plc	Maturity	0.8700%	-5,000,000.00
Deposit	Fixed	01/06/15	27/05/16	Skandinaviska Enskilda	Maturity	0.8100%	-5,000,000.00
Deposit	Fixed	04/06/15	02/06/16	Royal Bank of Scotland plc	Maturity	0.8900%	-5,000,000.00
Deposit	Fixed	04/08/15	02/08/16	Skandinaviska Enskilda	Maturity	0.7700%	-3,000,000.00
Deposit	Fixed	09/09/15	07/09/16	Royal Bank of Scotland plc	Maturity	0.9400%	-5,000,000.00
Deposit	Fixed	16/12/14	16/12/16	Blaenau Gwent County	Maturity	0.9300%	-2,500,000.00
Deposit	Fixed	06/11/15	06/05/16	Nationwide Building Society	Maturity	0.6600%	-3,000,000.00
Deposit	Fixed	09/11/15	07/11/16	The Toronto-Dominion Bank	Maturity	0.8900%	-2,000,000.00
Deposit	Fixed	24/11/15	22/11/16	Landesbanken Hessen-	Maturity	1.0700%	-3,000,000.00
Deposit	Fixed	18/12/15	16/12/16	The Toronto-Dominion Bank	Maturity	0.9900%	-4,000,000.00
Deposit	Fixed	07/01/16	07/07/16	Landesbanken Hessen-	Maturity	0.7900%	-2,500,000.00
Deposit	Fixed	16/02/16	16/08/16	Landesbank Baden	Maturity	0.7250%	-2,500,000.00
Deposit	Fixed	19/02/16	17/02/17	Landesbanken Hessen-	Maturity	0.9200%	-3,000,000.00
<b>Fixed Total</b>						<b>0.8771%</b>	<b>-47,500,000.00</b>
Deposit	Call	07/12/15		Santander UK plc	Maturity	1.1500%	-7,000,000.00
Deposit	Call	06/10/15		Santander UK plc	Maturity	0.9000%	-5,000,000.00
Deposit	Call	07/12/15		Santander UK plc	Maturity	1.0500%	-3,000,000.00
Deposit	Call	31/03/14		HSBC Bank plc	Maturity	0.0700%	-250,000.00
<b>Call Total</b>						<b>1.0307%</b>	<b>-15,250,000.00</b>
Deposit	MMF	01/07/14		LGIM Sterling Liquidity 4	Maturity	0.4968%	-20,000.00
Deposit	MMF	31/03/14		Insight Liquidity Sterling C3	Maturity	0.5176%	-2,671,000.00
Deposit	MMF	31/03/14		SLI Sterling Liquidity/CI 2	Maturity	0.5039%	-454,000.00
<b>MMF Total</b>						<b>0.5155%</b>	<b>-3,145,000.00</b>
<b>Deposit Total</b>						<b>0.8954%</b>	<b>-65,895,000.00</b>

