



NORTHAMPTON
BOROUGH COUNCIL

CABINET AGENDA

Wednesday, 14 November 2018

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

6:00 pm

Members of the Cabinet:

Councillor: Jonathan Nunn (Leader of the Council)

Councillor: Phil Larratt (Deputy Leader)

Councillors: Mike Hallam, Tim Hadland, Stephen Hibbert, Brandon Eldred, Anna King and James Hill.

Chief Executive

George Candler

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

PORTFOLIOS OF CABINET MEMBERS

CABINET MEMBER	TITLE
Councillor J Nunn	Leader
Councillor P Larratt	Deputy Leader
Councillor M Hallam	Environment
Councillor B Eldred	Finance
Councillor T Hadland	Regeneration and Enterprise
Councillor S Hibbert	Housing and Wellbeing
Councillor A King	Community Engagement and Safety
Councillor J Hill	Planning

SPEAKING AT CABINET MEETINGS

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

Registration can be by:

Telephone: (01604) 837722
(Fax 01604 838729)

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

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

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

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

KEY DECISIONS

 denotes the issue is a 'Key' decision:

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

NORTHAMPTON BOROUGH COUNCIL

CABINET

Your attendance is requested at a meeting to be held:
in The Jeffrey Room, The Guildhall, St. Giles Square, Northampton, NN1
1DE

on Wednesday, 14 November 2018

at 6:00 pm.

**George Candler
Chief Executive**

AGENDA

1. **APOLOGIES**
2. **MINUTES**
3. **INTENTION TO HOLD PART OF THE MEETING IN PRIVATE IF NECESSARY**
4. **DEPUTATIONS/PUBLIC ADDRESSES**
5. **DECLARATIONS OF INTEREST**
6. **ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES**

None

7. **NORTHAMPTON LOTTERY**

Report of Head of Finance (Copy herewith)

8. **FINANCE MONITORING TO SEPTEMBER 2018**

Report of Head of Finance (Copy herewith)

9. **EXCLUSION OF PUBLIC AND PRESS**

THE CHAIR TO MOVE:

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

SUPPLEMENTARY AGENDA

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

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 17 October 2018

PRESENT: Councillor Larratt (Deputy Chair); Councillors Eldred, Hadland, Hallam, J Hill, Hibbert and King

1. APOLOGIES

Apologies were received from Councillor Nunn

2. MINUTES

The minutes of the meeting held on the 12th September 2018 were agreed subject to the amendment set out on the agenda.

3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE IF NECESSARY

There is an intention to hold part of the meeting in private – Item 18 - Award of Contract for Car Park Lift Refurbishment and Item 20 – Acquisition of Property.

Exempt Information means information falling within the following seven categories outlined in schedule 12A of the Local Government Act 1972: Part 3

Both reports contained sensitive commercial information relating to a firm or individual and has therefore been exempted under schedule 12A, Part 1, (3) “*Information relating to the financial or business affairs of any particular person (including the authority holding that information)*”.

4. DEPUTATIONS/PUBLIC ADDRESSES

Mr David Huffadine-Smith registered to speak on Item 10 – Transfer of Land and Open Space to Parish Councils.

5. DECLARATIONS OF INTEREST

Councillor King declared a disclosable pecuniary interest in Item 16 - Grant of property leases and financial and management agreements to Northampton Leisure Trust (Unity Leisure) as a Trustee of the Leisure Trust and her daughter was currently employed by them.

6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

There were none.

7. RESPONSE TO OVERVIEW & SCRUTINY REVIEW OF CHILD SEXUAL EXPLOITATION

Councillor Hibbert as the relevant Cabinet Member, submitted his report and noted that he considered it to be a very positive step forwards and noted his keenness to accept all of the recommendations and explained that steps were being taken to provide officer and member training on Child Sexual Exploitation.

Councillor Russell commented that she considered it an excellent report and was extremely pleased to see it before Cabinet.

Councillors Larratt and Hibbert thanked those who had worked on the panel and noted that there had been a delay in it being brought to Cabinet as there was a need for accurate and concise information to be provided.

RESOLVED:

That the report be noted.

8. RESPONSE TO OVERVIEW & SCRUTINY REVIEW DEMENTIA FRIENDLY TOWN

Councillor King, as the relevant Cabinet Member submitted her report and thanked the Scrutiny Panel members for the work that they had undertaken. She noted that there had been a number of partners working alongside the Council in their work towards achieving 'Dementia Friendly status for Northampton'.

RESOLVED:

That the report be noted.

9. CORPORATE PLAN - 2018-2020

Councillor Larratt, in the absence of the Leader, submitted a report which was an update of the Corporate Plan, which if approved by Cabinet be recommended to Council for approval on the 5th November 2018.

Councillor Stone commented that she appreciated the time and effort put in to updating the plan but questioned whether it accurately reflected the experiences and perception of the residents. She reported that there were in some places, high levels of deprivation and questioned what assets the Town had that would make them proud.

Councillor Larratt reported that the Corporate Plan was a comprehensive revamp following staff engagement.

RESOLVED:

That the draft Corporate Plan for 2018 to 2020 be approved, and recommended to Council on 5 November 2018 and that the Chief Executive be authorised to finalise the document and publish this alongside the Council's Medium Term Financial Plan (MTFP).

10. TRANSFER OF LAND AND OPEN SPACE TO PARISH COUNCILS

Councillor Hadland, as the relevant Cabinet Member, submitted his report which sought agreement to a refreshed strategy on the transfer of Council owned assets. He explained that under Localism a number of community centres had been transferred and explained that the roles and responsibilities of Parish Councils were increasingly changing.

Mr Huffadine-Smith questioned whether the overage would be enforceable and at a reasonable cost, whether a proposed uplift of 100 percent was considered to be fair and further questioned what would happen to any existing defects or issues not dealt with and who would be responsible under proposed transfers. He further explained that he considered there to have been a lack on consultation with the Parish Councils and noted that whilst he welcomed the recommendations contained within the report, he considered there to be an extensive amount of work to be undertaken and urged the Council to work together with the Parish Councils.

In response, Councillor Eldred explained that he, the Deputy Leader of the Council and the Cabinet member for Environment had been heavily involved with Parish Councils on this topic and urged other Parish Councils to come forward.

Councillor Duffy noted her concerns about the potential inequality between parished and unparished areas. She questioned whether the strategy was aimed at getting rid of assets and asked if there could potentially be a land grab by more affluent parishes. Lastly, she questioned whether it could be perceived as a lack of confidence in the proposed Unitary Authorities.

In response, Councillor Larratt explained that this was a policy matter and there were issues that needed to be taken forward. He explained that Cabinet considered that assets would be best kept in Northampton and managed by Northampton residents. This policy would enable assets to be transferred to a new Town Council, any new Parish Councils, and existing Parish Council. The assets would be protected as much as possible in the hands of the local community. He further explained that this would give more voice and weight to the Parish Councils in a Unitary Authority.

Councillor Eldred explained that Cabinet had confidence in the proposed Unitary Authorities but explained that this was an attempt to bring policy in line with other Councils in West Northampton.

Councillor Hadland explained that a refreshed strategy would increase flexibility and would be easier to decide on costings.

RESOLVED:

- 2.1 That the strategy adopted by Cabinet on 16th November 2016 be amended;
- 2.2 That future transfers to Parish Councils would normally be on a freehold rather than long leasehold basis be agreed;
- 2.3 That it be agreed that where assets to be transferred be commercial in nature, and a commercial sale price would be appropriate;
- 2.4 That where assets to be transferred are non-commercial in nature, it was agreed that a nominal consideration will be charged;
- 2.5 That all freehold transfers would include appropriate overage provisions be agreed;
- 2.6 That the advertisement of the proposed disposal of any areas of Public Open Space in a local newspaper be authorised for two consecutive weeks in accordance with the procedural requirements of Section 123 (2A) of the Local Government Act 1972, and thereafter for the Cabinet to agree to meet to consider any objections to the proposed disposal which may be made to them before any final decision is taken on the disposal, so that proper consideration is given to the responses that are received.
- 2.7 That authority be delegated to the Head of Economy, Assets and Culture, in consultation with the Cabinet Member for Regeneration and Enterprise, to negotiate and agree in principle the terms of any transfer/disposal on a freehold basis in accordance with the parameters of this report and subject to the agreed terms of each proposed transfer/disposal being subsequently approved by Cabinet.

11. CORPORATE RISK REGISTER

Councillor Larratt, in the absence of the Leader, expanded on the report and explained that this covered the Councils corporate risk register for the first quarter of 2018/19. He explained that the number of 'red' risks had been reduced but one of them was due to inadequate staffing and an increase of temporary staff.

Councillor Birch commented that there were a number of risks that could be controlled and expressed concerns about the recruitment and retention of staff and the consequences of losing historical knowledge when staff moved on.

Councillor Larratt responded that the Council were considerate of their staffs' ability and needs.

RESOLVED:

That the risks contained in the register and the related risk exposures be noted.

12. APPROVAL OF A COUNCIL-OWNED HOUSING DEVELOPMENT COMPANY

Councillor Hibbert expanded on the report and explained that the proposed development company had been fully costed and included additional information about the operational aspects of the Housing Development Company was contained within the report. He noted that further work would need to be undertaken on the Housing Revenue Account with regards to the removal of the HRA debt cap.

Councillor Ashraf stated that she welcomed the recommendation in the report and was happy to support the establishment of a DevCo noting the importance and need for affordable housing.

RESOLVED:

- a) That the establishment of a Council-owned, non-charitable Housing Development Company (DevCo), called Hamtune Homes Ltd, that would acquire, develop, manage and sell real estate to help the Council achieve its strategic objectives in relation to housing demand, place-shaping and income generation be confirmed;
- (b) That the appointment of the Head of Housing & Wellbeing and the Housing Options & Advice Manager as the two initial Directors of Hamtune Homes Ltd be confirmed
- (c) That authority be delegated to the Borough Secretary & Monitoring Officer, in consultation with the Chief Finance Officer and the Cabinet Member for Finance, to approve the Articles of Association and any appointment of a Company Secretary;
- (d) That a sum of up to £50,000 is made available from Reserves to fund the DevCo's initial start-up costs and support the production of the company's first business plan and development pipeline be agreed ;
- (e) That that each of the housing schemes / projects undertaken by the DevCo would require a fully-costed Business Case and formal approval by Cabinet be agreed;
- (f) That a further report, prior to the commencement of trading, be bought to Cabinet when approval would be sought for the DevCo's business plan.

13. FIXED PENALTY NOTICES LEVELS

Councillor Hallam as the relevant Cabinet Member elaborated on the report and explained that the number of Fixed Penalty Notices issued had recently declined which he considered to be indicative of the effectiveness of the notices and was therefore working as a deterrent that dropping litter was not acceptable.

Councillor Birch commented that she considered the Town Centre was looking cleaner and tidier but had some concerns of the behaviour of the contractors who she considered were tarnishing the Councils Town Centre Wardens.

Councillor Hallam questioned why her concerns had not been previously raised and commented that the contractors had received an award for their work and noted that they had participated in training sessions. He further commented that a number of the fines had been 'written off' due to the vulnerable status of those issued with fines.

Councillor Meredith reported that in his Ward the number of instances of fly-tipping and trolley-dumping had become a real issue and noted that prior to becoming a unitary authority, there was a need to address fly tipping and considered a more rigorous approach from the Council a necessity, suggesting the use of CCTV cameras to catch the perpetrators.

Councillor Hallam explained that residents had been happy with the services provided and explained that people liked to see a clean and tidy town and that the message, through the issuing of FPNs had sent out the message that littering is not tolerated. Responding to a question raised by Councillor Eldred, Councillor Hallam explained that information about the areas being covered by the various Wardens/Rangers would be sent to Parish Councils for information purposes.

RESOLVED:

That the following levels of fixed penalties to apply for fixed penalty notices issued from 1 November 2018 be agreed:

Fixed penalty for fly tipping offences
Full Penalty £400
Reduced penalty for payment within 10 days £300

Fixed penalty for depositing litter, littering from vehicles, graffiti, fly posting
Full penalty £120
Reduced penalty for payment within 10 days £75

Fixed penalty for failure to comply with a Waste Receptacle Notice (Commercial)
Full penalty £110
Reduced penalty for payment within 10 days £75

14. EFFICIENCY AND MEDIUM TERM FINANCIAL STRATEGY

Councillor Eldred, as the Cabinet Member for Finance, submitted his report and explained that the Medium Term Financial Plan (MTFP) was set in the context of the proposed local government reorganisation and creation of a new Unitary Authority.

Councillor Stone questioned how recent projections had shown a requirement to make savings over the next five years of £3.4 million by 2022/23 which was a decrease on previous savings and questioned what the impact of that would be. She stated that this

could not be considered a savings requirement, but a budget gap and despite having an understanding of the need to increase Council tax by the maximum amount, she argued that people would see an increase in costs and a decrease in services and suggested a strategy to educate residents on where their money was being spent.

Councillor Eldred, in response commented that one of the major spends was on the new Environmental Services contract and noted the recent increase in budget pressures due to a rise in homelessness.

RESOLVED:

1. That the draft Efficiency and Medium Term Financial Plan as attached at Appendix 1 of the report be approved
2. That the key principles as set out at paragraph 3.2.4 of the report be adopted

15. CHANGES TO THE HOUSING ALLOCATIONS AND CHOICE BASED LETTINGS SCHEME

Councillor Hibbert elaborated on his report and explained that Cabinet were being asked to approve a series of minor changes to the Council's Housing Allocations and Choice Based Lettings Scheme to incorporate the Council's new duties under the Homelessness Reduction Act 2017.

Councillor Smith commented that she was pleased to see the report coming forward and noted the increase in the number of homelessness and poverty cases the Council were facing and hoped that this would encourage the hidden homeless (e.g. sofa surfers) to come forward for help.

RESOLVED:

That the following changes to Northampton's Housing Allocations and Choice Based Lettings Scheme (set out in Appendix A of this report) be approved:

- (a) The Emergency Band is amended to include applicants who have been accepted by the Council as being owed the relief duty (under the Homelessness Reduction Act 2017) and have been assessed as being in priority need and unintentionally homeless;
- (b) Band A is amended to include applicants who have been accepted by the Council as being owed the prevention duty (under the Homelessness Reduction Act 2017) and have been assessed as being in priority need;
- (c) Band B is amended to include the following applicants:

Applicants who have been accepted by the Council as being owed the prevention duty (under the Homelessness Reduction Act 2017) and have been assessed as having no priority need

Applicants who have been accepted by the Council as being owed the relief duty (under the Homelessness Reduction Act 2017) and have been assessed as having no priority need

Applicants who are homeless or threatened with homelessness but have been notified that they have no right of rehousing under the homelessness legislation, or where the homelessness duties have been discharged but homelessness

continues.

- (d) Where an applicant has been accepted by the Council as being owed the relief duty (under the Homelessness Reduction Act 2017) and has been assessed as being in priority need and unintentionally homeless, their 'effective date' in the Emergency Band will be the date that the Council accepted that they were owed a relief duty, even if this occurred prior to 17 October 2018.

At this juncture of the meeting, having declared a disclosable pecuniary interest in Item 16, Councillor King left the room.

16. GRANT OF PROPERTY LEASES AND FINANCIAL AND MANAGEMENT AGREEMENTS TO NORTHAMPTON LEISURE TRUST (UNITY LEISURE)

Councillor Hadland elaborated on a report to approve an amendment to a previous Cabinet report of the 14th March 2018 and commented that the leisure centres used to cost the Council in excess of £0.5million each year and that they were now able to stand alone financially which he hoped would continue.

Councillor Birch commented that she agreed that the Leisure Trust be supported as they were considered an asset to the Town and a decrease in the annual rent would be an additional incentive for them. She expressed some concerns about the age of some of the buildings but was assured by Councillor Hadland that the Council would continue to support them and would encourage them to expand and diversify.

RESOLVED:

- 2.1 That it be agreed to replace recommendation 2.1 and 2.2 of the report considered and agreed by Cabinet at its meeting on 14th March 2018 (Appendix 1) with the following new recommendations:
- 2.2 Cabinet agreed three new Full Repairing leases be granted under the Landlord and Tenant Act 1954 to Unity Leisure for the three leisure centres owned by Northampton Borough Council (Lings Forum, Danes Camp, Mounts Baths), for a period of 30 years. The combined rent would be £51,000 per year, and would be in accordance with the terms and conditions set out in this report and the Cabinet report dated 14 March 2018 (appendix 1), which reflected a discount from market rent of £22,500 per annum.
- 2.3 Cabinet delegated authority to the Head of Economy, Assets and Culture to complete the above leases in consultation with the Chief Finance Officer and the Cabinet Member for Regeneration and Enterprise, subject to the completion of necessary due diligence checks, ensuring that the Council not be exposed to unacceptable legal or financial risk.
- 2.4 Cabinet agreed that for the first 5 years of the leases, the responsibility for insuring the properties would remain with the Council
- 2.5 Cabinet agreed that a review be carried out in Year 4 of the leases to determine whether or not the Council would continue to carry the cost of insuring the properties after year 5.

Councillor King re-entered the room.

17. ARRANGEMENTS FOR THE WEST NORTHAMPTONSHIRE STRATEGIC PLAN

Councillor Hill, as the relevant Cabinet Member submitted his report and elaborated thereon. He explained that Daventry District Council and South Northants Council had already agreed and for Cabinet to agree to the recommendations would allow them to be in a position to make sure that the West Northamptonshire can take full advantage of the opportunity to contribute to the Governments targets for housing and employment growth.

RESOLVED:

That the following be approved:

- a) The Statement of Common Ground (attached at Appendix A of the report)
- b) The Joint Local Development Scheme for West Northamptonshire (attached at Appendix B of the report)
- c) The Memorandum of Co-operation and Terms of Reference for the West Northamptonshire Joint Planning and Infrastructure Board (attached at Appendix C of the report)

18. EXCLUSION OF PUBLIC AND PRESS

The Chair moved that the public and Press be excluded from the remainder of the meeting on the grounds that there was likely to be disclosure to them of such categories of exempt information as defined by Section 100(1) of the Local Government Act 1972 as listed against such items of business by reference to the appropriate paragraph of Schedule 12A to such Act.

The Motion was Carried.

19. AWARD OF CONTRACT FOR CAR PARK LIFT REFURBISHMENT.

Councillor Hadland explained that the report was seeking approval to award a contractor for the refurbishment of the Car Park Lifts and noted that it would enable the one contractor to be responsible for the ongoing maintenance of all lifts including defects, faults, call outs and trap-ins.

RESOLVED:

1. That the appointment of a contractor for the refurbishment of Car Park Lifts be approved.
2. That authority be delegated to the Head of Economy, Assets and Culture, in consultation with the Cabinet Member for Regeneration and Enterprise, to agree the final sum and terms of the contract documents.

20. STRATEGIC ACQUISITION OF PROPERTY

The relevant Cabinet Member submitted a report and elaborated thereon.

RESOLVED:

1. That officers be authorised officers to undertake appropriate due diligence and seek to acquire a property, for economic and regeneration purposes.

2. That an acquisition budget to be drawn from reserves be approved.
3. That the acquisition is for regeneration and economic purposes be agreed.

The meeting concluded at 7.21pm

Appendices
2



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Northampton Lottery
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	14 November 2018
Key Decision:	NO
Within Policy:	YES
Policy Document:	YES
Directorate:	Finance
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	All

1 Purpose

The purpose of the report is:

- 1.1 To seek approval from Cabinet to launch a Northampton Lottery to help fund discretionary support to the local voluntary and community sector and to enable good causes to raise funds directly.

2 Recommendations

- 2.1 To recommend to Council that a Northampton Lottery be launched as detailed in the report.
- 2.2 To delegate the final arrangements of launching the lottery to the Chief Finance Officer, in conjunction with the Portfolio Holder for Finance, including the authorisation to appoint Gatherwell Ltd. as an External Lottery Manager to operate the Northampton Lottery.
- 2.3 To delegate the initial selection of core recipients to Cllr A King and Cllr B Eldred in conjunction with Head of Customers and Communities and the Chief Finance Officer.

3 Issues and Choices

3.1 Report Background

- 3.1.1 Despite significant pressure on Council budgets and available funding for community grant programmes over recent years, Northampton Borough Council is committed to continuing to support the voluntary and community sector (VCS). A lottery would allow this sector to raise funds directly, while contributing to a general ‘good cause pot’ with causes chosen by councillors. This innovative approach would move the council from ‘provider to enabler’.
- 3.1.2 The concept of a local lottery was pioneered by Aylesbury Vale District Council, whose lottery was given Council approval in November 2015. AVDC has raised £45,000 per year for local good causes, using Gatherwell Ltd. As an External Lottery Manager (ELM). The appointed ELM delivers all aspects of running the lottery, including providing an online platform, ticket payment systems, prize management and licensing arrangements, with joint responsibility for promotion and marketing of the lottery.
- 3.1.3 At least 30 councils now use a lottery as a means of raising additional funds for projects and causes, including Essex County Council and Corby District Council. They are regulated by the Gambling Act 2005 as ‘local authority lotteries’.
- 3.1.4 Local Authority lotteries must deliver a minimum of 20% of proceeds to good causes. This report recommends a minimum of 60% of Northampton Lottery proceeds go to good causes. As a local authority we would need to be licensed by the Gambling Commission, as would an appointed ELM.
- 3.1.5 There are four well-known national lotteries running in England and Wales – Euromillions, the National Lottery (Lotto), Health Lottery and Postcode Lottery. The table below sets out some statistics for these providers for comparison.

Provider	Odds of jackpot win	Odds of any prize win	% share to good causes	% to operator / owner
Euromillions	1:116,000,000	1:13	28%	22%
National Lottery (Lotto)	1:14,000,000	1:54	28%	22%
Health Lottery	1:2,000,000	1:209	20%	22%
Postcode Lottery	No data available		27.5%	32.5%
Proposed Northampton Lottery (using AVDC as a template)	1:1,000,000	1:50	60%	20%

- 3.1.6 There are a number of community groups and charities that run lotteries or similar fundraising schemes within the borough, but there are no other Northampton-wide lotteries currently being delivered. The unique selling point of a Northampton Lottery is that players can be assured that proceeds will stay within Northampton, as will the majority of prizes. Further details of the proposed operation and set-up of the Lottery are set out in Appendix A.

3.2 Issues

- 3.2.1 The costs of setting up an in-house delivery option for a lottery have been estimated at £80-100k. This would be mitigated by buying in a 'template' from an ELM such as Gatherwell, who have used the same model in each of the council lotteries they operate, delivering the skills, expertise, operating system and sharing the risk of delivery. This includes ticket payments, prize management and licensing. The ELM is also be required to be licensed by the Gambling Commission.
- 3.2.2 There has been very limited negative feedback from the operation of lotteries at other councils relating to the promotion of gambling and worries about reductions in direct funding, which has been outweighed by positive reactions from the groups and causes, including schools, which have benefited from the increase in funding.
- 3.2.3 Decisions on the price of tickets, good causes eligible for funding, the percentages of proceeds allocated to prizes, good causes and administration, frequency of draws and the costs of marketing may be delegated to the officer charged with setting up the lottery or engaging the ELM.

3.3 Choices

3.3.1 Option 1

- a) Engage Gatherwell Ltd as the ELM to set up and operate a Northampton Lottery. Gatherwell would conduct all day-to-day operations with the Council retaining control, oversight and governance of the scheme.
- b) Advantages: This uses an existing system and template for roll-out, including marketing and licensing, which would also reduce the time and resources needed to set up, and the council would share risk with the ELM as they would be paid solely from ticket sales. Creates additional funds for local good causes.
- c) Disadvantages: Limited level of risk relating to low take-up, which can be offset by effective marketing.

3.3.2 Option 2

- a) Set up an in-house lottery by employing a part-time staff member (0.5 FTE)
- b) Advantages: Complete control over the process, administrative costs, marketing and systems. Creates additional funds for local good causes.
- c) Disadvantages: The Council would face prohibitive additional costs relating to employing staff with the knowledge and experience required to set up and run the lottery, including licensing, the website, lottery system and marketing strategy.

3.3.3 Option 3

- a) Do not set up a lottery
- b) Advantages: No risk of additional costs.
- c) Disadvantages: No additional funds for local good causes, which overlooks an opportunity to establish a new income stream to support the Council's community grants programme and enable the VCS sector to raise funds through a secure lottery scheme at no expense to them.

3.3.4 Preferred Option

Option 1 is the preferred and recommended option. This is because there are expected to be no setup or operational costs to the Council unless it chooses to boost the marketing budget. Risks relating to the ongoing operations would be shared with the EELM, who would also be able to provide an 'off the shelf' product that will be both reliable and quick to employ.

3.3.5 Delegated Powers to Officers

There is no need for Council to amend the scheme of delegations if Options 1 or 2 are approved by Cabinet then Officers will have delegated powers to implement that decision.

3.4 Next Steps

- 3.4.1 The Chief Financial Officer will be delegated the responsibility to engage Gatherwell as an ELM in order to set up a Northampton Lottery.

4 Implications (including financial implications)

4.1 Policy

- 4.1.1 There are no policy implications arising from this report.

4.2 Resources and Risk

- 4.2.1 There will be a limited annual cost to operating the lottery that can be recouped from ticket sales. It is estimated that:
 - £1,000 will be required annually for licensing and administration costs, which may be recouped from lottery proceeds. Two officers within the authority must hold gambling licenses.
 - £3,000 should be allocated for marketing, setup and launch costs in the first year
 - There will be officer time which will be required to run the lottery annually, including reviews of governance and financial contributions.
- 4.2.2 Income from the lottery will be used to assist in funding existing commitments to the Voluntary and Community Sector. Until the level of funds being raised is

known it is difficult to estimate the level of funding each organisation can expect. However, Aylesbury Vale has been able to generate £45,000 per annum for good causes with a smaller population than Northampton. An annual review will be undertaken to ensure that the lottery is running in line with the aims set out in this report.

4.3 Legal

4.3.1 A Northampton Lottery will have to comply with the Gambling Act 2005, which stipulates that:

- Local authority lotteries must be run under an operating licence issued by the Gambling Commission, as well as a remote lottery operating licence for internet and telephone ticket sales.
- A minimum of 20% of gross proceeds must be applied to a purpose for which the authority has power to incur expenditure, with a maximum of 80% allocated to prizes and expenses.
- The maximum prize in a single lottery is £25,000 or 10% of the gross ticket sales, whichever is greater, in the case of a local authority lottery.
- Tickets may not be sold to or by those under the age of 16.
- The value of tickets sent to any one address other than that of a promoting society must be limited to £20.
- Accounting records must be retained for a minimum of three years, relating to total proceeds, amount allocated to prizes, detailed expenses, the amount applied to the purposes of society and the numbers of sold and unsold tickets.
- Every local authority licensed by the Gambling Commission must provide a submission for each lottery. This must show the total proceeds and how they have been distributed between prizes and expenses and the amount applied directly to the purpose for which the local authority has power to incur expenditure.

4.3.2 A tender process for the Lottery will not be required, as it is an award for a public service concession Under the Concessions Contract Regulations 2016, lottery services are expressly excluded from being governed by procurement rules.

4.4 Equality and Health

4.4.1 A Community Impact Assessment has been carried out as a background paper, the link of which is below at 5.1 of the report.

4.4.2 Whilst there are concerns over the impact of gambling, community lotteries are considered to be low level and the prizes whilst attractive

4.4.3 Gambling Responsibility

Lotteries are the most common type of gambling activity across the world, and considered to be a 'low risk' form with respect to the emergence of problem gambling. This is due to its relatively controlled form. The NBC Lottery will help mitigate against many of the issues related to addictive gambling by :

- the lottery only being only playable via direct debit and by pre-arranged sign up
- there is no 'instant' gratification or 'instant reward' to taking part
- there will be no 'high profile' activity surrounding the draw
- there is a maximum cap on the number of tickets purchasable by an individual

In addition, the NBC Lottery website will contain a section providing links to gambling support organisations.

In this way the NBC Lottery should not have an impact on problem gambling; and the benefits to good causes in the District from the proceeds of the lottery balances against possible negative issues.

4.5 Consultees (Internal and External)

4.5.1 None

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Creating a Northampton Lottery will enable fundraising opportunities for the local voluntary and community sector.

4.7 Other Implications

4.7.1 None

5 Background Papers

5.1 Equality Impact Assessment:

<https://www.northampton.gov.uk/downloads/file/10587/eia---northampton-lottery>

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APPENDIX 1

Ticket Price, Proceeds Apportionment, Prize Structure and Player Modelling

- a) The proposed ticket price is £1, in order to be distinct from the National Lottery (£2), with draws taking place once per week.
- b) Proceeds are proposed to be split as follows:

Ticket purchased via	Specific Northampton Good Cause (e.g. Delapre Abbey Preservation Trust)	Northampton Lottery (no specific cause)
	<i>Allocation per ticket</i>	<i>Allocation per ticket</i>
Specific Good Causes	50p	-
Prizes	20p	20p
Northampton Lottery Good Causes	10p	60p
Administration – Gatherwell Ltd.	17p	17p
VAT	3p	3p
Total	£1	£1

- c) Number selection and prize structure

	Winning Odds	£ Prize
6 numbers	1:1,000,000	£25,000
5 numbers	1:55,556	£2,000
4 numbers	1:5,556	£200
3 numbers	1:556	£20
2 numbers	1:56	3 free tickets
Overall odds of winning any prize	1:50	

- d) Player modelling

Assumptions - £1 per ticket, 1 ticket per week for 52 weeks, NBC population of 215,173 (based on 2011 census), 60% of gross returns are allocated to good causes.

% of Northampton population buying a ticket	Number of players	Annual Gross Return	Annual Amount received by Good Causes £
0.5 (1 in 200)	1,075	55,900	33,540
1 (1 in 100)	2,151	111,800	67,080
1.5 (1 in 67)	3,226	166,700	100,620
2 (1 in 50)	4,302	223,600	134,160

The equivalent of 1.035% of the population of Aylesbury Vale play the Vale Lottery. If the same proportion were to play the Northampton Lottery, good causes would receive a total of £69,438 in additional funding per year.

Draft Criteria for Acceptance into the Lottery Scheme

As part of the proposed Northampton Lottery we are enabling good cause groups to sign up under an umbrella lottery scheme. Set out below are a set of draft criteria that will be used in deciding whether or not to allow groups to operate within the NBC Lottery License and we need to ensure that any license conditions are adhered to.

Criteria for joining the Northampton Lottery – Good Causes Lottery:

We want to enable as many organisations as possible to join the good causes lottery under the Northampton Lottery. As you will be joining under our overall gambling license (Gambling Act 2005) we have to ensure that organisations meet certain criteria. There is no application fee.

Your organisation must:

- Provide local community activities or services *within* Northampton Borough, which are of benefit to *residents of* Northampton Borough - visitors to Northampton may also benefit from the services/facilities, but not to the exclusion of local residents
- Has a formal constitution or set of rules
- Has a bank account requiring at least 2 unrelated signatories
- Operates with no undue restrictions on membership

And be either:

- A constituted group with a volunteer **management committee** with a minimum of three unrelated members that meets on a regular basis (at least 3-4 times per year)
- **A registered charity, with a board of trustees**

Or :

- Is a registered **Community Interest Company**, and provides copies of their Community Interest Statement, details of the Asset Lock included in their Memorandum and Articles of Association, and a copy of their latest annual community interest report.

We Will Not Permit Applications that:

- promote activities/groups promoting a particular religious or political belief
- from organisations that do not do work within the boundaries of Aylesbury Vale
- Individuals
- Organisations which aim to distribute a profit
- Organisations with no established management committee/board of trustees (unless a CIC)
- Incomplete applications

The council reserves the right to reject any application.

The council will reserve its rights to not accept or cease to license any organisation with a minimum of 7 day notice period for any reason, unless where fraudulent or illegal activity is suspected where cessation will be immediate.

Appendices: 2



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Finance Monitoring to 30 September 2018
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	14 November 2018
Key Decision:	YES
Within Policy:	YES
Policy Document:	NO
Service Area:	Management Board
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	N/A

1 Purpose

Financial monitoring reports will be presented to Cabinet on a bi-monthly basis and will include:

- 1.1 Revenue – any significant issues requiring action and details of the actions being taken.
- 1.2 Budget Risks, including any unachievable savings.
- 1.3 Budget Changes and Corrections
- 1.4 Capital – progress on key projects
- 1.5 Capital appraisals and variations requiring approval or approved under delegation.

2 Recommendations

- 2.1 That Cabinet notes the contents of the report and notes that future reports will set out the actions being taken by Corporate Management Board to address issues arising.
- 2.2 That Cabinet note the capital appraisals approved under delegation as set out in Appendix 1.

3 Issues and Choices

3.1 Report Background

3.1.1 At the half way point of the financial year, there are a number of issues to be addressed in relation to the General Fund revenue budget. These are detailed below.

3.2 Key Financial Indicators

Dashboard Indicator Description	Variation from Budget	
	General Fund	Housing Revenue Account
	£m	£m
Controllable Budgets	1.685	(0.340)
Debt Financing and Recharges	(0.247)	0
Total	1.438	(0.340)

3.3 General Fund Revenue Budget (Red)

3.3.1 The overall forecast overspend is largely as a result of the continuing pressures related to homelessness. This results in an increased cost in the Housing Options service of £1.203m and increased costs in Benefits of £0.345m due to the higher cost of temporary accommodation leading to loss of subsidy.

3.3.2 Homelessness - The combined current forecast overspend on Housing and Benefits as a result of increased homelessness is £1.548m. High levels of homelessness, together with the severe shortage of affordable rented housing, have resulted in a sharp increase in the Council's use of temporary accommodation and the amount of time that homeless households are required to wait until they are offered settled housing.

3.3.3 During the past 2½ years (March 2016 - September 2018) the number of households living in temporary accommodation has more than quadrupled from 66 to 303. The financial impact of these changes on the Council is exacerbated by the fact that around 80% of the temporary accommodation the Council uses is procured from suppliers at nightly rates that are a lot higher than it can recover through charges.

3.3.4 Action has already been taken to minimise the amount of time that households spend in temporary accommodation and reduce the net cost to the Council. Amendments have been made to the housing allocations scheme, and extra resources have been provided to prevent homelessness and ensure that homelessness decisions are made in a timely manner. Negotiations with housing suppliers have helped to reduce the amount that the Council is required to pay for Bed & Breakfast and self-contained, nightly-purchased accommodation. A separate report is being taken to Cabinet to report on the options available to the Council to reduce the use and cost of temporary accommodation.

3.3.5 Other currently reported variances (including debt financing and recharges) amount to a net underspend of £0.110m, but there are no individual areas requiring immediate action. As part of the 2019/20 budget process all areas of expenditure and income will be investigated to ensure that current year forecasts are robust and any options to

make budget savings without impacting on levels of service are incorporated into future budgets.

- 3.3.6 Corporate Management Board are actively seeking options and actions to manage and mitigate the impact of the risk of an overspend in 2018-19.

3.4 **HRA Revenue Budget (Green)**

- 3.4.1 There is currently an overall underspend of £340k being forecast.

The HRA is currently forecasting an underspend of £282k on staffing budgets; and £380k on subcontractor payments, utilities budgets and other non-staffing budgets. This is partially offset by forecast pressure on programmed and responsive repairs of £207k; and £121k on subcontractor payments and boiler maintenance. The Bad Debt Provision contribution is being reviewed in light of the Government announcement which further delays the roll out of Universal Credit. This could result in an in year benefit through a lower contribution to the provision.

3.5 **Capital Programme**

3.5.1 **General Fund Capital Programme**

- 3.5.1.1 The General Fund capital programme is currently forecast to spend up to the latest budget of £26.56m. This includes the carry forwards approved by Cabinet in September and the schedule of in-year changes as shown in Appendix 1. There has been an overall reduction in the 2018/19 budget of £502k due predominantly to the removal of the Horizon Park scheme. The total value of this scheme within the current Capital Programme was £8.85m

- 3.5.1.2 Any further additions to the capital programme, including any strategic property purchases, will be subject to the development of a robust business case. In line with Financial Regulations, any proposed additions to the programme greater than £0.25m and/or requiring additional funding from Council resources, will be brought to Cabinet for approval.

- 3.5.1.3 Appendix 2 reflects the current debt financing position and that there is currently a net positive variance.

3.6 **HRA Capital Programme**

- 3.6.1 The approved HRA Capital Programme for 2018/19 stands at £25.694m. The forecasts to date show no significant underspends or overspends however there are increased challenges to delivery that have resulted in re-phasing works to the latter half of the year.

- 3.6.2 141 Right to Buy Receipts – The target use in 2018/19 of £4.7m is currently forecast to be exceeded through a combination of new-build and conversion schemes. However, the first two quarters forecast spend has been re-phased, significantly increasing the challenges on delivery in quarters 3 and 4 of this year.

3.7 **Choices (Options)**

- 3.7.1 Cabinet is asked to note the reported financial position and agree the recommendations. There are no alternative options, other than not to agree the recommendations.

4 Implications (including financial)

4.1 Policy

- 4.1.1 The Council agreed a balanced budget for the Capital Programme and Revenue Budgets for both the General Fund and the HRA in February 2018. Delivery of the budget is monitored through the budget monitoring framework.

4.2 Resources and Risk

- 4.2.1 This report informs the Cabinet of the forecast outturn positions for capital and revenue, for both the General Fund and HRA, as at the end of September 2018. It also highlights the key risks identified to date in delivering those budgets.
- 4.2.2 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements.

4.3 Legal

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

4.4 Equality and Health

- 4.4.1 There are no direct equalities implications arising from this report.
- 4.4.2 A full Community/Equalities Impact Analysis has been completed for the 2018/19 Budget and is available on the Council website.

4.5 Consultees (Internal and External)

- 4.5.1 Heads of Service, Budget Managers and Management Board are consulted as part of the budget monitoring process on a monthly basis.

4.6 How the Proposals Deliver Priority Outcomes

- 4.6.1 Regular financial monitoring is a key control mechanism and contributes directly to the priorities of sustaining “effective and prudent financial management” and being “an agile, transparent organisation with good governance”.

4.7 Other Implications

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

5 Background Papers

- 5.1 Cabinet and Council Budget and Capital Programme Reports February 2018.

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Section 151 Officer,
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General Fund Capital Budget Changes September 2018

Reference	Scheme Title	2018/19 £	Comments
BA215	Moulton Athletic Track	33,765	To cover the final account for the scheme
BA672	Capital Improvements – Regeneration Areas (Block scheme)	-33,765	To cover the final account for the Moulton Athletic Track scheme
BA253	Horizon Park	-525,000	Build project no longer required as NPH are now seeking alternative accommodation
BA242	Mount Baths Changing Village	23,000	Funding for final costs in excess of budget. To be funded by the Leisure Trust
TOTAL		-502,000	

Debt Financing Budget Forecast Outturn 2018-19

Debt Financing & Interest 30th September 2018	Approved Budget £000	Actual £000	Forecast £000	Variance to Budget £000
Interest Payable	1,600	795	1,520	(80)
Interest Receivable	(1,453)	(709)	(1,620)	(167)
Minimum Revenue Provision	1,176	0	1,176	0
Recharges from/(to) HRA	86	0	86	0
Total Debt Financing & Interest	1,409	86	1,162	(247)

Areas of risk and/or volatility

Interest payable on borrowing - The majority of interest payable costs are fixed and part of long-term arrangements. Assumptions on replacement of maturing loans were prudently included within the budget build process but cash balances have remained higher (slowdown of capital programme, developer funding etc) and so no new borrowing is expected to be undertaken this financial year.

Interest receivable on investments - As mentioned above, investment balances have remained higher for longer than anticipate. Investment rates have also picked up following BoE increase in base rate.

Recharges from/(to) the HRA - This budget is extremely difficult to forecast due to volatility of HRA cash balances, which at year end could prove to be significantly higher or lower than anticipated.