

Key Medium Term Financial Issues 2013/14 – 2015/16 Onwards

Ref	Issue	National Issues/Implications	Effect on Northampton Borough Council
1	Local Government Finance Review	Reform of local government finance to be implemented for the 2013/14 financial year	Additional funding risks (e.g. from appeals, development, displacement, etc.) falling on local authorities as an inherent part of the changes around retention of business rates in particular.
2	Welfare Reform	Linked to Local Government Finance Review – impacts on benefit claimants	<p>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.</p> <p>The implementation of welfare reform may have a detrimental impact on the Council as a landlord. If there are impacts on the Council relating to the non-payment of rent (either through the direct payment of rent rebates or through other changes which reduce the levels of revenue available to customers) this will have an impact on the HRA budgets and an on-going impact on the HRA business plan.</p>
3	Economic Climate	Ongoing Global Economic instability since October 2008 is expected to last several more years, with continuing austerity measures as a result. 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.
4	Formula Funding and Planning of budgets to match Council's projected funding	2013/14 settlement and 2014/15 draft settlement are 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.
5	Medium Term Planning	National push for better financial planning	Continued development, especially integration of policies, performance, and cost.

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6	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.
7	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 the decent homes grant for 2013/14 and 2014/15 being withdrawn.
8	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
9	Risks and Reserves	Recognising the financial risks of the potential local government financial and service position	See appendix 8
10	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 2013/14 and future years. This includes the impact in the change of the car parking policy of offering one hour free parking.
11	Major Projects	Constrained local government finance requiring major projects to review delivery method. The Enterprise Zone will raise profile and provide opportunity for greater investment.	Considering full implications of new funding sources before uptake. Strong financial governance. 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.
12	Spending Review	The next spending review is due to take place following the general election in May 2015. 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.
13	Termination of West Northampton Development Corporation	WNDC will be wound up in March 2014. NBC are working with partners including NCC, WNDC and CLG on arrangements post March 2014.	The major projects being managed by WNDC will need ongoing support and resources, and NBC is working with NCC, WNDC and CLG on ensuring that projects are adequately supported to ensure that they are delivered.