



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title	General Fund Revenue Budget and Capital Programme 2020/21 and Medium Term Financial Plan 2020/21 to 2023/24
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	19 February 2020
Key Decision:	YES
Within Policy:	YES
Policy Document:	YES
Directorate:	Management Board
Accountable Cabinet Member:	Cllr B Eldred
Ward(s)	NA

1. Purpose

- 1.1 To report the outcome of the consultation process on the 2020/21 general fund revenue and capital budget and the government funding settlement for 2020/21.
- 1.2 To agree Cabinet's proposals for recommendation to Council on 24 February 2020 for the 2020/21 general fund budgets and council tax level and the indicative levels for 2021/22 to 2023/24.
- 1.3 To outline the general fund capital programme and funding proposals for 2020/21 and future years.

2. Recommendations

- 2.1 That the feedback from consultation with the public, organisations and the Overview and Scrutiny and Audit Committees be considered and welcomed **(detailed at appendices 9, 10 and 11)**.

- 2.2 That the changes to the proposed budget (detailed at paragraph 3.2.6), in light of technical adjustments and the provisional local government funding settlement, be agreed.
- 2.3 That a general fund revenue budget for 2020/21 of £27.770m (excluding parishes, or £29.006m including parish precepts) be recommended to Council for its own purposes (detailed in paragraph 3.2.4 and **appendices 1 and 2**).
- 2.4 That the Council be recommended to increase the council tax for its own purposes (excluding county, police, fire and parish precepts) by £5.00 (2.21%) per year per band D property for 2020/21.
- 2.5 That the Council be recommended to approve the general fund capital programme and proposed financing for 2020/21, including the inclusion of schemes in the development pool, as set out in **appendix 4**.
- 2.6 That Council be recommended to confirm a minimum level of general fund balances for 2020/21 of £3.0m that reflects the risks being faced by the Council, with a prudent level of £4.0m included in the budget setting, and also note the position on earmarked reserves (**appendix 7**).
- 2.7 That authority be delegated to the Chief Finance Officer in consultation with the Cabinet Member for Finance, and where appropriate the relevant Head of Service and Cabinet Member to:
 - Transfer monies to/from earmarked reserves should that become necessary during the financial year.
 - Update prudential indicators in both the prudential indicators report and treasury strategy report to Council, for any budget changes that impact on these.
- 2.8 That the draft fees and charges set out in **appendix 8** be approved, including immediate implementation where appropriate.
- 2.9 That Council be recommended to approve the treasury management strategy (and associated appendices) for 2020/21 at **appendix 5** of this report.
- 2.10 That authority be delegated to the Council's Chief Finance Officer, in liaison with the Cabinet Member for Finance, to make any temporary changes needed to the Council's borrowing and investment strategy to enable the authority to meet its obligations.
- 2.11 That authority be delegated to the Chief Finance Officer to make any technical changes necessary to the papers for the Council meeting of 24 February 2020, including changes to the finance settlement and changes relating to council tax precepts set by other precepting bodies.

3. Issues and choices

3.1 Report background

- 3.1.1 The Council is required to set a balanced budget and its council tax for 2020/21 in February 2020. The proposals in this report have been developed by officers in consultation with Cabinet Members and Corporate Management Board.
- 3.1.2 Cabinet agreed a draft budget in December 2019 and the proposals within this have been subject to a period of public consultation and have been reviewed by both Audit Committee and Overview and Scrutiny Panel. The outcomes of these consultations are set out in **appendices 9, 10 and 11**.
- 3.1.3 The Cabinet report in December set out the national and local economic context and background to the sources of funding that underpin the budget and medium term financial plan.

3.2 Issues

3.2.1 Medium Term Financial Plan (MTFP)

The MTFP provides a forecast of the Council's expenditure and income over the next four years. This is set in the context of the proposed local government reorganisation and creation of a new unitary authority. Whilst this means that Northampton Borough Council may cease to exist in its current form beyond 2020/21, the budget set for that year must be sustainable. Therefore, forecasts are prepared for three financial years beyond 2020/21 on a no-change basis. These forecasts, detailed in **appendix 1**, include efficiency and other savings as well as growth requirements.

- 3.2.2 Savings proposals of £1.387m and growth proposals of £0.320m for 2020/21 are set out in **appendix 2**. Implementation of the proposed savings listed in **appendix 2** will enable the Council to set a balanced budget for 2020/21.

- 3.2.3 The MTFP forecasts further savings requirement of £1.502m in 2021/22 rising to £2.622m in 2023/24. The exact figure is subject to any changes to government funding and other changes to forecast budgets. These further savings can be achieved through the strands set out in the approved medium term financial strategy:

- Growth – realising the benefits of growth through the generation of additional business rate income and council tax.
- Partnerships – working with other local authorities, private sector and community partners to deliver high quality and cost effective front-line and support services.
- Use of IT/digital channels – to reduce transaction costs and increase staff productivity through the use of technology.
- Maximise income generation – ensure that income is maximised by setting charges at an appropriate level, as well as increasing demand through effective marketing.
- Review service and staffing structures – to ensure that these are fit for purpose and are appropriate to the Council's changing needs and priorities.

- Investment/commercial opportunities – realising opportunities to undertake appropriate investments that will generate a commercial return.
- Realise opportunities from new environmental services contract – the new contract will provide significantly improved quality and provide opportunities to reduce the costs involved in rectifying shortfalls in current service provision.

3.2.4 General fund revenue budget 2020/21

The proposed budget for 2020/21 is shown in **appendix 1** and summarised in the table below. A balanced budget has been achieved through the Council's prudent financial management and continued commitment to delivering efficiency savings.

Description	2020/21 £m
Service base budget	30.400
Proposed growth	(1.387)
Proposed savings	0.320
Corporate budgets*	(1.161)
Contribution from reserves	0.834
Net budget	29.006
Business rates	(9.306)
New homes bonus	(2.424)
Council tax	(17.251)
Collection fund surplus	(0.025)
Total funding	(29.006)
Savings to be identified	0

* This figure includes £1.236m of parish precepts

3.2.5 Changes to the budget since the December draft budget

The draft budget was approved by Cabinet in December 2019. Following the publication of the draft budget, the Ministry for Housing, Communities and Local Government has released the provisional local government finance settlement (on 20 December 2019). This did not contain any significant changes but has allowed some further refinement of the Council's forecast 2020/21 funding levels. The final 2020/21 settlement is expected to be laid before the House of Commons in February but has not yet been released at the time of writing of this report.

3.2.6 Further work and technical adjustments to the continuation budget and corporate budgets have also been carried out. A summary of all the changes to the budget since the publication of the draft budget are shown in the table below:

Summary of changes since Cabinet December 2019	2020/21 budget £m
Additional homelessness grant	(0.553)
Removal of Events saving option	0.010
Updated debt financing costs forecast	0.100
Increase contribution to reserves	0.492
Updated parish precept payment figures	0.066
Total changes to net budget	0.115
Changes to funding	
New homes bonus	(0.024)
Updated parish precept council tax income	(0.066)
Collection fund surplus	(0.025)
Total changes to funding	(0.115)

3.2.7 Council tax

As part of the local government finance settlement, the Secretary of State has set a referendum trigger for 2020/21 of a 2% or £5.00 increase (whichever is greater) in the band D equivalent council tax, which will apply for all lower-tier (district and borough) councils.

3.2.8 The draft budget for 2020/21 proposed an increase in council tax at this referendum trigger level. This will be an increase of £5.00 (or 2.21%) per year, or 9.6p per week, for an average band D property. It is recommended that Cabinet recommend this increase to Council.

3.2.9 Northampton Borough Council's 2020/21 tax base of 69,376.28 band D equivalent properties was agreed by Council at their meeting of 20 January 2020.

3.2.10 The average band D council tax (excluding parishes) for the last 5 years is shown in the table below. Note that due to the fire functions of Northamptonshire County Council being transferred to the Northamptonshire Commissioner Fire & Rescue Authority from 1 January 2019, a notional amount of £59.00 was split out from the County Council amount for 2018/19 and allocated to the new Fire Authority.

Preceptor	2016/17 £	2017/18 £	2018/19 Actual £	2018/19 Notional £	2019/20 £	2020/21 £
Northampton Borough Council	207.91	212.91	219.28	n/a	225.84	230.84
Northamptonshire County Council (NCC)	1,089.87	1,111.87	1,146.63	1,087.63	1,146.38	TBC
NCC Adult Social Care Precept	21.38	54.72	89.72	89.72	89.72	TBC
Northamptonshire Fire & Rescue Authority	n/a	n/a	0.00	59.00	60.76	TBC
Northamptonshire Police & Crime Commissioner	204.96	209.04	221.04	n/a	245.04	TBC
Total	1,524.12	1,588.54	1,676.67	1,676.67	1,767.74	TBC

3.2.11 Special expenses

The Council charges special expenses to its residents as part of its council tax charge. Special expenses relate to expenditure deemed solely to apply to a part of the borough where precepting authorities in other parts of the borough have chosen to precept and supply the same service separately. These are known as concurrent services.

3.2.12 Northampton Borough Council charges special expenses for the maintenance of its smaller parks and open spaces as this service is also carried out by parish councils in some areas. Because these smaller parks and open spaces are not evenly distributed across the borough, the special expense charge (unlike the main council tax element) differs across the parishes of the borough.

3.2.13 The basic mechanism is to deduct the relevant expenditure from the total council tax applying to the total tax base, and then re-apply that expenditure over the parishes affected. This means that residents in different parts of the borough will pay different amounts according to the distribution of parks and open spaces across the borough. See **appendix 6** for further details and explanation of special expenses.

3.2.14 Capital strategy

The draft capital strategy is attached as **appendix 3**. There have been the following minor changes since this was reported to Cabinet with the draft budget in December:

- Requirement for all schemes over £100k to go to Corporate Management Board for approval.
- Additional section on investment properties added.

3.2.15 The aim of the capital strategy is to provide a clear framework for capital funding and expenditure decisions. This is in the context of the Council's vision, values, objectives and priorities, financial resources, and spending plans. The capital programme is designed to support the delivery of the Council's priorities as set out in the corporate plan. It takes into account proposed changes to CIPFA's prudential code and the latest minimum revenue provision guidance from central government.

3.2.16 The strategy supports the development of an approved capital programme that shows the Council's commitment to maintaining and improving its capital stock and infrastructure. This in turn underpins the delivery of high quality and value for money services and helps to secure a better environment for the people of Northampton.

3.2.17 General fund capital programme 2020/21 to 2023/24

The draft general fund capital programme and funding for the next four years is detailed in **appendix 4** and summarised in the table below. The value of the proposed programme for 2020/21 is £47.6m. Proposed new schemes include enhancements to parks and sports facilities, car park improvements, replacement of footbridges and the upgrade of IT assets.

Description	2020/21 budget £m
Ongoing schemes in the current approved capital programme	7.050
Schemes in the current development pool awaiting formal approval	37.900
New proposals	2.621
Total general fund capital programme	47.571
Funding source:	
Grants and contributions	3.589
S106 funded schemes	0.318
Self-funded schemes	12.150
Borrowing	31.514
Total Funding	47.571

3.2.18 The proposed capital programme would require funding from a variety of sources. The revenue impact of borrowing is reflected in the debt financing budget and the treasury management strategy and prudential indicators.

3.2.19 Further significant schemes supporting the achievement of the medium term financial strategy may be brought into the capital programme over the next 12 months, supported by robust capital appraisals and business cases.

3.2.20 Earmarked reserves and general fund balances

Earmarked reserves are held to mitigate against specific risks and future spending pressures. They are reviewed on an ongoing basis, but specifically as part of the budget process and again at the closure of accounts. Contributions to and from reserves will be adjusted for future years as the forecasts of government funding are updated.

3.2.21 General fund reserves as at 1 April 2019 stood at a total of £30.4m. A breakdown is shown in the table below:

Reserves	Balance at 1 April 2019 £m	Purpose
Service specific earmarked reserves	1.6	To cover specific known spending commitments
Corporate earmarked reserves	19.7	Held to mitigate against corporate risks and to fund future funding pressures
Technical reserves	5.0	To deal with technical accounting differences across financial years
Minimum level of general reserves	4.0	To cover general unquantified risks
Total general fund reserves	30.4	

3.2.22 The forecast balances on earmarked reserves are set out in **appendix 7**.

3.2.23 As part of the budget process the Council determines a prudent minimum level of general fund balances to hold against general risks. This minimum level is designed to cope with unpredictable circumstances, which cannot be addressed by management or policy action within the year. The risk assessed minimum level of general fund balances for 2020/21 is £3.0m and reflect the risks being faced by the Council, with a prudent level of £4.0m included in the budget setting. This is the same level as in 2019/20. The risks assessed in respect of housing related services is reflected in the prudent level of £4.0m with an absolute minimum of £3.0m.

3.2.24 Robustness of estimates and adequacy of reserves

The Local Government Act 2003 places a duty on the Chief Finance Officer to comment on ‘the robustness of the estimates’ included in the budget and the adequacy of the reserves for which the budget provides. This is subject to a separate report to this Cabinet meeting.

3.2.25 Fees and charges

The draft schedule of fees and charges for 2020/21 is attached at **appendix 8**. The Cabinet is recommended to agree the fees and charges that have been reflected in the budgeted income figures. These figures have been reviewed through the medium term planning process and updated where feasible.

3.2.26 Treasury management strategy

The treasury management strategy 2020/21 at **appendix 5** sets out the Council’s policy for its debt and investment portfolios over the next financial year. It is reviewed annually and reported to Cabinet and Council as part of the budget setting process. The purpose of the strategy is to establish the framework for the effective and efficient management of the Council’s treasury management activity, including the Council’s investment portfolio, within legislative, regulatory, and best practice regimes, and balancing risk against reward in the best interests of stewardship of the public purse. The resources

required to deliver the Council's treasury management strategy and policies over the next five years are incorporated into the Council's HRA and general fund revenue budgets.

3.2.27 Next steps

The Council meeting on 24 February 2020 will consider the recommendations of this Cabinet in relation to the expenditure and tax proposals that relate to the Council's own spending.

3.2.28 In addition to the Council's own council tax, there are separate council taxes for the county, police authority, fire authority and the parishes. Not all of these precepting bodies may have set their council taxes at the date of the Cabinet report being written, with the result that these will be reported to the Cabinet if known by that date and at Council on 24 February 2020 in any event.

3.3 Choices (options)

3.3.1 It is recommended that Cabinet make the recommendations to Council as detailed in section 2 of this report, taking into account the items detailed for noting.

3.3.2 The Cabinet may choose to make amendments to the proposed budgets or to the proposed council tax increase and adjust the budget proposals accordingly, in consultation with the Chief Executive and the Chief Finance Officer. It would then recommend the amended budget and council tax (if applicable) to Council.

4. Implications (including financial implications)

4.1 Policy

4.1.1 The revenue and capital budgets are set in support of the Council's priorities and within the context of the medium term financial strategy and capital strategy.

4.2 Resources and risk

4.2.1 The resource implications are detailed throughout the report and appendices.

4.2.2 The robustness of the estimates and adequacy of the Council's reserves are subject to a separate report.

4.2.3 A report on risks and the 2020/21 budget was also considered by the Audit Committee at its meeting on 6 February 2020.

4.3 Legal

4.3.1 The Council must set a balanced budget for the next financial year by midnight on 11 March 2020 (Local Government Finance Act 1992 section 32 (10)). Failure to do this would leave the Council potentially vulnerable to court action by way of judicial review. Delay in sending out council tax demands would result in losses being incurred by the Council.

- 4.3.2 The Council has a legal duty with regard to assessment of the impact of its activities, including financial decision making, with regard to the Public Sector Duty of Equality (“PSED”) imposed upon local authorities at section 149 of the Equality Act 2010, which mandates that Local Authorities must have due regard to;
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act
 - advance equality of opportunity between persons who share a relevant protected characteristic in that Act and persons who do not share it and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 4.3.3 Failure to comply with this duty could potentially present an increased risk of a challenge to these proposals, and the Council’s budget in general, in the High Court.

4.4 Equality and health

- 4.4.1 Each of the medium term planning options submitted have been considered taking into account the statutory PSED at section 149 of the Equality Act 2010.
- 4.4.2 Compliance with the PSED is an ongoing process with regard to the budget setting process and financial management generally. No problematic impacts have been identified so far. If Cabinet decides to recommend that the proposals are adopted at full Council, any potentially problematic impacts that are identified as part of the ongoing process will be reported to full Council, as well any proposed amendments to mitigate that impact, in compliance with the requirements of the PSED.

4.5 Consultees (internal and external)

- 4.5.1 Public consultation on the 2020/21 draft budget was launched on the 16 December 2019. This included an online consultation questionnaire that was open until 31 January 2020. Paper questionnaires were also available on request. In addition, a public meeting was held on 27 January 2020. The consultation period will formally close on the date that the budget is approved by Council in February 2020.
- 4.5.2 A summary of the results of the public consultation are reported at **appendix 9**.
- 4.5.3 Overview and Scrutiny Committee reviewed the budget proposals at its meeting on 9 January 2020. The views of the Overview and Scrutiny Committees are reported in an extract of the minutes of that meeting in **appendix 10**.
- 4.5.4 Audit Committee reviewed the budget proposals from a risk perspective on 6 February 2020. An extract of the minutes of that meeting are at **appendix 11**.

4.6 How the proposals deliver priority outcomes

- 4.6.1 The budget is a key ingredient of effective financial governance, which contributes to the priority of “spending your money wisely”. More broadly, the

Council's budget is the financial representation of the Council's priority outcomes.

4.7 Environmental implications (including climate change issues)

4.7.1 Any potentially negative environmental impacts, especially with regard to climate change issues, were considered as part of each of the medium term planning options submitted. The proposals in this report have been formulated so as to avoid any negative environmental impact.

4.8 Other implications

4.8.1 None not already covered above.

5. Background papers

5.1 No background papers.

5.2 Appendices:

1. Proposed general fund revenue summary 2020/21 to 2023/24
2. General fund savings and growth options 2020/21
3. Capital strategy 2020/21
4. Proposed general fund capital programme and financing 2020/21 to 2023/24
5. Treasury management strategy 2020/21
6. Special expenses
7. General fund reserves forecast
8. Draft fees and charges 2020/21
9. Consultation – public consultation
10. Consultation – Overview and Scrutiny Committee
11. Consultation – Audit Committee

George Candler, Chief Executive
Stuart McGregor, Chief Finance Officer

General Fund Revenue Budget and Capital Programme 2020/21
and Medium Term Financial Plan 2020/21 to 2023/24:

Appendix 1

Proposed general fund revenue summary 2020/21 to 2023/24

Description	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
	£	£	£	£
Service Base Budget	30,400,475	30,930,272	31,297,941	31,742,733
Total Savings	(1,387,000)	(1,387,000)	(1,387,000)	(1,387,000)
Total Growth	320,000	300,000	300,000	300,000
Total MTP Options	(1,067,000)	(1,087,000)	(1,087,000)	(1,087,000)
Gross Revenue Budget	29,333,475	29,843,272	30,210,941	30,655,733
Corporate Budgets				
Debt Financing	2,153,423	2,736,901	2,903,930	3,058,364
Recharges from General Fund to HRA	(2,650,000)	(2,650,000)	(2,650,000)	(2,650,000)
Parish Grants	(18,652)	(18,652)	(18,652)	(18,652)
Parish Precepts	1,236,759	1,170,692	1,170,692	1,170,692
Other Corporate Budgets	(1,883,000)	(854,000)	(678,000)	3,364,000
Contribution to/(from) Earmarked Reserves	834,480	(724,408)	(551,000)	(4,555,000)
Total Corporate Budgets	(326,990)	(339,467)	176,970	369,404
Net Budget	29,006,485	29,503,805	30,387,911	31,025,137
Funding				
Business Rates Baseline	(6,868,442)	(6,870,000)	(6,870,000)	(6,870,000)
Other Business Rates elements	(2,438,053)	(2,590,000)	(2,690,000)	(2,790,000)
New Homes Bonus	(2,423,755)	(846,273)	(554,741)	0
Total Government Funding	(11,730,250)	(10,306,273)	(10,114,741)	(9,660,000)
Council Tax				
Band D Council Tax	230.84	235.84	240.84	245.84
Tax Base	69,376	70,070	70,771	71,478
NBC Council Tax	(16,014,582)	(16,525,078)	(17,044,182)	(17,572,016)
Parish-related Council Tax	(1,236,759)	(1,170,692)	(1,170,692)	(1,170,692)
Total Council Tax	(17,251,341)	(17,695,770)	(18,214,874)	(18,742,708)
Surplus on Collection Fund	(24,894)	0	0	0
Total Funding	(29,006,485)	(28,002,042)	(28,329,615)	(28,402,708)
Budget Gap	0	1,501,763	2,058,296	2,622,429

General fund savings and growth options 2020/21

Head of Service	Key service area	MTP Reference	MTP description	Savings / growth (£000)			
				2020/21	2021/22	2022/23	2023/4
			Savings options				
C&C	Commercial Services	S01	Environmental Protection Business support. Income generation by increasing the provision of charged for services. Potential to expand provision of some primary authority advice in respect to environmental protection. Officers already provide pre-application advice in relation to noise, air quality, contaminated land and odour control to applicants for planning permission. It is possible to charge for this service on a full cost recovery basis.	-25	-25	-25	-25
C&C	Commercial Services	S02	Food and safety Business Support. Income generation by increasing the provision of charged for services. Currently the Council provides business support to four companies through the primary authority scheme. This work is carried out on a full cost recovery basis. There is opportunity to expand this service through additional partnerships with businesses operating in the area.	-25	-25	-25	-25
C&C	Digital Team	S03	Saving resulting from sharing resources with the LGR project team.	-40	-40	-40	-40
C&C	Environmental Services Core Contract	S04	The Environmental Services Contract is multi-faceted, providing refuse/recycling collections, street and environmental management along with allotments, cemeteries and public conveniences. Various options are being drawn up to reduce existing costs.	-200	-200	-200	-200
CFO	Information Technology	S05	Efficiency reduction in managed ICT budget	-50	-50	-50	-50
CFO	LGSS	S06	Reducing contract costs in conjunction with Shared Service provider	-90	-90	-90	-90
CEO	Community and Other Grants	S07	Reduction in grants funding. Includes Small Grants scheme and members grants.	-90	-90	-90	-90

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Head of Service	Key service area	MTP Reference	MTP description	Savings / growth (£000)			
				2020/21	2021/22	2022/23	2023/4
			Savings options				
EAC	Estates Management	S08	Increase in Commercial Property income, through rent reviews and planned acquisitions	-300	-300	-300	-300
EAC	CCTV	S10	Efficiency measure to reduce the number of fibre lines used	-20	-20	-20	-20
EAC	Car Parking	S11	Deletion of vacant post	-22	-22	-22	-22
EAC	Facilities Management	S12	Deletion of vacant post	-37	-37	-37	-37
EAC	Facilities Management	S13	Deletion of vacant post	-27	-27	-27	-27
EAC	Facilities Management	S14	Postage and print savings. Electronic transfer of mail to central hub for printing, enveloping and dispatch, with the option for customers to opt into an e-mail or texted version of the information and a push towards this methodology.	-40	-40	-40	-40
EAC	Markets	S15	Review of market operations	-50	-50	-50	-50
H&W	Housing Advice and Options	S16	Additional saving in the net cost of temporary accommodation	-40	-40	-40	-40
H&W	Housing Advice and Options	S17	Deletion of vacant post within Housing Service	-30	-30	-30	-30
H&W	Housing Advice and Options	S18	Delete the vacant part time post Landlord Liaison team	-25	-25	-25	-25
BS	Councillor & Managerial Support	S19	A reduction in the Member training budget	-3	-3	-3	-3
BS	Borough Secretary Group	S20	Restructure of posts within Borough Secretary Group	-78	-78	-78	-78
BS	Electoral Services	S21	Electoral Services postage cost reduction. The method of the annual canvass is due to change in 2020. Initially the electoral register data will be electronically matched with council tax. Any properties/electors who match do not need to have a form sent out.	-13	-13	-13	-13
BS	Legal	S22	Review and increase the amount of fees charged to external companies for commercial property and planning S106 agreements.	-5	-5	-5	-5

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Head of Service	Key service area	MTP Reference	MTP description	Savings / growth (£000)			
				2020/21	2021/22	2022/23	2023/4
			Savings options				
BS	Democratic Services	S23	Reduction in printing costs through 'paper light committees'	-5	-5	-5	-5
PLA	Building Control	S24	Building control increased income from building regulation charges	-12	-12	-12	-12
PLA	Development Control	S25	Deletion of vacant post	-27	-27	-27	-27
PLA	Development Control	S26	Efficiency reduction of professional services budget	-30	-30	-30	-30
PLA	Development Control	S27	Increase pre-application fee income	-20	-20	-20	-20
PLA	Head of Planning	S28	Removal of advertising publicity budget	-10	-10	-10	-10
PLA	Planning Policy & Heritage	S29	Deletion of vacant post	-38	-38	-38	-38
PLA	Planning Policy & Heritage	S30	Joint working efficiency savings through working with other organisations	-35	-35	-35	-35
			Total savings	-1,387	-1,387	-1,387	-1,387
			Growth options				
C&C	Environmental Services Core Contract	G01	The Environmental Services Contract provides for tree maintenance but the amount of actual tree maintenance is limited by budget, by increasing the budget by 10K, it is hoped that increased works can be undertaken thus improving the local environment.	10	10	10	10
EAC	Property Maintenance	G02	Asset maintenance. To improve the information held on NBC assets, condition and structural data. Including bridges, monuments and large structures. To deliver improved maintenance and management of the NBC assets.	200	200	200	200
EAC	Economy, Assets & Culture	G03	Increase budget for feasibility, design and development works, recognising more regeneration projects and schemes are being brought forward.	90	90	90	90
PLA	Planning	G04	Sustainability action plan	20	0	0	0
			Total growth	320	300	300	300
			Net total budget options	-1,067	-1,087	-1,087	-1,087

Northampton Borough Council

Draft Capital Strategy 2020 to 2024

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INTRODUCTION AND CONTEXT

Capital expenditure represents major investment in new and improved assets such as land, buildings, infrastructure, equipment and information technology. It therefore plays a key part in the provision and development of the Council's services.

The aim of the capital strategy is to provide a clear framework for capital funding and expenditure decisions. This is in the context of the Council's vision, values, objectives and priorities, financial resources, and spending plans. The Capital Programme is designed to support the delivery of the Council's priorities as set out in the Corporate Plan. It takes into account proposed changes to CIPFA's Prudential Code and latest Minimum Revenue Provision guidance from central government.

The high level strategic objectives of the capital strategy are included in the approved Medium Term Financial Strategy in order to reinforce the links and overlaps between capital and revenue, and the need to have a mind to both in decision making.

The strategy supports the development of an approved capital programme that shows the Council's commitment to maintaining and improving its capital stock and infrastructure. This in turn underpins the delivery of high quality and value for money services and helps to secure a better environment for the people of Northampton.

OVERARCHING STRATEGY

The Council's capital strategy is to deliver a capital programme that:

- Contributes to the Corporate Plan, and the Council's vision, values, strategic objectives and priorities
- Is closely aligned with the Council's Asset Management Plan
- Supports service-specific and other NBC plans and strategies
- Is affordable, financially prudent and sustainable, and contributes to achieving value for money

In prioritising the capital programme, particular emphasis will be given to schemes that:

- Achieve the Council's priorities
- Improve the town and its environment and facilities
- Improve performance against national and local targets
- Improve efficiency and effectiveness in service delivery, including through partnership working
- Generate or increase income streams
- Promote effective asset management, including DDA and health & safety issues

SOURCES OF CAPITAL FUNDING

Under the Council's capital funding strategy, funding streams are allocated in the following order. Cabinet may make changes to the funding strategy where necessary to deliver capital schemes that are key to delivering the Council's agreed priorities:

Hypothecated funding

Funding linked directly to a specific scheme, such as grants, third party contributions (including Section 106 contributions) and revenue contributions, is allocated 100% to the relevant scheme. Schemes funded by external grants and contributions will not commence until such funding is definitely secured. The conditions attached to grants and contributions vary according to the particular grant. Some will fund the full cost of the scheme, others just a percentage, with the local authority having to fund the balance. Most, but not all, grants are time-limited. Government grants tend to be focused towards central government priorities.

Self-funded borrowing

Where the capital investment itself will produce revenue savings or additional income, which is sufficient to cover the cost of borrowing to fund the investment. This could include development of, or improvements to, the Council's own assets where the

Council's borrowing costs are offset by income from leasing the assets to a partner provider such as the Northampton Partnership Homes (NPH).

Business Rates Uplift

Capital improvements within the Enterprise Zone may be funded by borrowing which will eventually be repaid through the increase in business rate income flowing from new or expanded businesses. The borrowing is undertaken via the South East Midlands Local Enterprise Partnership (SEMLEP) through the Growing Places Fund or Local Infrastructure Fund. This is to manage the timing difference between the investment in the Enterprise Zone and the consequent increase in business rates.

Where necessary any gap will be managed by NBC undertaking borrowing from the Public Works Loan Board (PWLB).

Revenue and Capital Reserves

The Council has, as part of its overall financial strategy, set aside reserves in order to provide additional capital funding. The Delivering the Efficiency Plan Reserve was created in October 2016 to support any project that delivers efficiency savings and/or additional income over the medium term. This may include funding of capital expenditure where this supports these aims.

Revenue Contributions

In the past revenue contributions have been a fairly minor source of capital financing for the Council due to pressures on the revenue budget. They are, however, sometimes used to top up small shortfalls in the funding required for a particular scheme.

Capital Receipts

Capital receipts are derived from asset sales. These could include income to the Council as lessor from finance leases.

General Fund (GF) asset sales come from a variety of sources. Generally speaking, 100% of GF asset sales (after any 'clawback', for example from the Homes and Communities Agency) can be used to support capital expenditure. Sometimes the asset sale is linked directly to a capital project, for example in a relocation scheme. More often, GF asset sales relate to surplus assets that are held corporately and are not specific to a scheme.

General Fund capital receipts are not allocated or committed prior to receipt or certainty that they will be received, unless inextricably linked to a specific project. General Fund capital receipts received during the year will be taken into account as a potential funding source for new schemes or variations in the relevant financial year or the following financial year, subject to revenue budget considerations e.g. debt financing budget implications.

Prudential Borrowing

Prudential Borrowing will be used to fund capital investment if the cost of the borrowing is affordable within the overall General Fund revenue projections. This will be the funding source of last resort as it does result in ongoing revenue costs, i.e. MRP (see below) and interest.

Under the Local Government Act 2003 councils operate within the rules contained in the 'Prudential Code'. These allow local authorities to set their own limits with regard to borrowing undertaken to support capital expenditure. Borrowing may be undertaken, provided that it is, and can be shown to be, prudent, affordable and sustainable. This method of financing capital expenditure is called "prudential borrowing".

In order for borrowing to be prudent, affordable and sustainable, there must be an identifiable, long-term source of revenue funding for the associated revenue (debt financing) costs. Ideally this will come from revenue savings or additional income arising directly from the capital scheme. For example, refurbishment of a building may generate maintenance and/or energy savings, or the building of a car park could generate income through charges. The cost of this "self-funded" borrowing should be borne by the service that uses the asset.

Where there is no additional income or cost saving, i.e. the capital scheme is to meet corporate priorities and support the growth and improvement of the Borough, then the cost of borrowing will be recognised as a cost to the General Fund.

In some circumstances the Council will provide loans to other organisations, such as to the University of Northampton to part-fund the new campus development. This is treated as capital expenditure and funded through borrowing.

Minimum Revenue Provision (MRP)

The Council is required to make provision for the principal repayment of borrowing. Prior to 2007-08 the Council was required by statute to provide for the repayment of a minimum amount of 4% of General Fund debt principal each year. This debt repayment is known as the Minimum Revenue Provision (MRP).

The Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008, which came into force in February 2008, require the Council to make instead 'prudent provision' for the repayment of debt. A number of options for prudent provision are set out in the regulations. The underlying principle is that the repayment of debt should be aligned to the useful life of the asset or assets to which it relates.

The authority is required, under the new regulations, to prepare an annual statement of their policy on making MRP for submission to Council. The Council's policy statement on MRP is set out in the annual Treasury Strategy, which is agreed by Council during Feb/March each year.

In Year Changes

Underspends on GF schemes may not be automatically diverted to other schemes. This will be considered against the demands of the programme as a whole. The only call on capital receipts during the year would be for unforeseen high priority emergency capital works that cannot be financed from alternative sources. Agreement will be through the normal channels – that is the submission of a project appraisal or variation to Management Board and, if required, Cabinet.

The funding strategy is used to determine the allocation of funding to the programme at the start of the year and throughout the year. Depending on the timing and restrictions of the funding streams, the most appropriate funding will be used at the year end. The Finance Team, under the direction of the Chief Finance Officer, will apply the available funding to the outturn expenditure in line with the best interests of the Council.

HRA Capital Funding

The balance of funding of capital investment in the Council's housing stock and associated assets is determined through the HRA business plan. This provides a 30-year forecast of the management, maintenance and capital investment needs and resources available.

- Usable capital receipts from the sale of council housing stock under right to buy, as well as sale of other HRA assets, are directed at the HRA capital programme in order to meet and maintain the Northampton Standard.
- Major Repairs Reserve - In line with the statutory requirement, the Major Repairs Reserve is entirely earmarked for HRA capital expenditure on the Council's housing stock.
- Revenue – under the self-financing regime the HRA is forecast to have an amount of revenue available each year to part-fund the capital programme.
- Borrowing – there is scope for prudential borrowing within the HRA, with the removal of the HRA debt cap.

Revenue Implications of Capital Projects

The revenue implications of capital projects are identified through medium term planning and the capital appraisal process, and fed into the Council's medium term revenue budget to ensure that all revenue implications are taken into account.

Through the Asset Management Plan an appropriate balance of funding is determined between capital investment and repairs and maintenance. This is kept under regular review.

PROGRAMME BUILD

The Council agrees its capital programme on an annual basis in February immediately preceding the start of each financial year. The agreed programme consists of:

- A firm and fully funded programme for the following year. This includes continuations from previous years as well as new starts in year
- Continuation schemes and forecasts for the subsequent 4 years
- Development Pool – includes schemes for which costs require refinement. These schemes will be moved into the approved programme once this additional work is satisfactorily completed and appropriate approvals obtained.

A business case will be required for all schemes over £100k before projects can be moved into the approved capital programme.

Within the available funding envelope, projects are prioritised for inclusion in the capital programme based on the extent to which they contribute to the achievement of corporate priorities. Bids for inclusion are supported by capital appraisals – these must demonstrate that the project provides an effective and value for money solution, and that all possible sources of external funding have been sought.

In addition to specific capital schemes the programme includes a number of “Block Programmes”. Specific projects within these blocks are agreed during the year following the receipt of capital appraisals and the appropriate approvals.

A draft capital programme is prepared for Cabinet in December and is then subject to public consultation alongside revenue budgets. Final decisions are made by Full Council in February.

GOVERNANCE ARRANGEMENTS

Approval process

A detailed approval process is included on the NBC intranet.

In Year Appraisals and Variations

In addition to the approvals outlined below, all new in-year capital schemes must be supported by a capital appraisal and, for schemes over £100k, a full business case. Any changes to existing schemes will require completion of a variation form. The funding for the project must be identified at this stage. Where there is no additional funding to support the bid, resources must be identified from within the existing programme.

Project Managers must consult the nominated contact in LGSS Finance to ensure forms are completed correctly and expenditure meets the definition of capital. The LGSS tax team will also need to check that any VAT or other tax implications are properly taken into account.

Delegation Levels for Appraisals and Variations

Schemes valued in excess of £100k (including in-year variations where the total project value exceeds £100k) must be approved by Corporate Management Board (CMB) to ensure full oversight and affordability of the approved capital programme.

Fully Funded Schemes

Capital schemes of any value can be approved by the Chief Finance Officer (CFO) if they are **fully** funded by section 106, external grants or other contributions, or **fully** funded by additional income or revenue savings. This delegated approval is subject to consultation with Cabinet Members if more than £100k.

Other Schemes

These limits apply to General Fund schemes. Changes to the HRA capital programme can be agreed in line with the NPH partnership agreement.

Below £100k – Approval by CFO

£100k to £250k – Approval by CFO, after consultation with the Cabinet Member for Finance and relevant Cabinet Member(s). As outlined above, CMB approval will also be required.

Over £250k – Approval by CMB and Cabinet required

All changes to the capital programme approved under delegation will be reported to Cabinet via the Finance Monitoring report.

In signing the appraisal form the relevant Director is confirming that the Cabinet Member (Portfolio holder) has been consulted.

Block Programmes

The capital programme includes block programmes for improvements to regeneration areas, parks/allotments, operational buildings and commercial landlord responsibilities.

Approval for individual schemes within these blocks should be sought through the submission of a capital appraisal by the relevant project manager, with final approval through CMB for schemes in excess of £100k and Cabinet approval for schemes over £250k.

Urgent Approvals

Due to their long-term nature, capital investment decisions should be carefully considered. LGSS Finance should be consulted as soon as a scheme is under consideration and a capital appraisal form completed. In the vast majority of cases

this will allow schemes to be considered and approved through the usual process as outlined above.

In the rare circumstance where urgent approval is required, this can be secured via e-mail from the Chief Finance Officer. An approved capital appraisal form will still be required. CMB approval will also be necessary for projects over £100k. If the scheme is more than £250k then Cabinet approval will still be required. Approvals from CMB / Cabinet can be obtained retrospectively in the case of time-critical projects.

MONITORING THE CAPITAL PROGRAMME

Project management & monitoring

Project managers are responsible for the proper and effective control and monitoring of their projects, including financial monitoring.

This includes ensuring that:

- Only capital expenditure is charged to the capital project
- Only expenditure properly attributable to the scheme is coded to the scheme
- The scheme expenditure is contained within the agreed budget, and that any 'unavoidable' variations are dealt with appropriately
- Realistic expenditure profiles are determined
- A realistic forecast outturn for the financial year and the project as a whole are calculated and kept under regular review. Changes must be input into Agresso Planner on a monthly basis, along with clear explanations for any variation
- Any proposed carry forward from current to future years is identified and added to Agresso Planner
- Any grants or third party funding is applied for and all grant conditions met
- The source of any revenue funding is identified

Project managers are also responsible for carrying out project reviews following scheme completion. This is an area of work that the Council is developing, the Finance Team will request information on completed projects as part of their ongoing monitoring role.

Directorate Management Teams

Each Service Management Team is responsible for ensuring they receive and review reports on the capital expenditure position for their services and that any appropriate corrective action needed to address any monitoring issues is agreed and implemented.

LGSS Finance

Nominated Finance Business Partners within the Finance Team are responsible for providing support and advice to assist project managers in managing and monitoring

their capital budgets. The team also has a key role in consolidating and co-ordinating the monitoring information that is required for reporting purposes. This involves reporting to Service Management Teams, Management Board and Cabinet. The nominated senior lead in the LGSS Finance team is responsible for ensuring that the agreed programme is fully and appropriately financed at all times.

Capital Programme Monitoring

The capital programme position is reported to Management Board on a monthly basis throughout the year, commencing from period 2 (end of May). Regular reporting to Cabinet forms part of the overall Finance Monitoring report and covers the latest programme and any amendments to be notified or approved, expenditure to date, and the forecast outturn. It also outlines the financing position and any steps needed to deal with potential financing difficulties.

At year-end, an outturn report and carry-forward report are taken to Cabinet. These will include an analysis of proposed carry forward to the following year, including the reasons for that carry forward and how it is to be financed.

RISK MANAGEMENT

Any significant risks associated with specific projects are identified in the capital appraisal form. General risks in relation to the overall capital programme are managed through the Finance Team in conjunction with individual Project Boards:

Risk	Mitigation
Project Overspend	Project managers update financial forecasts on a monthly basis. Any forecast overspend must be dealt with immediately – identifying savings elsewhere within the programme or alternative sources of funding.
Project Slippage	Any forecast carry forwards are also identified on a monthly basis. The impact of these carry forwards on the associated funding is reflected in the overall monitoring reported to Management Board.
Capital receipts – delay or non-receipt	As part of the funding capital receipts are not allocated or committed prior to receipt or certainty that they will be received

ASSET MANAGEMENT

Council Assets

The Council owned property, plant and equipment assets with a total net book value of £719m at March 2018. Council assets included around 11,400 council dwellings, and 925 hectares of parks and open spaces.

The Asset Management team will identify any property assets that are surplus, i.e. no longer required for the delivery of Council services, and make recommendations to Cabinet for disposal in order to generate capital receipts.

NON-FINANCIAL INVESTMENTS – INVESTMENT PROPERTIES

Treasury Management investments (or financial investments) arise from receiving and holding cash resources before it is paid out again to support service delivery and the capital programme. The Treasury Management Strategy includes the formal Investment Strategy which outlines the risk and governance arrangements applied in managing these funds. The Council's primary objective when undertaking treasury management investments is to strike an appropriate balance between security of capital invested and availability/liquidity of funds to meet its financial commitments, then to earn a return. The Council maintains diversity of its treasury management investments as a means of limiting exposure to credit risk and ensuring it holds sufficient liquidity. For short-term treasury management investments, a range of unsecured certificates of deposit, money market funds and loans to other local authorities will be primarily utilised. For longer-term treasury management investments, higher yielding asset classes and/or more secure (collateralised/asset-backed) options are sought.

Non-financial investments are non-financial assets that the organisation holds primarily or partially to generate a profit. This will usually be a physical asset that can be released to recoup the capital invested. Where financial return is the main investment objective, the Council may be willing to accept a different risk profile than it would with treasury management investments. Non-financial investments are part of the Council's Capital Strategy and included here.

The Council also owns a number of commercial properties and agricultural land used to generate income. These "investment properties" are kept under review to ensure that they continue to generate a good return – if not they will be considered for disposal. The Council will also seek opportunities to invest in additional property assets to generate a financial return and support the growth and regeneration of the Borough.

Northampton Borough Council will purchase investment properties through the approved General Fund Capital Programme the rental streams generated from the investment properties will be used to pay borrowing costs with the remainder used to fund council services.

The approval for the purchase of investment properties will be in line with the approvals outlined in this strategy. Robust businesses cases should be provided, including detailed financial breakdown of the investment and a risk assessment.

General Fund Revenue Budget and Capital Programme 2020/21
and Medium Term Financial Plan 2020/21 to 2023/24:
Appendix 4

Capital programme 2020/21 to 2023/24

General Fund Capital Programme	Directorate	Funding source	Scheme Budget pre 2020-21	Indicative				Scheme Total
				2020-21	2021-22	2022-23	2023-24	
				£	£	£	£	
Ongoing schemes in the current Capital Programme								
Vulcan Works	EAC	G,C,S-F	9,467,300	4,472,600				13,939,900
Market Stall Covers	EAC	C	20,000	20,000				40,000
Capital Improvements - Regeneration Areas	EAC	C	333,000	50,000	50,000	50,000	50,000	533,000
Commercial Landlord Responsibilities	EAC	C	59,400	50,000	50,000	50,000	50,000	259,400
Disabled Facilities Grant	Housing	G	1,778,400	1,457,200	1,457,200	1,457,200	1,457,200	7,607,200
Environmental Services Vehicles	C&C	C	657,500	262,200	190,800	262,200	262,200	1,634,900
IT Infrastructure	CFO	S-F	138,300	150,000	150,000	150,000	150,000	738,300
Operational Buildings - Enhancements	EAC	C	579,500	250,000	250,000	250,000	250,000	1,579,500
Parks/Allotments/Cemeteries Enhancements	C&C	C	319,200	250,000	250,000	250,000	250,000	1,319,200
Revenues and Benefits Capital Investments	CFO	C	306,400	14,900	14,900	14,900		351,100
Upton Country Park	EAC	G	2,085,000	53,000				2,138,000
Car Park Machines	C&C	C	40,000	20,000	20,000	20,000		100,000
Total schemes in current capital programme (ongoing into future years)			15,784,000	7,049,900	2,432,900	2,504,300	2,469,400	30,240,500

General Fund Revenue Budget and Capital Programme 2020/21
and Medium Term Financial Plan 2020/21 to 2023/24:
Appendix 4

General Fund Capital Programme	Directorate	Funding source	Scheme Budget pre 2020-21	Indicative				Scheme Total
				2020-21	2021-22	2022-23	2023-24	
				£	£	£	£	
Schemes in the current Development Pool awaiting formal approval								
Economic Regeneration Property Schemes*	EAC	S-F/C	10,000,000	10,000,000				20,000,000
Office Block	EAC	S-F	1,000,000	7,000,000				8,000,000
Mayorhold Car Park	C&C	C			500,000			500,000
Four Waterside Development	EAC	S-F	5,000,000	10,000,000				15,000,000
Temporary Accommodation/Housing	Housing	C, S-F	8,000,000	7,000,000				15,000,000
Town Centre Regeneration	EAC	S-F	1,000,000	1,000,000	1,000,000	1,000,000		4,000,000
Unitary Transformation work**	CFO	C	500,000	1,400,000				1,900,000
Vulcan Works - fitting out	EAC	S-F		1,000,000				1,000,000
Vulcan Works Roof	EAC	C		500,000				500,000
Total schemes in current development pool			25,500,000	37,900,000	1,500,000	1,000,000	-	65,900,000
Total 2019-20 capital programme incl Development Pool			41,284,000	44,949,900	3,932,900	3,504,300	2,469,400	96,140,500

*Note: some work for this project has already moved into the approved capital programme and is due to be completed in 2019-20. The figure for 2019-20 shown here gives the total for the scheme including the work that has already move into the approved capital programme.

**Note: total budgeted spend for Local Government Reorganisation work, including this amount, is £2.4m

General Fund Revenue Budget and Capital Programme 2020/21
and Medium Term Financial Plan 2020/21 to 2023/24:
Appendix 4

General Fund Capital Programme	Directorate	Funding source	Scheme Budget pre 2020-21	Indicative				Scheme Total
				2020-21	2021-22	2022-23	2023-24	
				£	£	£	£	
<u>New schemes</u>								
Northampton Parks and Open Spaces	C&C	G, C		50,000	50,000	50,000		150,000
Dallington Car Park Improvements	C&C	C		50,000				50,000
Racecourse Enhancement and Restoration of Basketball / Netball pitches	C&C	G, C		139,000				139,000
Telecare Digital Switch	C&C	C		46,500	46,500	46,500		139,500
Replacement of Guildhall Boilers	EAC	C		350,000				350,000
Elgar Centre M and E	EAC	G		125,000				125,000
Hazelrigg House	EAC	C		50,000				50,000
Guildhall Roof	EAC	C		500,000				500,000
Derngate Theatre Roof	EAC	C		50,000				50,000
IT Infrastructure Refresh	CFO	C		300,000	300,000	500,000		1,100,000
IT Server Assets	CFO	C		190,000	40,000	50,000	60,000	340,000
Footbridge replacements / rebuild	EAC	C		200,000	250,000			450,000
Obelisk Monument	EAC	C		20,000	80,000			100,000
Further Monument Work	EAC	C				50,000	50,000	100,000
Standens Barn shop roof replacement	EAC	C		20,000				20,000
Blackthorn Community Centre Extension	EAC	G		200,000				200,000
Billing Brook Lakes Phase 2	EAC	G		70,000				70,000
Rectory Farm Community Centre Phase 2	EAC	G		50,000				50,000
Penvale Park - footpath	C&C	C			300,000			300,000
St Michael's MSCp - Lift Refurbishment L1 & L2	C&C	C		160,000				160,000
Towcester Road Chapel Improvements	C&C	C		50,000				50,000
Total proposed new schemes 2020-21 onwards				2,620,500	1,066,500	696,500	110,000	4,493,500
			28					
General Fund Capital Programme - Total			41,284,000	47,570,400	4,999,400	4,200,800	2,579,400	100,634,000

Key to Funding Sources
G - Grants & Contributions
SF - Self-funded Borrowing
C - Corporate Resources - Capital Receipts or Borrowing

**Northampton Borough Council
Treasury Management Strategy 2020/21**

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1. Introduction

Back ground

- 1.1. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3. The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 1.4. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.
- 1.5. CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Reporting Requirements

Capital Strategy

- 1.6. CIPFA's revised Prudential and Treasury Management Codes requires local authorities to prepare a capital strategy report to provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - an overview of how the associated risk is managed;
 - the implications for future financial sustainability;
- 1.7. The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
- 1.8. The capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.
- 1.9. Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.
- 1.10. If any non-treasury investment present a book-value loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.
- 1.11. To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

Treasury Management Reporting

- 1.12. Full Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals:

a) Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report is forward looking and covers:

- the capital plans, (including prudential indicators);
- a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an investment strategy, (the parameters on how investments are to be managed).

b) A mid-year treasury management report - This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c) **An annual treasury report** - This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Treasury Management Strategy

1.13. This strategy covers two main areas:

Capital;

- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury Management;

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

1.14. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Training

1.15. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management have access to training in treasury management. The Councils treasury advisory contract includes provision for annual delivery of member training, as necessary. The training needs of treasury management officers are also periodically reviewed.

Treasury Advisors

1.16. The Council uses Link Asset Services (LAS) as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisors.

1.17. The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Non-treasury Investment Advice

- 1.18. The scope of investments within the Council's operations now includes both conventional treasury investments (the placing of residual cash from the Council's functions) and more commercial type investments, such as investment properties. Commercial type investments may require specialist advice, and therefore the Council will undertake appropriate due-diligence on a case-by-case basis.

2. Current Treasury Management position

- 2.1. The Council's projected treasury portfolio position at 31st March 2020, with forward estimates, is summarised below. Table 1 shows external borrowing against the Capital Financing Requirement (CFR) - which is a measure of the need to borrow for capital expenditure purposes - highlighting any forecast over or under borrowing.

2.2. The figures exclude any borrowing undertaken or planned for third party loans so as to focus on the Council's own cash position:

Table 1: Treasury Portfolio at 31 March 2020						
£m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
External borrowing						
Borrowing at 1 April	230	255	254	261	261	261
Expected change in borrowing	25	7	7	-	-	-
Borrowing at 31 March (1)	255	262	261	261	261	261
CFR (exec 3rd Party Loans) at 31 March (2)	334	343	348	345	342	339
Under/(over) borrowing (2-1)	79	81	87	84	81	78
Investments						
Investments (exc 3 rd Party Loans) at 1 April	25	10	10	10	10	10
Expected change in investments	(15)	-	-	-	-	-
Investments (exc 3rd Party Loans) at 31 March (3)	10	10	10	10	10	10
Net borrowing (exc 3rd Party Loans) (1-3)	245	252	251	251	251	251

2.3. The Council's prudential and treasury indicators for 2020/21 to 2024/25 are set out at Appendix 3.

3. Interest Rates

- 3.1. The Council has appointed Link Asset Services (LAS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view at November 2019.

Link Asset Services Interest Rate View														
	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.70	0.80	0.90	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.80	0.90	1.00	1.10	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	1.00	1.00	1.00	1.10	1.20	1.30	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.40	2.40	2.50	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20	3.20
10yr PWLB Rate	2.60	2.70	2.70	2.70	2.80	2.90	3.00	3.10	3.20	3.20	3.30	3.30	3.40	3.50
25yr PWLB Rate	3.20	3.30	3.40	3.40	3.50	3.60	3.70	3.70	3.80	3.90	4.00	4.00	4.10	4.10
50yr PWLB Rate	3.10	3.20	3.30	3.30	3.40	3.50	3.60	3.60	3.70	3.80	3.90	3.90	4.00	4.00

- 3.2. Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK, not least Brexit. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact.
- 3.3. A summary of the balance of risks to this forecast is included at Appendix 5.

Investment and borrowing rates

- 3.4. Investment returns are likely to remain low during 2020/21 but to be on a gently rising trend over the next few years.
- 3.5. The general situation is for volatility in bond yields – from which borrowing rates are derived - to endure as investor fears and confidence ebb and flow between favouring relatively more “risky” assets i.e. equities, or the “safe haven” of government bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently, although there are likely to also be periods of sharp volatility from time to time.
- 3.6. There will remain a cost of carry (the difference between higher borrowing costs and lower investment returns) to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

4. Borrowing Strategy

- 4.1. The Council is currently maintaining an under-borrowed position against borrowing capacity. This means that the capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow has been used as a

temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

- 4.2. Against this background and the risks within the economic forecast, caution will be adopted with the 2020/21 treasury operations. The CFO will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp **FALL** in long and short term rates, (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will likely be postponed, and potential rescheduling from fixed rate funding into short term borrowing may be considered.
 - if it was felt that there was a significant risk of a much sharper **RISE** in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in bank rate, an increase in global economic activity, or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding may be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 4.3. Borrowing decisions are treated as separate from the capital schemes that derive an overall borrowing requirement and are instead based on the overall cashflows and risk management of the Councils debt portfolio. However, the financial viability of certain capital schemes funded by unsupported borrowing will be heavily influenced by the cost of borrowing associated with them. Where the CFO determines that the Council would benefit most from the certainty of fixing borrowing costs for particular capital schemes, the Council may borrow on that basis.

Policy on Borrowing In Advance of Need

- 4.4. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 4.5. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanisms.

Debt Rescheduling

- 4.6. Where short-term borrowing rates are considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings are considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

- 4.7. The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings;
 - helping to fulfil the treasury strategy;
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 4.8. Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 4.9. All rescheduling will be subsequent reported through the mid-year or annual reporting mechanisms.

Municipal Bonds Agency

- 4.10. The Municipal Bond Agency was established with the purpose of offering loans to local authorities at rates lower than those offered by the Public Works Loan Board (PWLB). To date, the Agency has not issued any bonds. In the future, the Council may make use of this new source of borrowing should it prove cost effective to do so.

Temporary Borrowing

- 4.11. The Council may occasionally undertake short-term temporary borrowing if this is needed to cover its cash flow position.
- 4.12. The CFO may also authorise the taking of short-term deposits under mutually agreed and documented terms from other local not-for-profit organisations.

5. Annual Investment Strategy (AIS)

- 5.1. MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy (a separate report).
- 5.2. The Council’s investment policy has regard to the latest versions of the following:
- MHCLG’s Guidance on Local Government Investments (“the Guidance”);
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the Code”);
 - CIPFA Treasury Management Guidance Notes.
- 5.3. The Council’s counterparty and credit risk management policies and its approved instruments for investments are set out in Appendix 6. The Council’s investment priorities will be security first, liquidity second and then yield (return) – in that order.

- 5.4. The above guidance from MHCLG and CIPFA place a high priority on the management of risk. This Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
- 5.4.1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
 - 5.4.2. Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
 - 5.4.3. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
 - 5.4.4. This Council has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Appendix 6 under the categories of ‘specified’ and ‘non-specified’ investments:
 - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
 - Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
 - 5.4.5. Counterparty lending limits (amounts and maturity) will be set through applying the matrix table in Appendix 6.
 - 5.4.6. Transaction limits are set for each type of investment in Appendix 6.
 - 5.4.7. This authority will set a limit for the amount of its investments which are invested for longer than 365 days.
 - 5.4.8. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating.
 - 5.4.9. The Council has engaged external consultants to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield,

given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

5.4.10. All investments will be denominated in sterling.

5.5. Consummate to these risk management parameters, the Council will pursue value for money in treasury management and will regularly monitor the yield from investment income against an appropriate time-weighted benchmark for investment performance.

Approach to Investments

5.6. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to **RISE** significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short-term or variable.
- Conversely, if it is thought that Bank Rate is likely to **FALL** within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods

Loans to Third Parties

5.7. The Council may make grants or loans to third parties for the purpose of capital expenditure, as allowable under paragraph 25 (1) (b) of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003 (Statutory Instrument No. 3146). This will usually be to support local economic development, and may be funded by external borrowing.

5.8. The Council also has powers to provide financial support to organisations under general powers of competence under the Localism Act 2011.

5.9. Enhancement to the governance and due diligence in respect of the awarding of grants and third party loans has been developed. This covers:

- Checklists and a guidance;
- The incorporation of external independent advice as part sign-off process.

5.10. Loans of this nature that remain outstanding have been lent to Northampton Town Rugby Football Club (NTRFC). The Council has also acted as intermediary to advance PWLB loans at cost to the University of Northampton (UoN) which are 100% guaranteed by HM Treasury.

Enterprise Zones

5.11. The Council continues to take forward infrastructure improvements to enable development and to attract investment into the Enterprise Zone, supporting employment growth. Loans have been granted from the Government's Growing Places Fund (GPF) and Local Infrastructure Fund (LIF). The repayment of funding (principal and interest) will be met, for the most part, from business rates uplift in line with the Enterprise Zone financial model.

6. List of Treasury Management Strategy (TMS) appendices

- TMS Appendix 1: Treasury Management Scheme of Delegation and Role of Chief Finance Officer (Section 151 Officer)
- TMS Appendix 2: Policy for attributing income and expenditure and risks between the General Fund and the HRA
- TMS Appendix 3: Prudential and Treasury Indicators 2020/21
- TMS Appendix 4: Minimum Revenue Provision (MRP) Policy Statement 2020/21
- TMS Appendix 5: Interest Rate Forecast Commentary
- TMS Appendix 6: Annual Investment Strategy 2020/21

TMS Appendix 1

Treasury Management Scheme of Delegation and role of the Chief Finance Officer (Section 151 Officer)

Treasury Management Scheme of Delegation

Council

The Council is responsible for:

- Adoption of the CIPFA Code of Practice on Treasury Management in the Public Services;
- Approval of the Treasury Management Policy Statement;
- Approval of the annual Treasury Management Strategy and annual Investment Strategy;
- Setting and monitoring of the Council's prudential and treasury indicators;
- Approval of the treasury management mid-year and outturn reports;
- Approval of the debt financing revenue budget as part of the annual budget setting process.

Cabinet

The Cabinet is responsible for:

- Consideration and scrutiny of the all of the above and recommendation to Council;
- Receiving monitoring information on the debt financing budget as part of the revenue budget monitoring process;
- Approving the selection of external service providers and agreeing terms of appointment in accordance with the Council's procurement regulations.

Treasury management role of the Section 151 Officer

The Council's Chief Finance Officer (CFO) is the officer designated for the purposes of Section 151 of the Local Government Act 1972 as the Responsible Officer for treasury management at the Council.

The Council's Financial Regulations delegates responsibility for the execution and administration of treasury management decisions to the CFO, who will act in accordance with the Council's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The CFO has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the responsible officer to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.

TMS Appendix 1 cont.

The CFO may delegate his power to borrow and invest to members of his staff.

The CFO is responsible for:

- Ensuring that the schedules to the Treasury Management Practices (TMPs) are fully reviewed and updated annually and monitoring compliance to the Treasury Management in the Public Services: Code of Practice and Guidance Notes;
- Submitting regular treasury management reports to Cabinet and Council;
- Submitting debt financing revenue budgets and budget variations in line with the Council's budgetary policies;
- Receiving and reviewing treasury management information reports;
- Reviewing the performance of the treasury management function and promoting value for money;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Recommending the appointment of external service providers (e.g. treasury management advisors) in line with the approval limits set out in the Council's procurement rules;
- Ensuring that the Council's Treasury Management Policy is adhered to, and if not, bringing the matter to the attention of elected members as soon as possible.
- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe.
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money.
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority.
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing.
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources.
- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities.
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees.
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority.
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above.
- Creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

TMS Appendix 2

Policy for attributing income and expenditure and risks between the General Fund and the HRA

- 1.1 The Council is required to have a clearly agreed policy for attributing income and expenditure and risks between the General Fund and the HRA.
- 1.2 The Council uses a two pool approach to splitting debt between the HRA and General Fund, whereby loans are assigned to either the HRA or the General Fund.
- 1.3 The Council applies the requirements of the CLG Item 8 Credit and Item 8 Debit (General) Determination from 1 April 2012 in recharging debt financing and debt management costs between the HRA and the General Fund. The interest rates to be applied are determined as follows:

Principal Amount	Interest Rate
HRA Credit Arrangements CFR: concession agreements and finance leases	Average rate on HRA credit arrangements
HRA Loans CFR: long term loans (external)	Average rate on HRA external debt
HRA Loans CFR: short term loans payable (under-funded CFR)	Average rate on GF external debt/or for formally agreed borrowing from GF resources an agreed PWLB equivalent rate.
HRA Loans CFR: short term loans receivable (over-funded CFR)	Average rate on external investments/or for earmarked medium term reserves an actual external investment rate
HRA Cash balances: short term loans payable (cash balances overdrawn)	Average rate on external investments
HRA Cash balances: short term loans receivable (cash balances in hand)	Average rate on external investments/or for earmarked medium term reserves an actual external investment rate

- 1.4 For the purpose of calculating interest rates:
 - HRA cash balances are based on the average of opening and closing HRA cash balances;
 - HRA CFR external debt is based on actual external debt;
 - Other HRA CFR balances based on the mid-year position.

TMS Appendix 2 cont.

- 1.5 Debt management costs are charged to the HRA on an apportioned basis that takes into account the weighting of time spent on managing debt and investments respectively.
- 1.6 Risk associated with external loans sit with either the GF or HRA depending on which of these the loan has been earmarked to. This will include interest rate risk, for example the risk of interest rate rises associated with variable loans.
- 1.7 Similarly, risk associated with any external investment of earmarked medium term HRA reserves sits with the HRA. This will include the risk of impairment in the event of the failure of an investment counterpart.
- 1.8 Where risk cannot be earmarked specifically to either the General Fund or HRA, it is apportioned fairly between the two using relevant available data. For example, in the event of impairment of an investment counterpart, any losses will be apportioned between the two funds based on an estimated proportion of cash balances held.

TMS Appendix 3

Prudential and Treasury Indicators

The prudential indicators for 2020/21 to 2024/25 are set out below, each one with a commentary and risk analysis.

Affordability

a) Estimate of financing costs to net revenue stream

Commentary

This indicator has been calculated as the estimated net financing costs for the year divided by the amounts to be met from government grants and local taxpayers for the non-HRA element, and by total HRA income for the HRA element. However, it should be recognised however that ultimately all debts of a local authority fall on the taxpayer. The objective is to enable trends to be identified.

The figures below reflects the cumulative impact of borrowing costs (interest and MRP where applicable) for capital programme schemes agreed each year, set against the backdrop of net revenue streams in future years.

Financing costs to net revenue stream					
	2020/21	2021/22	2022/23	2023/24	2024/25
	Estimate %				
General Fund	8.49	9.74	10.11	10.46	10.39
HRA	31.42	31.75	31.32	30.77	30.49

Effectively, each respective fund has a debt servicing cost to income cover ratio of:

- General Fund – ranging from 9.5 to 11.8 times
- HRA – ranging from 3.1 to 3.3 times

Risk Analysis

Debt financing costs relating to past and current capital programmes have been estimated in accordance with proper practices. Actual costs will be dependent on the phasing of capital expenditure and prevailing interest rates, and will be closely managed and monitored on an ongoing basis. Carry forwards in the capital programme, whether planned or unplanned, will delay the impacts of debt financing costs to future years.

TMS Appendix 3 cont.

Prudence

Capital Expenditure

b) Estimates of capital expenditure

Commentary

This indicator requires reasonable estimates of the total of capital expenditure to be incurred during the forthcoming financial year and at least the following two financial years.

The draft capital programme for 2020/21 to 2024/25 for both the GF and HRA is included elsewhere on this agenda and sets out the levels of estimated capital expenditure.

Estimates include continuation schemes from previous years, new bids for the coming year, and block programmes for the coming and future years. The programme is agreed annually and will be adjusted in the context of future bids submitted and available resources when the annual programmes for the future years are agreed. Variations to the existing programme may also be agreed during the year.

Risk Analysis

There is a real risk of cost variations to planned expenditure against the capital programme, arising for a variety of reasons, including tenders coming in over or under budget, changes to specifications, and slowdown or acceleration of project phasing. There is also the possibility of needing to bring urgent and unplanned capital works into the capital programme. The risks are managed by officers on an ongoing basis, by means of active financial and project monitoring. Any significant issues are reported to Cabinet as part of the finance and performance reporting cycle.

The availability of financing from capital receipts, grants and external contributions also carries significant risk. This can be particularly true of capital receipts, where market conditions are a key driver to the flow of funds, causing particular problems in a depressed or fluctuating economic environment. The financing position of the capital programme is closely monitored by officers on an ongoing basis and any significant issues are reported to Cabinet as part of the finance and performance reporting cycle.

c) Estimates of capital financing requirement (CFR)

Commentary

External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. The CFR can be understood as the Council's underlying need to borrow money long term for a capital

TMS Appendix 3 cont.

purpose – that is, after allowing for capital funding from capital receipts, grants, third party contributions and revenue contributions.

The Council is required to make reasonable estimates of the total CFR at the end of the forthcoming financial year and the following two years thereafter. A local authority that has an HRA must identify separately estimates of the HRA and General Fund CFR.

The CFR has been calculated in line with the methodology required by the relevant statutory instrument and the guidance to the Prudential Code. It incorporates the actual and forecast borrowing impacts of the Council's previous, current and future capital programmes.

The table below shows the impact of proposed new capital expenditure funded by borrowing offset by annual repayments of principal (MRP – General Fund only, the HRA is not required to make an annual MRP charge). The table also splits out the impacts of loans to third party organisations funded by borrowing, where these are included in the Council's capital programme.

The changes to CFR are subject to future Council decisions in respect of the capital programme for those years.

Capital Financing Requirement (Closing CFR)					
	2020/21	2021/22	2022/23	2023/24	2024/25
	31 March £m				
General Fund	118	120	119	116	113
HRA	216	223	229	229	229
Total	334	343	348	345	342
Loans to third parties (GF)	20	20	19	19	19
Total	354	363	367	364	361

Risk Analysis

The capital financing requirement will vary from the estimates if there are changes to capital programme plans that result in reduced or increased borrowing to support expenditure. This will include adjustments between years as a result of carry forwards in the capital programme, which can impact on the profile of capital expenditure and the profile of the minimum revenue provision.

All borrowing plans must be affordable in revenue terms and to this end additional borrowing to fund capital expenditure will only be approved through the normal capital project approval process and where it has been demonstrated to be prudent affordable and sustainable.

TMS Appendix 3 cont.

External Debt

d) Authorised limit for external debt

Commentary

For the purposes of this indicator the authorised limit for external debt is defined as the authorised limit for borrowing plus the authorised limit for other long term liabilities.

This requires the setting for the forthcoming financial year and the following four financial years of an authorised limit for total external debt (including temporary borrowing for cash flow purposes), gross of investments, separately identifying borrowing from other long term liabilities.

The authorised limit represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is “prudent” and be consistent with plans for capital expenditure and financing. It contains a provision for forward funding of future years capital programmes, which may be utilised if current interest rates reduce significantly but are predicted to rise in the following year.

This limit is based on an estimate of the most likely but not worst case scenario, with additional sufficient headroom over and above this to allow for operational management, for example unusual cash movements. It includes headroom for any planned loans to third party organisations where applicable.

The authorised limit is set at an amount that allows a contingency for any additional unanticipated or short-term borrowing requirements over and above the operational boundary during the period (see (e) below).

Other long-term liabilities relate to finance leases and credit arrangements.

The CFO will have delegated authority to effect movement between the separately agreed figures for borrowing and other long-term liabilities. Any such changes will be reported to Council.

Authorised limit for external debt					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Limit £m	Limit £m	Limit £m	Limit £m	Limit £m
Borrowing	404	413	417	414	411
Other long-term liabilities	5	5	5	5	5
Total	409	418	423	419	416

TMS Appendix 3 cont.

Risk Analysis

Risk analysis and risk management strategies have been taken into account in setting this indicator, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of the Council's cashflow requirements.

e) Operational boundary for external debt

Commentary

The proposed operational boundary is based on the same estimates as the authorised limit. However it excludes the additional headroom included within the authorised limit to allow for unusual cash movements.

The operational boundary represents a key management tool for in year monitoring by the CFO. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified.

The borrowing element of the operational boundary has been set with reference to the maximum Capital Financing Requirement (CFR) over the coming three years. It includes headroom for any planned loans to third party organisations.

Other long-term liabilities relate to finance leases and credit arrangements.

The CFO will have delegated authority to effect movement between the separately agreed figures for borrowing and other long-term liabilities. Any such changes will be reported to Council.

Operational boundary for external debt					
	2019-20	2020-21	2021-22	2022-23	2023-24
	Limit £m	Limit £m	Limit £m	Limit £m	Limit £m
Borrowing	384	393	397	394	391
Other long-term liabilities	5	5	5	5	5
Total	389	398	403	399	396

Risk Analysis

Risk – Risk analysis and risk management strategies have been taken into account in setting this indicator, as have plans for capital expenditure, estimates of the capital financing requirement and estimates of the Council's cash flow requirements.

TMS Appendix 3 cont.

Treasury Indicators

f) Maturity structure of borrowing

This indicator sets both upper and lower limits with respect to the maturity structure of the Council's borrowing.

The indicator represents the amount of projected borrowing that is maturing in each period expressed as a percentage of total projected borrowing at the start of the period.

The proposed limits for the forthcoming year are:

Maturity Structure of Borrowing		
	Lower Limit %	Upper Limit %
Under 12 months	0%	50%
Between 1 and 2 years	0%	50%
Between 2 and 5 years	0%	50%
Between 5 and 10 years	0%	50%
Between 10 and 20 years	0%	50%
Between 20 and 30 years	0%	60%
Between 30 and 40 years	0%	80%
Over 40 years	0%	100%

Risk Analysis

The debt maturity profile is actively managed to ensure that debt maturity is prudently spread across future years. This ensures that the Council can properly plan for the maturity of its borrowings, and is not exposed to unmanageable risks.

g) Total principal sums invested for periods longer than 365 days

Under the Local Government Act 2003 and the MHCLG Guidance on Local Authority Investments, all Councils are permitted to invest for periods exceeding 1 year (or 365 days). The Council is required to set a limit to the level of such investments it might wish to make.

This limit can be expressed as a percentage or as an absolute amount (i.e. a monetary figure). The Council has chosen to work to a limit represented as an absolute amount as officers consider this to be the most transparent method and the more straightforward to monitor.

TMS Appendix 3 cont.

The limits have been set at a level that would allow for monies not anticipated to be spent in year to be invested for longer periods if interest rates are favourable.

The proposed limits – excluding Third Party Loans – for the forthcoming and following four financial years are as follows:

Upper limit on investments for periods longer than 365 days					
	2020-21	2021-22	2022-23	2023-24	2024-25
	Upper Limit £m	Upper Limit £m	Upper Limit £m	Upper Limit £m	Upper Limit £m
Investments > 365 days	15	15	15	15	15

TMS Appendix 4

Minimum Revenue Provision Policy Statement

- 1.1 The Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008, which came into force in February 2008, require local authorities to make 'prudent provision' for the repayment of its General Fund debt. This debt repayment is known as the Minimum Revenue Provision (MRP).
- 1.2 A number of options for prudent provision are set out in the regulations. The underlying principle is that the repayment of debt should be aligned to the useful life of the asset or assets for which the borrowing has been carried out.
- 1.3 Since 2007-08 the Council has used the transitional measures available to calculate MRP for all capital expenditure prior to 1 April 2008 as if the previous regulations were still in force.
- 1.4 The authority is required, under the 2008 regulations, to prepare an annual statement of their policy on making MRP for submission to Council. The Council's policy statement on MRP for 2020/21 is set out below. The policy is considered by the Chief Finance Officer (CFO) to provide for the prudent repayment of debt.
 - 1.4.1 The Council has implemented the 2008 CLG Minimum Revenue Provision (MRP) guidance from 2008-09 onwards, and assessed their MRP from 2008-09 onwards in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.
 - 1.4.2 MRP relating to the historic debt liability incurred for years up to and including 2007-08 will continue to be charged at the rate of 4% on the reducing balance, in accordance with option 1 of the guidance, the "regulatory method".
 - 1.4.3 The debt liability relating to capital expenditure incurred from 2008-09 onwards will be subject to MRP under option 3, the "asset life method", and will be charged over a period that is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.
 - 1.4.4 Estimated life periods will be determined in line with accounting guidance and regulations. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, the Council will generally adopt these periods. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

TMS Appendix 4 cont.

- 1.4.5 As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis that most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner that reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
- 1.4.6 The Council will seek to spread MRP charges prudently in relation to asset lives, and with regard to the revenue impact of MRP charges. Where prudent to do so, capital receipts will be used to repay borrowing previously taken out in relation to assets with a short life. MRP on residual debt will be based on the lives of the remaining asset for which borrowing was undertaken.
- 1.4.7 MRP will be charged from the financial year after the asset comes into use.
- 1.4.8 In cases where the Council has approved the use of capital receipts to fund the asset, this funding will be assumed when the receipt is contractually certain, even if not actually received. In such cases no MRP charge will be made.
- 1.4.9 No MRP will be charged in respect of capital expenditure funded by borrowing where the expectation is that a future capital receipt will be applied to the CFR as a voluntary debt repayment for the borrowing - for example capital expenditure on preparing assets for sale. Where this approach is used it will be reviewed on an annual basis, in consideration of updated expectations over the timing and certainty of capital receipts, and to ensure that the latest estimate of proceeds is sufficient to cover the MRP liability.
- 1.4.10 In respect of Finance leases held on the balance sheet, the MRP will be set at a charge equivalent to the element of the annual lease charge that goes to write down the balance sheet liability, thereby applying Option 3 in a modified form.
- 1.4.11 The Council will take advantage of any transitional arrangements introduced to minimise or negate the impact of retrospective accounting adjustments as a result of new accounting guidance or proper practice.
- 1.4.12 In respect of loans to third parties supported by borrowing, where these are treated as capital expenditure, and contractual terms are in place to secure repayment over a period not exceeding the life of the asset, the Council will not charge MRP on the related expenditure; the CFR will be reduced by the third party loan repayments as and when these are received.

TMS Appendix 4 cont.

- 1.4.13 In respect of infrastructure improvements and other capital schemes where repayment of the funding (principal and interest) will be met from business rates uplift in line with the Enterprise Zone financial model, and the repayment does not exceed the life of the asset, the Council will not charge MRP on the related expenditure; the CFR will be reduced by the amount of repayment of principal through business rates as and when these are made.
- 1.4.14 The Minimum Revenue Provision Policy Statement will be continuously reviewed throughout the financial year and particularly with respect to any developments in the Council's Efficiency Plan. Any required amendments or changes will be brought back to Council for approval.

TMS Appendix 5

Interest Rate Forecast Commentary – Link Asset Services (LAS)

The interest rate forecasts applied in this Strategy are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU.

In the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall.

If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly.

It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

Balance of risks to the UK includes:

- The overall balance of risks to economic growth in the UK is probably to the downside due to the weight of all the uncertainties over Brexit, as well as a softening global economic picture.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates are broadly similarly to the downside.
- In the event that a Brexit deal is fully agreed with the EU, including the new terms of trade, and approved by Parliament, the balance of risks to economic growth and to increases in Bank Rate is likely to change to the upside.

One risk that is both an upside and downside risk is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

Downside risks to current forecasts for UK gilt yields and PWLB rates include:

- Brexit – if it were to cause significant economic disruption and a major downturn in the rate of growth.
- Bank of England takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Germany and other EU minority governments

TMS Appendix 5 cont.

- In October 2019, the IMF issued a report on the World Economic Outlook which flagged up a synchronised slowdown in world growth. However, it also flagged up that there was potential for a rerun of the 2008 financial crisis, but this time centred on the huge debt binge accumulated by corporations during the decade of low interest rates. In October 2019, the deputy Governor of the Bank of England also flagged up the dangers of banks and the shadow banking sector lending to corporates, especially highly leveraged corporates, which had risen back up to near pre-2008 levels.
- Geopolitical risks, for example in North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates include:

- Brexit – if agreement was reached all round that removed all threats of economic and political disruption between the EU and the UK.
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

TMS Appendix 6

Annual Investment Strategy

1. Investment policy

- 1.1 The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments managed by the treasury management team. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.
- 1.2 The Council's appetite for risk must be clearly identified in its strategy report. The Council affirms that its investment policies are underpinned by a strategy of prudent investment of funds held on behalf of the local community. The objectives of the investment policy are firstly the security of funds (protecting the capital sum from loss) and then liquidity (keeping money readily available for expenditure when needed). Once approved levels of security and liquidity are met, the Council will seek to maximise yield from its investments, consistent with the applying of the agreed parameters. These principles are carried out by strict adherence to the risk management and control strategies set out in the TMP Schedules and the Treasury Management Strategy.
- 1.3 Responsibility for risk management and control lies within the Council and cannot be delegated to an outside organisation.

2. Creditworthiness policy

- 2.1 The Council's counterparty and credit risk management policies and its approved instruments for investments are set out below. These, taken together, form the fundamental parameters of the Council's Investment Strategy.
- 2.2 The Council defines high credit quality in terms of investment counterparties as those organisations that:
- 2.3 Meet the requirements of the creditworthiness service provided by the Council's external treasury advisors and;
 - UK banking or other financial institutions or are;
 - UK national or local government bodies or are;
 - Triple-A (AAA) rated Money Market funds.

3. Sovereign limits

- 3.1 The Council will distinguish between UK and Non-UK domiciled entities when determining counterparty and duration limits. These limits are set out in the table at paragraph 7.4 below. Sovereign credit ratings form part of the creditworthiness service provided by the Council's external treasury advisors and the Council may further restrict the use of certain domicile countries as necessary.

TMS Appendix 6 cont.

4. Investment position and use of Council's resources

- 4.1 The application of resources, such as capital receipts, reserves etc, to either finance capital expenditure or for other budget decisions to support the revenue budget will have an ongoing impact on investments balances and returns unless resources are supplemented each year from new sources such as asset sales.
- 4.2 Investment decisions will be made with reference to the core balance, cash flow requirements and the outlook for interest rates.

5. Specified investments

- 5.1 Under the Local Government Act 2003 the Council is required to have regard to the CLG Guidance on Local Government Investments. This requires that investments are split into two categories:
- i. Specified investments – broadly, sterling investments, not exceeding 365 days and with a body or investment scheme of high credit quality.
 - ii. Non-specified investments – do not satisfy the conditions for specified investments. This may include investment products that would normally be considered as specified investments, but are judged to have a higher level of risk than normal attached to them.
- 5.2 The detailed conditions attached to each of these categories are set out in the TMP Schedules.
- 5.3 The majority of the Council's investments in 2020/21 will fall into the category of specified investments.

6 Non-specified investments

- 6.1 Prior to the start of each financial year, Officers review which categories of non-specified investments they consider could be prudently used in the coming year.
- 6.2 The recommendation for 2020/21 is that the following non-specified investments may be entered into:
- 6.3 Long-term investments (those for periods exceeding 365 days), which could prudently be used where interest rates are favourable and funds are not required for short-term cashflow management. Amounts deposited for over 365 days will be determined by liquidity considerations and by whether longer term interest rates are favourable, and all deposits will be in accordance with counterparty limits. Only counterparties in the Council's current approved counterparty list that have duration limits of over 365 days will be used for such

TMS Appendix 6 cont.

investments. Any overall stricter limits in force in the Council's investment counterparty policies at any time will take precedence.

6.4 The following items, being non-specified only by virtue of the Council's lack of previous exposure to these instruments, are:

- UK Government Gilts;
- Treasury Bills;
- Bonds issued by a financial institution that is guaranteed by the UK Government and multi-lateral development banks as defined in Statutory Instrument 2004 No. 534;
- Reverse Gilt Repos;
- Commercial paper;
- Gilt funds and other bond funds;
- Enhanced money market funds;

6.5 Before proceeding with any of the above treasury management staff will take advice from the Council's external treasury advisors as appropriate, ensure that they fully understand the product and its risks, and prepare a business case to be signed off by the CFO.

7. Counterparties

7.1 Over-arching policies for the management of counterparty and credit risk are set out in the TMP Schedules. The Council's approach to counterparties for 2020/21 is set out below.

7.2 The CFO will use the recommendations of the creditworthiness service provided by the Council's external treasury advisors to determine suitable counterparties and the maximum period of investment, using the ratings assigned.

7.3 The CFO will determine, in the context of the above, and taking into account appropriate risk management factors:

- Any further criteria to be put in place to determine suitable counterparties;
- The maximum investment amount to be held with each type of counterparty assigned a rating;
- The maximum investment period with each type of counterparty assigned a rating.

TMS Appendix 6 cont.

7.4 The following table sets out the Council's counterparty criteria for 2020/21.

Investments may be placed with counterparties recommended by the Council's external treasury advisors, and which meet the following criteria		
Counterparty Type	Limit; per individual counterparty or banking group	Limits; Duration
(1a) UK Government	Unlimited	5 years
(1b) UK nationalised or part nationalised banking institutions	£15m	1 years
(1c) Other UK counterparties	£10m	3 years
(1d) Other Local Authorities	£10m	3 years
(2a) Non UK counterparties having a sovereign rating of AAA	£10m	3 years
(2b) Non UK counterparties having a sovereign rating of AA+	£10m	2 years
(2c) Non UK counterparties having a sovereign rating of AA	£10m	1 year
(3) Money Market Funds (CNAV/LNAV) having a credit rating of AAA	£15m	N/A - Liquid deposits
(4) Pooled Property Funds	£15m	5 years

7.5 Maximum counterparty limits may be temporarily exceeded by small amounts and for very short periods where interest is added by the counterparty to the principal investment amount, for example in the case of some call and deposit accounts. In such instances the interest amounts will be withdrawn back to the Council's main bank account as soon as reasonably practicable.

TMS Appendix 6 cont.

- 7.6 Any types of investments that fall within the category of specified investments as set out in the TMP Schedules and any types of non-specified investments approved as part of this document may be made within the bounds of the counterparty policies.
- 7.7 The total value of investments over 365 days at any one time is restricted by the treasury indicator for the upper limit on investments for periods longer than 365 days.
- 7.8 The Council may enter into forward agreements up to 3 months in advance of the investment commencing. If forward deposits are to be made, the forward period plus the deal period should not exceed the limits above.
- 7.9 The CFO has discretion during the financial year to lift or increase the restrictions on the counterparty list and/or to adjust the associated lending limits on values and periods should it become necessary to enable the effective management of risk in relation to investments. At all times the Council's minimum level of credit risk will be met.

8 Liquidity of Investments

- 8.1 Most short-term investments are held for cashflow management purposes and officers will ensure that sufficient levels of short-term investments and cash are available for the discharge of the Council's liabilities.
- 8.2 Investment periods range from overnight to 365 days as specified investments, or 5 years as non-specified investments. When deciding the length of each investment, regard is had to both cashflow needs and prevailing interest rates. As cash balances available for investment are forecast to be somewhat reduced compared to previous years, the preservation of liquidity will be a critical determinant for treasury officers when determining the value and duration of investments.
- 8.3 Amounts deposited for over 365 days will also be determined by liquidity considerations and by whether longer term interest rates are favourable, and all deposits will be in accordance with counterparty limits and the treasury indicator for investments over 365 days. Long term investments of over 2 years will only be made in exceptional circumstances and with approval of the CFO.
- 8.4 For short term and overnight investment, the Council makes full use of triple A rated Money Market Funds (CNAV and LNAV) and bank call and deposit accounts offering competitive rates and, in most instances, instant access to funds.
- 8.5 The Council may occasionally undertake short-term temporary borrowing if this is needed to cover its cash flow position.

TMS Appendix 6 cont.

9. Investments defined as capital expenditure

- 9.1 The acquisition of share capital or loan capital in any corporate body is defined as capital expenditure under Regulation 25(1) (d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will have to be funded from capital or revenue resources and will be classified as 'non-specified investments'.
- 9.2 Investments in money market funds which are collective investment schemes and bonds issued by multilateral development banks – both defined in SI 2004 No 534 – will not be treated as capital expenditure.
- 9.3 A loan or grant or financial assistance by this Council to another body, for capital expenditure by that body, will be treated as capital expenditure by the Council.

10. Lending to third parties

- 10.1 Officers will ensure that any loans to or investments in third parties comply with legislative requirements. This would normally, but not necessarily, be under one of the following Acts of Parliament:
- 10.2 The Localism Act 2011 gives local authorities a general power of competence to act in the same manner as any other legal person, except where those powers are specifically limited by statute;
- 10.3 The Local Government Act 2000 contains wellbeing powers for local government that allow local authorities to do anything, including to give financial assistance to any person, which they believe is likely to promote or improve the economic, social or environmental wellbeing of their area. Certain conditions, including consultation requirements, must be complied with in order to meet the requirements allowing the local authority to use the wellbeing powers.
- 10.4 Loans of this nature must be approved by Cabinet. The primary aims of the Investment Strategy, in order of priority, are the security of its capital, liquidity of its capital and then to obtain a return on its capital commensurate with levels of security and liquidity. These aims are crucial in determining whether to proceed with a potential loan to a third party.
- 10.5 Recipients of this type of investment are unlikely to be a financial institution and therefore unlikely to be subject to a credit rating. In order to ensure security of the Council's capital, financial due-diligence must be completed prior to any loan or investment being agreed. The Council will use specialist advisors to complete financial checks to ascertain the creditworthiness of the third party. Additional guarantees may be sought where necessary. This will be via security against assets and/or through guarantees from a parent company.

TMS Appendix 6 cont.

11. Provisions for credit related losses

- 11.1 If any of the Council's investments appears at risk of loss due to default (i.e. this is a credit related loss and not one resulting from a fall in price due to movements in interest rates) the Council may make a prudent revenue provision of an appropriate amount.

12. Banking services

- 12.1 It is the Council's intention that, should the event of the credit rating downgrade of the provider of its banking services lead to that bank falling below the Council's minimum investment criteria, the bank may continue to be used for short-term liquidity requirements (kept under daily review).

13. End of year investment report

- 13.1 At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

Special Expenses

The “Draft General Fund Medium Term Financial Plan 2020/21 – 2023/24 and Draft Budget 2020/21” report that went to Cabinet on 23 December 2019 contained an appendix 6 on special expenses. That appendix contained an explanation of special expenses and the methodology for calculating them and provisional special expenses figures for 2020/21. The calculation and the figures have not changed going into the final 2020/21 budget.

Council Tax position for 2020/21

The following sets out the proposed components of council tax in Northampton for 2020/21 (subject to formal approvals by Full Council and other precepting bodies):

Authority / Preceptor	2020/21 Band D
Northampton Borough Council	230.84
Northamptonshire Police & Crime Commissioner	tbc
Northamptonshire Fire & Rescue Authority	tbc
Northamptonshire County Council	tbc
Parish Precepts (average)	17.83
Total	tbc

This shows that the average band D council tax relating to NBC is £230.84. However, this figure is only an average figure across all areas of the Borough – this figure will vary from area to area due to special expenses.

Increase in Council Tax for Northampton Borough Council

District and Borough Councils are required to hold a referendum if they wish to increase their council tax greater than the higher of 2% or £5.00. This calculation is based on the average level of council tax – averaging out the variations that will be found across the Borough due to the application of special expenses. In 2019/20 this figure was £225.84. This has increased by £5.00 to £230.84 in 2020/21 which is within the required threshold.

Parish line on Council Tax Demands

If you live in a parished area, then on the council tax demand that you receive, the special expense charges are combined with the parish precepts to give an overall council tax that is specific to that area. The table below shows these two separate elements separately:

Area within the Borough	2020/21			% change compared to 2019/20		
	NBC special expense	Parish Precept	Total specific to parished area	NBC special expense	Parish Precept	Total specific to parished area
Billing	10.25	60.71	70.96	2.8%	2.6%	2.7%
Collingtree	0.00	47.00	47.00	n/a	17.2%	17.2%
Duston	4.31	88.51	92.83	3.1%	2.6%	2.6%
Great Houghton	0.00	96.56	96.56	n/a	37.3%	37.3%
Hardingstone	2.42	55.00	57.42	3.2%	12.2%	11.8%
Upton	0.00	15.35	15.35	n/a	5.0%	5.0%
Wootton	3.51	70.38	73.90	3.1%	9.6%	9.3%
East Hunsbury	15.98	48.58	64.57	3.5%	3.4%	3.4%
Hunsbury Meadows	0.00	25.40	25.40	n/a	-8.6%	-8.6%
West Hunsbury	6.45	14.99	21.44	3.1%	13.3%	10.0%
Unparished	11.80	0.00	11.80	1.8%	n/a	1.8%

General fund reserves forecast

Description	Forecast balance 31/03/2020 £m	Expected (use) / contribution 2020/21 £m	Forecast balance 31/03/2021 £m	Reason for reserve / proposed use
Earmarked reserves				
Service specific reserves	0.995	0.141	1.136	To cover specific known spending commitments
Corporate delivering the efficiency plan reserve	0.000	0.000	0.000	To be used for one-off investment leading to improved efficiency and savings
Corporate MTFP cashflow reserve	0.221	0.057	0.279	To be retained to cover any timing delays in achieving savings targets
Corporate environmental services vehicles and plant	5.700	-1.000	4.700	To fund borrowing costs in relation to the plant and equipment purchased for use on delivering the Environmental Services contract
Corporate sixfields recovery res	9.500	0.350	9.850	To cover risk of Sixfields loan money recovery costs
Other corporate reserves	1.398	1.236	2.634	To fund other corporate risks and funding needs
Technical reserves	5.048	0.050	5.098	To deal with technical accounting differences across financial years
Total earmarked reserves	22.862	0.834	23.696	
Minimum level of general reserv	4.000	0.000	4.000	To cover general unquantified risks
Total general fund reserves	26.862	0.834	27.696	

General Fund Revenue Budget and Capital Programme 2020/21
and Medium Term Financial Plan 2020/21 to 2023/24:

Appendix 8

Fees & Charges

Activity / Item	Basis	Statutory / Non-Statutory	2019/20 Value inc VAT £	2020/21 Value inc VAT £	
Waste Services					
Bulky Waste Collection	Up to three Items	Non - S	31.40	15.00	
Green Waste Collection	Annual charge	Non - S	0.00	42.00	
Cemetery					
Grant of Right	Adult Grave for 1 - 5'6"	Non - S	485.00	500.00	
	Adult Grave for 2 - 6'6"	Non - S	562.00	579.00	
	Child	Non - S	97.00	100.00	
	Cremated Remains	Non - S	182.00	188.00	
	Grave Depth 6'6"	Non - S	530.00	546.00	
	Grave Depth 5'6"	Non - S	484.00	499.00	
	Child up to 12 Years	Non - S	76.00	79.00	
	Still Born - 1 Month Old	Non - S			
	NGH Hospital service		43.34	78.00	
	Cremated Remains	Non - S	182.00	188.00	
	Scattering of Ashes	Non - S	26.00	27.00	
	Mausoleum	Non - S	4,403.00	4,532.00	
	Vault	Grant of Right and First Interment	Non - S	968.00	800.00
		Second Interment	Non - S	458.00	472.00
Memorial Erection Rights	Headstone - Adult	Non - S	131.00	135.00	
	Headstone - Child	Non - S	35.00	37.00	
	Vase - Plain	Non - S	No Charge	64.00	
	Vase - Inscribed	Non - S	62.00	64.00	
Kerb Sets	Kerb only	Non - S	197.00	203.00	
	Kerb and Headstone	Non - S	327.00	337.00	
	Memorial Tablet	Non - S	62.00	64.00	
	Additional Inscription	Non - S	46.00	48.00	
	Grave Number Marker	Non - S	19.00	20.00	
	Permanent Grave Number Marker	Non - S	29.00	30.00	
	Use of Chapel	Non - S	76.00	79.00	
	Use of Chapel - Winter Fuel Charge	Non - S	9.00	9.00	
	Search Fee (Inc VAT) - Small Search	Non - S	No Charge	No Charge	
	Search Fee (Inc VAT) - Medium search	Non - S	29.00	30.00	
Search Fee (Inc VAT) - Full search	Non - S	77.00	80.00		
Non Resident Fees - families that have resided outside the Borough for more than 5					
Weekend surcharge by prior arrangement	Saturday			250.00	
	Sunday			500.00	
	Bank Holiday			750.00	
	surcharge to choose a grave/plot for scheduled interment upto 30 minute meeting			15.00	
Allotments					
Standard Plot	10 Poles	Non - S	36.00	38.00	
Half size	5 Poles	Non - S	18.00	19.00	
Gate Key Fee - either £6 or £4 dependent on type of lock used					

General Fund Revenue Budget and Capital Programme 2020/21
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Appendix 8

Fees & Charges

Activity / Item	Basis	Statutory / Non-Statutory	2019/20 Value inc VAT £	2020/21 Value inc VAT £	
Parks					
Some bookings may require a differing VAT treatment than that assumed below. The actual total fee charged may vary as a result.					
Football	Senior Pitch	Non - S	30.00	31.00	
	Junior Pitch	Non - S	10.00	11.00	
Rugby	Senior Pitch	Non - S	30.00	31.00	
Gaelic Football	Senior Pitch	Non - S	30.00	31.00	
Use of Changing Rooms	Changing Facilities for any activity - with showers				
	Monday - Saturday	Non - S	14.00	15.00	
	Sunday	Non - S	18.00	19.00	
	Changing Facilities for any activity - without showers				
	Monday - Saturday	Non - S	10.00	11.00	
	Sunday	Non - S	15.00	16.00	
Cricket	Day Match	Non - S	42.00	44.00	
	Evening Match	Non - S	28.00	29.00	
	Junior School Match	Non - S	15.00	16.00	
Bowls	Rink per person, per hour	Non - S	3.00	4.00	
	OAP's & Unemployed	Non - S	3.00	4.00	
	Matches - 3 rinks per hour	Non - S	21.00	22.00	
	Matches - 4 rinks per hour	Non - S	26.00	27.00	
	Matches - 5 rinks per hour	Non - S	32.00	33.00	
	Hire of Bowls per game	Non - S	2.00	3.00	
	Hard Court - Per Court per hour				
	Per Court, per hour with floodlights	Non - S	7.00	8.00	
	Concession	Non - S	12.00	13.00	
			3.00	4.00	
Mini 5 a Side Football	Hire of Pitch	Non - S	5.50	6.00	
Call Care					
Non - HRA	Lifelines - Inside Borough	Yearly Charge	239.20	239.20	
	Charge per week				4.60
	Lifelines - Outside Borough	Yearly Charge	239.20	239.20	
	Charge per week				4.60
	Installation Charges - Inside Borough		Non - S	60.00	60.00
	Installation Charges - Outside Borough		Non - S	60.00	60.00
	Monitoring Charges		Yearly Charge	41.60	41.60
	Charge per week				
	Environmental Health		Yearly Charge	56.28	56.28
	Charge per week				
	Licensing Fees				
	Gambling Act 2005				
	Lotteries	New Application	S	40.00	40.00
		Annual Fee	S	20.00	20.00

General Fund Revenue Budget and Capital Programme 2020/21
and Medium Term Financial Plan 2020/21 to 2023/24:

Appendix 8

Fees & Charges

Activity / Item	Basis	Statutory / Non- Statutory	2019/20 Value inc VAT £	2020/21 Value inc VAT £
Premises Licence New Application	New Small Casino	S	8,000.00	8,000.00
	New Large Casino	S	10,000.00	10,000.00
	Regional Casino	S	15,000.00	15,000.00
	Bingo Club	S	3,500.00	3,500.00
	Betting Premises (exc track)	S	3,000.00	3,000.00
	Tracks	S	2,500.00	2,500.00
	Family Entertainment Centre	S	2,000.00	2,000.00
	Adult Gaming Centre	S	2,000.00	2,000.00
Premises Licence Variation Application	Existing Casino	S	2,000.00	2,000.00
	Small Casino	S	4,000.00	4,000.00
	Large Casino	S	5,000.00	5,000.00
	Regional Casino	S	7,500.00	7,500.00
	Bingo	S	1,750.00	1,750.00
	Betting Premises (exc track)	S	1,500.00	1,500.00
	Tracks	S	1,250.00	1,250.00
	Family Entertainment Centre Adult Gaming Centre	S	1,000.00	1,000.00
Premises Licence Annual Fee	Existing Casino	S	3,000.00	3,000.00
	Small Casino	S	5,000.00	5,000.00
	Large Casino	S	10,000.00	10,000.00
	Regional Casino	S	15,000.00	15,000.00
	Bingo	S	1,000.00	1,000.00
	Betting Premises (exc track)	S	600.00	600.00
	Tracks	S	1,000.00	1,000.00
	Family Entertainment Centre Adult Gaming Centre	S	750.00 1,000.00	750.00 1,000.00
Club Machine Permits	New Application Part 2 & 3	S	200.00	200.00
	Annual Fee	S	50.00	50.00
	Variation Permit	S	100.00	100.00
Prize Gaming Permit	New Application	S	300.00	300.00
	Renewal	S	300.00	300.00
	Change of Name	S	25.00	25.00
Alcohol Licensed Premises	Notification of 2 or less machines	S	50.00	50.00
	Notification of change	S	50.00	50.00
	New application gaming machine permit	S	150.00	150.00
	Gaming machine permit existing	S	100.00	100.00
	Transfer of permit	S	25.00	25.00
	Machine Permit Annual Fee	S	50.00	50.00
	Variation Permit Change of Name	S	100.00 25.00	100.00 25.00
Copy of Permits			15.00	15.00
Copy of Licences			25.00	25.00
Unlicensed Family Entertainment Centre	New Application	S	300.00	300.00
	Renewal	S	300.00	300.00
	Change of Name	S	25.00	25.00

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Licensing Act 2003 Alcohol & Regulated Entertainment				
Premises Licence New Grant/Variation	Band A (RV £0 - £4,300) *	S	100.00	100.00
	Band B (RV £4,301 - £33,000)*	S	190.00	190.00
	Band C (RV £33,001 - £87,000)*	S	315.00	315.00
	Band D (RV £87,001 - £125,000)*	S	450.00	450.00
	Band D x 2*	S	900.00	900.00
	Band E (RV £125,000+)*	S	635.00	635.00
	Band E x 3*	S	1,905.00	1,905.00
Premises Licence Annual Fee	Band A (RV £0 - £4,300) *	S	70.00	70.00
	Band B (RV £4,301 - £33,000)*	S	180.00	180.00
	Band C (RV £33,001 - £87,000)*	S	295.00	295.00
	Band D (RV £87,001 - £125,000)*	S	320.00	320.00
	Band D x 2*	S	640.00	640.00
	Band E (RV £125,000+)*	S	350.00	350.00
	Band E x 3*	S	1,050.00	1,050.00
Club Premises Certificate	Theft/loss etc.	S	10.50	10.50
	Change of name/rules of club & change of registered address	S	10.50	10.50
	Premises - duty to notify change of address	S	10.50	10.50
Community Premises DPS condition removal			23.00	23.00
Personal Licence	New Application	S	37.00	37.00
	Change of name/address	S	10.50	10.50
	Theft/loss etc.	S	10.50	10.50
Premises Licence Miscellaneous	Transfer Premises Licence	S	23.00	23.00
	Interim authority notice following death etc.	S	23.00	23.00
	Minor Variation	S	89.00	89.00
Provisional Statement	New Application	S	315.00	315.00
Right of Freeholder/Notification of interest			21.00	21.00
Temporary Event application (TEN)	New Application	S	21.00	21.00
	Theft/loss etc.	S	10.50	10.50
	RV = Rateable Value *Exemptions may be applicable & additional fee multipliers may apply for premises used for consumption primarily for the sale of alcohol or capacities over 5,000. Fees available upon request.			
Taxi and Private Hire				
Drivers Licence/Badge 3 year Licence	Replacement badge	Non-S	20.00	20.00 *
	Replacement licence	Non-S	25.00	25.00 *
	Renewal	Non-S	140.00	140.00 *
	Disclosure & Barring Application	Non-S	44.00	44.00 *
	Replacement badge buddy	Non-S	1.50	1.50 *
Vehicle	New Plate	Non-S	99.00	99.00 *
	Renewal	Non-S	93.00	93.00 *
	Transfer of vehicle	Non-S	12.00	12.00 *
	Replacement licence	Non-S	22.00	22.00 *
	Replacement plate	Non-S	16.00	16.00 *
	Replacement bracket	Non-S	15.00	15.00 *

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Private Hire Operators 5 Year Licence	New Application	Non-S	1,550.00	1,550.00 *
	Renewal 0 vehicle	Non-S	1,450.00	1,450.00 *
	Renewal 1 vehicle	Non-S	1,100.00	1,100.00 *
	Renewal 2 - 5 vehicle	Non-S	1,600.00	1,600.00 *
	Renewal 6 - 20 vehicle	Non-S	1,750.00	1,750.00 *
	Renewal 21 - 50 vehicle	Non-S	2,050.00	2,050.00 *
	Renewal 51 - 100 vehicle	Non-S	2,650.00	2,650.00 *
	Renewal 101 - 200 vehicle	Non-S	3,850.00	3,850.00 *
	Renewal 201 - 300 vehicle	Non-S	6,250.00	6,250.00 *
	Renewal 301 - 400 vehicle	Non-S	11,050.00	11,050.00 *
	Renewal 400+ vehicle	Non-S	20,650.00	20,650.00 *
	Payment Arrangement	Non-S	50.00	50.00 *
	Operator change of name	Non-S	220.00	220.00 *
New Private Hire Driver	Initial Appointment	Non-S	30.00	30.00 *
	Induction Day	Non-S	100.00	100.00 *
	Grant of 3 year licence	Non-S	190.00	190.00 *
	Induction re-take	Non-S	55.00	55.00 *
Miscellaneous	Recovery of returned cheque	Non-S	35.00	35.00 *
	Safety Awareness Course	Non-S	200.00	200.00 *
	Hackney Test	Non-S	55.00	55.00 *
Car Boots				
Registration Fee	1 - 50 pitches	Non-S	15.00	16.00
	51 - 75 pitches	Non-S	30.00	32.00
	76 - 100 pitches	Non-S	35.00	37.50
	101 - 125 pitches	Non-S	40.00	43.00
	126 - 150 pitches	Non-S	45.00	48.00
	151 - 175 pitches	Non-S	50.00	53.50
	176 - 200 pitches	Non-S	55.00	58.50
	1 - 20 pitches	Non-S	nil	
Fee Per Event	21 - 50 pitches	Non-S	20.00	21.50
	51 - 75 pitches	Non-S	25.00	26.50
	76 - 100 pitches	Non-S	30.00	32.00
	101 - 125 pitches	Non-S	35.00	37.50
	126 - 150 pitches	Non-S	40.00	43.00
	151 - 175 pitches	Non-S	45.00	48.00
	176 - 200 pitches	Non-S	50.00	53.50
Sex Shop/Entertainment Establishment				
Sex Establishments	Per Year	Non - S	750.00	775.00
Sex Entertainment Establishments	Per Year	Non - S	2,500.00	3,000.00
Street Trading				
Standard Area*				
Street Trading Standard Area	Trading 1 day per week	Non-S	240.00	290.00
	Trading 2 days per week	Non-S	480.00	580.00
	Trading 3 days per week	Non-S	720.00	870.00
	Trading 4 days per week	Non-S	960.00	1160.00
	Trading 5 days per week	Non-S	1200.00	1450.00
	Trading 6 days per week	Non-S	1440.00	1740.00
	Trading 7 days per week	Non-S	1680.00	2030.00

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Premium Park				
Street Trading Premium Park	Trading 1 day per week	Non-S	300.00	360.00
	Trading 2 days per week	Non-S	600.00	720.00
	Trading 3 days per week	Non-S	900.00	1080.00
	Trading 4 days per week	Non-S	1200.00	1440.00
	Trading 5 days per week	Non-S	1500.00	1800.00
	Trading 6 days per week	Non-S	1800.00	2160.00
	Trading 7 days per week	Non-S	2100.00	2520.00
	* Standard Areas = Industrial Estates & Layby's. Street Trading is prohibited in town centre locations.			
Environmental Health				
Licences				
Animal Boarding Establishment	Issue of Annual Licence Traditional Border	S	175.00	175.00 *
Animal Boarding Establishment	Issue of Annual Licence Domestic Border	S	150.00	150.00 *
Dog Breeding	Licence Renewal	S	150.00	150.00 *
Dog Breeding	Issue of New Licence	S	150.00	150.00 *
Dangerous Wild Animal	Licence to Keep Certain Animals	S	300.00	300.00 *
Pet Shops	Annual Licence	S	150.00	150.00 *
Riding Establishment	Annual Licence	S	120 + Vet fees	120 + Vet fees *
Zoo Licence	Annual Licence	S	600.00	600.00 *
Scrap Metal Dealers Licence (Site Licence)	3 Year Licence	S	325.00	400.00
Scrap Metal Dealers Licence (Collectors Licence)	3 Year Licence	S	240.00	300.00
Scrap Metal Dealers Licence (Variation to Licence)	As Required	S	65.00	75.00
Scrap Metal Dealers Licence (Duplicate Licence issued)	As Required	S	15.00	18.50
Tattooing, Ear Piercing, Acupuncture, Electrolysis	Registration - one off fee	S	160.00	200.00
Tattoo and Body Art Covention	Administration Fee (New for 2012/13) (Per Exhibitor)	S	50.00	75.00
Fixed Penalties and Fines				
Smoke Free Areas	No Notice Displayed - Fixed Penalty Notice reduced to £150 if paid in 14 days Maximum Fine on Conviction £1000	S	200.00	200.00
	Smoke Free Areas - reduced to £30 if paid within 15 days	S	50.00	50.00
Certificates & Statements				
Health Export Certificate	Within 3 working days of request	Non - S	90.00	95.00
Environmental Searches	Urgent Rate	Non - S	130.00	135.00
Consultancy	Contaminated Land etc	Non - S	90.00	95.00
Statement and Legal Advice (Private Cases)	Hourly Rate	Non - S	90.00	95.00
	Up to 5 Pages	Non - S	200.00	220.00
	Additional Pages	Non - S	30.00	35.00
Public Health / Environmental Protection Charges				
Funerals	LA Funerals - Claim to Banks / Treasury	S	550.00	575.00
Drainage Works Filthy	Works in Default	S	45.00	65.00
Private Drinking Water Supplies	Risk Assessment	S	500.00	500.00
	Second Visit / Investigation / Authorisation	S	100.00	100.00
	Analysing a Sample - Taken under Reg 10	S	25.00	25.00
	Analysing a Sample - Taken during check monitoring	S	100.00	100.00
	Analysing a Sample - Taken during audit monitoring	S	500.00	500.00

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Filthy & Verminous Premises	Works in Default	S	60.00	65.00
Silencing of Alarms	Burglar, Car etc	S	60.00	65.00
Domestic Noise	Seizure and Storage of Noise Equipment	S	250.00	275.00
LA Environmental Regulations of Industrial Plant	LAPC / LAPPC / LA-IPPC Application for Permit / Renewal	S	set by DEFRA	set by DEFRA
Animal Welfare Service				
Stray Dogs	Stray Dog Release Fee	Non - S	25.00	25.00
Fixed Penalties - to be approved at Cabinet				
Dogs	Dog Fouling (FPN) (discounted amount £50)	S	80.00	100.00 (subject to approval)
Dogs	Dog Control (FPN) new for CN & E Act (discounted amount £50)	S	80.00	100.00 (subject to approval)
Litter	Depositing Litter (discounted amount £50)	S	tbc	120.00
Litter	Failure to comply with street litter clearing notice (discounted amount £80)	S	tbc	120.00
Litter	Failure to comply with waste receptacle notice (discounted amount £75)	S	110.00	110.00
Litter	Unauthorised distribution of litter on designated land (discounted amount £75)	S	110.00	110.00
Litter and Waste	Failure to produce waste transfer note (waster's carriers licence)	S	300.00	300.00
Graffiti / Fly Posting	Graffiti and Fly Posting (discounted amount £75)	S	110.00	110.00
Noise	Failure to nominate key holder (discounted amount £50)	S	80.00	80.00
Noise	Noise from premises - dwelling (discounted amount £80)	S	100.00	100.00
Noise	Noise from premises - licenced premises	S	500.00	500.00
Parking (cars for sale)	Nuisance premises	S	100.00	100.00
Fly Tipping	FPN (discounted amount £300)	S	400.00	400.00
Photocopying and Printing				
	First A4 sheet	Non - S	4.00	4.00
	Additional sheets	Non - S	0.50	0.50
	A3	Non - S	4.00	4.00
	Additional sheets	Non - S	0.50	0.50
	Copying Statutory Notices	Non - S	30.00	30.00
General	Copy of Taped Interview	Non - S	30.00	30.00
New proposal	fee for re-rating under FHRS scheme	Non- S	0.00	175.00 (Subject to approval)
Election Fees				
	Copy of Electoral Register			
	Electronic Version - Full Register (restricted sales)	S	£20 admin fee plus £1.50 per thousand entries (or part)	£20 admin fee plus £1.50 per thousand entries (or part)
	Electronic Version - Edited	S	£20 admin fee plus £1.50 per thousand entries (or part)	£20 admin fee plus £1.50 per thousand entries (or part)
	Paper Copy - Full Register (restricted sales)	S	£10 admin fee plus £5 per thousand entries (or part)	£10 admin fee plus £5 per thousand entries (or part)

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	Paper Version - Edited	S	£10 admin fee plus £5 per thousand entries (or part)	£10 admin fee plus £5 per thousand entries (or part)
	Confirmation of Registration - Individual	Non - S	15.00	15.00
Borough Secretary	Certifying Foreign Pensions	Non - S	10.00	10.00
Chief Finance Officer	Subject Access Request	S	0	0
	FOI time per hour (first 18 hrs free)	S	25.00	25.00
	Postage & Packing request documents		at cost	at cost
	Provision of CCTV Footage (redaction where necessary charged in addition to recover actual costs only)		36.50 (up to 1hr of footage)	37.50
	Provision of Additional CCTV Footage (per hr)		25.00	25.00
	Photocopying (per A4 side)		0.12	0.12
			0.12	0.12
Planning				
All Outline Applications	Sites up to and including 2.5 Hectares	S	462.00 per 0.1 hectare	462.00 per 0.1 hectare
	Site exceeds 2.5 Hectares £8,285 plus £100 per 0.1 Hectares in excess of 2.5 Hectares to a maximum £125,000	S	11,432; and an additional £138 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum in total of £150,000	11,432; and an additional £138 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum in total of £150,000
Householder Applications	Alterations/Extensions to a single dwelling, including works within boundary (including flats)	S	206.00	206.00
Full Applications (and first submissions of reserved matters)	Alterations/Extensions to two or more dwellings, including works within boundaries	S	407.00	407.00
	New Dwellings (up to and including 50)	S	462.00 per dwelling	462.00 per dwelling
	New Dwellings (for more than 50) £19,049 plus £115 per additional dwelling to a maximum of £250,000	S	22,859 + 138 per additional dwelling over 50, subject to a maximum of 300,000	22,859 + 138 per additional dwelling over 50, subject to a maximum of 300,000
	Erection of buildings not dwellings, agricultural, glasshouses, plant nor machinery, no increase in gross floor space or no more than 40m ²	S	234.00	234.00
	Erection of buildings not dwellings, agricultural, glasshouses, plant nor machinery, increase of gross floor space of more than 40m ² but no more than 75m ²	S	462.00	462.00

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	Erection of buildings not dwellings, agricultural, glasshouses, plant nor machinery, increase of gross floor space of more than 75m ² but no more than 3750m ²	S	462.00 for each 75m ² or part of	462.00 for each 75m ² or part of
	Erection of buildings not dwellings, agricultural, glasshouses, plant nor machinery, increase of gross floor space of more than 3750m ² - £19,049 plus £115 for each additional 75m ² to a max of £250,000	S	22,859 plus 138 for each additional 75m ² to a max of 300,000.	22,859 plus 138 for each additional 75m ² to a max of 300,000.
	The erection of buildings on land used for agriculture purposes with a site area of no more than 465m ²	S	96.00	96.00
	The erection of buildings on land used for agriculture purposes with a site area of more than 465m ² but not more than 540m ²	S	462.00	462.00
	The erection of buildings on land used for agriculture purposes with a site area of more than 540m ² but no more than 4,215m ² - £385 for first 540m ² plus £385 for each 75m ² or part thereof	S	462.00 for first 540m ² plus 462.00 for each 75m ² or part thereof	462.00 for first 540m ² plus 462.00 for each 75m ² or part thereof
	The erection of buildings on land used for agriculture purposes with a site area of more than 4,215m ² - £19,049 plus £115 for each additional 75m ² to a max of £250,000	S	22,859.00 plus 138.00 for each additional 75m ² to a max of 300,000.	22,859.00 plus 138.00 for each additional 75m ² to a max of 300,000.
	Erection of glasshouses on land used for the purposes of agriculture with a floor space no more than 465m ²	S	96.00	96.00
	Erection of glasshouses on land used for the purposes of agriculture with a floor space more than 465m ²	S	2,580.00	2,580.00
	Erection/Alterations/Replacement of plant and machinery on a site no more than 5 hectares	S	462.00 per 0.1 hectare	462.00 per 0.1 hectare
	Erection/Alterations/Replacement of plant and machinery on a site that exceeds 5 Hectares - £19,049 plus £115 per 0.1 Hectares in excess of 5 Hectares to a maximum £250,000	S	22,859.00 plus 138.00 per 0.1 Hectares in excess of 5 Hectares to a maximum 300,000.	22,859.00 plus 138.00 per 0.1 Hectares in excess of 5 Hectares to a maximum 300,000.
Applications other than Building Works				
	Car Parks, Service Roads or Other Accesses for existing uses	S	234.00	234.00
	Waste, Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals on a site no more than 15 hectares	S	234.00 for each 0.1 hectare or part thereof	234.00 for each 0.1 hectare or part thereof
	Waste, Use of land for disposal of refuse or waste materials or deposit of material remaining after extraction or storage of minerals on a site more than 15 hectares - £29,112 plus £115 per 0.1 hectare in excess of 15 hectares up to a maximum of £65,000	S	34,934.00 plus 138.00 per 0.1 hectare in excess of 15 hectares up to a maximum of 78,000.	34,934.00 plus 138.00 per 0.1 hectare in excess of 15 hectares up to a maximum of 78,000.

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	Operations connected with Exploratory Drilling for oil or natural gas on a site no more than 7.5 hectares	S	508.00 per 0.1 hectare	508.00 per 0.1 hectare
	Operations connected with Exploratory Drilling for oil or natural gas on a site that exceeds 7.5 Hectares £28,750 plus £115 for each 0.1 Hectare in excess of 7.5 Hectares to a max £250,000	S	38,070.00 plus 151.00 for each 0.1 hectare in excess of 7.5 hectares to a max 300,000.	38,070.00 plus 151.00 for each 0.1 hectare in excess of 7.5 hectares to a max 300,000.
	Other operations - Winning and working of a site that does not exceed 15 Hectares	S	257.00 per 0.1 hectare	257.00 per 0.1 hectare
	Other operations - Winning and working of a site that exceeds 15 Hectares - £29,112 plus £115 for each additional 0.1 Hectare in excess of 15 Hectares up to £65,000	S	38,520.00 plus 151.00 for each additional 0.1 Hectare in excess of 15 Hectares up to 78,000.	38,520.00 plus 151.00 for each additional 0.1 Hectare in excess of 15 Hectares up to 78,000.
	Operations (other than exploratory drilling) for the winning and working of oil and natural gas with a site area of not more than 15 hectares	S	234.00 per 0.1 hectare (or part thereof)	234.00 per 0.1 hectare (or part thereof)
	Operations (other than exploratory drilling) for the winning and working of oil and natural gas with a site area more than 15 hectares	S	38,520.00 plus 151.00 for each 0.1 hectare up to a maximum of 78,000	38,520.00 plus 151.00 for each 0.1 hectare up to a maximum of 78,000
	Other operations not coming within any of the above categories	S	234.00 for each 0.1 hectare (or part thereof) up to a maximum of 2,028.00	234.00 for each 0.1 hectare (or part thereof) up to a maximum of 2,028.00
Advertisement	Advertisement relating to business on the premises	S	132.00	132.00
	Advance signs which are not situated on or visible from the site, directing the public to a business	S	132.00	132.00
	All other advertisements	S	462.00	462.00
Lawful development certificates	LDC - Existing use - in breach of a planning condition	S	Same as Full	Same as Full
	Existing use LDC - lawful not to comply with a particular condition	S	234.00	234.00
	LDC - Proposed Use	S	Half normal planning fee	Half normal planning fee
Prior Approval	Agricultural / Forestry buildings & operations or demolition of buildings	S	96.00	96.00
	Communications (previously referred to as 'Telecommunications Code System Operations')	S	462.00	462.00
	Proposed Change of Use to State Funded School or Registered Nursery	S	96.00	96.00

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	Proposed Change of Use of Agricultural Building to a State-Funded School or Registered Nursery	S	96.00	96.00
	Proposed Change of Use of Agricultural Building to a flexible use within Shops, Financial and Professional services, restaurants and Cafes, Business, Storage or Distribution, Hotels, or Assembly or Leisure	S	96.00	96.00
	Proposed Changes of Use of Agricultural Building to a Dwellinghouse (Use Class C3), and Associated Building Operations	S	206.00	206.00
	Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a Mixed Retail and residential Use to a use falling within Use Class C3 (Dwellinghouse), where there are NO Associated Building Operations	S	96.00	96.00
	Proposed Change of Use of a building from a Retail (Use Class A1 or A2) Use or a Mixed Retail and residential Use to a use falling within Use Class C3 (Dwellinghouse), and Associated Building Operations	S	206.00	206.00
	Notification for Prior Approval for a Change Of Use from Storage or Distribution Buildings (Class B8) and any land within its curtilage to Dwellinghouse (Class C3)	S	96.00	96.00
	Notification for Prior Approval for a Change of Use from Amusement Arcades/Centres and Casinos, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3)	S	96.00	96.00
	Notification for Prior Approval for a Change of Use from Amusement Arcades/Centres and Casinos, (Sui Generis Uses) and any land within its curtilage to Dwellinghouses (Class C3) and Associated Building Operations	S	206.00	206.00
	Notification for Prior Approval for a Change of Use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to restaurants and Cases (Class A3)	S	96.00	96.00
	Notification for Prior Approval for a Change of Use from Shops (Class A1), Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops and Casinos (Sui Generis Uses) to restaurants and Cases (Class A3), and Associated Building Operations	S	206.00	206.00
	Notification for Prior Approval for a Change of Use from Shops (Class A1) and Financial and Professional Services (Class A2), Betting Offices, Pay Day Loan Shops (Sui Generis Uses) to Assembly and Leisure Uses (Class D2)	S	96.00	96.00

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	Notification for Prior Approval for a Development Consisting of the Erection or Constuction of a Collection Facility within the Curtilage of a Shop	S	96.00	96.00
	Notification for Prior Approval for the Temporary Use of Buildings or Land for the Purpose of Commercial Film-Making and the Associated Temproary Structures, Works, Plant or Machinery required in Connection with that Use	S	96.00	96.00
	Notification for the Prior Aproal for the Installation, Alteration or Replacement of other Solar Photovoltaics (PV) equipment on the roofs of Non-domestic Buildings, up to a Capacity of 1 Megawatt	S	96.00	96.00
	Prior Notification for Larger Home Extensions	S		96.00
Reserved Matters	Application for approval of reserved matters following outline approval - Full Fee due, or if already paid then £462 due	S	Full fee due or if full fee already paid then 462.00 due	Full fee due or if full fee already paid then 462.00 due
Approval/ Variation/ Discharge of Condition	Application for removal or variation of a condition following grant of planning permission	S	234.00	234.00
	Request for confirmation that one or more planning conditions have been complied with	S	34.00	34.00
	Request for confirmation that one or more planning conditions have been complied with	S	116.00	116.00
Change of use of a building	Change of use of a building to use as one or more separate dwelling houses, or other cases, no more than 50 dwellings	S	462.00 for each	462.00 for each
	Change of use of a building to use as one or more separate dwelling houses, or other cases, where change of use exceeds 50 dwelling houses	S	22,859 plus 138.00 each for each additional dwelling house up to a maximum of 300,000	22,859 plus 138.00 each for each additional dwelling house up to a maximum of 300,000
	Other changes of use, other material change of use of a building or land	S	462.00	462.00
Change of Use or Householder Development in areas where Permitted Development rights have been removed through an Article 4 Notice	Change of use from Dwellinghouse (Use Class C3) to Houses in Multiple Occupation (Use Class C4)	S	462.00	462.00
	Alterations/extensions to a single dwellinghouse , including works within boundary	S	206.00	206.00
Application for a Non-material Amendment Following a Grant of Planning Permission	Applications in respect of householder developments	S	34.00	34.00
	Applications in respect of other developments	S	234.00	234.00

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Application for Permission in Principle (valid from 1 June 2018)	Site area	S	402.00 for each 0.1 hectare (pr part therof)	402.00 for each 0.1 hectare (pr part therof)
Copy of decision notice		Non - S	28.50	30.00
Copy Tree Preservation order		Non - S	28.50	30.00
Copy of Appeal Decision Notice		Non - S	28.50	30.00
Copy of Enforcement Notices		Non - S	28.50	30.00
Copy of Section 106		Non - S	57.00	75.00
Photocopying				
A4	per sheet	Non - S	1.60	2.00 for 1st page, and 50p thereafter
A3	per sheet	Non - S	2.20	3.00 for 1st page and 75p thereafter
A2	per sheet	Non - S	6.50	7.50
A1	per sheet	Non - S	8.50	10.00
A0	per sheet	Non - S	16.00	20.00
Ordnance Survey Extracts	Set of 6 A4 extracts of 1:500 scale	Non - S	37.50	40.00
	Set of 6 A4 extracts of 1:1250 scale	Non - S	37.50	40.00
	Set of 6 A4 extracts of 1:2500 scale	Non - S	37.50	40.00
Planning Policy Documents	Consultants' Reports	Non - S	POA	POA
	Local Plans various stages of development and all supporting documents	S & Non-S	POA	POA
Pre-Application Advice	Largescale Major Developments	Non - S	POA	20% of fee
	Other Major Development Dwellings	Non - S	15% of fee	20% of fee
	Other Major Development Offices/Research and Development/Light industry	Non - S	15% of fee	20% of fee
	Other Major Development Heavy Industry/Storage/Warehousing	Non - S	15% of fee	20% of fee
	Other Major Development Retail, Distribution and Servicing	Non - S	15% of fee	20% of fee
	All other major development	Non - S	15% of fee	20% of fee
	Minor Development 1 dwelling	Non - S	80.00	150.00
	Minor Development 2-5 dwellings	Non - S	260.00	150.00 for first dwelling and 75.00 thereafter
	Minor Development 6-9 dwellings	Non - S	465.00	150.00 for first dwelling and 75.00 thereafter
	All other Minor Development	Non - S	15% of fee	20% of fee
	Change of Use to House in Multiple Occupation	Non - S	125.00	150.00
	Change of Use	Non - S	80.00	120.00
	Householder Developments	Non - S	37.50	80.00
	Advertisements	Non - S	37.50	60.00
	Listed Building Consent to alter/extend/demolish	Non - S	125.00	130.00
	Meetings and/or Site Visits (per 30 Minutes) in addition to the pre-application charge applicable above	Non - S	100.00	110.00
Request for current use of property	All Properties	Non - S	POA	POA - base on officer time

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Other Ancillary Charges	Householder Enquiries	Non - S	POA	POA
	History and Investigation	Non - S	100 per half hr	110.00 per half hour
	Other (not included in the above)	Non - S	100 per half hr	110.00 per half hour
Planning Performance Agreement	Individual Cases	S	negotiable on an individual case	negotiable on an individual case
	Return Invalid Planning Application Fee	Non - S	50.00	60.00
Confirmation of S106, Conditions, CIL	Confirmation of S106, Conditions, CIL	Non-S		110.00 per half hour
Building Control				
New Dwellings up to 300m ² :				
Number of Dwellings				
1 to 2 Dwellings as set out				
	1 Plan Charge	S	147.2	152
	1 Inspection Fee	S	441.63	452
	1 Building Notice Charge	S	647.7	662
	1 Regularisation Charge	S	686.97	702
	2 Plan Charge	S	182.26	187
	2 Inspection Fee	S	546.77	559
	2 Building Notice Charge	S	801.92	819
	2 Regularisation Charge	S	850.53	869
For Three or more dwellings, or if the floor area of the dwellings exceeds 300m ² , the charge is individually determined				
Detached garage of car port up to 40m ²				
	Plan Charge	S	240.34	246
	Inspection Fee	S	Included in Plan Charge	Included in Plan Charge
	Building Notice Charge	S	265.2	271
	Regularisation Charge	S	260.36	266
Attached single storey extension of garage or car port up to 40m ²				
	Plan Charge	S	120	123
	Inspection Fee	S	140.36	144
	Building Notice Charge	S	260.36	266
	Regularisation Charge	S	282.06	288
Domestic extension up to 10m ²				
	Plan Charge	S	120	123
	Inspection Fee	S	220.48	226
	Building Notice Charge	S	340.48	348
	Regularisation Charge	S	368.85	377
Domestic extension 10m ² to 40m ²				
	Plan Charge	S	120	123
	Inspection Fee	S	308.6	316
	Building Notice Charge	S	428.6	438
	Regularisation Charge	S	464.32	475
Domestic extension 40m ² to 100m ²				
	Plan Charge	S	120	123
	Inspection Fee	S	420.76	430
	Building Notice Charge	S	540.76	553
	Regularisation Charge	S	585.82	599

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A minimum charge for rooms in the roof is	Plan Charge	S	120	123
	Inspection Fee	S	288.58	295
	Building Notice Charge	S	408.58	418
	Regularisation Charge	S	442.62	452
A Minimum charge for rooms in the roof with dormer	Plan Charge	S	120	123
	Inspection Fee	S	343	350
	Building Notice Charge	S	463	473
	Regularisation Charge	S	501.63	512
Conversion of a habitable room(s)	Plan Charge	S	60	62
	Inspection Fee	S	200.36	205
	Building Notice Charge	S	260.36	266
	Regularisation Charge	S	282.06	288
The introduction of insulation as part of a re-roof work, re-rendering/plastering and replacement ground floors that does not include changes to structural members	Plan Charge	S	200.28	205
	Inspection Fee	S	Included in Plan Charge	Included in Plan Charge
	Building Notice Charge	S	200.28	205
	Regularisation Charge	S	216.97	222
Domestic external window & door replacements (up to 5)	Building Notice Charge	S	160.22	164
	Regularisation Charge	S	173.58	178
Domestic external window & door replacements (over 5)	Building Notice Charge	S	To be individually determined	To be individually determined
	Regularisation Charge	S	To be individually determined	To be individually determined
Domestic Internal Alterations, installation of fittings and/or structural work				
Estimated Cost of Building Works				
£				
0 - 2,000	Plan Charge	S	160.22	164
	Building Notice Charge	S	160.22	164
	Regularisation Charge	S	173.58	178
2,001 - 5,000	Plan Charge	S	200.38	205
	Building Notice Charge	S	200.38	205
	Regularisation Charge	S	216.97	222
For schemes exceeding £5,000 estimated contract price the charge is individually determined				
Charges for all Non-Domestic Building Work				
Estimated Cost of Building Works				
£				
0 - 2,000	Plan Charge	S	200.28	205
	Building Notice Charge	S	200.28	205
	Regularisation Charge	S	216.97	222
2,001 - 5,000	Plan Charge	S	240.34	246
	Inspection Fee	S		
	Building Notice Charge	S	240.34	246

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For schemes exceeding £5,000 estimated contract price the charge is individually determined				
Electrical Work - minimum charge when not carried out in conjunction		Non - S	198	203
	Regularisation Charge	Non - S	214.5	220
Fees for Dealing with Dangerous Structures				
Surveyors Mileage Costs		Non - S	45p per mile	45p per mile
Surveyors Time Costs		Non - S	Between £20.00 to £31.00 per hour	Between £20.00 to £31.00 per hour
Administration		Non - S	51	53
Cost of work to make structure safe will depend on the amount and type of work involved				
Exempt Building Certificate		S	29	40
Retrieval of Plans to enable copies of Certificates to be issued		Non - S	30.5	Now part of copies of certificate charge
Copies of Certificates	Per Copy	Non - S	10	45
To view Historic / Stored Files		Non - S	214	220
Letters of Confirmation of works carried out if files not available		Non - S	46	75
Street Naming and Numbering Charges				
Existing Properties				
House Name Change		S	63	80
New Properties				
Numbering / Naming	1 - 5 Plots	S	185	225
	6 - 25 Plots	S	296	350
	26 - 75 Plots	S	700	800
	76+ Plots	S	945	1250
Additional charge where this includes Naming of a Building (e.g. Block of Flats)		S	126	150
Existing Streets				
Renaming of Street where requested by residents		S	220.50 plus 21.00 per property	295 plus 30 per property
New Streets				
Additional Charge to House Numbering where this includes naming of street	Per Street	S	152	175
Amendments to Schedule				
Amending Schedule of development already issued following plot change by developer	Per Plot Affected	S	39	50

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Guildhall Room Hire				
Mon - Fri. 8am till 8.30pm per hr	Great Hall	Non - S	66.00	70.00
	Court Room	Non - S	44.00	46.50
	Ceremony Room (Mon-Fri after 6pm)	Non - S	27.56	29.00
	Dressing Rooms (2) (to be booked with hall only)	Non - S	22.05	23.00
	Jeyes Room	Non - S	44.00	46.50
	Gallery Room	Non - S	27.56	29.00
	Godwin Room	Non - S	27.56	29.00
	Council Chambers	Non - S	44.00	46.50
	Jeffery Room	Non - S	44.00	46.50
	Holding Room	Non - S	27.56	29.00
	Courtyard & Cloister (Mon-Fri after 6pm & Sat)	Non - S	33.00	35.00
	Mezzanine Area (Mon-Fri after 6pm & Sat)	Non - S	33.00	35.00
	OSS Reception Area (Mon-Fri after 5.30pm and Sat)	Non - S	33.00	35.00
Mon - Fri. per hr after 8.30pm	Great Hall	Non - S	113.00	119.00
	Court Room	Non - S	75.60	80.00
	Ceremony Room (Mon-Fri after 6pm)	Non - S	75.60	80.00
	Dressing Rooms (2) (to be booked with hall only)	Non - S	22.05	23.00
	Jeyes Room	Non - S	75.60	80.00
	Gallery Room	Non - S	75.60	80.00
	Godwin Room	Non - S	75.60	80.00
	Council Chambers	Non - S	75.60	80.00
	Jeffery Room	Non - S	75.60	80.00
	Holding Room	Non - S	75.60	80.00
	Courtyard & Cloister (Mon-Fri after 6pm & Sat)	Non - S	63.00	66.00
	Mezzanine Area (Mon-Fri after 6pm & Sat)	Non - S	63.00	66.00
	OSS Reception Area (Mon-Fri after 5.30pm and Sat)	Non - S	63.00	66.00
Saturdays per hr	Great Hall	Non - S	113.00	119.00
	Court Room	Non - S	75.60	80.00
	Ceremony Room (Mon-Fri after 6pm)	Non - S	75.60	80.00
	Dressing Rooms (2) (to be booked with hall only)	Non - S	22.05	23.00
	Jeyes Room	Non - S	75.60	80.00
	Gallery Room	Non - S	75.60	80.00
	Godwin Room	Non - S	75.60	80.00
	Council Chambers	Non - S	75.60	80.00
	Jeffery Room	Non - S	75.60	80.00
	Holding Room	Non - S	75.60	80.00
	Courtyard & Cloister (Mon-Fri after 6pm & Sat)	Non - S	63.00	66.00
	Mezzanine Area (Mon-Fri after 6pm & Sat)	Non - S	63.00	66.00
	OSS Reception Area (Mon-Fri after 5.30pm and Sat)	Non - S	63.00	66.00
Sundays & Bank Hols Per hr	Great Hall	Non - S	160.00	168.00
	Court Room	Non - S	110.00	115.50
	Ceremony Room (Mon-Fri after 6pm)	Non - S	110.00	115.50
	Dressing Rooms (2) (to be booked with hall only)	Non - S	22.05	23.00
	Jeyes Room	Non - S	110.00	115.50
	Gallery Room	Non - S	110.00	115.50
	Godwin Room	Non - S	110.00	115.50
	Council Chambers	Non - S	110.00	115.50
	Jeffery Room	Non - S	110.00	115.50
	Holding Room	Non - S	110.00	115.50
	Courtyard & Cloister (Mon-Fri after 6pm & Sat)	Non - S	110.00	115.50
	Mezzanine Area (Mon-Fri after 6pm & Sat)	Non - S	110.00	115.50
	OSS Reception Area	Non - S	110.00	115.50

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Investors Suite Room Hire	Investors Suite Room Hire Per Day	Non - S	262.50	280.00
	Investors Suite Room Hire Per Half Day	Non - S	157.50	166.00
Refreshments	Tea/coffee/biscuits per serving per person	Non - S	1.50	1.60
Plasma Screen		Non - S	40.00	42.00
PA System		Non - S	40.00	42.00
Multi Media Projector	Jeffery Room	Non - S	40.00	42.00
Back Projector	Great Hall	Non - S	30.00	32.00
Flipchart		Non - S	10.00	12.00
Display boards	For 4 boards	Non - S	40.00	42.00
	Per board	Non - S		11.00
Security	Per officer per hour	Non - S	18.00	19.00
Table cloths	Per cloth	Non - S	3.50	5.00
Training Room 2	Classroom for 12	Non - S		46.50
Chair Covers	Each	Non - S		2.50
Sashes	Each	Non - S		0.50
Flowers	In a vase	Non - S		30.00
Starcloth		Non - S		50.00
CD Player		Non - S		20.00
Poseur Tables	Each	Non - S		10.00
Photo Copying	Per copy	Non - S		0.10
Lectern		Non - S		30.00
Mobile Staging		Non - S		50.00
Mobile Bar		Non - S		100.00
Cloak Room Service	Per hour	Non - S		25.00
Tours of Guildhall	Per person	Non - S		3.00
Wedding Ceremony Rates	Great Hall	Non - S	826.00	868.00
	Court Room	Non - S	551.00	580.00
	Council Chamber	Non - S	551.00	580.00
	Holding Room	Non - S	441.00	465.00
	Great Hall (Sundays & Bank Holidays)	Non - S	1652.00	1736.00
	Court Room (Sundays & Bank Holidays)	Non - S	1102.00	1160.00
	Council Chamber (Saturday & Bank Holidays)	Non - S	1102.00	1160.00
	Holding Room (Sundays & Bank Holidays)	Non - S	882.00	930.00
Reception Prices	The Spencer Package	Non - S	2094.00	2200.00
	The Jeffery Package	Non - S	1488.00	1565.00
	The Tilley Package	Non - S	1047.00	1100.00
	The Godwin Package	Non - S	504.00	530.00
Museum Service				
Abington Park Museum	Great Hall/Function Room Hire			
	Core Day Time Rates			
	Monday/Friday and Saturday/Sunday, One Room half day: 9am - 1pm or 1pm - 5pm	Non - S	250.00	275.00
	Monday/Friday and Saturday/Sunday, Both Rooms half day: 9am - 1pm or 1pm - 5pm	Non - S	450.00	495.00
	Monday/Friday and Saturday/Sunday, One Room full day: 9am - 5pm	Non - S	450.00	495.00
	Monday/Friday and Saturday/Sunday, Both Rooms full day: 9am - 5pm	Non - S	600.00	660.00
	Tuesday - Thursday, One Room half day: 9am - 1pm or 1pm - 5pm	Non - S	350.00	420.00
	Tuesday - Thursday, Both Rooms half day: 9am 1pm or 1pm - 5pm	Non - S	550.00	660.00
	Tuesday - Thursday, One Room full day: 9am - 5pm	Non - S	550.00	660.00
	Tuesday - Thursday, Both Rooms full day: 9am - 5pm	Non - S	800.00	950.00
20% discount applies to registered charities				

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Abington Park Museum	Great Hall/Function Room Hire			
	Core Evening offer			
	Monday to Sunday Early evening 5pm - 8pm	Non - S	270.00	300.00
	Monday to Sunday Late evening 6pm - 11pm	Non - S	450.00	500.00
	Additional hourly daytime rate before 1pm	Non - S	62.50 per hour	75.00
	Additional hourly evening up to midnight outside core offer	Non - S	90 per hour	100.00
	Additional hourly evening rate after midnight outside core offer	Non - S	110 per hour	130.00
	20% discount applies to registered charities			
	Table hire and cloth hire - all orders incur an additional £17 delivery charge			
	6ft circular table seats up to 8	Non - S	8.70 each	10.00
	4ft circular seats up to 6	Non - S	5.10 each	7.00
	118" cloth fits 6ft circular table	Non - S	9.54	11.00
	90" cloth fits 4ft circular table	Non - S	6.90	8.00
Abington Park Museum	Wedding ceremonies			
	Monday-Thursday one room 2 hrs	Non-S	750.00	950.00
	Monday-Thursday additional hours	Non-S	250.00	300.00
	Monday- Thursday Full Day (from 11am-11pm)	Non - S	2,000.00	2,500.00
	Friday one room 2 hours	Non - S	1,000.00	1,500.00
	Friday additional hours	Non - S	350.00	400.00
	Friday Full day (from 11am - 11pm)	Non - S	3,000.00	3,800.00
	Saturday one room 2 hours	Non - S	1,250.00	1,500.00
	Saturday additional hours	Non - S	450.00	500.00
	Saturday Full day (from 11am - 11pm)	Non - S	4,500.00	4,900.00
	Sunday one room 2 hrs	Non-S	750.00	1,500.00
	Sunday additional hour	Non-S	250.00	350.00
	Sunday Full day (from 11am-11pm)	Non-S	2,000.00	3,800.00
	Refreshments	Non - S	1.80	2.00
NMAG	Central Hall			
	Monday, Friday - half day [9am-1pm;1pm-5pm]	Non-S		400.00
	Monday, Friday additional hour rate before 5pm	Non-S		100.00
	Monday, Friday - full day [9am-5pm]	Non-S		800.00
	Tuesday-Thursday - half day [9am-1pm; 1pm-5pm]	Non-S		450.00
	Tuesday-Thursday - additional hour rate before 5pm	Non-S		125.00
	Tuesday-Thursday - full day [9am-5pm]	Non-S		850.00
	Saturday, Sunday - half day [9am-1pm;1pm-5pm]	Non-S		400.00
	Saturday, Sunday - additional hour rate before 5pm	Non-S		100.00
	Saturday, Sunday - full day [9am-5pm]	Non-S		750.00
	Monday-Sunday - early evening rate [5-8pm]	Non-S		350.00
	Monday - Sunday - late evening rate [6-11pm]	Non-S		500.00
	Monday-Sunday - additional hourly rate up to midnight	Non-S		100.00
	Monday-Sunday - additional hourly rate after midnight	Non-S		150.00
	Studio			
	Monday- Sunday [9am-5pm] hourly rate	Non-S		100.00
	Lower ground floor café space			
	Monday - Friday, 9am-5pm, Hourly rate			100.00
	Gallery spaces [out of hours]	Non-S		negotiable for special events

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Talks	Talks	Non - S	65 plus travel costs	90 plus travel costs
Image Reproduction	Prints (Colour or Monochrome) from existing digital images			
	A4	Non - S	30 each	31.20
	A3	Non - S	36 each	37.20
	A2	Non - S	72 each	74.40
	A1	Non - S	108 each	111.60
	AO	Non - S	180 each	186.00
	High resolution digital image from existing digital images	Non - S	36 each	37.20
	Books			
	Print run up to 1000 units single country inner page	Non - S	36.00	37.20
	Print run up to 1000 units single country cover page	Non - S	72.00	74.40
	Print run over 1000 units single country inner page	Non - S	72.00	74.40
	Print run over 1000 units single country cover page	Non - S	240.00	247.20
	Print run over 1000 units world inner page	Non - S	120.00	123.60
	Print run over 1000 units world cover page	Non - S	360.00	370.80
	Magazines and newspapers (inc web use for same feature)			
	Local - inner page	Non - S	36.00	37.20
	Local - cover page	Non - S	72.00	74.40
	National - inner page	Non - S	96.00	99.00
	National - cover page	Non - S	240.00	247.20
	Television (cable, digital, satellite, terrestrial & web streaming / on-demand)			
	Provincial broadcast (two broadcasts)	Non - S	60.00	61.80
	Single country broadcast (two broadcasts)	Non - S	120.00	123.60
	World broadcast (two broadcasts)	Non - S	180.00	186.00
	5 year buyout	Non - S	300.00	309.60
	All retail DVD, Blu-Ray and direct pay per view will require a five year buyout rights)			
	Commercial Web, Product & Site use (eg display panels, exhibition guides, greeting cards, stationery etc)			
	One time use, local business	Non - S	90.00	92.70
	One time use, Non local business	Non - S	150.00	154.80
	5 year buyout	Non - S	300.00	309.60
	Images for use in exhibition guides that are not for commercial gain can be utilised free of charge, subject to reasonable use. Where images are used in conjunction with an exhibition where income will be made, the above charges will apply.			
	Prices are exclusive of delivery charge			

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	Creating new digital images (where images don't already exist in our library but can be made from our objects in our museum collections)			
	Scanning	Non - S	18.00	18.60
	In-house photography	Non - S	36.00	37.20
	External photography	Non - S		Negotiable
	Delivery charges (for print and digital images)			
	By email of FTP	Non - S	Free	Free
	By CD	Non - S	7 per disc	7.20
	UK/International 0-25	Non - S	1.50	1.86
	UK/International 0-25	Non - S	3.00	3.72
	UK 25+	Non - S	3.00	3.72
	International 25+	Non - S	6.00	7.44
	In additional, all overseas orders (to cover payment costs)	Non - S	15.00	18.60
Learning Sessions	Onsite Learning sessions at Abington Park Museum, max number of pupils 35			
	History of shoes KS1 & 2 - 1.5 hours	Non - S	80.00	140.00
	Shoemaking KS2 - 1.5 hours	Non - S	92.00	175.00
	Stone Age to Iron Age KS1 & 2 - 1.5 hours	Non - S	80.00	140.00
	Archaeological Dig KS1 & 2 - 1.5 hours	Non - S	80.00	140.00
	Anglo Saxon and Viking Life KS2 - 1.5 hours	Non - S	80.00	140.00
	Toys Reception/KS1 - 1.5 hours	Non - S	80.00	140.00
	Homes in the Past KS 1 & 2 - 1.5 hours	Non - S	80.00	140.00
	Ancient Egyptians KS2 - 2 hours	Non - S	110.00	200.00
	Investigating the Victorians KS1 & 2 - 1.5 hours	Non - S	80.00	140.00
	Museum Outreach Sessions: each outreach visit lasts 2 hours & is for 2 classes of 35 pupils, one hour for each class			
	Additional classes can be booked on the same day: 1 class of up to 35 pupils - 1 hour £65; 2 classes up to 70 pupils - 2 hours £85			
	Romans/Archaeology	Non - S	105 plus mileage	275.00
	Tudors	Non - S	105 plus mileage	275.00
	Victorians	Non - S	105 plus mileage	275.00
	World War Two	Non - S	105 plus mileage	275.00
	Shoemaking	Non - S	105 plus mileage	275.00
	Toys	Non - S	105 plus mileage	275.00
	Museum Loans Boxes price for up to half a term (approx 6 weeks)			
	In our Shoes	Non - S	55.00	75.00
	Shoe Chests	Non - S	55.00	75.00
	Toys	Non - S	55.00	75.00
	Wooden Toys - Mini Box	Non - S	25.00	45.00
	The Victorian Child	Non - S	55.00	75.00
	The Victorian Home	Non - S	55.00	75.00
	The Second World War - Evacuee Suitcase	Non - S	55.00	75.00
	Second World War - The Home Front	Non - S	55.00	75.00
	Second World War - Soldier	Non - S	55.00	75.00
	World Culture Boxes	Non - S	55.00	75.00
	Medicine Through Time	Non - S	55.00	75.00

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Fees & Charges

Activity / Item	Basis	Statutory / Non-Statutory	2019/20 Value inc VAT £	2020/21 Value inc VAT £	
Car Parks					
Charges	Up to 1 hour	Non - S	n/a	n/a	
	Up to 1 hour (MSCP only)		Free	Free	
	Up to 2 hours	Non - S	2.00	2.00	
	Up to 2 hours (MSCP only)		Free	Free	
	Up to 3 hours	Non - S	4.00	4.00	
	Up to 4 hours	Non - S	4.00	4.00	
	Up to 5 hours	Non - S	4.00	4.00	
	All Day	Non - S	8.00	8.00	
	Evening*	Non - S	3.00	3.00	
	Overnight*	Non - S	3.00	3.00	
	Saturdays (MSCP only)		2.00	2.00	
	Sunday	Non - S	2.00	2.00	
	Coaches	Non - S	8.00	8.00	
	* Selected Car Parks Only				
		Monthly - 7 day	Non - S	120.00	120.00
		Annual - 7 day	Non - S	1,296.00	1,296.00
	Permits	Town Centre Annual Parking Permits	Non - S	360.00	360.00
Commuter Permits		Non - S	600.00	600.00	
Market Stall Rents					
Permanent Trader Rates					
Winter Rates					
Standard	Tues - Thurs	Non - S	7.00	7.00	
	Fri	Non - S	10.00	10.00	
	Sat	Non - S	15.00	15.00	
1st Class	Tues & Weds	Non - S	9.50	9.50	
	Thurs	Non - S	9.00	9.00	
	Fri	Non - S	12.50	12.50	
2nd Class	Sat	Non - S	17.50	17.50	
	Tues & Weds	Non - S	8.50	8.50	
	Thurs	Non - S	7.00	7.00	
Summer Rates	Fri	Non - S	11.50	11.50	
	Sat	Non - S	16.50	16.50	
	Tues - Weds	Non - S	10.00	10.00	
Standard	Thurs	Non - S	8.00	8.00	
	Fri	Non - S	12.00	12.00	
	Sat	Non - S	25.00	25.00	
1st Class	Tues & Weds	Non - S	16.00	16.00	
	Thurs	Non - S	10.00	10.00	
	Fri	Non - S	18.00	18.00	
2nd Class	Sat	Non - S	31.00	31.00	
	Tues & Weds	Non - S	14.50	14.50	
	Thurs	Non - S	8.00	8.00	
Casual Trader Rates	Fri	Non - S	16.50	16.50	
	Sat	Non - S	29.50	29.50	
	Tues - Thurs	Non - S	10.00	10.00	
Standard	Fri	Non - S	12.00	12.00	
	Sat	Non - S	20.00	20.00	
	Tues & Weds	Non - S	12.50	12.50	
1st Class	Thurs	Non - S	12.00	12.00	
	Fri	Non - S	14.50	14.50	
	Sat	Non - S	22.50	22.50	
2nd Class	Tues & Weds	Non - S	11.50	11.50	
	Thurs	Non - S	10.00	10.00	
	Fri	Non - S	13.50	13.50	
	Sat	Non - S	21.50	21.50	

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Fees & Charges

Activity / Item	Basis	Statutory / Non-Statutory	2019/20 Value inc VAT £	2020/21 Value inc VAT £
Summer Rates				
Standard	Tues - Weds	Non - S	12.00	12.00
	Thurs	Non - S	10.00	10.00
	Fri	Non - S	18.00	18.00
	Sat	Non - S	30.00	30.00
1st Class	Tues & Weds	Non - S	18.00	18.00
	Thurs	Non - S	12.00	12.00
	Fri	Non - S	24.00	24.00
	Sat	Non - S	36.00	36.00
2nd Class	Tues & Weds	Non - S	16.50	16.50
	Thurs	Non - S	10.00	10.00
	Fri	Non - S	22.50	22.50
	Sat	Non - S	34.50	34.50
Housing Fees				
Standard HMO Licence Fee (for up to 5 persons)	The fee charged for a new HMO licence (or the late renewal of an HMO where the application does not allow for continuation of the licence) in relation to an HMO that is able to accommodate up to 5 persons.	Non -S	1100.00	£1,269 (£546 payable with application, £723 invoiced at draft stage of Licence)
Standard HMO Licence Fee (for 6 or more persons)	The fee charged for a new HMO licence (or the late renewal of an HMO where the application does not allow for continuation of the licence) in relation to an HMO that is able to accommodate 6 or more persons.	Non -S	1140.00 plus £40.00 per person if more than 5 persons	£1,309 plus £40.00 per person if more than 6 persons (£546 payable with application, £763 + £40 per additional person invoiced at draft stage of Licence)
Early Bird Discount for a new HMO licence.	The discount that is allowed (at the discretion of the Council) to reduce the Standard HMO Licence Fee for new HMO licences where the completed and valid duly made application (including the licence fee) is received by the Council within the correct timescales.	Non -S	425.00	250.00
Renewal of HMO Licence Fee (for up to 5 persons)	The fee charged for the renewal of an existing HMO licence in relation to a HMO who is able to accommodate up to 5 persons.	Non -S	1100.00	£1,269 (£546 payable with application, £723 invoiced at draft stage of Licence)
Renewal of HMO Licence Fee (for 6 or more persons)	The fee charged for the renewal of an existing HMO licence in relation to an HMO that is able to accommodate up to 6 persons.	Non -S	1140.00 plus £40.00 per person if more than 5 persons	£1,309 plus £40.00 per person if more than 6 persons (£546 payable with application, £763 + £40 per additional person invoiced at draft stage of Licence)
Early Bird Discount for the renewal of a HMO licence.	The discount (at the discretion of the Council) to reduce the Standard HMO Licence renewal Fee where the completed and valid duly made renewal application (including the licence fee) is received by the Council at least 28 days before the existing HMO licence expires.	Non -S	475.00	543.00
Licensable HMO's	Practical support and assistance from any Officer of the Council to support in completing an online licence application	Non - S	75.00 + VAT	75.00 + VAT

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Viewing of Registers	Free Office Viewing or Internet (where applicable) – charge for copy and for Officer time if this exceeds 30 mins	Non - S	Excluding the first 30 minutes (which is free) the cost of Officer Attendance is £75.00 + VAT an hour or part thereof.	Excluding the first 30 minutes (which is free) the cost of Officer Attendance is £80.00 + VAT an hour or part thereof.
Licensable HMO's	Pre-Application Inspection. Will be charged for missed, or cancelled, inspections where 24 hours notice has not been given	Non - S	150.00 + VAT for pre-inspection. 75.00 for missed or cancelled inspection	155.00 + VAT for pre-inspection. 80.00 for missed or cancelled inspection
Licensable HMO's	Variation to a licence	Non - S	120 + VAT	125.00 + VAT
All privately owned Properties (including Empty homes)	The charge made where it is necessary for the Council to serve an Improvement Notice or Suspended Improvement Notice because the owner or landlord has failed to engage with the Council or it is unlikely that a pre-formal process will result in satisfactory resolution	Non - S	450.00	465.00
All privately owned Properties (including Empty homes)	The charge made where it is necessary for the Council to serve a Prohibition Order because all or part of the property cannot be occupied safely and resolution cannot be achieved by way of an informal agreement	Non - S	450.00	465.00
All privately owned Properties (including Empty homes)	The charge made when it is necessary for the Council to serve an Emergency Prohibition Order because there is an imminent risk of serious harm to the health and safety of the occupier(s) in all or part of the property	Non - S	500.00	515.00
All privately owned Properties (including Empty homes)	The charge made when the Council is requested to revoke or remove prohibition / emergency prohibition orders - this will always entail a visit to the premises	Non - S	225.00	230.00
All privately owned Properties (including Empty homes)	The charge made when it is necessary for the Council to undertake Emergency Remedial Action because there is an immediate risk of serious harm to the health and safety of occupier(s) in all or part of the property	Non - S	440 + VAT plus the costs of the works	455 + VAT plus the costs of the works
All privately owned Properties (including Empty homes)	The charge made when it is necessary for the Council to carry out works because the owner or landlord of the property has failed to comply with a statutory notice and, on its own, prosecution would not ensure the health and safety of the occupier(s). The full cost of the works will be recovered in line with the relevant statutory provisions, a land charge will be placed on the property and the debt will be pursued. If interest can be charged while the debt remains unpaid this will be added to the debt.	S	Cost of work plus either £300.00 or 15% whichever is the greater	Cost of work plus either £310.00 or 15% whichever is the greater
Immigration	Request for Letter confirming property is satisfactory for intended immigrant	Non - S	225.00 + VAT	235 + VAT
RSL Framework	Registration	Non - S	NPH	NPH
Choice Based Lettings	Flat rate charge for Advertising a Property	Non - S	NPH	NPH
Travellers Site Charges	Pitch Fee	Non - S	56.65 per week	56.65 per week
	Water	Non - S	10.30 per week	10.30 per week

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Fees & Charges

Activity / Item	Basis	Statutory / Non- Statutory	2019/20 Value inc VAT £	2020/21 Value inc VAT £
Land Charges				
Standard Fees	Official LLC1 + CON29 enquiries search	Non - S	108.00	108.00
	Official LLC1 only certificate of search	Non - S	48.00	48.00
Non Standard Fees	CON29O enquiries - question 4-22 inclusive when submitted with accompanying CON29R - each	Non - S	18.00	18.00
	CON29O enquiries submitted without an accompanying CON29R - additional admin fee (plus £15 per question)	Non - S	13.20	13.20
	Additional enquiries - each	Non - S	24.00	24.00
Additional Parcel Fees	CON29R additional parcels of land	Non - S	12.60	12.60
	LLC1 additional parcel fee (up to an additional 16 parcels)	Non - S	1.00	1.00
Personal Search Fees	Personal search	Non - S	0.00	0.00
	Personal search - additional parcels of land (up to an additional 16 parcels)	Non - S	0.00	0.00
Unrefined CON29R (Raw) data enquiries	Q1.1 (f-h)	Non - S	24.00	24.00
	Q3.7 (a-d, f); Q3.8; Q3.9	Non - S	2.40	2.40
	Q3.10; Q3.11	Non - S	1.20	1.20

Notes

Non S - Non Statutory

S - Statutory function

Consultation – public consultation summary

1. Introduction

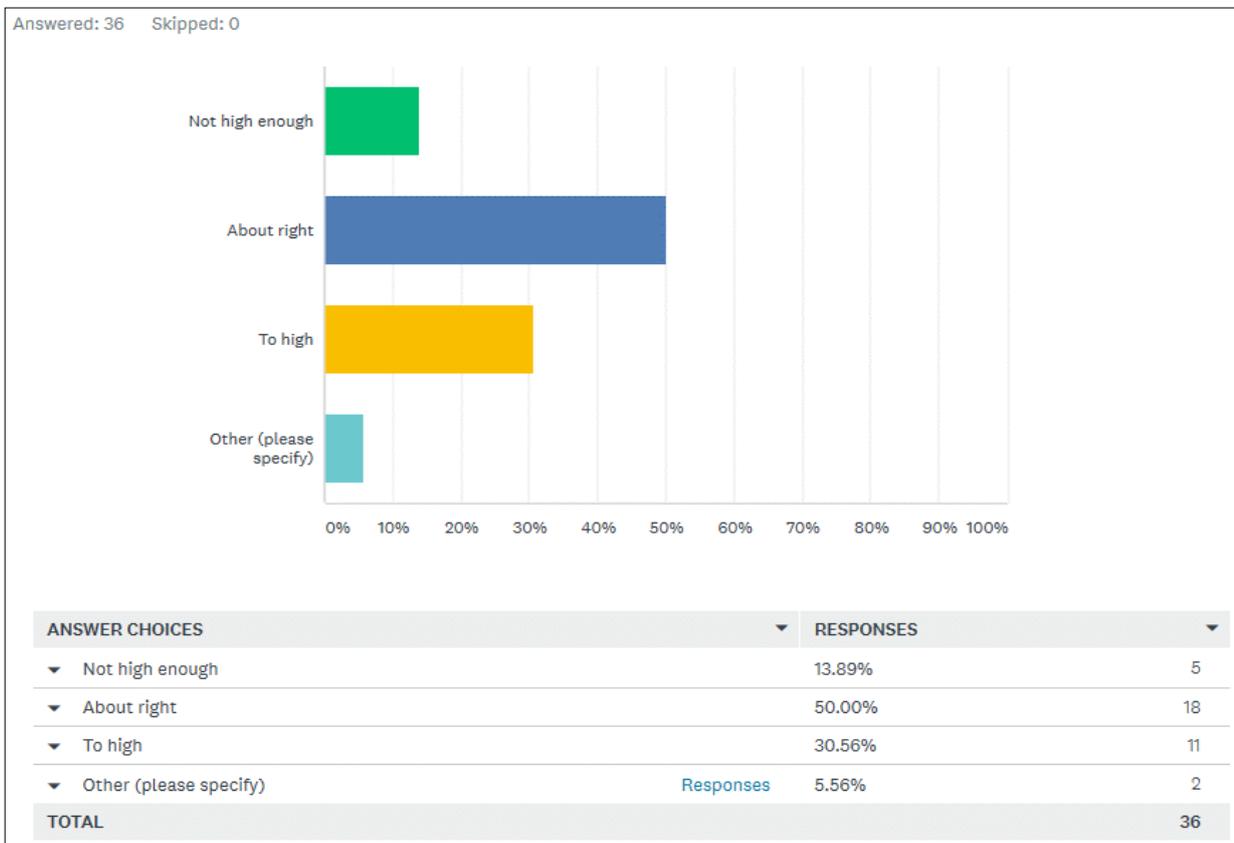
- 1.1. Public consultation on the 2020/21 draft budget was launched on the 16 December 2019. This included an online consultation questionnaire that was open until 31 January 2020. Paper questionnaires were also available on request. In addition, a public meeting was held on 27 January 2020. The consultation period will formally close on the date that the budget is approved by Council in February 2020.
- 1.2. This appendix contains a summary of the results of the public consultation of the draft 2020/21 budget. These results will be used as part of the process for setting the final budget for 2020/21.

2. Consultation questions and summarised responses

Q1 Northampton Borough Council is proposing a small increase in council tax in its draft budget proposals for 2020/21.

This increase is slightly smaller than the increase in the last year 2019/20. The Council are proposing to increase council tax for all households by 2.21%. This will be the equivalent for a band D household of £5.00 per year / 9.6p per week.

Doing this raises an estimated additional £347,000 in 2020/21, and this enables the Council to continue to deliver value for money services in the future. Do you think that this increase is?



Q2 Where do you feel the Council should be spending additional funds?

A few of the responses to this question related to the services provided by the County Council, such as highways, adults social care and children’s social care.

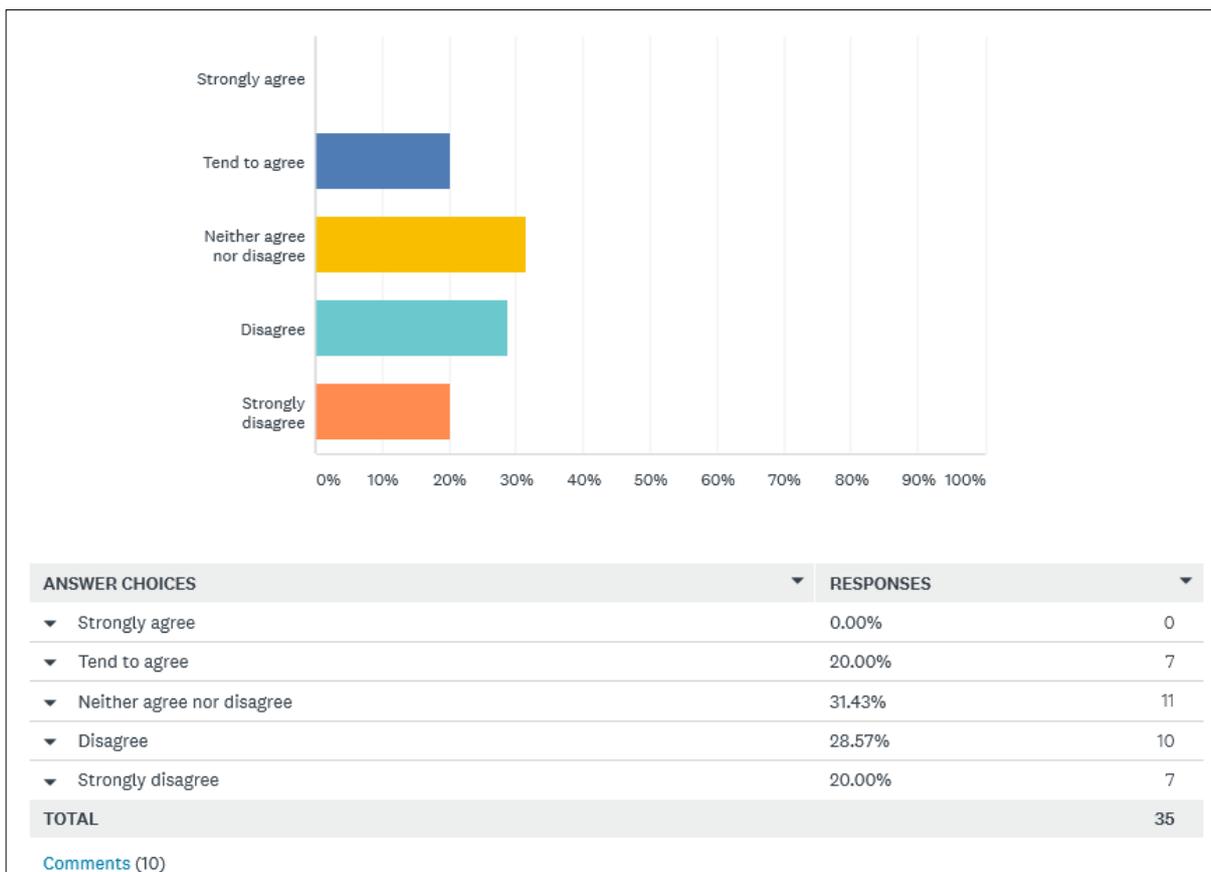
The most common responses to this question covered the following themes:

- Street cleansing; ensuring the streets are clean and tidy; reducing litter.
- Improving the town centre; improve physical realm in the borough; regeneration projects.

Other slightly less common responses that were still raised more than once, included the following themes:

- Tackling homelessness; improving housing.
- Tackling fly tipping.

Q3 Do you feel informed about NBC’s budget setting aims and goals?



Q4 How do you think we can reduce spend, generate income or do things differently to ensure that we maintain a balanced budget?

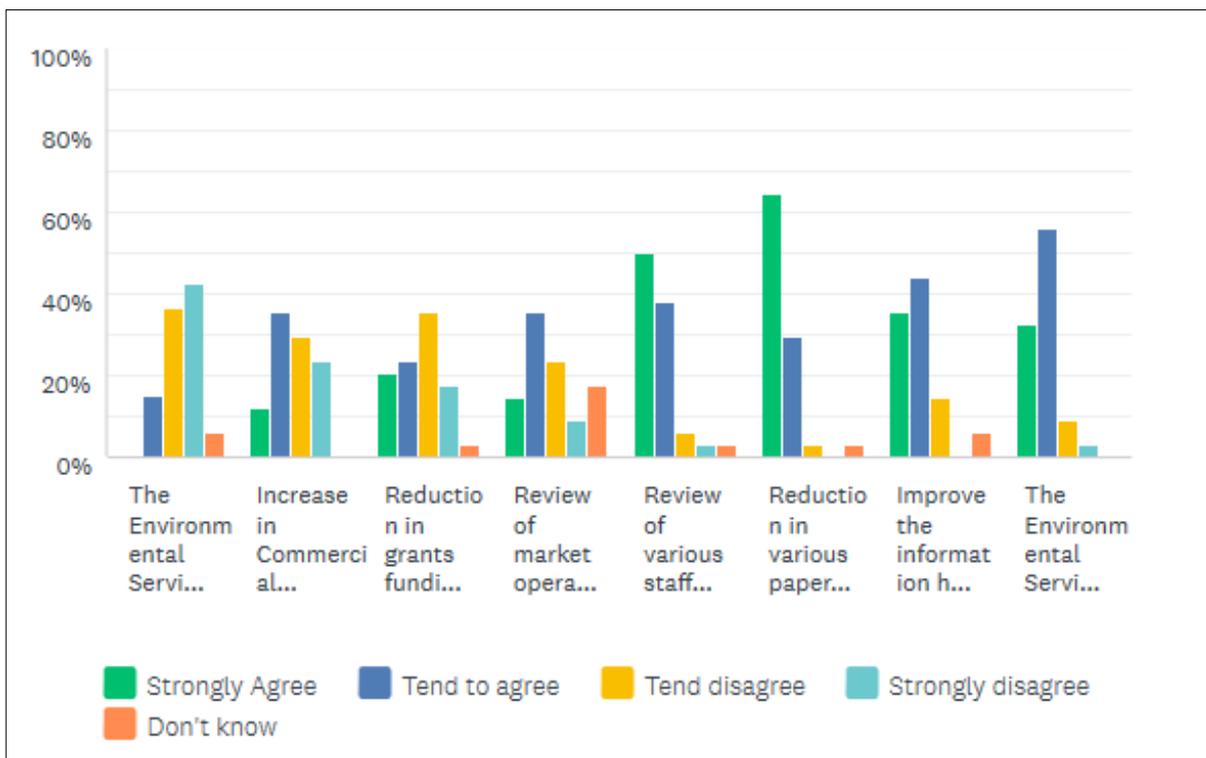
The most common responses relevant to the Borough Council included the following themes:

- Cut councillor expenses and civic spending.
- Reduce salaries of senior staff.

Other slightly less common responses that were still raised more than once, included the following themes:

- Reduce costs of consultants and temporary staff.
- Reduce brown bin collections.

Q5 The key proposals for budgetary savings and growth are set out in Appendix 2 of the Cabinet Budget Report published on our website (savings and growth options). Please indicate your views on these proposals.



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	STRONGLY AGREE	TEND TO AGREE	TEND TO DISAGREE	STRONGLY DISAGREE	DON'T KNOW	TOTAL
The Environmental Services Contract is multi-faceted, providing refuse/recycling collections, street and environmental management along with allotments, cemeteries and public conveniences. Various options are being drawn up to reduce existing costs. (£200,000 saving).	0.00% 0	15.15% 5	36.36% 12	42.42% 14	6.06% 2	33
Increase in Commercial Property income, through rent reviews and planned acquisitions. (£300,000 additional income).	11.76% 4	35.29% 12	29.41% 10	23.53% 8	0.00% 0	34
Reduction in grants funding. Includes Small Grants scheme and members grants. (£90,000 saving).	20.59% 7	23.53% 8	35.29% 12	17.65% 6	2.94% 1	34
Review of market operations (£50,000 saving).	14.71% 5	35.29% 12	23.53% 8	8.82% 3	17.65% 6	34
Review of various staff structures and deletion of vacant posts (£324,000 saving).	50.00% 17	38.24% 13	5.88% 2	2.94% 1	2.94% 1	34
Reduction in various paper and printing costs (£58,000 saving).	64.71% 22	29.41% 10	2.94% 1	0.00% 0	2.94% 1	34
Improve the information held on NBC assets, condition and structural data. Including bridges, monuments and large structures. To deliver improved maintenance and management of the NBC assets. (£200,000 growth).	35.29% 12	44.12% 15	14.71% 5	0.00% 0	5.88% 2	34
The Environmental Services Contract provides for tree maintenance but the amount of actual tree maintenance is limited by budget. By increasing the budget by £10,000, it is hoped that increased works can be undertaken thus improving the local environment. (£10,000 growth).	32.35% 11	55.88% 19	8.82% 3	2.94% 1	0.00% 0	34

Q6 Please give us your comments on the proposals in question 5, or any of the proposals in the savings and growth options of appendix 2 of the Cabinet papers (savings and growth options) and include any concerns you may have about how our specific proposals may impact on yourself or any sector of the community and if appropriate, suggest how you feel we can minimise any such impact.

The most common response to this question was on the following theme:

- Green waste collection should not be charged for; against paying for this service; likely to lead to increased fly-tipping.

Other slightly less common responses that were still raised more than once, included the following themes:

- Grants to voluntary sector should not be reduced (although it should be noted that a smaller number of responses still thought the councillor community fund should be removed altogether).
- Overall view that these options were reasonable.

Consultation – Overview and Scrutiny Committee

As part of the overall consultation process, the budget was reviewed by the Overview and Scrutiny Committee on 9 January 2020. Below is an extract of the minutes of that meeting relating to this item. The full minutes can be found at this link: <http://www.northamptonboroughcouncil.com/councillors/documents/g8982/Printed%20minutes%20Thursday%2009-Jan-2020%2018.00%20Overview%20Scrutiny%20Committee.pdf?T=1>

REPORT OF THE OVERVIEW AND SCRUTINY REPORTING AND MONITORING WORKING GROUP - GENERAL FUND MTFP 2020/2021 AND DRAFT BUDGET PROPOSALS

Councillor Beardsworth addressed the Committee conveying her concerns regarding budget cuts to the Voluntary Sector; in her opinion, she felt it would be better for the Councillor Empowerment Fund to be cut to zero for each Councillor. She noted the budgetary pressures in respect of homelessness. In response to a query from the Committee, Councillor Beardsworth suggested that £90,000 should be allocated to the Voluntary sector; there is a need for people to receive the right care and treatment.

Councillor Beardsworth was concerned that charges for the collection of green waste would be implemented and heard that this had been resolved at full Council in February 2019 to be implemented in 2020.

Councillor Beardsworth raised concern regarding the number of households in temporary accommodation of 348. This was felt to be a big number. She commented that a number of staff had been employed to deal with this and help the homeless but there are not the homes available for them. There is a need to look at different ways to acquire temporary accommodation.

Councillor Beardsworth was thanked for her contribution.

The Chair advised that the O&S Working Group had met recently and considered the draft budget in detail and had proposed six items from the draft budget for the Committee to budget-scrutinise, three of which a written response was received. He highlighted the Committee would not be scrutinising the proposed budget in its entirety at this meeting.

Councillor Eldred, Cabinet Member for Finance, advised that a consultation drop in session on the budget is scheduled for 27 January 2020 and all are welcome to attend.

Housing – Temporary accommodation and income streams

The Committee heard that temporary accommodation is a serious issue and puts a strain on the budget; if required, funds would be used from reserves. Officers are investigating options for temporary accommodation such as “buy back” of former Right to Buy properties that have come back onto the market. One bedded bed and breakfast accommodation that is used as temporary accommodation costs around

£12,500 per year; should NBC have its own accommodation this cost would reduce to £5,000. Borrowing would need to take place to acquire such buildings.

Councillor Hibbert, Cabinet Member for Housing and Wellbeing, and Phil Harris, Head of Housing and Wellbeing, addressed the Committee commenting that temporary accommodation and homelessness is a massive challenge. Families in temporary accommodation has increased by 6%. Regular updates are produced and there is a detailed action plan.

It was noted that 100 less affordable houses had become available than had been forecasted. NBC is working with NPH regarding acquiring the first 22 ex-right to buy homes for homeless families. These are additional homes to those that are already being purchased.

The Committee made comment, asked questions and heard:

In response to a query whether temporary prefab accommodation could be used; Phil Harris advised that this had been previously investigated but there was a need for more permanent solutions to be looked at. A summary of choices and cost benefits would be produced for a future scrutiny meeting.

The Committee raised concerns regarding the increase in temporary accommodation of 6% and how it would be endeavoured to reduce this. The Committee further commented that planning decisions with less than 35% affordable housing is making an impact.

Councillor Hibbert confirmed that preventing homelessness is a successful area of work since the new team has been appointed. Phil Harris added that it is a priority to prevent homelessness where possible. £500,000 has been invested into the restructure of housing, money and advice services. The lack of affordable housing does have an impact.

The Committee further commented that 130 properties were sold under the right to buy scheme in the last 12 months and queried what impact this had made on affordable housing and whether right to buy could be prevented. In response, the Committee heard that Rent Plus and other affordable rent options are being investigated, there is a real benefit for there to be a variety of affordable housing models. Belgrade House will be for 120 key worker homes, under a lease agreement.

NBC is purchasing former Council homes that NBC and NPH is aware of the history of and are already in an NPH maintenance area. The first 24 homes have been purchased successfully. Other housing stock will also be investigated. Each purchase is looked at on a case by case basis. A trial is in place. The Committee suggested that it undertakes scrutiny of this trial and a report is submitted to a future meeting.

Regarding Right to Buys, the Committee heard that the receipt of these are split 30% to the local authority and 70% to central Government.

In response to a query regarding Women's Refuges, the Committee heard that NBC gave support and funding to EVE; a local church has also opened a Women's Shelter.

In response to a query regarding meeting the budget next year, Phil Harris advised that he was confident that the Action Plan would set out to achieve its targets. However, more people had come for help and presented as homeless than expected.

Unitary – Budget of £2.4 million

The Chair confirmed that the Committee has asked for information how the budget of £2.4 million for Unitary would be monitored. Councillor Jonathan Nunn, Leader of the Council, advised that the West Northamptonshire Joint Committee had met on 7 January 2020 and received an update on the entire budget for Unitary which was £43.5 million; which includes NCC's transformation budget, Business Rates Uplift monies (Kettering act as accountable body) and funding from all 8 local authorities (Daventry act as accountable body). Adult Social Care and Children's Services are being transformed. Savings of £80 million per year are being aimed for.

A Member Briefing is scheduled for 27 January 2020, all Members have been invited to attend, this briefing will include details regarding the budget.

The Committee made comment, asked questions and heard:

- In response to a query, the budget of £2.4 million for Unitary had been put together following a lot of detailed planning and estimating. £1 million had previously been set aside for Unitary and £1.4 million is included in the forthcoming proposed budget for 2020/2021. Budget monitoring will take place.
- In answer to a query regarding the transformation period, the Committee heard that this was the biggest change exercise for any Council to go through.
- The Committee was advised that major change creates uncertainty but there is also positivity. George Chandler, Chief Executive, advised that one of his roles is to ensure communication to staff and Members stays consistent and upbeat. The next 15 months will be very busy and there will be real opportunities.
- £500,000 has been spent so far. The initial budget estimate of £1 million required from each local authority was incredibly low and it has been refined. It is a programmed budget over a 2-3 year period and not an annualised budget; it is possible there may be the need for virements between individual budgets as the work progresses. A further report will be considered by the West Northamptonshire Joint Committee at its meeting in February 2020.

Staff and Resources – Capacity and Sustainability

George Candler, Chief Executive, advised that there is always an element of risk in relation to retention of staff and resources during a period of change such as local government reorganisation. Currently there are 322 FTEs employed at NBC; there is always a level of vacancies, and some areas are proving difficult to recruit to. 42 employees left in 2019/2020. Exit Interviews are undertaken and based on analysis from the last 12 months the majority of staff leave due to promotion, sometimes outside local government. A small number leave because they are not happy in the role. No

one stated they were leaving due to Unitary. It is understood, however, that employees want certainties and may look for another job during this period of change. It is important to make sure that regular, consistent and honest dialogue takes place with staff. There will also be regular briefings on the programme and newsletters will shortly be coming out for all staff and elected members. Training and development is key for staff and succession planning has also been identified to ensure long term continuity for roles. The Chief Executive concluded stating he felt, based on previous experience, that the majority of Officers will have roles in the new Unitary Authority.

The Committee heard that there will be a challenge to deliver BAU, Unitary and 'sprint to the line' work which may lead to a need to prioritise workloads.

At this point clarification of the charge for green waste collection was provided. This had been approved in the budget for 2019/2020 and the charge will come into effect in April 2020; it had originally been anticipated that it would come into force in January 2020.

The Chair thanked Officers for the written responses on the following, the contents of which were noted.

- EAC – Maintenance budgets
- Sustainability issues
- Councillor Empowerment Fund

AGREED: That:

(1) The Committee was content with the responses and information provided regarding the 3 issues and the written responses provided to the three further issues.

(2) The Committee undertakes pre decision scrutiny on the trial of the buy back scheme.

Consultation – Audit Committee

As part of the overall consultation process, the Audit Committee considered issues in relation to risk within the 2020/21 budget proposals on 6 February 2020. At the time of writing this report the minutes of this meeting were not yet available. However, full minutes will be published here:

<http://www.northamptonboroughcouncil.com/councillors/ieListDocuments.aspx?CId=529&MId=9121>