

Key Medium Term Financial Issues 2012/13 – 2014/15 Onwards

Ref	Issue	National Issues/Implications	Effect on Northampton Borough Council
1	Housing Finance Reform	Details of the proposals were published in early 2011	Proposals in relation to NBC are fully incorporated into the 2012/13 budget. The HRA business plan was approved by cabinet in January 2012.
2	Local Government Finance Review	Reform of local government finance to be implemented for the 2013/14 financial year	Details of the changes are now known, but the financial impact is still to be fully understood. The authority actively participated in all consultations both individually and with other authorities as appropriate to make the case for the optimal outcome. The actual financial impact will become apparent as part of the 2013/14 local government settlement.
3	Welfare Reform	Linked to Local Government Finance Review – impacts on benefit claimants	Wide range of risks including impact of council tax benefit reforms and impacts on housing benefits for customers - particularly in the current economic climate. The localisation of Council Tax Benefit may have a significant financial impact on the authority.
4	Economic Climate	Ongoing Global Economic instability since October 2008. Also, continuing impact of recession, and downturn in housing and financial markets. In addition, material fluctuations in inflation since 2009/10	Significant uncertainty in relation to key income streams, such as investment income, planning income, and building control income, as well as future prices, in cost areas where markets and inflation rates are unstable.
5	Formula Grant and Planning of budgets to match Council's projected funding	2011/12 settlement and 2012/13 settlement was challenging for district authorities, with ongoing financial implications for both services and council tax levels.	Challenging settlements materially reducing funding. Through medium term planning processes NBC must examine its net expenditure to meet the limitations of its funding. The local government finance review also adds additional uncertainty to the situation.
6	Medium Term Planning	National push for better planning	Continued development, especially integration of policies, performance, and cost.

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7	Growth	Localism Bill has delayed the Joint Core Strategy progress but housing growth will still be promoted to meet local needs. New timetable agreed. Regeneration impacted by economic climate but with the Enterprise Zone and town centre schemes Northampton's future optimistic. National funding required.	Infrastructure costs exceed resources But local investment is maintaining momentum. Need to link in with regional and national efforts and secure new ways of funding with partners.
8	Decent Homes Standard	Government target to meet the decent homes standard by 2015	Pressure to fund the programme to meet the Government target. Key risk is around not receiving the indicative decent homes grant in 2013/14 and 2014/15.
9	Asset Management Improvements and Asset Disposals	Ties in with ensuring best Value for Money is delivered	Improvements to planning and management of the Council's assets (property and non-property) and planned capital receipts
10	Risks and Reserves	Recognising the financial risks of the potential local government financial and service position	See annex 8
11	Parking Fees	Trend of downturn in parking income year on year, also impacted by economic climate. Impact of the change in parking policy not yet known.	Unpredictability of future income streams means that close monitoring will be essential in 2012/13 and future years. This includes the impact in the change of the carparking policy of offering one hour free parking.
12	Major Projects	Constrained local government finance requiring major projects to review delivery method. EZ will raise profile and provide opportunity for greater investment.	Ensuring that spend to save funds together with prudential borrowing are available to enable such projects to be progressed. Failure to invest will damage future growth prospects.
13	Spending Review	The next spending review is due to take place following the general election. Given the current state of public finances, it is expected that the next three year settlement will also be tight.	Need to participate at a county, regional, and national level to make our case.
14	Termination of West Northampton Development Corporation	WNDC will be wound up in 2014. NBC and NCC are working with WNDC and CLG on successor arrangements.	The major projects being managed by WNDC will need ongoing support and resources, and NBC will need to work with NCC and CLG on transitional arrangements and ensuring that projects are adequately supported in delivery.