



CABINET AGENDA

Wednesday, 6 February 2019

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, 6 February 2019

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**
- 7. REDUCING THE USE AND COST OF TEMPORARY ACCOMMODATION**
 (Copy to follow.)
- 8. HOUSING REGENERATION POLICY**
 Copy herewith
- 9. LOAN REQUEST**
 Copy herewith
- 10. FERNIE FIELDS - REQUEST FOR CAPITAL GRANT**
Copy herewith
- 11. CORPORATE RISK REGISTER**
Copy herewith
- 12. 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, 16 January 2019

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

1. APOLOGIES

There were none.

2. MINUTES

The minutes of the meeting held on 12th December 2018 were agreed and signed by the Leader.

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

The Leader explained that Appendix A (private) of Item 6 – The Vulcan Works Northampton – had been exempted under schedule 12A, Part 1, (3) of the Local Government Act 1972. Item 6 would therefore be moved to the end of the agenda in order to discuss the appendix in private at the conclusion of the meeting. At that stage members of the public and press would be asked to leave the meeting.

4. DEPUTATIONS/PUBLIC ADDRESSES

Mr Hufferdine Smith addressed Cabinet on Item 7 - *Abandoned Shopping Trolleys* – and explained that although he was a Parish Councillor, he was speaking on his own behalf and not for the Parish Council. Whilst he accepted that measures were needed to resolve the issue of abandoned trolleys, he considered that the supermarkets were the victim rather than the perpetrator, and asked for more creative solutions to be considered.

5. DECLARATIONS OF INTEREST

There were none.

7. ABANDONED SHOPPING TROLLEYS

Councillor Russell asked whether abandoned trolleys could be added to 'Report it' app. Councillor Hallam advised that this could be done.

Councillor Hallam as the relevant Cabinet Member, outlined his report and stated that three quarters of respondents to the consultation had been in favour of the proposed scheme. He advised that technology was available to ensure that trolleys did not leave the supermarket site. Some supermarkets utilised this and did not have problems with abandoned trolleys. Councillor Larratt pointed out that his local supermarket used a system whereby the trolley wheels locked beyond a certain point. This had been very effective.

Councillor King considered the proposal to be a positive step forward.

Councillor Larratt asked for clarification as to whether the scheme could start immediately. Councillor Hallam advised that since it was not budget-related it could be commenced straight away. **(Note: see resolution 2.2 below.)**

RESOLVED:

1 1

2.1 That the results of the public consultation outlined in the report be accepted.

2.2 That schedule 4 of the Environmental Protection Act 1990 be applied to the whole of Northampton. The scheme cannot come into force until at least three months after the date of the resolution. It is therefore recommended that the implementation date is 1st May 2019.

2.3 That the fee for recovery be set at £65 per trolley.

8. GRAFFITI AND FLYPOSTING POLICY

Councillor Hallam as the relevant Cabinet Member submitted his report and stated that it resulted from a motion on a graffiti policy which had recently received the full support of Council. He considered that it was important to stamp out graffiti, particularly that of a racist nature. Councillor Hallam thanked Councillor Marriott for his assistance with the report.

Councillor Larratt stated that he fully supported the report.

RESOLVED:

2.1 To adopt a formal policy approach to graffiti and flyposting in the Town.

2.2 Domestic properties to receive a free removal service, upon completion of a suitable disclaimer.

2.3 To offer a chargeable removal service for commercial and other non-domestic property, upon completion of a suitable disclaimer.

2.4 To formalise existing education and enforcement processes relating to graffiti and flyposting.

9. BUDGET MONITORING: PERIOD 8

Councillor Russell noted that one of the main areas of pressure contributing to the current forecast overspend was homelessness. She advised that as Chair of the Scrutiny Panel on homelessness she had visited Manchester where a night shelter funded by Housing Benefit payments was providing an excellent service. She asked how the £1.548m forecast overspend would be funded. Councillor Eldred advised that this would be met from reserves.

The Leader stated that best practice from elsewhere was useful, and was grateful for the input of Councillor Russell to the Scrutiny Panel.

Councillor Hibbert pointed out that Housing Benefit belonged to the individual person and consent would therefore be required to hand it over.

The Head of Housing and Wellbeing explained that the overspend had resulted primarily from the increased costs of temporary accommodation – due to both increasing homelessness and shortage of social rented housing – rather than costs of the night shelter. Additionally, there were now no clients in bed and breakfast accommodation or housed outside the Borough.

Councillor Russell expressed congratulations on ensuring that no placements were currently made outside the Borough. She also advised that Manchester had worked hard to develop

an inclusive voluntary sector partnership, which was very important.

Councillor Eldred confirmed that the shortfall would be funded from reserves. The draft budget for 2019/20 would include £583,000 growth bid for housing options schemes.

Councillor Hallam clarified that item 3.3.4 was not due to an Environmental Services overspend and was not an additional charge over what had been agreed in the tender.

RESOLVED:

1. That the contents of the report be noted and that future reports will set out the actions being taken by Corporate Management Board to address issues arising.
2. That the capital appraisals approved under delegation as set out in Appendix 1 of the report be noted.

10. LOAN REQUEST

This item was postponed to be considered at the next Cabinet meeting on 6th February 2019.

11. OPPORTUNITY TO REDEVELOP BELGRAVE HOUSE AS AFFORDABLE RENTED HOUSING FOR KEY WORKERS

Councillor Russell welcomed the potential increase in the housing supply and asked for clarification of the criteria for key workers. The Head of Housing and Wellbeing stated that criteria had not yet been determined, but could include health, social care, teachers, and retail workers. The housing would be let through Northampton's housing register to ensure transparency.

Councillor Eldred as the relevant Cabinet Member submitted a report outlining the preliminary work undertaken and recommended that the scheme should go ahead.

RESOLVED:

1. That the principle of Belgrave House being converted into 120 affordable rented apartments which will be leased to the Council by Legal & General (the owner of the building), retained within the Housing Revenue Account and managed and maintained by Northampton Partnership Homes be approved.
2. That the action that the Council and Northampton Partnership Homes are taking to progress the development of Belgrave House, including the expenditure that is being incurred in relation to the assessment, design and 'due diligence' work carried out on Belgrave House be approved.
3. To receive a further report in May 2019 when approval will be sought for the Council to enter into an investment arrangement with Legal & General, using a financial lease, in order to facilitate the conversion and regeneration of the Belgrave House office building into a residential scheme of 120 apartments.

6. THE VULCAN WORKS NORTHAMPTON - UPDATE AND APPOINTMENT OF MAIN CONSTRUCTION CONTRACTOR

Councillor Hadland as the relevant Cabinet Member submitted a report and stated that this scheme had been ongoing for several years and was an exciting development of 59 business units in the Cultural Quarter. This was made possible by Local Growth Funding and money from the European Regional Development Fund. These funds had conditions of work commencing on site by March 2019 and spending the money in 2019/20 respectively.

If the scheme did not go ahead now, any future development would need to be started again from scratch.

At this point the Leader asked that the meeting continue in private so that discussion of the excluded appendix could take place. The public and press were therefore excluded from the rest of the meeting.

(Recommendations agreed in private session, but detailed below.)

RESOLVED:

1. That authority be delegated to the Head of Economy, Assets and Culture, in consultation with the Borough Secretary and the Cabinet Member for Regeneration to finalise the contract terms and to appoint the main construction contractor for the Vulcan Works project.
2. That the inclusion in the Capital programme of all resources spent to date and those needed to complete the project (set out at exempt Appendix A of the report) be approved.
3. That the acceptance of the ERDF grant funding in the sum of £3,062,315 and delegated authority to the Head of Economy, Assets and Culture in consultation with the Borough Secretary and Cabinet Member for Regeneration to undertake such actions necessary to enter into the grant funding agreement be approved.
4. That the continued appointment of Ridge and Partners LLP to provide project management and cost consultancy to support the project be approved.
5. That authority be delegated to the Head of Economy, Assets and Culture, to appoint the services of a design team for RIBA stage 5 and to enter into a contract, to develop final detailed design ahead of construction (these costs are accounted for within the total project cost).
6. That authority be delegated to the Head of Economy, Assets and Culture to commence the procurement of an operator through Ridge and Partners LLP to manage the completed Vulcan Works. Cabinet will receive a further report on the outcome of the procurement process and approval for the award of contract.

12. EXCLUSION OF PUBLIC AND PRESS

The Leader 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.

13. VULCAN WORKS - PRIVATE APPENDIX

This item was considered in private.

The meeting concluded at 18.49

<p>Appendices</p> <p>1</p>



CABINET REPORT

Report Title	Housing Regeneration Policy
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	6 February 2019
Key Decision:	YES
Within Policy:	YES
Policy Document:	YES
Service Area:	Housing and Wellbeing
Accountable Cabinet Member:	Councillor Stephen Hibbert
Ward(s)	All

1. Purpose

- 1.1 The purpose of this report is to ask Cabinet to approve a Housing Regeneration Policy that sets out the principles and processes that will be applied and followed when regeneration involves demolition or reconfiguration and the works make it necessary for residents to move permanently out of their homes.

2. Recommendations

- 2.1 It is **recommended** that Cabinet approves the Housing Regeneration Policy (attached to this report as Appendix 1).

3. Issues and Choices

3.1 Report Background

- 3.1.1 Northampton Borough Council's housing stock is managed and maintained on the Council's behalf by Northampton Partnership Homes (NPH).

- 3.1.2 With its emphasis on sustainability, NPH's "**Whole Home, Whole Neighbourhood**" approach to neighbourhood regeneration minimises future maintenance costs, contributes positively to improved efficiency in housing and neighbourhood management, and enables residents to live happy and healthy lives in enriched communities.
- 3.1.3 Works are only scoped following extensive consultation and a holistic review of the opportunities and challenges within a neighbourhood and, wherever possible, cost effective solutions are found to deliver neighbourhood regeneration through refurbishment.
- 3.1.4 It is sometimes necessary, however, to demolish or reconfigure homes because of the high cost of the works and/or the size, age, condition or density of the homes. Where it is necessary to demolish or reconfigure homes, this can be very disruptive for the residents involved.
- 3.1.5 The purpose of the Housing Regeneration Policy (see **Appendix 1**) is to set out, in clear and unambiguous terms, how the Council and NPH will help and support residents who have to move permanently out of their homes because the regeneration will involve demolition or reconfiguration of their homes.

Principles underpinning the Housing Regeneration Policy

- 3.1.6 Recognising the significant negative impact that regeneration can have on residents who are required to move out of their homes, the Housing Regeneration Policy seeks to mitigate this as much as practicable and affirms that, in delivering regeneration, the Council and NPH will always seek to be:
- **Diligent** in identifying viable proposals which deliver the best outcomes in relation to housing and sustainable communities;
 - **Fair** in dealing with residents affected by regeneration and transparent regarding the options available to them
 - **Organised and efficient** in approach, to minimise uncertainty and disruption
 - **Timely** in making decisions to reduce uncertainty and stress for the residents involved

A clear, 18-stage process

- 3.1.7 The Housing Regeneration Policy sets out a clear 18-stage process that the Council and NPH will follow when considering, planning for, consulting on and implementing Northampton's regeneration schemes.

3.2 Issues

Feasibility

- 3.2.1 A decision to proceed with a regeneration scheme which makes it necessary for residents to move permanently out of their homes is never taken lightly.
- 3.2.2 Such a course of action will only be recommended in situations where there are major issues relating to the size, age, condition and/or density of the homes.
- 3.2.3 In most cases, NPH's 'Whole Home, Whole Neighbourhood' approach is resulting in investment in refurbishment works and landscaping which is having a very positive impact on residents' quality of life. However, in exceptional circumstances, the best and most sustainable outcomes will be achieved by demolition or major reconfiguration and a new build housing scheme.
- 3.2.4 After carrying out a conditions survey, producing a concept design, obtaining advice from Planning, Highways and other statutory consultees, carrying out technical, legal and financial due diligence and completing a community impact assessment, NPH will present a feasibility report to Council Officers.
- 3.2.5 Following its presentation of the feasibility report to Council Officers, NPH will consult with the local Ward Councillors (Northampton Borough Council and Northampton County Council) and the local Parish Councillors. NPH will share with the Councillors the feasibility report, the proposed communications plan and the Resident Offer (see **Appendix 1**).

Consultation and engagement

- 3.2.6 Consultation with residents will be inclusive and meaningful.
- 3.2.7 Consultation and engagement will take place, initially, with those residents who are directly affected by the proposed regeneration scheme and then, secondly, with those residents who are living adjacent to the proposed scheme and may be indirectly affected by the development proposals.
- 3.2.8 It is proposed that resident consultation and engagement will be conducted through home visits in order to ensure that the full implications of the proposal are thoroughly explained and each household's needs are fully understood.

Formal submission of planning application

- 3.2.9 By the time the plans are presented to residents during the period of consultation and engagement, they will already have been shared with the planning and statutory consultees (such as Highways and the Environment Agency) through the pre-application process. This is to ensure that the proposed scheme will meet all necessary requirements in relation to such things as parking, access and ridge heights, etc.

- 3.2.10 During the consultation process, the residents and other stakeholders will have the opportunity to provide their views on the design proposals. Following consultation, the designs will be updated (where feasible) to reflect the feedback, and the plans will then be submitted with a planning application.
- 3.2.11 As part of the planning process, residents will have another opportunity to comment on the proposals by speaking in person at, or submitting their written comments to, the Planning Committee.

Final approval by Cabinet

- 3.2.12 Following resident consultation and the granting of planning permission, a report will be submitted to the Council's Cabinet, seeking approval to proceed with the regeneration scheme. In order that the Cabinet can take residents' feedback into account when it makes its decision, residents' feedback will be included in the Cabinet report.
- 3.2.13 If Cabinet approves the regeneration scheme, NPH will work collaboratively and proactively with the council tenants and home owners to facilitate their move to suitable, alternative accommodation.
- 3.2.14 Eligible tenants will be supported in bidding for suitable rented housing, but may also have the right to return. Home owners will be helped to complete the sale of their homes and, if they have lived in the property continuously for at least the last 12 months, they may have a right to return.

3.3 Choices (Options)

Option One (preferred)

- 3.3.1 The preferred option is for Cabinet to approve the Housing Regeneration Policy (**Appendix 1**) which sets out the principles and processes that will be applied and followed when regeneration involves demolition or reconfiguration and the works make it necessary for residents to move out permanently.

Option Two (not recommended)

- 3.3.2 Cabinet can decide not to approve the Housing Registration Policy.
- 3.3.3 This option is not recommended because it would mean that, in the absence of a policy, NPH's approach to housing regeneration would be inconsistent, lack transparency and may result in the following unintended consequences:
- Inconsistent offers being made to residents
 - An inconsistent approach to consultation and communication.
 - Legal challenge over the lack of transparency
 - Poor customer service to residents
 - Reputational damage to the Council and NPH

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 Approval of the Housing Regeneration Policy will help the Council meet its policy objectives in relation to regeneration, tackling homelessness, meeting housing need and maximising the supply of new homes.

4.2 Resources and Risk

- 4.2.1 At this stage, Cabinet is only being asked to approve the Housing Regeneration Policy.
- 4.2.2 The financial implications of implementing the Housing Regeneration Policy will be assessed on a scheme by scheme basis.
- 4.2.3 Finance Officers will have an input into the evaluation of each regeneration scheme, including the financial implications and funding arrangements and risks. Each regeneration scheme that is covered by the Housing Regeneration Policy will be the subject of a separate Cabinet report.

4.3 Legal

- 4.3.1 Legal Services have reviewed the contents of this Cabinet report and the Housing Regeneration Policy and have no further comments to add.

4.4 Equality and Health

- 4.4.1 A full Community Impact Assessment has been completed.
- 4.4.2 Regeneration will improve the wellbeing and life chances of people with protected characteristics, including older people and people with disabilities and, overall, it will have a positive impact on Equality and Diversity. However, any regeneration scheme that involves residents moving permanently out of their homes will have a major impact on residents.
- 4.4.3 The emotional and physical impact of moving home can be greater for older people and people with disabilities. This will be addressed through the needs assessments undertaken in residents' homes.
- 4.4.4 It is essential that residents fully understand the information that is presented to them and the choices that are available to them. It is also very important that they are able to ask questions and communicate any concerns. Translation services will be available to assist any residents for whom English is not their first language, and extra support will be given to anyone who has additional communication needs due to a disability or illness.
- 4.4.5 The anticipated improvements that will be delivered as a result of the Housing Regeneration Policy are part of the Council's commitment to improving communities and our town as a place to live.
- 4.4.6 During every regeneration scheme, the Council will work closely with NPH, have due regard to its Public Sector Duty and continue to work to tackle discrimination and inequality and contribute to developing a fairer society.

4.5 Consultees (Internal and External)

4.5.1 The Management Teams of the Council and NPH have worked collaboratively to produce the Housing Regeneration Policy and will continue to work closely with one another to ensure that it is successfully implemented and applied.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The Policy will help meet three of the priorities in the Council's Corporate Plan:

- More homes, better homes
- Shaping place and driving growth
- Spending your money wisely

5. Next Steps

5.1 If approved, the Housing Regeneration Policy will be published on the Council's website.

5.2 If regeneration of an area involves demolition or reconfiguration and the works make it necessary for residents to move permanently out of their homes, the Housing Regeneration Policy will be applied and the 18-step process followed.

Appendices

Appendix 1 – Housing Regeneration Policy

Background Papers

Community Impact Assessment

Phil Harris
Head of Housing and Wellbeing
01604 837871

APPENDIX 1



Housing Regeneration Policy

6 February 2019

1. Introduction

- 1.1 Northampton Borough Council's housing stock is managed and maintained, on the Council's behalf, by Northampton Partnership Homes (NPH), the Council's Arms Length Management Organisation (ALMO).
- 1.2 NPH's '**Whole Home, Whole Neighbourhood**' approach to neighbourhood regeneration means that works are scoped following extensive consultation and a holistic review of the opportunities and challenges within a neighbourhood.
- 1.3 With its focus on sustainability, this approach minimises future maintenance costs, supports a more efficient approach to housing and estate management and enables residents to live happy and healthy lives in enriched communities.
- 1.4 Wherever possible, cost effective solutions are found to deliver neighbourhood regeneration through refurbishment. However, it is sometimes necessary to demolish or reconfigure homes because of the cost of the works and/or the size, age, condition or density of the homes.
- 1.5 Where it is necessary to demolish or reconfigure homes, this can be very disruptive for the residents involved. This Housing Regeneration Policy sets out the principles and processes that will be applied and followed when regeneration involves demolition or reconfiguration and the works make it necessary for residents to move permanently out of their homes¹.

2. Principles

- 2.1 In delivering regeneration, Northampton Borough Council (NBC) and NPH will seek to be:
 - **Diligent** in identifying viable proposals which deliver the best outcomes in relation to housing and sustainable communities;
 - **Fair** in their dealings with residents affected by regeneration and transparent regarding the options available to them
 - **Organised and efficient** in their approach to minimise uncertainty and disruption
 - **Timely** in making decisions to reduce uncertainty and stress for the residents involved

¹ Please note this policy does not apply to temporary decanting of properties for planned investment works

3. Decision making process

3.1 The decision to proceed with the demolition or major reconfiguration of housing is not made lightly. It will follow a series of stages to ensure that the principles set out in Section 2 of the Policy are upheld. The table below sets out the key stages, followed by an explanation of each stage.

STAGE	ACTIONS
1	Feasibility: <ul style="list-style-type: none"> • Conditions survey • Concept design • Pre-application advice from planning, highways and other statutory consultees • Technical, legal and financial due diligence • Community Impact Assessment
2	Consideration of Feasibility Report
3	Consultation with NBC / NCC / Parish Councillors
4	Resident Offer agreed
5	Communications Plan agreed
6	Serving of Intention to Demolish Notice to all tenants and owner occupiers alongside: <ul style="list-style-type: none"> • Introductory letter with resident offer • Home visit • Needs assessment • Property inspection
7	Wider planning consultation with community on plans
8	Designs updated (where possible) following consultation
9	Planning application submitted
10	Planning approval
11	Council (Cabinet) approval including resolution to grant a Compulsory Purchase Order (CPO) as a last resort
12	Formal demolition notice
13	Decant process commences: possession proceedings and Compulsory Purchase Order (CPO) as a last resort
14	Decant process completes
15	Construction commences ²
16	Construction completes
17	New homes let: <ul style="list-style-type: none"> • Tenants and home owners with a right to return prioritised through a local lettings policy if they meet the eligibility criteria (size and type of property) • Remaining homes let
18	Occupation: Programme complete

² Please note that in the case of larger scale regeneration it may be possible to phase construction whilst decant is taking place

4. STAGE 1 – Feasibility

4.1 The following factors may indicate that the demolition or major reconfiguration of homes is required:

- **Condition:** the works required are extensive, go far beyond standard planned investment works and may not be financially viable;
- **Size and layout:** the size and/or layout of the homes do not meet housing need and/or the problems caused by the size and layout of the homes are compounded by other issues such as anti-social behaviour and crime;
- **Density:** the density of the scheme is very low and there is an opportunity to create additional homes on the site; and
- **Reputation:** the scheme is stigmatised and this cannot be addressed through standard planned investment works alone.

4.2 Typically, there will be more than one factor to consider; it is very rare that one aspect alone will indicate a need for demolition or major reconfiguration.

4.3 The following actions will help identify the option that is most feasible:

- **Production of concept designs** will demonstrate the potential density of the site and how the design and reconfiguration will address the issues affecting the existing homes, such as anti-social behaviour. This needs to be tested with the Planning Authority, Highways Authority and other relevant statutory consultees such as the Archaeology Team, Environment Agency, Environmental Health and Police Authority through the pre-application process;
- **Review of development constraints** (for example, land ownership and ground conditions, etc);
- **Development of a financial appraisal** informed by a cost plan (to include all expenditure) and sales and rental values (informed by an external valuation);
- **Creation of a programme** setting out critical path activities; and
- **Community Impact Assessment** to review the impact demolition or major reconfiguration will have on residents and the wider community.

4.4 This information will be captured in the form of a Feasibility Report.

5. STAGES 2 & 3 – Consideration of Feasibility Report, and consultation with Councillors

5.1 NBC Officers will consider the following:

- **Feasibility Report** (as described in Section 4, above)
- **Resident Offer** (as described in Section 6, below and Appendix A)
- **Communications Plan** (as described in Section 7, below)

5.2 NPH will also brief NCC Councillors and Parish Councillors on the reasons for the demolition or reconfiguration of the homes, the nature and extent of the works, and details of the process, likely timeframe and Resident Offer.

6. STAGE 4 – Resident Offer agreed

6.1 Secure tenants and home owners who are required to move out of their home because it is being demolished or reconfigured will receive a Resident Offer.

6.2 Details of the Resident Offer – which is based on the individual circumstances of each resident – are set out in **Appendix A**.

7. STAGE 5 – Communications Plan agreed

7.1 There will be consultation and engagement with residents ahead of planning and ahead of a formal Council decision. This is important because consultation must inform the outcome³.

7.2 The Communications Plan will include:

- The timing of the letters to residents;
- Communication with other stakeholders, including other public sector agencies, voluntary sector agencies and residents in neighbouring properties;
- The timing of the planning submission and Council approval; and
- The timing and content of press releases and engagement with the media

³ This is based on the 'Gunn Principle'. This principle does not mean that the decision maker has to consult on all possible options. If a decision-maker has formed a provisional view as to the course to be adopted, or is 'minded' to take a particular course subject to the outcome of consultations, those being consulted should be informed of this to help inform their responses.

- The nature and range of different approaches to communication, such as the use of the internet, social media, meetings and newsletters.

8. STAGE 6 – Serving of Intention to Demolish Notice and consultation with all tenants and home owners

- 8.1 Although the proposal is subject to planning permission, consultation and final Cabinet sign-off, the Intention to Demolish Notice is issued early on in order to inform everyone of NBC's proposal at an early stage.
- 8.2 The Intention to Demolish Notice is advertised in the local paper, displayed on site and issued to all tenants and owner occupiers.
- 8.3 When the Intention to Demolish Notice has been issued, NBC is not obliged to conclude Right to Buy applications. Although tenants can still apply for the Right To Buy and NBC must still undertake the necessary checks (including instructing valuations), the purchases will only be completed if NBC's Cabinet decides not to go ahead with demolition.
- 8.4 It is important to impress upon tenants and home owners that the Intention to Demolish Notice is not a 'fait accompli' and is conditional on planning permission being obtained which is subject to consultation. It is good practice⁴ to consult with tenants and home owners when they are substantially affected.
- 8.5 The Intention to Demolish notice will be served at the same time as communication and consultation commences, as set out below.
- 8.6 Communication will be organised and transparent. To be valid, the Intention to Demolish Notice must be advertised and issued to all residents on the same day. Wherever possible, the opening communication will be through a pre-arranged home visit during which the Introductory Letter and Intention to Demolish Notice will be served. NPH will ensure it has sufficient staff available to facilitate appointments from early in the morning until the evening in order to accommodate residents' work and other commitments. If the resident is not interviewed, the letter will be posted through their door.
- 8.7 The letter will be detailed and include:
- Confirmation that NBC is considering demolition or major reconfiguration that will necessitate tenants and home owners moving out of their homes permanently;
 - An explanation of the reasons why demolition or major configuration is being considered;

⁴ In the case of Secure Tenants this is not only good practice but a legal obligation under Section 105 of the Housing Act 1985

- A summary of the Resident Offer: what choices there are, both temporarily and permanently, and how these can be facilitated;
- An invitation to attend follow-up meetings with NPH Officers;
- A 'Frequently Asked Questions' information sheet;
- A single point of contact at NPH with a direct phone line and email address; and
- A web link to a page on the NPH website with the information available electronically.

8.8 **By undertaking a home visit** there is an opportunity, from the outset, for NPH (on behalf of NBC) to do the following:

- Explain the reasons why demolition or reconfiguration is being considered and share early concept plans for the redevelopment;
- Explain the decant policy and process;
- Explain the Resident Offer: what choices there are, how these choices can be made and what the process is for going forward;
- Answer any questions and, where the answers are not known, the NPH Officer will take the question away with them and provide the tenant or owner occupier with an answer at the earliest point possible;
- Support an application for the Housing Register where appropriate;
- Complete a needs assessment, noting any particular needs, household size and any preferences with regards to the options available. Where particular needs are identified, referrals will be made (as appropriate, and with the tenant's permission) to NPH's Occupational Therapist, NPH's Support Workers and/or other professionals within other health and social care agencies; and
- Complete a property inspection

8.8 If English is not the first language of the tenant or home owner, NPH will offer them a translator to assist with the interview.

8.9 The NPH Officer will write notes of the meeting and provide the tenant / home owner with a copy of the notes for their records and information.

8.10 It is very likely that tenants and home owners will want more than one meeting, given the importance of the subject, the volume and complexity of the information to take in and the need to talk the situation through with friends and family. For these reasons, follow-up meeting(s) will always be offered.

8.11 Once a plan is agreed with the tenant, a Decant Agreement will be produced setting out the details of what has been agreed.

9. STAGE 7 – Wider planning consultation with the community

- 9.1 NPH will hold a public meeting at a venue that is close to the development, making copies of the concept plans and other relevant information available to the local community including, in particular, those residents who are living in properties that are adjacent to the development.
- 9.2 The public meeting will take place during the day and during the evening in order to maximise the opportunities for people to attend. People who are housebound will be able to request a home visit by an NPH member of staff.
- 9.3 Residents and other local stakeholders will be able to provide feedback verbally and/or in writing and this feedback will inform the development of the concept designs, ahead of the formal planning application.

10. STAGES 8 & 9 – Designs updated (where possible) following consultation, and submission of planning application

- 10.1 Following consultation, plans may be updated or amended.
- 10.2 The formal planning application will then be submitted.
- 10.3 NPH's detailed pre-application consultation with the Planning and Highways Authorities and other stakeholders should mitigate the risk of refusal. However, until the application is formally approved, the planning risk remains.

11. STAGES 10 & 11 – Planning approval and Council (Cabinet) approval, including resolution to grant a Compulsory Purchase Order (CPO)

- 11.1 Following approval of the planning application by NBC's Planning Committee, a report will be submitted to NBC's Cabinet.
- 11.2 The Cabinet Report will contain the following:
- A summary of the Feasibility Report, setting out the reasons why it is being recommended that the homes should be demolished or reconfigured;
 - Details of the Resident Offer;
 - Details of any feedback received during the consultation period;
 - The programme;
 - The cost plan; and
 - The design that has been approved by the Planning Committee.
- 11.3 The Cabinet will be recommended to approve the regeneration scheme, together with a resolution to grant a Compulsory Purchase Order (as a last resort) in relation to any property that is not owned by the Council where the owner fails to sell the property voluntarily to the Council.

12. STAGE 12 – Formal demolition notice

- 12.1 Following Council approval, the final demolition notice will be issued.

13. STAGE 13 – Decant process commences

- 13.1 By this stage in the process, all tenants will already have received their Resident Offer (see Section 4 and Appendix A) and those who have been offered suitable alternative accommodation may already have moved out before they have been served with a final demolition notice.
- 13.2 When the Council's Cabinet has approved the regeneration scheme, the remaining tenants will be placed in the 'Emergency' (priority) Band of the Housing Register with a view to them being offered suitable, alternative accommodation – temporary if they are planning to return, or permanent if they are not planning to return – as soon as possible.
- 13.3 The Council retains the legal right under Ground 10 or 10a of Schedule 2 of the Housing Act 1985 to seek an order for possession as a last resort, once all other alternatives have been explored and reasonable offers of rehousing have been rejected. Possession will only be granted by a Court with the provision of suitable alternative accommodation.
- 13.4 By this stage in the process, all home owners will already have received their Resident Offer (see Section 4 and Appendix A) and it is likely that some home owners will have sold and moved before the demolition notice is issued.
- 13.5 When the Council's Cabinet has approved the regeneration scheme, negotiations will continue with home owners to progress the purchase arrangements. If home owners refuse to enter into an agreement to sell, the Council will use its compulsory purchase powers as a last resort.

14. STAGES 14 & 15 – Decant process completes and construction commences

- 14.1 NPH will 'twin track' the design development and procurement process with the planning and Cabinet approval process.
- 14.2 However, construction contracts will not be signed until full approval is in place and construction will not commence until the building is empty.

15. STAGES 16 & 17 – Construction completes and new homes are let

- 15.1 As the new homes are built, they will be occupied, first by the tenants and resident home owners who have chosen to return and then by housing applicants who are on the Housing Register and bid for the properties through the choice-based lettings scheme. A local lettings policy may be introduced to give additional priority to certain groups of applicants.
- 15.2 Returning tenants will be allowed to choose the property they wish to return to (subject to clauses regarding bedroom needs) in accordance with the amount of time they had been a tenant on the site prior to its redevelopment. The tenants who have lived there longest will be able to choose first and the tenants who have lived there for the shortest period will choose last.

15.3 Remaining properties will be allocated in accordance with NBC's current Housing Allocations Policy.

16. STAGE 18 – All homes occupied; programme complete

16.1 When all of the homes are occupied, the programme will be complete.

17. Homes that become empty prior to redevelopment

17.1 As it gradually decants the secure tenants and purchases the home owners' properties, NBC will consider placing homeless households into those homes, on a temporary basis, until the site is vacated and works can begin.

17.2 Any households placed in vacant homes on a temporary basis will not receive any of the rights set out in this Policy when they leave their temporary let.

18. Equality and diversity

18.1 This policy reflects NBC & NPH's commitment to take residents' needs and preferences into account. Central to this is the home visit – to carry out a needs assessment at the beginning of the process – which serves to:

- Identify those who may need more support, such as a full packing service or on the day help.
- Ensure that tenants are kept informed in the way most appropriate to them.
- Make suitable re-housing offers, with full consideration being given to the adaptations that are required.

19. Review of this policy

19.1 This policy will be reviewed at least once every two years. However, if there is a key change of policy or the law, the policy will be updated to reflect this.

APPENDIX A – RESIDENT OFFER

This describes the assistance that council tenants and home owners will be offered if they have to move out of their home because it is being demolished or reconfigured as part of a housing regeneration scheme.

1. SECURE TENANTS

Housing rights

- 1.1 Secure tenants who are required to move out of their home because it is being demolished or reconfigured or demolished will remain secure tenants with preserved eligibility for Right to Buy and will have a right to return to the new development if a suitable property is available.
- 1.2 NBC will not re-house the following:
 - Unauthorised occupants
 - Sub-tenants
 - Lodgers
 - Licensees
 - Other non-secure occupants
 - Ineligible persons within the criteria of s 160ZA of the Localism Act 2011 and those deemed ineligible by the Secretary of State.

Housing options

- 1.3 The options available for secure tenants will be:
 - A temporary decant to an alternative property with a right to return⁵ to the new property once complete
 - A temporary decant to an alternative property whilst waiting for a suitable property to become available through the Housing Register
 - The opportunity to bid (via a direct match) as a suitable property becomes available through the Housing Register

Rent levels

- 1.4 If the tenant occupies a like-for-like temporary home during the decant period, they will not be charged a higher rent than they had been paying for their original home. However, they will not be afforded the same protection if the rent they are required to pay for their new permanent home is higher than they had been paying for their original home.

⁵ Please note that tenants may have initially opted to return but once they have occupied the temporary decant property wish to remain there. Wherever possible this will be supported.

- 1.5 In order to help tenants to make an informed choice about their future housing, NPH will carry out an affordability check with the tenant, as there is a possibility (depending on the size, type and location of the home they move into) that the rent they pay for their permanent home will be higher than they were paying for their original home.

Disturbance Payments

- 1.6 A **Disturbance Payment** (in the form of financial support and/or practical assistance) will be provided to cover reasonable moving costs:
- Based on each resident's identified needs, NPH will arrange and pay for specialised contractors to carry out the removal of furniture and effects from and back to the tenant's permanent home and any necessary storage and supply of storage boxes. A full packing service will be available for elderly, frail or disabled tenants to allow them to move, with on the day support as necessary.
 - Financial support will be given towards the supply and fitting of floor coverings up to an approved upper limit per metre in both the temporary home and permanent home.
 - Financial support will be given towards the provision of new curtains and curtain track up to a reasonable cost per pair where the existing curtains do not fit due to different window sizes in both the temporary home and the permanent home.
 - Financial support will be given towards the redirection of post (following the tenants' completion of the postal redirection form) for a maximum period of 6 months.
 - Financial support will be given towards the disconnection and reconnection of existing kitchen appliances, or room heaters using Gas Safe or equivalent registered plumbers or electricians in both the temporary and permanent home.

- 1.7 Tenants will retain responsibility for:

- Informing their insurers of their changes of address
- Informing Council Tax of their changes of address
- Reading meters and paying the utilities of the home they have been decanted from and the one they have been moved into

Home Loss Payments

- 1.8 A Home Loss Payment is a statutory payment that is made to compensate tenants (who have been living in their home for over 12 months) for having to permanently move out of their home. This mandatory lump sum payment is fixed by Section 30 of the Land Compensation Act 1973 and the size of it is reviewed annually in September.

Two reasonable offers

- 1.12 Tenants will be made two reasonable offers of suitable accommodation. “Reasonable” and “suitable” will take into account the preferences of the tenant as well as the availability of stock and the demands from other households for whom NBC has a legal duty to accommodate. It will also take into account any particular adaptations needed for the household.
- 1.13 Where a tenant has not bid within six weeks and has had the support to do so NPH retains the right to bid on their behalf and make suitable offers of accommodation on this basis.

Final offers

- 1.14 The tenant has the right to refuse an offer but, when they have refused two offers of suitable properties, NBC will provide one final offer which will be the first available property that meets the household’s bedroom needs assessment and is as close to their areas of preference as possible. Tenants will have the opportunity to discuss all suitable properties before a formal offer is made to minimise the possibility of refusal.

Possession action as a last resort

- 1.15 NBC retains the legal right⁶ to seek a possession order as a last resort, once all other alternatives have been explored and reasonable offers of rehousing have been rejected. Possession will only be granted by a Court with the provision of suitable alternative accommodation.

2. HOME OWNERS WHO HAVE BEEN LIVING IN THE PROPERTY CONTINUOUSLY FOR AT LEAST THE LAST 12 MONTHS

- 2.1 NBC will purchase properties from home owners (who have been living in the property continuously for at least the last 12 months) for the market value plus a 10% home loss payment.
- 2.2 If the home owner agrees to this within two months of the Council’s Cabinet approving the regeneration scheme, they will be offered an incentive payment of an additional discretionary 5% home loss payment.
- 2.3 The Council will also pay reasonable (pre-agreed) legal and valuation costs. Any additional premium will be at the discretion of the Council.
- 2.4 Where possible, home owners who have lived in their homes continuously for at least the last 12 months will be given the option to return, using one of three options:

- (a) Through outright sale of the new home.

NBC and the home owner will enter into one agreement binding both parties to the sale and purchase of the existing home and the new home.

⁶ under Ground 10 or 10a of Schedule 2 of the Housing Act 1985

As the home owner's financial circumstances may change while the new home is being built, the agreement will be conditional upon the home owner having the funds available at the point of completion.

- (b) Through a shared ownership lease of the new home.

NBC and the home owner will enter into one agreement binding both parties to the sale and purchase of the existing home and shared ownership lease of the new home.

A comprehensive affordability assessment (which will take into account the home owner's income, outgoings, savings / capital and mortgage potential) will inform the level of shares to be purchased.

As the home owner's financial circumstances may change while the new home is being built, the agreement will be conditional upon the home owner having the funds available at the point of completion.

- (c) Through an affordable rental basis.

A comprehensive affordability assessment (which will take into account the home owner's income, outgoings, savings / capital and mortgage potential) will inform NBC's decision on whether or not the home owner can afford to purchase a property through a shared ownership lease.

NBC will purchase the property from the home owner, and the home owner will join Northampton's Housing Register and have the same housing options as the secure tenants (see Paragraph 1.3, above).

Right To Buy Scheme

- 2.5 If the home owner has purchased the property (as a council tenant) under the Right To Buy Scheme, they will have received a discount on the purchase price when they bought it and, if they sell it within five years, they will normally be required to repay all of part of the discount they have received.
- 2.6 Where a home owner sells their property to the Council (either voluntarily or as a result of its compulsory purchase) after the Cabinet has formally approved the regeneration scheme, the Council will not seek to recover any of the money that the home owner received as a discount when they bought the property.

3. HOME OWNERS WHO HAVE NOT BEEN LIVING IN THE PROPERTY CONTINUOUSLY FOR AT LEAST THE LAST 12 MONTHS

- 3.1 NBC will purchase properties from home owners (who have **not** been living in the property continuously for at least the last 12 months) for the market value plus a 7.5% home loss payment.
- 3.2 If the home owner agrees to this within two months of the Council's Cabinet approving the regeneration scheme, they will be offered an incentive payment of an additional discretionary 5% home loss payment.

- 3.3 The Council will also pay reasonable (pre-agreed) legal and valuation costs.
- 3.4 Non-resident home owners will not have a right to return.
- 3.5 Home owners who let their tenancies will be responsible for terminating the tenancies or re-housing their tenants.
- 3.6 Tenants of home owners will be able to access housing advice to ensure they are fully aware of their housing rights.

Right To Buy Scheme

- 3.7 If the home owner has purchased the property (as a council tenant) under the Right To Buy Scheme, they will have received a discount on the purchase price when they bought it and, if they sell it within five years, they will normally be required to repay all of part of the discount they have received.
 - 3.8 Where a home owner sells their property to the Council (either voluntarily or as a result of its compulsory purchase) after the Cabinet has formally approved the regeneration scheme, the Council will not seek to recover any of the money that the home owner received as a discount when they bought the property.
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Appendices
1



CABINET REPORT

Report Title	Request for Loan
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	06 February 2019
Key Decision:	YES
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 invite Cabinet to consider approving a loan request from Northampton Rugby Football Club Ltd, for a loan of £1.500M to invest in facility improvements at the rugby club grounds, which will enhance the facilities and assist with financial sustainability.

2 Recommendations

It is recommended that Cabinet :

- 2.1 considers the request for a loan facility from Northampton Rugby Football Club Ltd and how the funds will assist with capital investment improvements to the ground facilities.
- 2.2 approves the request for a £1.500M loan to the Northampton Rugby Football Club Ltd, in doing so to also delegate to the Chief Executive, in conjunction with the Chief Finance Officer authority and powers to recover assets and funds to the appropriate value, should the Northampton Rugby Football Club

Ltd default by more than two payments on either the existing loan or this new loan.

- 2.3 delegates to the Chief Executive, Borough Secretary and Chief Finance Officer in consultation with the Cabinet member for Finance to agree terms and enter into a facility agreement and appropriate security with Northampton Rugby Football Club Ltd (the Club) subject to
- them being satisfied that full due diligence has been conducted and the risk issues identified in the Link Report have been adequately addressed and mitigated
 - Sufficient security has been provided to protect the loan of public funds.
- 2.4 approves the appointment of external legal advisors to assist as necessary

3 Issues and Choices

3.1 Report Background

- 3.1.1 The Club has an existing loan from Northampton Borough Council for £5.500M, drawn down in January 2014, which is secured under a first charge on the stadium land and buildings. Capital is repaid twice a year in January and July.
- 3.1.2 The new loan would be for £1.500M over three years at an interest rate of 6%. This loan would also be covered by the first charge on the stadium land and buildings, held by Northampton Borough Council, but for 6 months until July 2019, £0.250M would not be directly protected, this is not considered to be a material risk.
- 3.1.3 The Club has provided a detailed list of capital items it wishes to invest in using these funds which will enhance the ground and facilities so as to assist in the provision of increased income through use of the improved facilities and grounds, a summary of which is contained in the appendix. As such this loan would be to provide economic support to a major community and business within the Borough and funded from capital funds and seen as a commercial income generator for the Council (c£90,000pa).
- 3.1.4 The Club's Business Plans shows a return to a sustainable, profitable footing driven primarily by income growth. The main income drivers include better use of the stadium to deliver events on non-match days, for instance the Madness concert, Tough Mudder sports event and Tyrells' Premiership women's final that are planned for next year.
- 3.1.5 To ensure transparency for this decision, some information has not been included from the two papers referred to as the content is commercially sensitive and remains the property of the Club, the inclusion of which would have prevented this report being 'public', however the Report Author is satisfied sufficient relevant information is contained within this report to make the decision.

3.2 Issues

- 3.2.1 The Council has had a bad experience in respect of a previous loan to a sport club. Lessons have been learned and the delegation will be made to officers to take any foreclosure action to enforce the security without reference back to Cabinet or Councillors. This is normal business practice and accepted by the Club.
- 3.2.2 The latest historic accounts of the Club show they have made a loss, this is primarily due to issues around player salaries, which are now in a four year cap regime. The Club has previously been profitable and has been recognised by peers as being more financially stable than most. The intention is to maximise income from the grounds and facilities themselves so as to alleviate the short term financial challenges.
- 3.2.2 Should the Club fail to make payments on the existing loan or the new loan, the delegation pursuant to paragraph 2.2 enables officer's immediate action to recover the Council's funds. The Club has a very healthy balance sheet with £17M of net assets and has provided a revised land/building valuation by Savills (at September 2018) to demonstrate that should the Council have to recover funds through realising assets, it would not need to sell the stadium itself, other parcels of land assets exist to cover the Club's outstanding loan liability.

3.3 Choices

- 3.3.1 Cabinet have the choice to approve the loan to the Saints Rugby Club of £1.500M for three years at 6%, with associated delegations to the Chief Executive and Chief Finance Officer in respect of risk mitigation, or to decline the request.

3.4 Next Steps

- 3.4.1 If Cabinet approve this loan request, Legal Services and the appointed external legal advisor in conjunction with the Chief Finance Officer will formally engage with the Club to agree the principles of the loan and ensure there is a legally appropriate agreement and security in situ prior to the funds being released.

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 is risk with any loan or investment. Prior to investigating the feasibility of this request, informal discussions were had with KPMG who have been advising the Council on a historic loan issue, to understand what lessons have been learnt.

4.2.2 Additional independent advice was also sought from Link Asset Services in respect of reviewing the financial position of the Club, use of the funds, legal powers available to the Council and the scale of risk to the Council. The level of risk is considered to be appropriate to the organisation and with due regard to the validity of the security available.

4.2.3 The Governance and Risk Manager was invited to review the request and initial information provided, without access to the background or initial discussions. This enabled her to form an independent view based on core facts, it was her opinion that this should be seen as a risk for the Council. Subsequent information and further background information has moderated that view to an extent. But it is important for Cabinet to acknowledge that the Governance and Risk Manager considers this, along with Link Asset Services to be a risk investment, albeit mitigated through the security of assets. The risks identified are:

- Failure of the Council to manage the loan drawdown – no lessons learned from previous loans
- Failure of the Club to maintain payment based on the information submitted for consideration by the Council (poor liquidity)
- Poor perception of the Council by the public should the Club default and the Council is forced to recover monies through realising the security assets.

4.2.4 Cabinet are asked to consider this request as two part, partly to support a local stable rugby club in the premier league, that actively promotes the town and Borough, provides facilities for young people as well as core teams and provides employment within the Borough which will expand with this investment. Secondly as a commercial investment (with risk) at 6% interest, which will provide an additional income stream of c£90,000 per annum.

4.2.5 The Club has demonstrated and explained these funds will be used for capital enhancements and investments to provide additional income, other funds will be utilised to support the revenue requirements of the Club.

4.2.6 The Club has agreed to an arrangement fee of £1,500.00 as a contribution to the legal and due diligence costs.

4.3 Legal

4.3.1 Local authorities have powers under Section 1 of the Localism Act 2011 to act in the same manner as any legal person, save where those powers are specifically limited or prohibited by statute.

- 4.3.2 Advice on the risk of State Aid in respect of the commercial terms of the proposed loan have been provided by Link Asset Services who have considered the EU reference rate, the term of the loan and the credit worthiness of the Club. The interest rate of 6% exceeds the minimum interest rate advised although it is not understood whether the administration, monitoring and any other risk factors have been assessed in the margin. Link had said *“based on the current financial position the interest rate that would need to be charged on lending to a third party that has a weak credit rating could result in an interest rate greater than the 6% suggested by the Club”* If the loan is on market terms this is not likely to be considered as state aid. The Council has undertaken its own due diligence prior to considering the loan and will need to demonstrate that the loan is a prudent use of the Council’s resources and that the terms are equivalent as any other provider and meet State Aid obligations.
- 4.3.3 The Link report identified a number of risk issues in relation to the Loan facility. Before any loan facility is granted the Council will need to be satisfied, that these risks are adequately mitigated. Security will need to be further considered and addressed to ensure there are in place suitable assets to meet the loan liability and the facility agreement negotiated and formally executed, using specialist external legal advisors.
- 4.3.4 Whilst the intention is that any formal action to enforce security arising from this proposed loan facility agreement will be undertaken in a way that allows the Club’s operation to continue, there is a risk that the areas of the charged property may not be sufficiently disaggregated from the club use to enable effective enforcement, without recourse or risk to the Club

4.4 Equality and Health

- 4.4.1 There are no specific equality and health issues. Although supporting this application will improve facilities and support the increase in female participation in both rugby itself, as well as supporting the sport. It will also support increased youth/young people participation in sport.

4.5 Consultees (Internal and External)

- 4.5.1 Cabinet Members, Corporate Management Board, Link Asset Services and Governance and Risk Manager.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 This supports the Council’s Corporate Plan objective of supporting the development and sustainability of the economy and sports community within the Borough. In addition it will provide a material source of income of c£90,000pa supporting the drive to derive new funding streams.

4.7 Other Implications

- 4.7.1 None

5 Background Papers

Confidential Background Papers

- a) Link Asset Services – Due Diligence Review – October 2018 [Commercial in Confidence] held by Chief Finance Officer
- b) Supporting Information – Saints Rugby Club [Commercial in Confidence] held by the Chief Finance Officer

Stuart McGregor
Chief Finance Officer
Ext. 8347

SUPPORTING INFORMATION – PROVIDED BY SAINTS RUGBY CLUB

Background

Formed in 1880, Northampton Rugby Football Club Limited (Saints) is recognised as a key pillar of the Northamptonshire and East Midlands community and is one of Europe’s leading professional rugby clubs.

Franklin’s Gardens, home of the Saints, is a leading multi-purpose events venue, not only hosting elite rugby matches, but also major concerts, conferences and other events.

The Saints operates as a Plc, with approximately 2,300 shareholders. The Barwell family, longstanding and ongoing supporters of the Saints, own >60% of the shares. The Saints has achieved significant on pitch success in recent decades, culminating in the Premiership title in 2014.

From 2000 to 2016 Northampton Saints reported 16 consecutive years of profitability, an unprecedented achievement amongst premiership rugby clubs: in 2015/16 only two professional clubs reported a profit (Saints and Exeter). This profitability has been underpinned by consistent revenue growth (28% growth in total income from 2011/12 to 2016/17) and a well-managed cost base.

However, pressure to ensure that English rugby remained competitive in Europe resulted in a series of increases in the salary cap (the maximum aggregate amount a club is allowed to spend on senior squad salaries) as well as the addition of two “marquee” players whose salaries sit outside the cap. This has driven inflation of over 50% in the player wage bill since 2012.

In 2016/17 Saints reported its first loss in 17 years. This resulted from the player cost inflation outstripping growth in commercial profits, as well as substantial one-off restructuring costs. Saints reported a second year of losses in 2017/18, driven again by player salary inflation and the final phase of the restructuring.

Current Situation and Outlook

Mark Darbon joined Saints as CEO in July 2017. Following a review of the Club's situation, a programme of restructuring was instigated which included the following major changes:

- Restructuring the Commercial team to focus on revenue growth, and bringing in additional resource, including a new Commercial Director
- Recruiting a new executive into the role of Marketing and Communications director
- Restructuring the coaching team and appointing a new Director of Rugby, Chris Boyd, starting in the 18/19 season
- Changes to other coaching staff in both Seniors and Academy

As a result of these changes, the Club is now in a much stronger position to pursue its aim of excellence both on and off the pitch.

From 2017/18 the salary cap will remain flat for 4 years by agreement with Premiership Rugby Limited (PRL) and the Rugby Football Union (RFU). The Saints financial projections show a return to profitability driven by continued growth in commercial revenues against a backdrop of a much lower level of player salary inflation. However, this return to profitability will take some time and require investment.

The Club is financed by:

- A loan from Northampton Borough Council (NBC), taken out in 2015 to fund the construction of the Barwell stand; originally £5.5m, the loan balance will be £4.29M at the end of January 2019
- An overdraft facility from Barclays Bank.
- The Club also raised a further £1m from the majority shareholders through a private share placement in April 2017, and a further £3m shareholder loan has been approved with the first £1.95m having been drawn down in July 2018.

Both the NBC loan and the bank overdraft are secured on the Stadium land & buildings, with NBC having the first charge. The shareholder loan is unsecured.

The Club has a strong balance sheet with £17m of net assets as at 31st May 2018.

Historic financials

P&L £000	2015	2016	2017	2018
	Actual	Actual	Actual	Actual
Turnover				
Rugby income	4,713	4,250	4,112	4,040
Premiership Rugby and RFU income	4,411	5,091	5,061	5,866
Commercial Income	7,356	7,268	7,568	7,221
Turnover	16,480	16,608	16,741	17,127
Cost of sales	(9,273)	(9,799)	(11,400)	(11,207)
Administrative expenses	(6,311)	(6,547)	(7,202)	(7,978)
Interest	25	(110)	(211)	(199)
Profit / (loss) before exceptionals	921	152	(2,072)	(2,257)
Exceptional income		500	1,490	
Exceptional costs			(648)	(531)
Profit / (loss)	921	652	(1,230)	(2,788)

Capital Investment Projects

The Saints have provided a detailed list, with indicative costs to reflect the loan funds will contribute to the Club's capital/investment programme (which is greater in total value than the value of loan).

The planned capital programme includes:

- Indoor X3 training building with artificial turf
- Upgrade to conferencing and catering facilities
- Resurfacing supporter village / replacement to marque bar
- Changes to Car Park entrance / frontage – Weedon Road
- Pitch & drainage replacements & upgrades (training and main)

Appendices



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Request for Capital Grant – Fernie Fields Sports and Social Club
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	06 February 2019
Key Decision:	NO
Within Policy:	YES
Policy Document:	YES
Directorate:	Finance
Accountable Cabinet Member:	Cllr P Larratt
Ward(s)	All

1 Purpose

The purpose of the report is:

- 1.1 To seek approval from Cabinet to award a Capital Grant to Fernie Fields Sports and Social Club of up to £160K to provide funding towards a capital project to improve the Club's facilities including a Community Pavilion within the grounds of its existing facility in Moulton Leys.

2 Recommendations

- 2.1 To approve the award of up to £160K as a Capital Grant to Fernie Fields Sports and Social Club as included in the approved Capital Budget for 2018-19.
- 2.2 To delegate to the Head of Customer and Communities in consultation with the Borough Secretary to enter into a grant funding agreement with the Trustees of Fernie Fields Sports and Social Club for a grant not exceeding £160k.

3 Issues and Choices

3.1 Report Background

3.1.1 Fernie Fields is an unincorporated sports and social club created in 1986 that provides football and bowling facilities for local people. It is used by both adults and children and is sited on Northampton Borough Council land with 40 years remaining on the lease.

3.1.2 Fernie Fields Sports and Social Club currently provides facilities for five key user groups:

Association Football – Sileby Rangers FC

Bowls – Whyte Meville Bowls Club

Community activities – Sports 4 Fitness CIC and Moulton Leys Community Group

Social Events – Private Hire

Corporate Meetings – Private hire

3.1.3 The Trustees of Fernie Fields Sports and Social Club have requested assistance with funding a major capital build which includes a new community pavilion to increase access and in particular disabled access. This request was originally made early in 2018 and was included in the development fund for the capital programme 2018/19 which was approved at Council in February 2018.

3.1.4 Sport4Fitness CIC is a Community Interest Company providing multi-sport activities that are affordable to all. They provide sessions on a regular basis at Fernie Fields for children and adults with special educational needs (SEN) and special educational needs and disabilities (SEND). The current provisions at Fernie Fields require improvement to support the ongoing provision of these services to a wide range of participants to support positive social interaction. In particular, there is no disabled access toilet facilities and no medical room.

3.1.5 The Trustees of Fernie Fields Sports and Social Club have worked to secure funding from a range of organisations including The Football Stadia Improvement Fund, Sports England and Bowls England. The proposed grant would be partly matched with funds from these organisations and the Trustees themselves. The investment would see the facility expanded to include a new entrance structure, community pavilion and kitchen and dining area.

3.1.6 The Trustees have recently been notified that one of their applications for match funding have been successful and they will receive £75,027 towards the total cost to be used on the hospitality extension and the changing rooms.

3.1.7 Full details of the application and the project have been provided by the Trustees, the indicative cost of the proposed improvements is £500K. There are a range of options dependent on the amount of funding secured.

- 3.1.8 Grant funding of £20,000 was applied for and approved on 6th August 2018 via a Cabinet Member Decision. This was to reflect the fact that the construction had commenced in relation to the Community Pavilion.
- 3.1.9 A grant agreement was drafted and signed by the trustees in relation to the £20,000 grant and this has now been paid.
- 3.1.10 The total grant, therefore, applied for is £180,000. £20,000 has been paid as a Cabinet Member Decision and the remaining funds applied for are £160,000.

3.2 Issues

- 3.2.1 There is a potential shortfall in relation to the total funding and to address this the Trustees propose sourcing additional funding streams including increased revenue from social and corporate events and additional grant applications. The release of any monies will be subject to the shortfall being addressed.
- 3.2.2 The Trustees will also have to demonstrate they have access to funds to support any cost over-run.
- 3.2.3 There are a range of options and the Trustees will have to confirm that only those which are achievable with the funding available from grants and match funding will be progressed.
- 3.2.4 The current programme indicates that the £160,000 funding if awarded from the Council will be apportioned as follows:
- £3,500 Garage/Storage
 - £13,000 New entrance/toilets to include disabled facility
 - £143,500 Kitchen and Dining Room Extension
- 3.2.5 The £20,000 Grant Funding already allocated was used towards the Community Pavilion.

3.3 Choices

- 3.3.1 Cabinet have the choice to approve the award of the capital grant for £160,000, for a reduced amount or decline the request.

3.4 Next Steps

- 3.4.1 The grant agreement will be drafted, subject to approval and signed by the Trustees.
- 3.4.2 The scheme will be moved from the development pool into the approved programme following approval by the Capital Programme Board at its next available meeting.
- 3.4.3 The Trustees will approve the procurement and appointment of the construction companies to enable work to commence

- 3.4.4 The Head of Service for Customers and Communities will release the appropriate value of Capital Grant in staged payments in accordance with the grant agreement and progression of the build.

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 are no risks associated with this request. The resources required are in the main body of the report and will only be released at the appropriate stage of the build and subject to any shortfall in funding being met.
- 4.2.2 The Council's Senior Project officer will ensure that the works invoiced are completed on site and carried out to a useable satisfactory standard.
- 4.2.3 The scheme is currently in the development pool of the Capital Programme and formal cabinet approval is required to move the scheme into the approved Capital Programme.

4.3 Legal

- 4.3.1 Fernie Fields Sports and Social Club are an unincorporated body, they are not therefore a legal entity and have no capacity to enter into contracts, accordingly the Trustees will individually take on the contractual responsibilities and obligations of any grant funding agreement.
- 4.3.2 There remain risks in the shortfall of funding pursuant to paragraph 3.2.1 and where the Council should not release any monies until the costs have been verified and evidence of additional funding from other revenue streams provided to the Council.
- 4.3.3 The Council must ensure the business case to deliver the works is robust prior to the release of any grant funding, that it will provide best value for the residents of the Borough of Northampton and that the criteria for releasing funding to the organisation is fully supported by the council's key outcomes.
- 4.3.4 In the event the grant funding is approved by Cabinet, the grant funding must only be released when certified to the satisfaction of the Council at the completion of each appropriate stage of the build in accordance with the Schedule of the Grant Agreement.
- 4.3.5 The Trustees of Fernie Fields Sports and Social Club will need to evidence the contractor for the works has been procured in competition before any decisions to agree funding are made.
- 4.3.6 State aid has been considered as the total proposed funding will exceed the de-minimis threshold. The main considerations for the Council are the applicability of the block exemption for sporting infrastructures and the

potential effect of distorting trade between the EU member states. On the basis the Fernie Fields Sports and Social Club is serving the immediate locality with a predominantly local audience any risk would be low.

4.4 Equality and Health

4.4.1 There are no equality and health issues. Supporting this application will improve accessibility to these sports facilities. Many charitable organisations have expressed an interest in using the enhanced facilities including:

Northamptonshire Young Carers
Northampton Rotary
Autism Concern
Deaf Connect
Northampton Children Recovering from Cancer
Northampton Association of Youth Clubs
Northamptonshire Sport

4.4.2 Sport4fitness are liaising with representatives of other charities and organisations to ensure that the enhanced facilities reflect the needs of as wide a range of potential attendees as possible.

4.5 Consultees (Internal and External)

4.5.1 Trustees of Fernie Fields Sports and Social Club, Cabinet Members, Corporate Management Board, key user groups of Fernie Fields Sports and Leisure Club.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 This supports the Council's Corporate Plan objectives: Making the best use of our assets, working with partners to provide joined-up services, empowering communities to develop their areas and developing stronger and more resilient communities.

4.7 Other Implications

4.7.1 None

5 Background Papers

Extract from Cabinet Report dated February 2018

Cabinet Member Decision dated 6th August 2018

Application for funding –Expansion to existing facilities Partnership Grant Application 18-19

Marion Goodman
Head of Customers and Communities
Ext. 8273

Appendices
1. Corporate Risk Register – Q3



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	Corporate Risk Register
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	6 th February 2019
Key Decision:	No
Within Policy:	Yes
Policy Document:	No
Service Area:	Chief Finance Officer (S151)
Accountable Cabinet Member:	Jonathan Nunn
Wards:	All

1. Purpose

- 1.1 This report sets out the update of the Council's corporate risk register for Q3 2018/19 as at 31st December 2018.
- 1.2 Corporate Management Board on 14th January 2019, have collectively reviewed, considered, and where appropriate, confirmed, challenged and/or moderated the risks identified.
- 1.3 The corporate risk register is an important strategic document which captures those risks that could potentially be a barrier, a constraint or a threat (or in equal and opposite terms alternatively a positive opportunity) to the achievement of the Council's strategic objectives as outlined in the Corporate Plan.

2. Recommendations

- 2.1 That Cabinet review, comment and where appropriate, confirm the risks contained in the register and the related risk exposures and mitigating actions are relevant.

3. Issues and Choices

3.1 Report Background

- 3.1.1 Risk management is a key priority for the Council. Critical to the development of better risk management is the development of a tighter culture of risk identification, assessment and mitigation at all levels of the Council, including at the corporate level, with proper and regular updates to assessments of potential risks.
- 3.1.2 This report captures those risks identifiable at the corporate level of the Council which, should they impact, would have a corporate-wide impact and effect.

3.2 Issues

- 3.2.1 18 risks are stated on the corporate risk register as of December 2018. Of these 17% are rated red, 78% amber and 5% rated green.
- 3.2.2 Two new risks have been identified and added in Q3 both in relation to Brexit:
- 1. The impact of Brexit on NBC services
 - 2. The impact of Brexit on Northampton economy.
- 3.2.3 **Risk#16:** the Local Government Reform (LGR) risk recorded at Q2 has been removed with the view that this will now be included within the main LGR project risk register.
- 3.2.4 Two items have had the risk rating reduced in Q3.
- Risk #1:** Failure to deliver a balance budget - reduced from 16 to 12 reflect the involvement from Officers and Members in relation to budget away days and workshops.
- Risk #6:** Legal obligations under the Data Protection Act 1998 (and also the superseding GDPR EU Regulations in 2018) are breached – reduced from 12 to 9 to reflect GDPR implementation work that has been progressed by the Data Protection Officer.
- 3.2.5 An amendment has been made to the format of the risk matrix on the first page to show the direction of travel of each risk from the previous period. As there has only been one change as per item 3.2.3 above, the risk rating movement has been shown accordingly.
- 3.2.6 The corporate risk register will be updated for Q4 2018/19 during March 2019. Any significant changes will be reported to Cabinet.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The update of the corporate risk register is a key aspect of procedures required by the Council's risk management policy. The next review of the Risk Management Framework policy will be January 2020.

4.2 Resources and Risk

4.2.1 There is no additional capacity required for the completion and continuous update of the corporate risk register. The Governance and Risk Manager will update the register on a quarterly basis with the Heads of Service. Any significant changes will be reported through to Corporate Management Board.

4.3 Legal

4.3.1 The Council has various legal duties and obligations to ensure it facilitates the effective exercise of its functions and the achievement of its aims and objectives. The risks identified in the Corporate Risk Register and the related actions to mitigate them will directly address identified barriers to the achievement of the Council's corporate priorities and will also assist in enabling the Council to demonstrate that it is complying with its legal duties.

4.4 Equality and Health

4.4.1 There are no equality and health implications to this report.

4.5 Consultees (Internal and External)

4.5.1 The Council's Management Board and Executive Programme Board have been internally consulted to date on the update of corporate risk register attached.

4.5.2 PWC conducted a review of the corporate risk register in April/May 2018. Recommendations made as a result of the review were acknowledged and, where relevant, have been incorporated into the register.

4.6 Other Implications

4.6.1 None

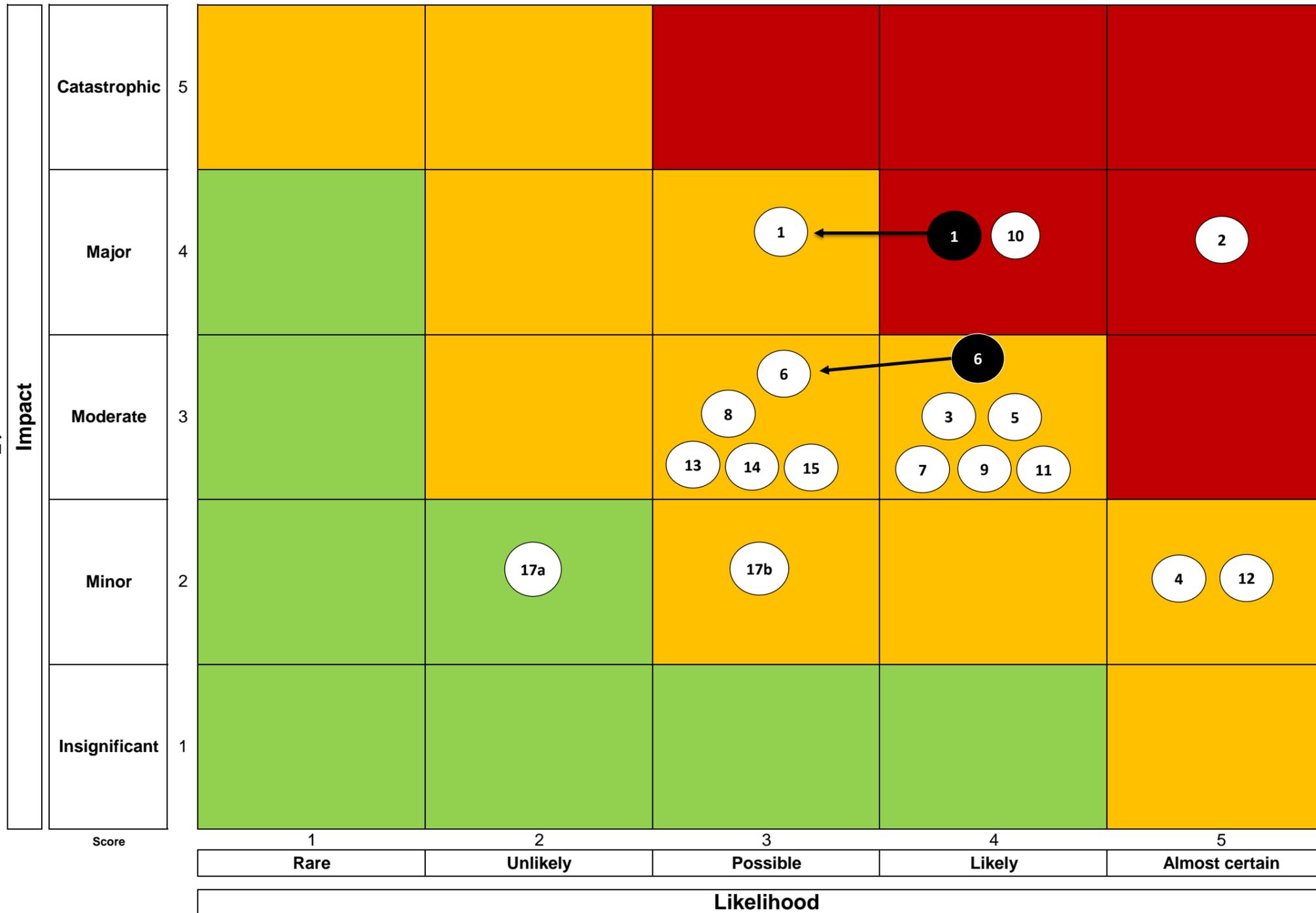
5. Background Papers

5.5.1 None

Joanne Bonham
Governance & Risk Manager
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CORPORATE RISK REGISTER
Q3 DECEMBER 2018

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Risks

1. Failure to deliver a balanced budget.
2. Insufficient clarity around Member and Officer roles.
3. Inadequate succession planning and staff retention.
4. Inability to meet and manage the demands of homelessness.
5. Failure to manager or failure to deliver or expose new risks as a result of poor project management practice.
6. Legal obligations under GDPR are breached.
7. Plans for improving the economic prosperity and regeneration of Northampton are not delivered.
8. NBC fails to manage its partnerships (LGSS, NPH, NLT).
9. Major or large scale incident causes business interruption.
10. Impropriety or improper business activities leading to fraud or malpractice.
11. Decisions made at Council or Cabinet level are not robust to withstand legal challenge..
12. Inability og IT to service future requirements due to cyber attack.
13. Non-compliance with Fire and Health & Safety legislation.
14. Safeguarding arrangements are not adequate to protect vulnerable adults and children.
15. Failure to deliver enough new housing.
16. REMOVED: LGR risk - To be included in LGR project risk register.
- 17a. NEW RISK: Impact of Brexit on NBC services.
- 17b. NEW RISK: Impact of Brexit on Northampton economy.

Impact

Type of Impact		Health and Safety	Reputation	Financial	Legal / Regulatory
Level					
5	Catastrophic	Fatality	Critical impact on business reputation and/or national media exposure.	Financial loss in excess of £10 Million/ Impact on budget > 12 %	Regulatory and high level Government intervention/action.
4	Major	Permanent disabling injury and / or long term off work	Significant impact on business reputation and/or national media exposure.	Financial loss from £5 to £10 Million/ Impact on budget 6 -12%	Management challenged / Large legal liabilities. Likely to result in regulatory intervention/action.
3	Moderate	Injury requiring medical treatment , time off work and rehabilitation	Moderate to small impact on business reputation.	Financial loss from £2 to £6 Million / Impact on budget 2 - 6%	Management reviewed / legal reserves established. Triggers regulatory investigation.
2	Minor	Injury requiring medical treatment with no lost time	Some impact on business reputation.	Financial net loss from £0 to £2 Million/ Impact on budget < 2 %	Minimal / limited liabilities. Requires immediate regulator notification.
1	Insignificant	Minor medical treatment, no lost time.	No impact on business reputation.	No financial net loss or impact on budget	Minimal liabilities. No immediate regulator notification required.

Likelihood

5	Almost certain	Is expected to occur in most circumstances/ occurs daily - weekly
4	Likely	Could occur in most circumstances / occurs monthly
3	Possible	Has occurred here or elsewhere / Once a year
2	Unlikely	Hasn't occurred yet but could / once in 5 years
1	Rare	Hasn't occurred yet but could / once in 10 years

**CORPORATE RISK REGISTER
Q3 DECEMBER 2018**

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 18/19	Q3 18/19				
1	Failure to deliver a balanced budget 19/20 – 22/23	<ul style="list-style-type: none"> • Council unable to deliver sufficient savings to balance budget • Major projects don't deliver planned benefits • Complacency in the organisation • Increased organisational change and complexity • Changes in govt. funding particularly NNDR • Complex challenges of addressing both the controllable and uncontrollable pressures and events that can act on both income and expenditure • Challenges of working with partnership or arms- length organisations where there is a loss of direct management control 	<ul style="list-style-type: none"> • Inability to set a legal budget • Depleted Reserves • Need to realise capital receipts • Inability to deliver services to meet customer need/demand and expectations of the Council 	25	<ul style="list-style-type: none"> • Review reserves strategically • Robust monitoring of budgets by services and taking early remedial action where issues identified. • Management Board action to limit spending where appropriate and communicate to staff on spending restrictions • 19/20 draft budget proposed • Quarterly financial reporting to Cabinet • Regular financial reporting to the Management Board • Regular monthly financial monitoring (incl. projections) • Finance Away Days for Boards and HoS 	16	12	<ul style="list-style-type: none"> • Robust Medium Term Financial Plan review (September 2018 – January 2019) • Cabinet and CMB had a workshop in October and November to consider the Budget for 19/20 and future years and consider what options may be available to manage or mitigate the future pressures. 	12	CFO (S151)	Updated by CFO 27 th November 2018

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 18/19	Q3 18/19				
2	<p>Projects may be instigated outside normal process where there is a lack of clarity around Member and Officer roles.</p> <p>Reputational damage may occur should promises to the public by Members not be realised.</p>	<ul style="list-style-type: none"> Members and Senior Officers roles (formulating and administrating policy respectively) are not always clear The culture does not resonantly promote a separation of the respective roles and duties of members and officers Officers feel inhibited in giving full, objective, professional and technical advice to Members in charged political atmospheres Officers in their role seek to frustrate the strategic choices, policy and direction-setting of Members Weak management of Members by leadership in the past 	<ul style="list-style-type: none"> Significant decision-making with significant outcomes and impacts is not robust and is not properly administered or processed by the organisation The intended outcomes and objectives of decisions are not achieved or are achieved in sub-optimal terms Maladministration occurs The control environment is weakened and controls could be bypassed Potential for reputational damage and loss of public and stakeholder confidence Regulatory criticism Legal challenge may be made and increased costs incurred 	20	<ul style="list-style-type: none"> Council Constitution (incl. the Member-Officer Protocol) Cabinet reporting system Scheme of Delegation Contract Procedure Rules EPB set up to aid interface between Members and Officers. Weekly meeting with CMB and Cabinet to discuss general updates and any potential issues/gaps in information communicated. 	20	20	<ul style="list-style-type: none"> Review of EPB terms of reference (Sept 2018) Review of Member-Officer Protocol (by Dec 18) Provision of training on Member-Officer Protocol (by Dec 18) Corporate training to Officers plus briefings to all staff to reiterate the standards to be enforced (by Dec 18) Independent review by BDO as the internal auditors. 	12	Borough Secretary	Updated by Borough Secretary 20th December 2018

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 18/19	Q3 18/19				
3	Inadequate succession planning, capacity and retention leading to service disruptions/non delivery	<ul style="list-style-type: none"> Salaries not competitive with LAs outside the local catchment area Reputation of the Council is not positive Perception of organisational instability Continual cost cutting Drift in staff morale Differing levels of engagement within the organisation Historic failure and disconnect of leadership to engage with staff Impact of unitary causing uncertainty Lack of HR strategic profile in the organisation 	<ul style="list-style-type: none"> Inability to recruit to roles (particularly key roles) Inability to retain staff (particularly key talent staff) Depressed staff morale Increased staffing costs due to agency/interim costs Staff leaving (particularly key staff) take their organisational knowledge out of the organisation when they leave No succession planning is possible particularly around specialist and qualified posts Reduced organisational effectiveness and performance Lack of organisational resilience 	20	<ul style="list-style-type: none"> Recruitment process changed eg. to advertise more widely, use of dynamic job ads and increase use of specialised agencies to find permanent staff or fixed term applicants Benefit of council pension scheme headlined to attract staff Performance appraisal rewards highly effective staff Family friendly policies, eg maternity and paternity leave Generous holiday allowance Subsidised car-parking Guildhall location Flexible working hours New Chief Executive recruited 	12	12	<ul style="list-style-type: none"> Review of staff Terms and Conditions (December 2018) Review of performance appraisal process (December 2018) Investigating the use of one common method of job evaluation (December 2018) A number of initiatives in wellbeing and communication being considered for deployment (On-going) Roll-out of Leadership Development Programme (On-going) Introduction of talent management and succession process (December 2018) Promote unitary as an opportunity for development (September 2018 – March 2019) CMB is considering all options to reduce the risk and any impact, CMB is being informed by views from MTUCM 	9	CFO (S151)	Updated by CFO 27th November 2018
4	Inability to meet and manage the demands of homelessness in the Borough	<ul style="list-style-type: none"> Significant increases in the numbers of people who are homeless Significant increases in the number of people in temporary accommodation (TA) Welfare reform, eg. extension of the benefit cap reducing affordability of housing Households loss of private rented accommodation Difficulty in accessing private rented accommodation Shortage of social rented housing Homelessness Reduction Act increasing use of TA 	<ul style="list-style-type: none"> Increased demand leads to significantly greater costs for the Council Follow-on significant budgetary overspend occurs Pressure of financial impact of overspend of c£1.5m More homelessness applications Increased statutory duty to rehouse Increases of numbers of people in BB and TA accommodation 	16	<ul style="list-style-type: none"> Rigorous budget monitoring in place Regular financial reporting to Management Board, Portfolio-Holder & Cabinet Additional resources allocated (£100K for staffing) Increase in allocated TA budget (£300K) Two officers now focussing exclusively on TA 	10	10	<ul style="list-style-type: none"> Prepare Cabinet report to set out position statement for TA (February 2019) Prepare proposals to further mitigate cost <ul style="list-style-type: none"> Strategy for procuring cheap accommodation Slow demand restructure of Housing & options team (January 2019) 	10	Head of Housing	Updated by Head of Housing 5th December 2018

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 18/19	Q3 18/19				
5	Failure to manage, deliver or expose new risks as result of poor project management practice. Reputational damage possible.	<ul style="list-style-type: none"> Lack of a clearly-defined project management governance structure Lack of written procedures and related compliance as a source of assurance Inadequate checks and balances Inadequate project documentation maintained - business cases in particular 	<ul style="list-style-type: none"> Wrong decisions made on an unviable business case Continual review of the project – stopping the continuation on unviable project Reputation Financial costs Pressure on resources Pay back on investment funds if not delivering 	16	<ul style="list-style-type: none"> Gateway reviews conducted and reported to CMB for approval More robust governance processes (as per above risk on governance) Completion of Project Management Framework document Highlight reports reported monthly to CMB Project Managers are made accountable for reporting issues and risks to the Head of Economic Development and Regeneration 	12	12	<ul style="list-style-type: none"> Continue to develop and install more robust governance processes (Ongoing) Review of project management documentation to simplify and make it easier for reporting purposes. 	4	Head of Economy, Assets and Culture	Updated by Head of Economy, Assets and Culture 28th November 2018
6	Legal obligations under the Data Protection Act 1998 (and also the superseding GDPR EU Regulations in 2018) are breached and there is inappropriate access and/or disclosure, corruption or loss of data	<ul style="list-style-type: none"> Not implementing the new EU data protection legislation Lack of staff knowledge of policy and procedure Ineffective implementation of GDPR Regulation requirements Lack of an implementation plan for GDPR 	<ul style="list-style-type: none"> Data breaches Prosecution Fines Lack of confidence and public trust Reputational issues Member criticism 	20	<ul style="list-style-type: none"> Data sweeps Data governance Staff awareness Campaigns/refresher online training Data Protection Policy update May 2018 Follow up actions and lessons learnt communication to all staff through newsletters/all staff emails GDPR implementation plan in place Inclusion within re-launched corporate induction 	12	9	<ul style="list-style-type: none"> Continue with training on GDPR refresher courses for officers and members (ongoing) review and update of all policies and procedures (ongoing) Implement improved management of data storage (December 2018) Data audits (March 2019) 	4	Governance & Risk Manager	Reviewed by Governance & Risk Manager 12th December 2018
7	There are no clear plans for improving the economic prosperity and regeneration of Northampton.	<ul style="list-style-type: none"> Lack of skilled resource and vision Lack of local knowledge LGR creates political uncertainties No cohesive decision making in relation to regeneration strategy for Northampton between Officers and Members. 	<ul style="list-style-type: none"> Investors not investing in the town or pulling out of partnership arrangements Jeopardising current and future regeneration and growth projects Damage to Northampton as a place of choice 	16	<ul style="list-style-type: none"> Lessons-learned reviews being held Improved reporting through to CMB 	12	12	<ul style="list-style-type: none"> Plans being developed in terms of QA and process and service capability in structure Preparation of Economic Growth Strategy January 2019) Plans for regeneration and town centre to be developed (September 2018) Development of growth team 	2	Head of Economy, Assets and Culture	Updated by Head Economy, Assets and Culture 28th November 2018

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 18/19	Q3 18/19				
8	NBC fails to manage its contractual partnerships with: • LGSS • NPH • NLT • Veolia	<ul style="list-style-type: none"> Loss of direct management control over activities Poor governance Lack of contract monitoring at officer level Lack of quality control Performance monitoring information is not developed 	<ul style="list-style-type: none"> Services not delivered to quality, time and cost Failure in fulfilling legal responsibilities Hindering the achievement of the councils objectives Negative impact to customers and stakeholders reputational risk to NBC 	12	<ul style="list-style-type: none"> Taking remedial action where required e.g. HR and Payroll coming back in-house Quarterly reports and meetings 	9	9	<ul style="list-style-type: none"> robust contract monitoring and quality control Continual review of LGSS contract Holistic/virtual team of contract managers to share good practice 	8	CFO (S151)	Reviewed by CFO 27th November 2018
9	Major or large scale incident (accident, natural hazard, riot or act of terrorism) business interruption affecting the council resources and its ability to deliver services and risk to safety of staff and loss of staff	<ul style="list-style-type: none"> Accident, natural hazard, riot or act of terrorism or other business interruption 	<ul style="list-style-type: none"> Lack of business continuity Council not able to deliver front-line services Council failing to meet statutory responsibilities Risk of safety to staff and loss of staff Customer needs not being met 	20	<ul style="list-style-type: none"> Updated business continuity strategy and business continuity plans partially in place only for all services with some services remaining outstanding Refreshed Critical Incident Plan Emergency Planning Work-streams facilitated by Emergency Planning lead including town centre evacuation procedures Establishment of Gold and Silver duty rota (Reviewed Oct 2018) Review of high-rise buildings in the borough post-Grenfell On-going improvements identified and implemented as a result of participation in national and local exercises eg Cygnus (flu-pandemic) and Jerboa (flooding) exercises Involved in London Bridge briefings London Bridge guidance notes updated August 2018 Follow up briefing given to NBC key officers by CEO. Emergency Roles and responsibilities paper presented to CMB to address staffing shortages in the duty rota. Review concluded Dec 18 and shortage addressed. 	12	12	<ul style="list-style-type: none"> Continuing work to ensure all services at the Council put in place a business continuity strategy and plan (On-going) Continuing improvements to BC and Emergency Planning procedures to be implemented post operations e.g. 2018 Floods (on-going) Clarify arrangements for business continuity responsibility for key partner organisations (On-Going) Identification and risk assessments of reception centres (Dec 18) Training rolled out via LRF for all new Gold/Silver persons (Oct – Jan 2019) Specific exercise for NBC colleagues to be developed (Dec 2018) and then delivered (March 2019) 	9	CEO	Updated by CEO 20th December 2018

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 18/19	Q3 18/19				
10	Impropriety or improper business activities leading to fraudulent activity or malpractice	<ul style="list-style-type: none"> • LGSS services returning - HR and Payroll - shifting accountabilities • Lack of robust governance, procedure or process • Lack of robust internal controls • Inadequate reviews by internal audit on financial controls • No assurance from LGSS on effectiveness of controls 	<ul style="list-style-type: none"> • Avoidable financial loss • Criminal prosecution • Civil litigation • Fines • Lack of confidence from staff or public • Reputational damage • Member criticism 	15	<ul style="list-style-type: none"> • Counter-fraud strategy in place • NBC Fraud policy in place • Section 151 controls • Review of policy and procedure • Review of LGSS Finance SLA and process • Whistleblowing Policy approved by Council 	16	16	<ul style="list-style-type: none"> • NBC fraud policy to be reviewed (January 2019) • Reviews of financial controls within LGSS (March 2019) • gain assurance of controls through contract management of LGSS and internal audit (March 2019) 	10	Governance & Risk Manager	Reviewed by Governance & Risk Manager 12th December 2018
11	Significant decisions made at Council and Cabinet level are not sufficiently robust leading to ill informed decisions being made.	<ul style="list-style-type: none"> • Inadequate governance • Inadequate checks and balances 	<ul style="list-style-type: none"> • Civil litigation, including judicial review • Lack of confidence from staff or public • Court cases • Ombudsman reviews 	15	<ul style="list-style-type: none"> • Additional/Increased cabinet clearance protocols in place • Reworked clearance processes • EPB Officer/Member interface in operation to ensure greater understanding prior to cabinet/council meetings 	12	12	<ul style="list-style-type: none"> • Annual reviews of Democratic Services (March 2019) 	10	Borough Secretary	Updated by Borough secretary 20th December 2018
12	Inability of IT to service future requirements and or loss of IT due to failure or cyber-attack	<ul style="list-style-type: none"> • Poor governance • Lack of contract monitoring • Lack of quality control 	<ul style="list-style-type: none"> • Services not being delivered to customers • Business interruption • Inefficient business processes and technology not adequately exploited 	15	<ul style="list-style-type: none"> • Review of current LGSS SLA with IT to see what can be improved and remedial action taken • IT policies and procedures reviewed and refreshed • Review of IT equipment and infrastructure • PSN Compliance achieved • Lessons-learned review implemented following ransomware attacks in 2016/17 	10	10	<ul style="list-style-type: none"> • ICT Governance Meetings (On-going) • ICT Client Meetings to assess relationships and risks (On-going) • Completion of LGA stocktake as at 31st August 2018. • LGA stocktake results action plan implementation. 	10	CFO (S151)	Reviewed by CFO 27th November 2018

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 18/19	Q3 18/19				
13	There is non-compliance with fire and Health and Safety legislation.	<ul style="list-style-type: none"> Lack of a clear strategy Processes not followed Audits and inspections not completed in a timely manner Recommendations not escalated or followed up by service areas 	<ul style="list-style-type: none"> Continuing lack of a clear strategy /strategic direction Death or injury to public or staff Criminal prosecution or civil litigation Service stopped Loss of public trust Action by H & S executive or Northants Fire and Rescue Fines to organisation Corporate manslaughter charges Insurance claims Financial loss 	20	<ul style="list-style-type: none"> Corporate Health & Safety Group set up and in place Upskilling of managers in terms of H&S responsibilities Audit & Inspection Framework in place H&S Matrix in place cross-referencing role profiles to required H&S training Review of H&S policies and procedures and refreshed where appropriate Refresher staff comms and training Fire Marshal training completed Implementation of mandatory on-line training courses for all staff Corporate Health Safety and Wellbeing Policy presented to Council and signed off on 9th July 2018. Creation of a H & S Committee 	9	9	<ul style="list-style-type: none"> Restructure of the H & S delivery and service (2018) Communication and engagement with staff through October information/training sessions (On-going) Continued progress with H & S audits and inspections 	6	Governance & Risk Manager	Updated by Governance & Risk Manager 12th December 2018
14	Safeguarding arrangements are not adequate to protect or address concerns of vulnerable adults and children.	<ul style="list-style-type: none"> Staff lack of awareness of procedure or referral route 	<ul style="list-style-type: none"> Children or vulnerable adults harmed or put at risk of harm Criminal prosecution or civil litigation Seriously damaging reputation or NBC 	20	<ul style="list-style-type: none"> Procedures and referral routes reviewed and refreshed where necessary Refreshed procedures and referral routes communicated Designated Officer for Safeguarding as point of contact in place Series of presentations on CSE, including with Members and staff, to build awareness Increased joint working with County Council (Rise Team), other boroughs and districts, including with community safety, licencing and social landlords Scrutiny Review of CSE in the Borough Scrutiny Review gone to Cabinet Established an NBC officer group for tackling CSE. 	9	9	<ul style="list-style-type: none"> Hotel Watch exercise to be rolled out in conjunction with the Rise Team (March 2019) Full implementation of recommendations arising from the above Cabinet report (June 2019) Response to scrutiny review (December 2018) Implementation of audit recommendations from Safeguarding audit (July 2019) 	9	Head of Housing	Updated by Head of Housing 5th December 2018

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 18/19	Q3 18/19				
15	Failure to deliver enough new housing to meet targets and needs	<ul style="list-style-type: none"> Local housing market housebuilders not wanting to devalue their product by flooding the market increasing land values Scarcity of experienced tradespeople and of materials. 	<ul style="list-style-type: none"> Not delivering enough housing to meet local demand Increase in homelessness and demand for temporary housing Failure to meet local targets Failure to meet Housing Delivery Test resulting in increased targets Potential loss of decision making role Inability to resist housing proposals in unsustainable locations 	16	<ul style="list-style-type: none"> Secured planning Delivery Funding to recruit Housing Delivery Manager to liaise with housebuilders and establish what is delaying delivery Regular monitoring of local and market area delivery Flexible approach to planning applications Investigating investment in infrastructure to open up allocated sites and accelerate delivery Development of a Growth Deal to secure additional resources for affordable housing, infrastructure and capacity, and planning freedoms Promotion of role within Growth Corridor Cabinet approval of £4.2m Dallington relief road September 2018. DevCo formation October 2018 	9	9	<ul style="list-style-type: none"> Re-focus the role of Housing Delivery Manager vacant post and re-advertise (Spring 2019) Develop action plan (Spring 2019) Growth Deal submitted October 2018, but not supported by MHCLG/treasury. Currently seeking feedback on the Deal and how to progress it but MHCLG have failed to respond with agreed timescales NBC bid for HRA development - additional £20m capital into HRA account for 400 new homes over the next two years. (October 2018) 	9	Head of Planning	Updated by Head of Planning 12th December 2018
16	REMOVED Q3 2018: LGR risk, to be included within the main LGR project risk register										
17a	NEW RISK: Impact of Brexit on NBC services.	<ul style="list-style-type: none"> Brexit deal/no deal 	<ul style="list-style-type: none"> Has a direct impact on NBC services directly 	4	<ul style="list-style-type: none"> Monitoring Brexit information Continual CMB checking on services/staffing 	n/a	4	<ul style="list-style-type: none"> Discussed several times at CMB in October/November Updated Briefing Note being developed 2 hour training for all of CMB in Jan/Feb 2019 	4	CMB	Updated 20th December 2019
17b	NEW RISK: Impact of Brexit on Northampton economy.	<ul style="list-style-type: none"> Brexit deal/no deal 	<ul style="list-style-type: none"> Supply chain and people impact on businesses Economic impact drives up benefit claims 	6	<ul style="list-style-type: none"> Monitoring of Brexit information Regular communications with major employers 	n/a	6	<ul style="list-style-type: none"> Discussed several times at CMB in October/November Updated Briefing Note being developed 2 hour training for all of CMB in Jan/Feb 2019 	6	CMB	Updated 20th December 2019