



# **CABINET AGENDA**

**Wednesday, 16 December 2009**

The Jeffery Room

4:30 pm

Members of the Cabinet:

Councillor: Brian Hoare (Leader of the Council)  
Councillor: Paul Varnsvery (Deputy Leader)  
Councillors: Sally Beardsworth, Richard Church,  
Trini Crake, Brian Markham, David Perkins

Chief Executive David Kennedy

If you have any enquiries about this agenda please contact Jo Darby at  
[jdarby@northampton.gov.uk](mailto:jdarby@northampton.gov.uk) or 01604 837089

## PORTFOLIOS OF CABINET MEMBERS

CABINET MEMBER	PORTFOLIO TITLE
Councillor B. Hoare	Leader Partnership and Improvement
Councillor P.D. Varnserry	Deputy Leader Community Engagement
Councillor S. Beardsworth	Housing
Councillor R. Church	Planning and Regeneration
Councillor T. Crake	Environment
Councillor B Markham	Performance and Support
Councillor D. Perkins	Finance

## SPEAKING AT CABINET MEETINGS

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

Registration can be by:

Telephone: (01604) 837101, 837089, 837355, 837356  
(Fax 01604 838729)


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

By e-mail to [democraticservices@northampton.gov.uk](mailto:democraticservices@northampton.gov.uk)

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

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

## KEY DECISIONS

 denotes the issue is a 'Key' decision:

- Any decision in relation to the Executive function\* which results in the Council incurring expenditure which is, or the making of saving which are significant having regard to the Council's budget for the service or function to which the decision relates. For these purpose the minimum financial threshold will be £50,000;
- Where decisions are not likely to involve significant expenditure or savings but nevertheless are likely to be significant in terms of their effects on communities in two or more wards or electoral divisions; and
- For the purpose of interpretation a decision, which is ancillary or incidental to a Key decision, which had been previously taken by or on behalf of the Council shall not of itself be further deemed to be significant for the purpose of the definition.

## **NORTHAMPTON BOROUGH COUNCIL**

### **CABINET**

Your attendance is requested at a meeting to be held at The Jeffery Room  
on Wednesday, 16 December 2009 at 4:30 pm.

**D Kennedy**  
**Chief Executive**


### **AGENDA**

1. APOLOGIES
2. MINUTES
3. DEPUTATIONS/PUBLIC ADDRESSES
4. DECLARATIONS OF INTEREST
5. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES
6. PROPOSED CHANGES TO THE 2010/11 CONCESSIONARY FARES SPECIAL GRANT  
Report of the Director of Finance and Support
7. PEOPLE PLAN  
🔑 Report of the Director of Finance and Support
8. FUTURE OF ARCHWAY COTTAGES, ABINGTON PARK  
Report of the Director of Finance and Support
9. CYCLING WITHIN THE RACECOURSE  
Report of the Director of Environment and Culture
10. PREMISES CLOSURE ORDERS  
Report of the Director of Environment and Culture
11. HOUSING PFI - AMENDED PROPOSALS  
🔑 Report of the Director of Housing Services
12. COUNCIL TAX BASE 2010-2011  
🔑 Report of the Director of Finance and Support
13. DRAFT BUDGET FOR 2010-11 TO 2012-13  
🔑 Report of the Director of Finance and Support
14. PERFORMANCE  
(A) PERFORMANCE MONTHLY REPORT - OCTOBER 2009  
Report of the Assistant Chief Executive


(B) GENERAL FUND REVENUE MONITORING 2009-10  
PERIOD 7

Report of the Director of Finance and Support

(C) HOUSING REVENUE ACCOUNT (HRA) MONITORING  
2009-10 PERIOD 7

 Report of the Director of Finance and Support

(D) CAPITAL PROGRAMME MONITORING 2009-10 PERIOD 7:  
PROJECT APPRAISALS AND VARIATIONS

 Report of the Director of Finance and Support

15. EXCLUSION OF PUBLIC AND PRESS

THE CHAIR TO MOVE:

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

## **SUPPLEMENTARY AGENDA**

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

Appendices



**NORTHAMPTON**  
BOROUGH COUNCIL

Item No.

**6**

## CABINET REPORT

<b>Report Title</b>	<b>PROPOSED CHANGES TO 2010/11 CONCESSIONARY FARES SPECIAL GRANT</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16 December 2009
<b>Key Decision:</b>	NO
<b>Listed on Forward Plan:</b>	NO
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Finance and Support
<b>Accountable Cabinet Member:</b>	David Perkins
<b>Ward(s)</b>	Not Applicable

### 1. Purpose

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- 1.1 This report presents the council's response to the Department for Transport (DfT) consultation on changes to the specific grant for concessionary fares in 2010/11 for consideration.

### 2. Recommendations

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- 2.1 Cabinet to agree the consultation response for submission to the Department for Transport.
- 2.2 That Officers write to the local MP's appraising them of the position asking for support to ensure that Northampton Borough Council is fully funded for all aspects of the scheme.

### 3. Issues and Choices

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#### 3.1 Report Background

- 3.1.1 Northampton Borough has had a concessionary fares scheme since before 1985. Prior to the introduction of the basic Government Scheme in 2006/07 the council ran and funded its own scheme giving a half fare concession to older and disabled residents.
- 3.1.2 In 2006/07 the Government introduced its own local concessionary travel scheme for which £350m was made available nationally, and which was distributed as part of the formula grant. Unfortunately the demand in Northampton for the Government scheme outstripped the funding that came into it through the formula grant.
- 3.1.3 In 2008/09 the Government expanded their local scheme to a national level, this time using a specific grant to cover the additional cost.
- 3.1.4 Table 1 – The Overall Concessionary Fares Funding Picture for NBC

	2007/08 £,000	2008/09 £,000	2009/10 £,000	2010/11 £,000
Estimated Formula Grant	1,153	1,165	1,170	1,176
Specific Grant	0	678	693	713
<b>Total Funding</b>	<b>1,153</b>	<b>1,843</b>	<b>1,863</b>	<b>1,889</b>
Costs*	2,228	2,717	3,076	3,703
<b>Overall Funding Shortfall**</b>	<b>1,075</b>	<b>874</b>	<b>1,213</b>	<b>1,814</b>

*\*Actuals per RO Forms 2007/08 & 2008/09, 2009/10 & 2010/11 Latest Forecasts*

*\*\* Estimated for 2009/10 and 2010/11*

- 3.1.5 Overview and Scrutiny undertook a review of the current NBC scheme and made a number of recommendations with regard to expanding the scheme. The table at 3.1.4 underpins the level of underfunding which the authority experiences, which in itself, makes it very difficult for the authority to consider expanding the scheme due to cost.

#### 3.2 Issues

- 3.2.1 The DfT is currently consulting on changes to the distribution of the special grant funding for the extension of the Government concessionary fares scheme from local to national travel, which came into effect on 1 April 2008.
- 3.2.2 The concession now guarantees free off peak local bus travel anywhere in England for people aged 60 or over and eligible disabled people who are resident in England. The scheme defines off peak as travel between 9.30am and 11pm on weekdays and all day on weekends and bank holidays.
- 3.2.3 The consultation expressly does not relate to “historic funding of the statutory concession through Formula Grant”.
- 3.2.4 The additional funding for the national concession is distributed by special grant rather than through the formula grant in response to arguments by local government that this was a more transparent method of distribution.

- 3.2.5 The special grant was originally distributed on a formula linked to variables that were anticipated to correlate to the drivers of extra cost of providing this service.
- 3.2.6 Following the first year of the scheme the Department for Transport has carried out a review of the additional costs incurred by the Travel Concession Authority based on the local authority Revenue Outturn (RO) forms which include specific data on the amounts spent on concessionary fares each year.
- 3.2.7 The DfT argues that because the costs at NBC increased by less than the amount of the special grant in the year of introduction of the additional concession, no additional grant is needed in 2010/11.

3.2.8 Table 2 – Annual Increases in Cost and Specific Grant

	2008/09 £,000	2009/10 £,000	2010/11 £,000
<b>Annual Increase in costs</b>	<b>489</b>	<b>359</b>	<b>627</b>
<b>Annual Increase in Special Grant</b>	<b>678</b>	<b>15</b>	<b>20</b>

- 3.2.9 The difficulty comes in ascertaining the element of the increase in costs that relates purely to the additional element of the concession as opposed to the original local statutory concession that is funded through formula grant.
- 3.2.10 However, given the level of difference between the increase in 2008/09 compared to the cost increase in the year the national concession came in, it is difficult to argue that the authority needs additional funding for that specific element.
- 3.2.11 The issue is that the funding for concessionary fares should not be looked at in specific pieces, but as an overall package. It is only in this context that the RO data is actually meaningful as it relates to the whole scheme not just the new element.
- 3.2.12 Authorities such as NBC that had a good scheme for local people (funded from council tax) before even the first statutory scheme came in would still be disadvantaged if the whole level of Government funding were reviewed against historic RO forms because the increase in cost would be impacted by the costs on the original local scheme. Authorities that had only a limited or no local scheme prior to the statutory scheme would therefore show an increase from £0 and could unfairly benefit.
- 3.2.13 A large number of authorities such as Chesterfield, Cambridge, Oxford, Bath and South Somerset are experiencing dramatic increases in costs of concessionary fares relating to the specific grant element of the scheme, in some cases equivalent in value to 35% on council tax.
- 3.2.14 These and other authorities also identified an issue that the speed of increase in trip volume means that using 2008/09 data to ascertain an appropriate level of grant for 2010/11 does not properly reflect the costs that will be incurred in 2010/11 on the new scheme.
- 3.2.15 The consultation asks very specific questions, the proposed answers to which are contained in appendix 1 to this report.



### **3.3 Choices (Options)**

- 3.3.1 Cabinet is invited to agree the consultation response for submission to the DfT by the closing date of 30 December 2009.
- 3.3.2 Cabinet may decide to amend the response, under the guidance of the Chief Finance Officer, for submission of the amended copy to the DfT.
- 3.3.3 Cabinet may decide not to make a response to the DfT consultation.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

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

### **4.2 Resources and Risk**

- 4.2.1 There are no specific resources and risk implications arising from this report.

### **4.3 Legal**

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

### **4.4 Equality**

- 4.4.1 There are no specific equalities implications arising from this report.

### **4.5 Consultees (Internal and External)**

- 4.5.1 Chief Executive and Directors have been consulted through the callover process.

### **4.6 How the Proposals deliver Priority Outcomes**

- 4.6.1 Submitting the local view on relevant Government consultations contributes to the priority of being a well-managed organisation that puts the customer at the heart of what we do.

### **4.7 Other Implications**

- 4.7.1 Not applicable

## **5. Background Papers**

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- 5.1 Cabinet Report 5<sup>th</sup> August 2009 (Response to Government Consultation on Proposed Changes to Concessionary Fares Administration),
- 5.2 DfT Consultation Paper Local Authority Special Grant Funding in 2010/11 for the national bus concession in England  
<http://www.dft.gov.uk/consultations/open/specialgrantfunding/>

**Rebecca Smith, Assistant Head of Finance, ext 8046**  
**Isabell Procter, Director of Finance and Support, ext 8757**

## **Local Authority Special Grant Funding in 2010/11 for the National Bus Concession in England**

### **Draft Response of Northampton Borough Council**

#### **Introduction**

Northampton Borough Council thanks the Department for Transport for the opportunity to comment on this consultation.

We are extremely disappointed to find that it is restricted to the special grant element of the funding because the funding for concessionary fares should not be looked at in specific pieces, but as an overall package. It is only in this context that the RO data is actually meaningful as it relates to the whole scheme not just the new element.

Being an authority that has spent the last 6 years at or very close to the floor, even if there were enough money in the scheme overall, the formula grant element of the distribution, which was originally materially low for this council, has barely increased at all, leaving us about 45% underfunded. This is approximately £800k per annum and increasing, which is equivalent to about 6% on council tax or 20 average posts.

#### ***Question 1 – Is the proposed revised distribution of special grant funding for 2010/11 preferable to the original distribution?***

Northampton Borough Council welcomes the fact that the additional funding for the enhanced statutory scheme was introduced to the funding system transparently through a specific grant.

The revised distribution proposed is preferable to the original in that it deals with the fundamentally flawed allocation to London based authorities, in particular, as explained in the consultation and redistributes the funding to areas needing significantly more.

However the DfT needs to be very confident in the case of small authorities where, in many cases the grant has been halved, that the level of reduction to the grant is appropriate.

We strongly suggest that the most acceptable funding mechanism for a service of this nature would be to overhaul the entire thing and convert to a claim based grant system. This would be where authorities claim the grant funding based on the actual costs of running the Government scheme. Only in this way can the Government be sure that the funding is getting to the right places.

#### ***Question 2 – Are there any factors which mean the revised distribution does not accurately reflect the additional costs of the improved concession being incurred by individual authorities? If yes, please provide details.***

There are factors that mean that the revised distribution may not necessarily reflect the additional costs of the improved concession being incurred by individual authorities.

In particular we have concerns that using 2008/09 actual spend to determine grant levels for 2010/11 ignores the very real issue of significant annual increases in trip volume that are being recognised this financial year, the second year of the national scheme, and expected similar increase in 2010/11 (the year the grant applies).

The issue is that the funding for concessionary fares should not be looked at in specific blocks, but as an overall package. It is only in this context that the RO data is actually meaningful as it relates to the whole scheme not just the new element.

It could be the case that costs of the original statutory scheme had fallen in 2008/09, and that this masks the true cost of the enhancement to that scheme.

Alternatively, it could be the case that the take up of the scheme generally has dramatically increased and that even if the scheme had not been enhanced significant increases in cost might have been seen.

If either of these scenarios is prevalent, it could lead to some authorities being inappropriately rewarded and/or others being inappropriately penalised.

***Question 3 – Are there any reasons why quarterly returns on year to date actual and full year forecast spending on the statutory minimum concessionary travel scheme could not be provided?***

Assuming the deadlines for the information fits in with the council's monitoring timetable on the spending, there are no reasons for not providing this information.

Note that information collected quarterly will not necessarily be comparable across different authorities as it may be distorted by different expenditure profiles and payment arrangements in different authorities. We have an arrangement with the county whereby they use equal portions of budget to allocate the first 6 months, then have a review based on actuals and make equal charges in the next six months with a final wrap up at the year end to cover the full actuals.

***Question 4 – Are there any reasons why annual returns providing details of the reimbursement arrangements entered into with bus operators could not be provided?***

Whilst this information is available, we believe it could be commercially sensitive where a number of bus companies operate in an area and differing reimbursement rates are paid. The release of the reimbursement information could lead to increased spending to bring the companies in line with each other which in turn increases the overall spending pressures on the authority and increased appeals to the department.

If you answered yes to question 2 then you may use this form to explain the factors which mean the revised distribution does not accurately reflect the additional costs of the improved concession being incurred by your authority:

*2a) How much did you spend on concessionary travel in 2007/08?*

£2,228,000

*2b) How much of the spending in a) related to the statutory minimum concession as it was in 2007/08 (i.e. free local bus travel in the TCA area only)?*

The whole of it related to the statutory scheme, there was no additional local scheme.

*2c) If you have been unable to disaggregate spending on the statutory minimum concession, are you able to provide details of spending in 2007/08 on concessionary travel for your passholders outside of your local authority area (e.g. as part of a countywide scheme)?*

N/A

*2d) How much did you spend on concessionary travel in 2008/09?*

£2,717,000

*2e) How much of the spending in d) related to the statutory minimum concession as it was in 2008/09 (i.e. free local bus travel anywhere in England)?*

The whole of it related to the statutory scheme, there was no additional local scheme.

*2f) Please provide details of any differences between the figures provided at a) and d) above and those that you reported to CLG in your 2008/09 Resource Outturn (RO) return and reasons for these differences.*

N/A

*2g) Please provide details of your revenue reimbursement rate, additional cost allowances and average fare used in 2007/08 and 2008/09.*

2007/08 Reimbursement Rate 0.443, Marginal Revenue Costs 4p, Average Fares – Stagecoach £1.38, First £1.27  
Appeal Determination First 0.537 including marginal costs, and Stagecoach 0.625 including marginal revenue costs  
2008/09 Reimbursement Rate 0.516, Marginal Revenue Costs 4.8p, Average Fares – Stagecoach £1.48, First £1.48  
2008/09 Appeal reimbursement rate 0.527 for both companies and 4.7p marginal costs

*2h) Please provide information on the number of concessionary trips in 2007/08 and 2008/09.*

2007/08 2,500,217  
2008/09 2,910,993

*2i) Other than the increase in the number of concessionary trips are there any other exogenous factors that have affected the change in your spending on concessionary travel between 2007/8 and 2008/9? e.g. appeals decisions, changes in discretionary concessions offered.*

As mentioned in 2g above there were separate appeals in both 2007/08 and 2008/09, which resulted in changes to the reimbursement and marginal cost rates.  
There have been no changes to the concessions offered.

Appendices

1



**NORTHAMPTON**  
BOROUGH COUNCIL

Item No.

7

## CABINET REPORT

Report Title

PEOPLE PLAN

AGENDA STATUS:

PUBLIC

**Cabinet Meeting Date:** 16 December 2009

**Key Decision:** YES

**Listed on Forward Plan:** YES

**Within Policy:** YES

**Policy Document:** YES

**Directorate:** Finance & Support

**Accountable Cabinet Member:** Cllr Markham

**Ward(s)**

### 1. Purpose

1.1 To provide Cabinet the opportunity to comment and approve the People Plan 2009-2013. The People Plan will form the foundation of Northampton's approach to its people resourcing over the next 4 years up to its ambition of being the best Council in terms of public service by 2013.

### 2. Recommendations

2.1 That Cabinet approve the People Plan.

### 3. Issues and Choices

#### 3.1 Report Background

3.1.1 The People Plan has been developed to deliver Team Northampton's approach to obtaining and improving our people with the right values, behaviours and skills to deliver the Council's aims and objectives. It has been

developed by taking into account the key issues that have been highlighted in recent inspection reports and the recent Peer Challenge. It is also conscious of the Corporate Plan and the direction of the organisation.

3.1.2 It takes into account best practice from both the Public and Private Sector regarding people resources. It has taken into account Local Government Workforce Strategy and its five priorities, Organisational Development, Leadership Development, Skills Development, Recruitment and Retention and Pay and Rewards.

3.1.3 The Plan has been written with a clear understanding that over the next four years the size and type of organisation we will become may differ greatly with regard to the staff make up.

3.1.4 The People plan has four major work streams:

i) Recruitment and Retention

A key factor in the council's improvement journey is the requirement to have high quality, committed staff who are available to deliver the agenda. Our priority will be to attract and recruit quality people who share our values, beliefs and support a "Team Northampton" ethos.

ii) Learning and Organisational Development

For Northampton to continue on the improvement journey it will need excellent leadership and managerial skills throughout the organisation, it will also require the right 'fit for the future' workforce to achieve its strategic ambitions. The responsibility of implementing many of the objectives within this strategy lies with the front line managers who are key to the success of this strategy and also the whole improvement agenda.

By improving the skills of our workforce the organisation will also improve the capacity of the organisation, thus improving the efficiencies and productivity.

iii) Health & Wellbeing

Key to having a positive culture within the organization is having a healthy and productive workforce. The organization needs to focus on health and wellbeing and being a positive role model for the community. It is important that an attendance management culture, with life balance value, is embedded into the Team Northampton approach to work.

iv) Reward and Recognition

Reward is more than pay. To have a well-motivated workforce a total reward and recognition approach must be adopted. Pay or how we pay is a substantial element of that and the biggest priority on this area must be to implement the Pay and Grading project. In addition, the broader reward package will be reviewed to ensure that the organisation has an approach to reward that supports all aspects of an employee's life.

Recognition is key to motivating the workforce in a challenging and ambitious period of the council's own life. Recognition starts from creating a culture of appreciation to fully embedded recognition schemes.

- 3.1.5 The People Plan has been written with the purpose of being a document that all staff can easily understand, to be a point of reference document, with the main working documents and action plans coming from the four main work streams that will fall out of this document. These four working documents will be updated on a yearly basis and will have key action plans to support them. Each work stream will have overlapping projects and it will be key to the delivery of the overall People Plan that these cross objectives are project managed.
- 3.1.6 Following Cabinet approval each of the four work streams will be developed. These project plans will have key outputs and will be embedded within the service planning process. The People Plan itself has specific measurables that will continue to be reviewed on an annual basis.

#### **4. Implications (including financial implications)**

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##### **4.1 Policy**

The People Plan is the overarching people policy document for Northampton Borough Council. All HR Policies will be directed from this document.

##### **4.2 Resources and Risk**

The four work streams will each have a HR lead to ensure delivery. The work streams will each have an action plan that will be created with the current capacity clearly identified. Risk aspects will be built into the four action plans.

##### **4.3 Legal**

There are no legal implications following from this plan.

##### **4.4 Equality**

An Equality Impact Assessment has been carried out. Equality and Diversity issues have been built into the People Plan and are mainstreamed in the approach to People Resourcing.

##### **4.5 Consultees (Internal and External)**

Management Board  
HR Team  
Trade Unions

##### **4.6 How the Proposals deliver Priority Outcomes**

The People Plan is key to the delivery of priority 5 – a well managed organisation that puts our customers at the heart of what we do.

##### **4.7 Other Implications**

N/A

## **5. Background Papers**

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### **5.1 Attached People Plan**

**Catherine Wilson, Head of Human Resources, ext 7377**



## **The People Plan 2009 - 2013**

The People Plan has been developed to deliver Team Northampton's approach to obtaining and improving our people with the right values, behaviours and skills to help to deliver the councils aims and objectives.

The Council's aim:

- To be recognised as one of the best councils, in terms of public service by 2013

The Council's objectives:

- Provide excellent customer service
- Engage in meaningful dialogue
- Make better use of resources
- Be a single effective team
- Focus on a better Northampton

Ultimately the People Plan is about ensuring that Northampton Borough Council is an employer of choice and thus will be able to deliver the ambition of becoming one of the best performing councils in the country and also one of the best councils to work for. Also to deliver a strategic focus that helps improve the structure and the operations of the Council.

The People Plan will support the continued development and embedding of the Council's values, vision and priorities.

The 4 strands of the People Plan are:

1. Recruitment and Retention
2. Reward and Recognition
3. Learning and Organisational Development
4. Health and Wellbeing

## **1. Recruitment and Retention**

A key factor in the council's improvement journey is the requirement to have high quality, committed staff who are available to deliver the agenda. Our priority will be to attract and recruit quality people who share our values, beliefs and support a "Team Northampton" ethos.

Retention of high calibre employees is a priority and will be achieved through the delivery of our psychological contract.

Areas for progress to support this objective include:

- Development of 'Employer of Choice' reputation
  - Excellent recruitment processes
  - Effective advertising strategies
- Establish recruitment methods and systems that ensure timely recruitment of staff
- Continuous improvement of selection methods to ensure that the candidates support the councils values and behaviours
- Develop the workforce planning agenda to reflect key issues for the future with regard to resources
- Work with partners, taking action to:
  - address key future occupational skill shortages
  - promote jobs and careers
  - identify, develop and motivate talent
- Establish effective succession plans
- Promote apprenticeship and career roles
- Review and develop a good induction programme
- Develop organisational values and beliefs that celebrate diversity and enhance our reputation as an attractive organisation.

## **2. Reward and Recognition**

Reward is more than pay. To have a well-motivated workforce a total reward and recognition approach must be adopted. Pay or how we pay is a substantial element of that and the biggest priority on this area must to implement the Pay and Grading project. In addition, the broader reward package will be reviewed to ensure that the organisation has an approach to reward that supports all aspects of an employees life.

Recognition is key to motivating the workforce in a challenging and ambitious period of the council's own life. Recognition starts from creating a culture of appreciation to fully embedded recognition schemes.

Areas for progress to support this objective include:

- Implementation of the Single Status agreement
- Modernising pay systems to reflect new structures, new priorities and new ways of working within an affordable umbrella
- Performance - to develop and embed a performance management culture that supports continuous improvement and deals with poor performance
- Review the appraisal system
- Review and refine the council's values and behaviours to ensure that they remain consistent with Team Northampton
- Development of non financial reward mechanisms to support creativity in the organisation
- Recognition of success, personal and team achievement
- Celebration of successes at team, directorate and council level

### **3 Learning and Organisational Development**

For Northampton to continue on the improvement journey it will need excellent leadership and managerial skills throughout the organisation, it will also require the right 'fit for the future' workforce to achieve its strategic ambitions. The responsibility of implementing many of the objectives within this plan lies with the front line managers who are key to the success of this plan and also the whole improvement agenda.

The organisation has to move towards a more focused approach to learning and to becoming an Investor of People. Skills development is key to being an employer of choice, ensures we retain the best skills within the organisation and acts as a reward and motivational tool.

By improving the skills of our workforce the organisation will also improve the capacity of the organisation, thus improving the efficiencies and productivity.

Areas for progress to support this objective include:

- Maintaining high leadership visibility
- Development of leadership skills throughout the organisation through the Change Programme and other initiatives such as the Institute of Leadership and Management programme
- Clear communication of the council's objectives in a consistent and timely manner through the creation of an internal communications strategy
- Embed Team Northampton ethos throughout the organisation
- Ensure consistent application of HR policy and procedures across the Council by developing skills for managers in the areas of: discipline, grievance, bullying and harassment, capability and absence management
- Providing advice, coaching and support for managers in managing change and service delivery
- Develop employees' skills and knowledge through a clear and consistent approach to development
- Sign up to the Skills Pledge following successful completion of the GO Awards
- Provide change management and transformation skills to support the major service reviews

- A programme of Customer Service training across the organisation to support the key objective for the council of providing excellent customer service
- Continue the focus on professional and technical development through a clear approach to career development

We will continue to develop a learning culture across the organisation that focusses on activities that directly support service delivery and improvement.

#### **4. Health & Wellbeing**

Key to having a positive culture within the organization is having a healthy and productive workforce. The organization needs to focus on health and wellbeing and being a positive role model for the community. It is important that an attendance management culture, with life balance value, is embedded into the Team Northampton approach to work.

Areas for progress to support this objective include

- Development of proactive Occupational Health provision
- Develop improvement of the attendance culture in the organisation
- Development of supportive life balance policies
- Development and promotion of a healthy and safe working environment
- Healthy workforce framework
- Reduction of work based stress
- Develop tools, policies and procedures that are simple, flexible and effective and enable excellent service performance
- Health Promotion and Education
- Provision of regular systematic process to reduce and detect early signs of work related Health concerns

## **Evaluation and implementation of the People Plan**

The key objectives of the plan and areas for progress will be developed into project plans that will be embedded in the service planning process. The Management Board will monitor these plans on a quarterly basis.

It is key to the success of the plan that a whole council approach to its workforce is adopted and it is not solely seen as an HR activity.

Measures of success:

- Recognition of effective HR approaches and system through external assessment including direction of travel and CAA.
- Achievement of national and regional awards for HR excellence
- Quality awards such as the IIP award
- Improvement on our Local Government equalities standard level
- Continued improvement in our staff satisfaction survey
- Improvement in national and local benchmark data [such as absence reduction, turnover statistics]
- Achievement of the skills pledge
- Establish a reputation as an “employer of choice”

Appendices

1



**NORTHAMPTON**  
BOROUGH COUNCIL

Item No.

8

## CABINET REPORT

<b>Report Title</b>	<b>Future of Archway Cottages, Abington Park</b>
---------------------	--

**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16 December 2009
<b>Key Decision:</b>	NO
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Finance & Support
<b>Accountable Cabinet Member:</b>	Councillor David Perkins
<b>Ward(s)</b>	Weston

### 1. Purpose

- 1.1 To consider objections received to the proposed disposal of public open space and to decide whether or not to affirm the 'in principle' decision made by Cabinet on 7 April 2008 to dispose of the property (four listed cottages on the edge of Abington Park) by way of a long lease.

### 2. Recommendations

- 2.1 That Cabinet considers the objections made to the proposed disposal of Archway Cottages including associated garden land, shown for the purposes of identification edged red upon the attached plan ('the Property').
- 2.2 That Cabinet confirms its 'in principle' decision made on 7 April 2008 to dispose of the Property by the grant of a 125 years lease, on terms that lead to the restoration of the properties in accordance with listed building requirements.



- 2.3 That Cabinet acknowledges the risk that the grant of such a long lease could lead ultimately to individual occupiers of the cottages exercising statutory rights to acquire the freehold of their homes.

### **3. Issues and Choices**

---

#### **3.1 Report Background**

- 3.1.1 Cabinet considered options for the future of the vacant, listed Archway Cottages at a Cabinet meeting on 7<sup>th</sup> April 2008. Cabinet supported their disposal by way of a long lease, as the most cost effective means of ensuring their restoration and occupation as homes. This decision was taken subject to the statutory obligation to advertise the proposed disposal of public open space and consider any objections received. The cottages form part of Abington Park.
- 3.1.2 The proposed disposal of the four vacant Cottages was advertised and 12 separate objections to disposal were received from local interest groups and individual members of the public. The various grounds for objection are set out at 3.2.1 below.
- 3.1.3 During this period, further and additional legal advice was sought on the risks arising under the different options put forward in the original Cabinet report. The risks arising from two of the main options are set out below at 3.2.3 and 3.2.4
- 3.1.4 Further consultations and discussions with local interest groups, including Abington Conservation Society and Friends of Abington Park, have been carried out since the previous report to Cabinet. These groups have re-stated their preference for the cottages to be retained by the Council and restored for residential use or converted to some form of community use. However, no external potential funding streams have been identified to support this outcome.

#### **3.2 Issues**

- 3.2.1 Objectors to the disposal of the listed cottages have cited the following principal reasons:
- Objection in principle to the sale of any parkland
  - A disposal would represent a breach of the terms of the conveyance by which the land came into the ownership of the Council.
  - The cottages have a high heritage value and are part of the Town's history and should be retained in Council ownership for this reason.
  - The Council should retain ownership and prioritise funding to restore them or seek external funding to do so.
  - The cottages should be used for community or educational purposes
  - There is a risk of demolition of the cottages or the properties being substantially altered if they are disposed of to a private owner
  - Substantial works to buildings could disturb archaeological artefacts in the immediate vicinity

3.2.2 In response to some of the stated grounds of objection, the following points can be made:

- There is, in the opinion of the Council's Legal Services department, a restrictive covenant affecting the title but it is considered that in practical terms probably no-one can be identified to enforce it. However, it would be considered prudent (if a disposal were approved) for the Council to purchase restrictive covenant indemnity insurance against any attempts to enforce such a covenant or in the event of any claims against the Council.
- The buildings are listed and demolition or significant changes would not be permitted by planning and conservation legislation.
- The Council is unable to prioritise the necessary capital expenditure (estimated at £290,000) required to restore them to houses for letting and if it did so, they would in most circumstances be subject to 'right to buy' legislation.
- The Council is not in a position to support additional revenue expenditure for the running costs of the premises for alternative uses, even if external capital was available to undertake conversion works (within the acceptable boundaries of listed status).

3.2.3 If the Council were to renovate the properties and let them, it would be obliged to grant secure tenancies. Subject to meeting the minimum qualifying criteria, after a period of time the Council's tenants could exercise the 'right to buy' the properties. They would thus be lost from the ownership of the Council. This risk existed when the properties were formerly tenanted, but no-one chose to exercise their rights. The only exception to the above would be if the properties were restored and let by the Council as sheltered accommodation for persons of pensionable age. The costs of adaption for this use would be higher than for general needs housing.

3.2.4 If the Council were to dispose of the cottages by way of one long lease of all four properties, it is likely that the developer would seek to sell the individual properties on long leases. In these circumstances, the long leaseholder (lease in excess of 21 years) would after 2 years have the right to acquire the freehold (enfranchise) from the Council or seek to acquire an extension of the term. It is thus possible that the Council could lose the freehold control of the individual cottages (but receive a further future sum for the purchase of the interests).

3.2.5 Given the risks outlined in 3.2.3 and 3.2.4 above, since the last Cabinet report, further approaches have been made to Registered Social Landlords (RSLs) to re-confirm that they would not be interested in taking long leases of the cottages in return for capital receipt/ nomination rights in favour of the Council. A number of RSL's have indicated that they would not be interested citing – increased renovation costs due to listed status, resultant small size of dwellings/ difficulties in meeting design standards and higher future maintenance costs. The lack of car parking is viewed as an impediment to a shared ownership scheme.

- 3.2.6 Enquiries have been made of County Council officers about potential vehicle access routes to the properties from the public highway to create parking. They have confirmed that access would not be possible from Wellingborough Road/ Park Avenue South. An access from further south may be technically possible but would be costly and undesirable in terms of impact on the park and pedestrians.

### **3.3 Choices (Options)**

- 3.3.1 The Council could retain ownership of the cottages and carry out improvement/restoration works with a view to re-letting them or using the accommodation/ permitting use of the properties by a third party for a different purpose. The Council do not have the financial resources to fund such work and there is no identified external funding to cover the initial refurbishment costs and future maintenance costs. The Council could also lose freehold ownership of individual cottages under Right to Buy legislation, should the cottages be let to individuals on secure tenancies. As noted at 3.2.3 above, the “Right to Buy” would not apply if the cottages were restored for use as sheltered accommodation.
- 3.3.2 The Council could dispose of the freehold interest in the properties, collectively or individually on the open market. This course of action would remove a significant repair liability from the Council and generate a capital receipt. However, the Council would no longer have any control, save through the planning system, over the future use of the cottages. Long-term ownership of individual units would probably be split, with likely permanent loss of overall control of the original historic development scheme. This is the most attractive disposal option from a developer’s perspective and would be likely to generate a higher capital receipt than option 3.3.4 below.
- 3.3.3 The Council could offer to transfer the properties on either a freehold or leasehold basis to a Registered Social Landlord. This would typically be at a significant discount from market value in return for external capital investment in the premises, future nomination rights in favour of the Council and the loss of future maintenance liabilities. However, it has been established that no RSL approached was interested in these properties, for the reasons stated at 3.2.5 above. This is not a deliverable option.
- 3.3.4 The Council could grant a long lease to a suitable private developer upon terms that would, as a pre-requisite, require the restoration and improvement of the cottages to a standard consistent with their listed status. This option would also generate a capital receipt, whilst removing a significant repair liability. This option would enable the Council to retain the freehold ownership of the cottages, at least in the short term. For the reasons stated under 3.2.4 the Council could lose longer-term control, should the developer dispose of the cottages individually on the open market by way of long under-leases and those under-lessees then exercise rights to enfranchise.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

There are none specifically.

### **4.2 Resources and Risk**

- 4.2.1 Capital: Option 3.3.1 would require a large financial investment by the Council. Options 3.3.2 and 3.3.4 would generate capital receipts and reduce the General Fund overall maintenance backlog of the Council. Option 3.3.3 is unlikely to be deliverable, but if it were, it would be likely to generate a nominal/small capital receipt and reduce the maintenance backlog
- 4.2.2 Revenue: Option 3.3.1 would generate a limited rental income through letting out the cottages following refurbishment works. However, the length of time required to recover the costs of refurbishment would make this option unattractive and the costs of prudential borrowing would be substantially in excess of the gross rents receivable. Under the remaining Options there would be no revenue costs, save for those associated with the disposal of the property (including purchase of a restrictive covenant indemnity policy). There would be a saving of repairs and security holding costs, plus associated officer time, if the properties were disposed of.
- 4.2.3 The risks of losing overall control/ freehold ownership as a result of either (1) retention and renovation for re-letting and (2) associated with disposal are set out above.

### **4.3 Legal**

- 4.3.1 The legal position is as set out in the report above.

### **4.4 Equality**

There are none specifically. The premises are vacant and provide no housing at present.

### **4.5 Consultees (Internal and External)**

Housing Strategy; Ward Councillors; Abington Conservation Society; Friends of Abington Park, Registered Social Landlords working in Northampton

### **4.6 How the Proposals deliver Priority Outcomes**

Not applicable

### **4.7 Other Implications**

None

## **5. Background Papers**

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- 5.1 Files: Asset Management  
Legal Services

- 5.2 Cabinet Report; 7 April 2008 – Future of Archway Cottages, Abington Park

**Simon Dougall, Corporate Asset Manager x8177**

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Title: **Abington Archway Cottages**

DWG No. EVS0722/A

ESTATES & ASSET  
MANAGEMENT

PRINTED ON: 25th November 2009



Directorate of Finance and Support

Northampton Borough Council

DRAWN BY: C M Colcutt

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DATE: 25th November 2009

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Appendices

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Item No.

9



**NORTHAMPTON**  
BOROUGH COUNCIL

## CABINET REPORT

<b>Report Title</b>	<b>Cycling in the Racecourse</b>
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**AGENDA STATUS:**

**PUBLIC**

<b>Cabinet Meeting Date:</b>	16 <sup>th</sup> December 2009
<b>Key Decision:</b>	NO
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Environment & Culture
<b>Accountable Cabinet Member:</b>	Councillor Trini Crake
<b>Ward(s)</b>	Kingsley

### 1. Purpose

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- 1.1 The purpose of the report is to regularise the cycling activity within the Racecourse and to therefore request that Cabinet agree to permit cycling within part of the Racecourse in accordance with the process permitted within the relevant byelaw.

### 2. Recommendations

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That Cabinet agrees that:

- 2.1 Cycling is permitted within part of the Racecourse in accordance with the provisions of byelaw 5(ii) of the Council's byelaws in respect of Parks and Pleasure Grounds that prohibits cycling except in the exercise of any lawful right or privilege
- 2.2 The tracks indicated as red dotted lines are designated for joint use by pedestrians and cyclists, and the path around the parameter of the park, as marked in black ink is used solely for pedestrian use.

### 3. Issues and Choices

---

### **3.1 Report Background**

- 3.1.1 Byelaw 5(ii) of the Council's byelaws in respect of Parks and Pleasure Grounds prohibits cycling within a number of Parks across Northampton except in the exercise of any lawful right or privilege. This report deals directly with the Racecourse.
- 3.1.2 Over time the rules regarding cycling in the Racecourse have become obscure. In this particular instance people have been cycling in the Racecourse for many years despite the byelaw. The meaning of the byelaw has become lost in time, so much so that cycle paths across the Racecourse have been installed. These are indicated on the map at appendix one
- 3.1.3 There are currently approximately 121 parks that are included within the byelaw. Given this number and the individual requirements of each park and their users it is anticipated that any future requests or need for lawful authority to permit cycling in accordance with the relevant byelaw is completed on a park-by-park basis.

### **3.2 Issues**

- 3.2.1 In respect of whether the paths within the Racecourse meet the required standards as cycle paths, the Cycling and Walking Officer from Northamptonshire County Council has stated that the current tracks within the Racecourse are wide enough and have good enough visibility for shared use, except the path around the perimeter of the Park which should not be used for cycling. The map at Appendix One shows this path in black ink and the current paths used for cycling as dotted red lines.
- 3.2.2 The communication on the ground is not clear in respect of white lines and signage. Northamptonshire County Council has agreed to white line and put up signage to make usage clear to users.
- 3.2.3 This issue has come to the fore due to an accident involving a pedestrian and cyclist. A Health & Safety inspection was undertaken which highlighted several minor remedial actions that have now been rectified. The main issue identified was communication on the ground, and for these and other like issues to be dealt with there remains the byelaw matter to be resolved, so that the site can be treated appropriately. This requires that lawful authority to permit cycling is granted in accordance with the relevant byelaw or it is enforced.

### **3.3 Choices (Options)**

- 3.2.1 Option one: Permit cycling within the relevant parts of the Racecourse by granting lawful authority for such activity in accordance with the relevant byelaw.
- 3.2.2 Option two: Do not grant such lawful authority to permit cycling within part of the Racecourse in accordance with the relevant byelaw and undertake enforcement activity. This would require additional resources and would be almost impossible. In addition the signage and white lines would also need to be removed at additional

expense. There would also be an equalities impact in that this form of exercise is no longer accessible by people and communities who are not able to afford alternative fitness and transportation means.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

- 4.1.1 Granting lawful authority to permit cycling within part of the Racecourse in accordance with the relevant byelaw will regularise the parks usage in line with existing and emerging policies and strategies such as the Park & Open Spaces Strategy, and with national and regional policies such as those for healthy lifestyles and addressing health inequalities.

### **4.2 Resources and Risk**

- 4.2.1 None associated directly with this report. Budgets for signage etc are in place to deal with repairs and upkeep, etc. We continue to liaise with the County Council regarding their obligations.

### **4.3 Legal**

- 4.3.1 Byelaw 5(ii) of the Council's byelaws in respect of Parks and Pleasure Grounds in the Borough of Northampton (made on 5 May 1988 and confirmed by the Secretary of State to come into operation on 21 July 1988) which includes the Racecourse states:

*"A person shall not except in the exercise of any lawful right or privilege ride any bicycle, tricycle or other similar machine in any part of the pleasure ground."*

Obtaining any lawful right or privilege is a process permitted within the byelaw and could be achieved by a formal Cabinet decision.

### **4.4 Equality**

- 4.4.1 Whilst the primary intention of this report is to regularise the cycling activity within the Racecourse, the continued use of the park for these activities and any potential further enhancements will contribute towards tackling health inequalities. This is achieved by narrowing the health gap between disadvantaged groups, communities and improving health overall by ensuring that accessible high quality cycle paths are available in our Parks.

### **4.5 Consultees (Internal and External)**

- 4.5.1 Work is ongoing with the Cycling and Walking officer from the Northamptonshire County Council, who consult with the Friends of the Racecourse on an ongoing basis regarding this issue.
- 4.5.2 Friends of the Racecourse have been directly spoken to regarding permitting cycling and the byelaw and its implications. They do not object to cycling in the



park, however they commented that they would also not wish to see obtrusive and excessive signage.

#### **4.6 How the Proposals deliver Priority Outcomes**

4.6.1 In line with the Corporate Plan 2009-2012 granting lawful authority to permit cycling within part of the Racecourse in accordance with the relevant byelaw contributes towards the following priority outcomes:

4.6.1.1 Safer, Greener, Cleaner communities – Provide good quality parks and open spaces

4.6.1.2 Housing, Health and Wellbeing – Contribute to improving the health of local people.

#### **4.7 Other Implications**

None

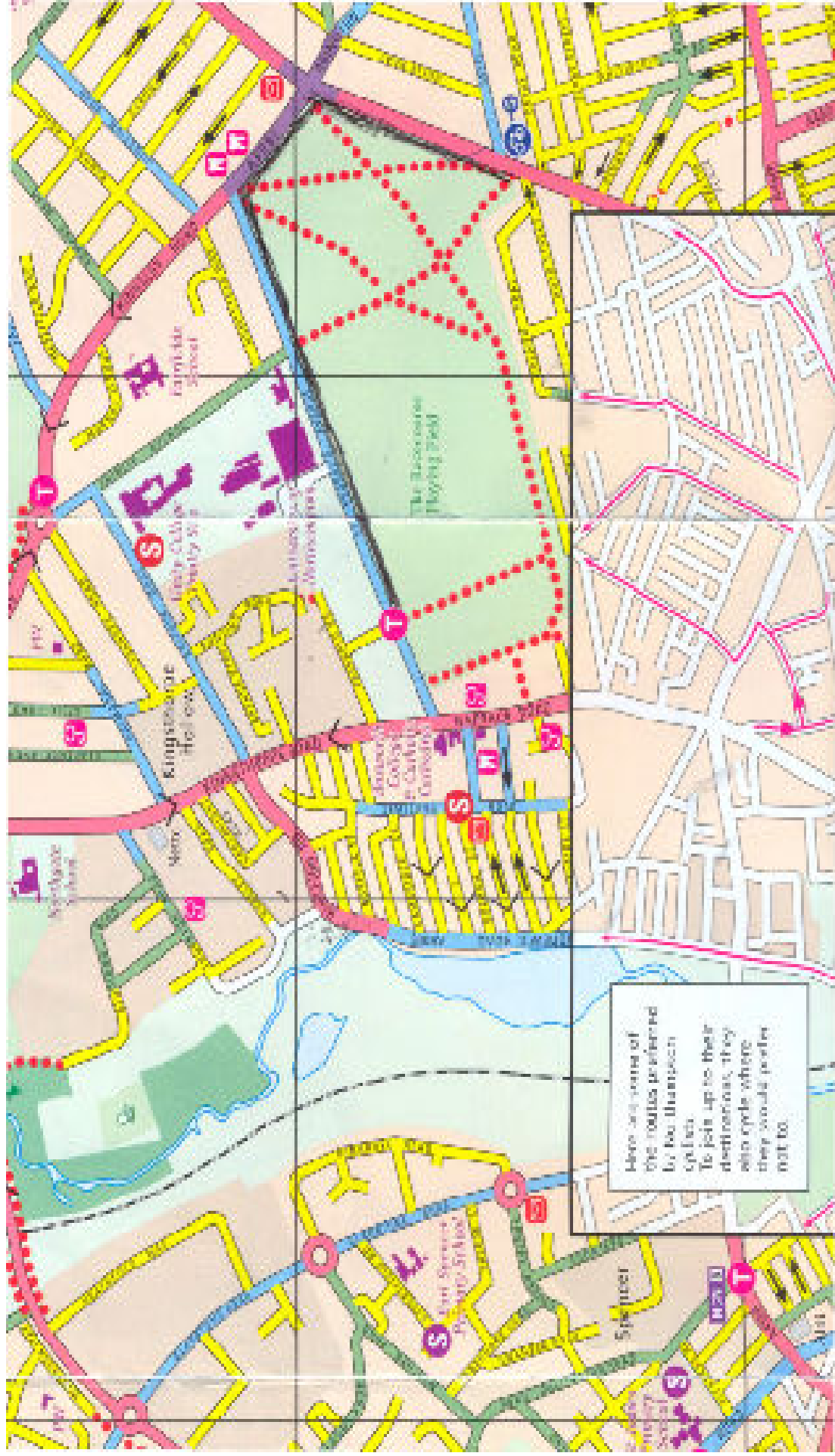
#### **5. Background Papers**

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5.1 None

**Simone Wade, Head of Neighbourhood Environmental Services, Ext 7464**

# APPENDIX ONE



**Appendices**  
**1**



**NORTHAMPTON**  
**BOROUGH COUNCIL**

**Item No.**

**10**

## **CABINET REPORT**

<b>Report Title</b>	Premises Closure Orders
---------------------	-------------------------

**AGENDA STATUS:** **Public**

<b>Cabinet Meeting Date:</b>	16 December 2009
<b>Key Decision:</b>	No
<b>Listed on Forward Plan:</b>	Yes
<b>Within Policy:</b>	Yes
<b>Policy Document:</b>	Yes
<b>Directorate:</b>	Culture & Environment
<b>Accountable Cabinet Member:</b>	Councillor P Varnsberry
<b>Ward(s)</b>	<b>All Wards</b>

### **1. Purpose**

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- 1.1 To provide information and adopt the protocol covering new powers for closure of premises associated with persistent disorder or nuisance. The powers came into effect from 1<sup>st</sup> December 2008 under Part 1A to the Anti-Social Behaviour Act 2003, as introduced by section 118 and Schedule 20 of the Criminal Justice and Immigration Act 2008.

### **2. Recommendations**

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- 2.1 That Cabinet endorses the protocol (appendix 1) in relation to the Premises Closure Legislation for Northampton Borough Council.
- 2.2 That the powers under Part 1A to the Anti-Social Behaviour Act 2003, as introduced by section 118 and Schedule 20 of the Criminal Justice and Immigration Act 2008, be delegated to the Chief Executive, Directors or Borough Solicitor for authorising the issue of a closure notice, consulting with the police and applying for a closure order. It is required that on all occasions the Chief Executive or Borough Solicitor also counter sign the authorisation.

### 3. Issues and Choices

---

#### 3.1 Report Background

- 3.1.1 The Criminal Justice and Immigration Act 2008 received Royal Assent on 8<sup>th</sup> May 2008 and came into force on 1<sup>st</sup> December 2008. Part 8 of the Criminal Justice and Immigration Act inserts a new Part 1A to the Anti-Social Behaviour Act 2003 (the “2003 Act”).
- 3.1.2 The 2003 Act Part 1 gives powers to the police, following consultation with the local authority, to close premises that are being used in connection with the unlawful use, production or supply of Class A drugs, where that use has caused disorder or serious nuisance to members of the public. These powers are commonly referred to as the “crack house closure” provisions.
- 3.1.3 Part 1A of the 2003 Act creates new powers of closure for premises where a person has engaged in anti-social behaviour on the premises and where the use of the premises is associated with significant and persistent disorder or persistent serious nuisance to members of the public. In other words, this enables the closure of premises that are not “crack houses” but where the level of nuisance or disorder is causing just as much of a significant effect on members of the public.
- 3.1.4 Significantly, under these new provisions, both the local authority and the police have the power to authorise such closure notices provided that they have consulted each other before a decision is made.
- 3.1.5 This power allows police or local authorities to close a premises irrespective of tenure for a period of 3 to 6 months. Meetings have taken place and the Local Authority and Northamptonshire Police have agreed to work jointly in relation to this legislation.
- 3.1.6 A Closure Notice should not be used as a threat. Once a notice is issued, an Order must be sought **within 48 hours** whether behaviour improves or not. This should not come as a surprise to anyone with an interest in the property, as persons in these premises should have been previously warned of impending action in an attempt to reform their behaviour.
- 3.1.7 The effect of a Closure Order is that the premises will be closed for a set period of time up to an initial maximum of 3 months. Thereafter there is the power to extend the Order by a further 3 months if necessary. Once the premises are closed the effect will be that no one will be entitled to enter the premises without prior permission of the Police or the Local Authority or until the Order expires. On the making of a Closure Order the Premises will be made secure and normally boarded up. It is a criminal offence to breach a Closure Order.
- 3.1.8 In some communities there are particular premises that are a constant focus for severe anti-social behaviour, making the lives of those living nearby a misery. These powers can be used to offer communities respite by temporarily closing premises for three months that are responsible for:
- significant and persistent disorder or
  - persistent serious nuisance to a community

- 3.1.9 As these powers can be exercised in relation to residential as well as commercial premises, they should only be used as a last resort where other interventions to tackle the serious and persistent nuisance have failed. The powers will often only be used as a last resort but can be used in relation to any type of premises where there is persistent and serious nuisance or disorder. Care should be taken to ensure they are not used as a tool of eviction.
- 3.1.10 The new Premise Closure Legislation will be an additional tool that can be used to give stakeholders of Northampton respite from those premises that are responsible for persistent ASB. It will be used in conjunction with other actions that may include support or if necessary additional enforcement action.

### **3.2 Issues**

- 3.2.1 When a Closure Notice is issued, a Closure Order must be sought from the court within 48 hours. If named Officers are not given delegated authority to authorise the issue of Closure Notices and the seeking of Closure Orders then this will need to be authorised by Cabinet. That is a situation, which would cause unacceptable delays in the process and would not help to provide the community with the protection they need from the disorder or nuisance.

### **3.3 Choices (Options)**

- 3.3.1 Remain as we are and do not support the implementation of the additional powers and protocol of closure for premises where a person has engaged in anti-social behaviour on the premises and where the use of the premises is associated with significant and persistent disorder or persistent serious nuisance to members of the public. This however will not provide the Police and designated officers with the full compliment of powers to tackle those extreme cases of anti-social behaviour that a Premises Closure order would address.
- 3.3.2 It is proposed that it is in the best interests of the residents of the town that the protocol (appendix 1) in relation to the Premises Closure Legislation for Northampton Borough Council is adopted.

## **4. Implications (including financial implications)**

---

### **4.1 Policy**

- 4.1.1 Under Section 17 of the Crime and Disorder Act 1998, Northampton Borough Council has a statutory duty to 'exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it can to prevent crime and disorder'.
- 4.1.2 The Crime and Disorder Act 1998 places a statutory duty on all local authorities to work in partnership with statutory, non-statutory, community and voluntary agencies to develop and implement strategies for tackling crime and disorder.

- 4.1.3 This report supports the contents of the Northampton Borough Council Anti-Social Behaviour Policy 2008-2011.

## **4.2 Resources and Risk**

- 4.2.1 There may be some financial implications for sealing a property and dealing with utility supplies, if these costs cannot be applied to the owner or landlord. It is possible to apply to the Court for costs to be covered at the time the Closure Order is applied for, but the subject may have insufficient means so that to make the closure effective the Council covers these costs, funded from existing resources.
- 4.2.2 If vulnerable people are made homeless or put in need as a result of the closure there may be costs to the Council in meeting these needs. The extent of these costs would be assessed when the application is being considered and would affect the decision whether to proceed.

## **4.3 Legal**

- 4.3.1 The power for the police and local authorities to issue Closure Notices and for the courts to confirm those Notices by making Closure Orders is created by section 118 of the Criminal Justice and Immigration Act 2008, which amends section 11 of the Anti-Social Behaviour Act 2003. The section came into force on 1<sup>st</sup> December 2008. This amendment gives the police and local authorities clear statutory authority to close premises where the use of the premises is associated with significant and persistent disorder or persistent serious nuisance to members of the public.
- 4.3.2 The legal implications are contained within the body of the report. In addition Part 1A, Section 11 of the 2003 Act, provides that neither the local authority nor any employee of the local authority will be liable for relevant damages in respect of anything done or omitted to be done by or on behalf of the authority in the performance or purported performance of functions under Part 1A, provided such act or omission is not shown to have been in bad faith and/or unlawful by virtue of section 6(1) of the Human Rights Act 1998.
- 4.3.3 Although this new power provides a substantial tool with which to combat anti-social behaviour, it should be remembered that considerable consultation will have to take place before it can be invoked so it may not be as speedy a remedy as some may have liked.

## **4.4 Equality**

- 4.4.1 An Equality Impact assessment has been carried on the NBC Anti-Social Behaviour Policy 2008-2011, to which this report is linked, and there are no known equality and diversity implications.

#### 4.5 Consultees (Internal and External)

Portfolio Holder	Northampton Borough Council
Director	Environment & Culture, NBC
Director	Housing
Head of Public Protection	Northampton Borough Council
Head of Housing Management	Northampton Borough Council
Partnership Director	Safer Stronger Northampton Partnership
Crime & Disorder Team Leader	Northampton Borough Council
Manager, Finance Department	Northampton Borough Council
Solicitor, Legal Services	Northampton Borough Council
Area Commander for Northampton	Northamptonshire Police
Safer Stronger Northampton Partnership Board Members	

#### 4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The proposals in this report support the NBC Corporate Priorities to '*achieve safer, cleaner, greener, communities*' and to '*strengthen our commitment to partnership working and community engagement for better outcomes*'. They also are in line with our Service Objectives to help our communities to become safer by '*reducing the fear of crime and reducing anti-social behaviour*' and supports LAA outcome SSC2B to '*build respect, reduce the fear of crime and the impact of anti-social behaviour*'
- The proposals also fully support the aims and objectives contained within the Northampton Borough Council Anti-Social Behaviour Policy 2008-2011.

#### 4.7 Other Implications

None

#### 5. Background Papers

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- 5.1.1 Crime & Disorder Act 1998  
Anti-Social behaviour Act 2003  
Criminal Justice and Immigration Act 2008

**Debbie Ferguson**  
**Community Safety Manager**  
**Ext: 8731**



# **Anti-Social Behaviour**

## **Premises Closure Protocol**

*November 2009*



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## 1. Introduction:

Section 118 of the Criminal Justice and Immigration Act 2008, (CJIA) introduced new powers for the courts to temporarily close premises associated with significant and persistent disorder or persistent serious nuisance. Schedule 20 of the CJIA inserts a new section 1A into the Anti-Social Behaviour Act 2003, that makes provision about the issue of Closure Notices and the making of Closure Orders in respect of premises associated with persistent disorder or nuisance.

- 1.1 Premises closure orders commenced on 1st December 2008. The order is designed to tackle serious and persistent forms of anti-social behaviour. This includes excessive noise and rowdy behaviour related to frequent drunken parties or high numbers of people entering and leaving a property at all times of the day or night. It can also be used where anti-social residents are intimidating and threatening their neighbours and criminal families are running illegal business from their properties. It is an order of last resort to be used only when all other options have been tried and failed to work. Significantly, it is tenure neutral so it can be used to close homes that are privately owned.
- 1.2 The action to close a property should not be taken by one agency in isolation. Police and Local Authorities are required to consult each other before any decision is taken. It is important that support interventions are used with enforcement measures, and that the problem is tackled holistically rather than simply shifting the burden elsewhere.
- 1.3 This guidance is designed to help those who are responsible for the exercise of these powers to,
  - Use the powers effectively and efficiently;
  - See the use of the powers in the broader context of tackling anti social behaviour and;
  - Understand the implications of the powers as they relate to affected persons and the communities in which they occur.
- 1.4 These powers, although very powerful tools in dealing with persistent disorder, should only be used as a last resort, where other interventions have been used or considered and rejected for good reason, and where implications, for example, for children or vulnerable adults in the premises, have been carefully considered.
- 1.5 Agencies are under duties to safeguard and protect the welfare of children under the Children Act 2004. Consideration of the rights of the individuals subject to a Closure Order and the rights of the community, including the victim(s) and potential victims, should be carried out and recorded.

## 2. The Closure Notice

- 2.1 The purpose of the Closure Notice is to prevent significant and persistent disorder or persistent serious nuisance of certain groups within communities, and to act as a neighbourhood management tool. This tool is **not** to be used as a fast track to eviction or as a first port of call for difficult scenarios.
- 2.2 The Closure Notice alerts those using the property, resident(s), the owner and any others with an interest who can be identified, of the intention to apply to the court for a Closure Order. This sends a clear message to the local community that action is being taken against the premises, and it informs those who live in, or frequent the premises that their activities will no longer be tolerated. It gives notice that closure of the premises is being sought and provides details of what this entails.
- 2.3 A Closure Notice should not be used as a threat. Once a notice is issued, an Order must be sought **within 48 hours** whether behaviour improves or not. This should not come as a surprise to anyone with an interest in the property, as persons in these premises should have been previously warned of impending action in an attempt to reform their behaviour.
- 2.4 There is a requirement in the Act for the Police or Local Authority to take reasonable steps to identify those with an interest in, control of, or responsibility for the premises and those who live on the premises, before the Closure Notice can be authorised. Where possible, consultation with relevant agencies should have involved discussions and the exchange of information relating to the identification of these persons.
- 2.5 The Police or Local Authority are required under the Act to take **reasonable steps** to ensure that all such persons are identified, prior to the Notice being issued. It may be the case that all such persons are difficult to trace and the delay required to identify them would remove the benefits of the power. However, the Closure Notice must be served on any such person who is identifiable at the property or who appears to have an interest, or to be affected by potential closure, who can be easily identified by immediate enquiries to the tenant or those resident, or neighbours, or through Local Authority records. The Notice is required to be fixed at a prominent place on the premises, at each place of access and on any outbuildings.
- 2.6 It should be remembered that a Closure Notice in itself, may achieve the intended outcome of stopping the persistent disorder and nuisance. **However, the Police or Local Authority are obliged to pursue a Closure Order after the Notice is served.** For this reason, Closure Notices should be considered as part of strategic and tactical action against anti social behaviour at a senior level.
- 2.7 The Closure Notice creates offences for any persons who do not habitually reside in, or own, the property, to enter or remain in the premises. 'Habitually resident', in this context should be taken to mean anyone for whom the premises are their main or only residence. The intention is to encourage all those for whom the premises are not their main or only residence to leave at this point, and to provide relief during the Notice period.
- 2.8 The Closure Notice takes into consideration that residents will need to find alternative accommodation if the court decides to grant a Closure Order. Local housing authorities will therefore need to ensure that advice and information about

alternative accommodation options are made available to anyone in the premises likely to face homelessness, as a result of closure.

### **3. Issuing a Closure Notice**

- 3.1 The decision to use these powers must be taken by a senior Police Officer of Superintendent rank or above (Authorising Officer), or in the case of a Local Authority, the Chief Executive or Director of Housing. When assessing the requirement for a Closure Notice they must have reasonable grounds for believing that:
- At any time during the relevant period (the preceding 3 months) a person has engaged in anti social behaviour on the premises; and
  - The use of the premises is associated with significant and persistent disorder or persistent serious nuisance to members of the public.
- 3.2 To authorise service of the Closure Notice, the authorising officer or the Local Authority must be satisfied of the following:
- The Police area commander or in the case of a Local Authority, the Chief Executive or Director of Housing in which the premises are situated have been consulted.
  - Reasonable steps have been taken to establish the identity of any person who lives on, has control of, or has responsibility for, or an interest in the premises.
- 3.3 This legislation deals with problematic premises and not individuals, thus in making this decision the 'authorising officer' or Local Authority, should take into account:
- Whether the proposed actions will have the intended impact on the problem at hand;
  - The suitability of the powers with all their implications;
  - The evidence about the level of disorder, nuisance and anti social behaviour associated with the premises;
  - How this action is to be followed up, ensuring that the premises do not become re-occupied for similar purposes, and how the closure can be followed up as part of the anti social behaviour strategy for the area;
  - The views of the relevant local authority or police;
  - Any other powers – such as Anti Social Behaviour Orders, that may be more suitable or achieve the same result, without the need for the implications that the Closure Power contains; and
  - The availability of other powers, and supportive interventions, that can be used alongside the closure power to support the overall aim of reduction of nuisance.
- 3.4 The 'authorising officer' or Local Authority, should only authorise a Closure Notice, once all other avenues have been pursued, and have failed to stop the disorder created within the premises. The, following powers should be considered by them,

Acceptable Behaviour Contracts, Injunctions, Parenting Contracts, Enforcement of Tenancy and Anti Social Behaviour Orders.

- 3.5 A Closure Notice should be authorised in writing. But where written consent is not immediately possible, oral authorisation is sufficient as long as it is confirmed shortly afterwards in writing and, in any case, before the court hearing.
- 3.6 The full range of support and enforcement measures should be considered. It is essential that robust contingency planning is put in place – to ensure that homelessness can be prevented for anyone who is vulnerable or has dependant children, that would lose their home as a result of the Closure Order. Their safety should not be compromised, and measures should be put in place in advance, to safeguard these groups and promote their welfare should the closure go ahead.
- 3.7 It is imperative that the ‘authorising officer’ or Local Authority approving a Closure Notice, consult with each other. This is to ensure that housing benefits continue to be paid so that residents (who retain their rental obligations throughout the closure period) can continue to pay their rent. Local housing authorities have a legal duty to ensure that advice and information about homelessness and prevention of homelessness, are available free of charge to everyone in their district. If someone applies to them for housing assistance and the authority has reason to believe that the person may be homeless, or likely to be homeless within 28 days, the authority must make enquiries to satisfy themselves whether any duty is owed to that person, under the homeless legislation. Where the authority is satisfied that the person is eligible for assistance is unintentionally homeless, and falls within a priority need group, the authority must ensure that suitable accommodation is available for them.
- 3.8 In cases where a person’s homelessness is the result of a Closure Order following nuisance behaviour and he or she, has refused offers of support and rehabilitation, the local authority may decide that the applicant has become homeless intentionally (because the homelessness was the consequence of the person’s deliberate behaviour).
- 3.9 Where people are eligible for assistance and fall within a priority need group, but are intentionally homeless, the authority must ensure that they are provided with advice and assistance to help them obtain accommodation – the authority must also ensure that applicants have lodgings available for long enough to give them a reasonable opportunity to obtain accommodation. Authorities are referred to the ‘Homelessness code of Guidance for Local Authorities’ available at [www.communities.gov.uk](http://www.communities.gov.uk).
- 3.10 While no specific type of premises are exempt from these powers, the appropriateness of their use in some circumstances should be considered. The ‘authorising officer’ should be mindful of the implications and whether other methods of control may be more appropriate. These circumstances may include hospitals, schools and children’s homes.
- 3.11 Where the premises are registered children’s homes or where the inhabitants of the property are vulnerable persons, practitioners should remind providers of care, about their duty to run the premises in accordance with the relevant regulations, and national minimum standards. For example, providers of care for children’s homes have a duty to run it in accordance with the relevant regulations, and minimum standards, which include dealing with behaviour management policy.

- 3.12 There are a variety of other anti social behaviour powers, such as Acceptable Behaviour Contracts, injunctions, Parenting Contracts, enforcement of tenancy and ASBO's, that may be more suitable for dealing with situations of this type. The Authorising Officer or Local Authority is required to demonstrate that he or she has considered all of these options before authorising the issue of a Closure Notice.

#### **4. Serving and enforcing a Closure Notice**

- 4.1 The Act sets out a requirement to take reasonable steps to identify all such persons who may have an interest in, control or responsibility for the premises, or who live in the premises, before the Closure Notice can be authorised. However, there is no requirement to ensure that all such individuals are notified, merely to notify those that have been identified after taking reasonable steps. If a letting agent only, is identified as being in control, or responsible for the premises, then serving the notice on them is acceptable. Sending a notice by post is not desirable, due to the speed and effects of the notice. However, if the owner or letting agent identified is not local, posting the notice may be considered sufficient, as the only practicable means.
- 4.2 Prior to serving a Closure Notice, a series of interventions should be tried to give households plenty of warning that a closure is imminent. This will give the residents an opportunity to reform their behaviour, therefore removing the possible need for closure.
- 4.3 Once a Closure Notice is served, an application must be heard by Magistrates, within 48 hours. Contacting the courts prior to serving the notice will ensure that this requirement is met, without causing undue difficulty.
- 4.4 The Closure Notice must contain the following information:
- Notice that the application will be made under Section 11B of the Anti Social Behaviour Act 2003 (Closure Order).
  - The location/address of the premises to which it relates.
  - State that any person who does enter the premises, who is not the owner or habitually resident there, commits an offence.
  - Specify the date, time and place at which an application for a Closure Order will be considered (must be in place when issuing the Closure Notice).
  - Provide an explanation of what will happen should a Closure Order be granted – in particular that there be no further entry to the premises, and it will be totally sealed. If the premises are residential then the residents will be forced to find alternative accommodation.
  - Provide information on relevant advice providers, who will be able to assist in relation to housing and legal matters. Relevant advice providers would include the local Housing Advice Centre, or point of contact for applications for homelessness assistance, the Citizens Advice Bureau and the local Law Centre, and

- Include such matters about the application as may be prescribed in rules of court.
- 4.5 The notice must, where reasonably identified, be served on all those with an interest in the property, including:
- Residents (those who may not be tenants but who live there nonetheless).
  - The tenant and their dependants at the property.
  - The owner or their representative; and
  - Persons affected through access to their property.
- 4.6 The Closure Notice, must be served by a **constable** if it was authorised by the authorising officer, or an **employee** of the Local Authority if it was authorised by the Authority.
- 4.7 When serving the notice the constable or employee does not need to enter the property, and can serve it effectively by fixing a copy of the notice to at least one prominent place on the premises; to a normal means of access to the premises; or to any outbuildings that appear to the server of the notice to be used with, or as part of, the premises. Or it may be handed to at least one person who appears to the server of the notice to have control of, or responsibility for, the premises, to persons previously identified, and to any other person appearing to the server of the notice, to have an interest in the premises. **A power of entry is attached to it.** In some areas, where it is considered safe to do so, it may be appropriate for the Police to be accompanied by the relevant Local Authority or Housing Association Officer.
- 4.8 Once the notice has been served, those at the premises affected by it may choose to leave voluntarily. Those who habitually reside there should be advised to seek alternative accommodation. If they have failed to do so, they should be referred to the notice, or the advice providers referred to in the notice, regarding help with accommodation. Practitioners should make it clear that it will be an offence for persons who do not normally live at the premises, or who are not the owners, to continue to reside within the premises.
- 4.9 In all cases relating to the closure of premises, it is essential that early contact is made with Social Services, as well as the relevant homelessness, education and housing officials in the Local Authority, in order to establish the potential effects of that closure and, where closure proceeds, to mitigate those effects.
- 4.10 Section 11D creates offences of remaining in or entering a property subject to a Closure Notice or Order, without reasonable excuse, or of obstructing a constable or authorised person carrying out certain functions under these provisions. The maximum penalty is a fine of £5000, imprisonment for 51 weeks, or both.

## 5. Obtaining a Closure Order

- 5.1 Once, a notice has been issued, an application for a, Closure Order must be made to the Magistrate's Court by the Police or Local Authority within 48 hours. The maximum length of a Closure Order is three months, with the possibility of an extension, but to total no more than six months. The length of the Order should

reflect the nature of disorder and the desire to bring the property back into management as quickly as possible.

To issue a Closure Order the court must be satisfied that:

- A person has engaged in anti-social behaviour on the premises in respect of which the Closure Notice was issued;
- The use of the premises is associated with significant and persistent disorder or persistent serious nuisance to members of the public; and
- An order is necessary to prevent further such disorder or nuisance for the period specified in the order.

5.2 The court is asked to decide whether the Closure Order is necessary to prevent the occurrence of significant and persistent disorder, or persistent serious nuisance. The court may, therefore, wish to consider whether alternative methods would be more appropriate, and what other action might have been attempted. This is why the history of action and considered action against the premises and its occupants is important. It is not a requirement for the court to have evidence that these other methods have been tried first and exhausted, nor need they have been tried, but the court may feel that other powers will be more likely to achieve control, and will prevent serious nuisance or disorder more effectively.

5.3 The court may also, in determining whether to make a Closure Order, have regard to:

- The ability of any person who habitually resides in the premises to find alternative accommodation; and
- Any vulnerability of that person.

5.4 Prior to the hearing, the Police should ensure that the evidence to be presented is in good order. Support for community witnesses at the court may be necessary to enable them to give evidence. At the hearing the evidence should be presented by the Police or Local Authority employee and supported, if appropriate, by evidence from the victims and witnesses, to establish the grounds for believing that the premises are associated with disorder or serious nuisance.

5.5 The owner or occupier of the premises, a person who has control or responsibility for the premises and any other person who has an interest in the premises may contest the application to make an order. The court will wish to hear why the order should not be made. Possible reasons include the following:

- The landlord, owner or tenant has just been apprised of the situation, and can demonstrate that effective action is already being taken to deal with it.
- There is evidence that contradicts the evidence presented by the Police, or there is evidence that cannot be presented at this time but which will be presented subsequently, thus presenting a case for adjournment.

5.6 The court operates on a civil rather than a criminal standard of proof (i.e. balance of probabilities). The court may decide to make an order while the owner or landlord attempts to address the problem. If they believe that they can subsequently demonstrate, sooner than the specified order period, that the problem has been



successfully addressed, an application can be made to the court for the order to be discharged.

- 5.7 Therefore the court nominally has three options: refusal of the application, adjournment or closure. In practice, the ability to vary the length of the Order gives the court the flexibility to deal with different circumstances. For example, a shorter Order may be appropriate where there is a need to bring immediate relief, while the landlord and the Police deal with the problem, thus avoiding an extended and costly closure.
- 5.8 The court can defer the hearing of the application for the Order by adjournment for **not more than 14 days**, to allow those persons to prepare their case. The court may order that a Closure Notice continues in effect until the end of the period of adjournment. It should be made clear by the court at the time of any adjournment, **whether the Notice continues to take effect or not**.
- 5.9 Police and Local Authorities should normally serve identified interested parties with all the information they need for the hearing at the same time as they serve the Closure Notice (if this is operationally possible). This will allow such parties to have had sight of the documents for sufficient time for the hearing to be completed ideally at the first hearing, and otherwise within 16 days of the serving of the Closure Notice.
- 5.10 Measures to protect live and hearsay witnesses should be in place before a Closure Notice is served, if considered appropriate by the investigating officer.
- 5.11 Consideration should be given to putting forward other types of evidence in support of the application, in addition to or instead of anonymous hearsay – for example CCTV, surveillance footage, observation point log books and any other records.

## 6. Managing a Closure Order

- 6.1 The Closure Order gives a power to close a property completely or partially and to prevent access by any persons – even those with rights of abode or ownership. A Closure Order comes into force immediately after the court makes the order. As soon as a Closure Order is made, a constable or any other person authorised by the Chief Police Officer for the area in which the premises is situated, or a person authorised by the Local Authority, may enter the property and secure it against entry by any other person, **using reasonable force if necessary**. This means that the premises can be cleared of all persons present – including residents and those with an interest in the property, who may have remained after the service of the Closure Notice. The authorised persons may also enter the premises at any time to carry out essential maintenance or repairs. Only the Police may act in respect of police applications, and the Local Authority in respect of their applications.
- 6.2 Breach of the Closure Order is an offence, a person if found guilty is liable to imprisonment for a period not exceeding 51 weeks, a £5000 fine or both.

- 6.3 The issuing of the Closure Order does not remove or alter rights of ownership for owner-occupiers or tenancy rights for those who rent from a private or social landlord. In accordance with those rights, a tenant will retain the right to return to the property following expiry of the Closure Order. They will also retain their obligations under the tenancy during the closure period (i.e. rent will continue to accrue during the closure period).
- 6.4 The process of entering to enforce the Closure Order should be treated with extreme caution. While in many cases the occupants will have already left, in others they may be resistant to leaving. Therefore the operation should be undertaken following a risk assessment, and authorised persons such as local authority workers, maintenance staff, workers from utility companies or housing officers should not be present until any safety issues have been addressed and the property cleared.
- 6.5 Where a vulnerable person has been preyed upon and has been unable to exercise control over their property, a Closure Order should form part of a planned resettlement move.

## 7. Issues during Closure

- 7.1 It is important that, following the closure, the empty premises do not cause greater problems than before the Closure Order was made, such as crime and vandalism, or through being taken over illegally. Therefore when sealing the property the task should be done carefully, in order to ensure that the building will not be taken over or become the target for further anti-social behaviour.
- 7.2 Any application for an extension of a Closure Order may be made at any time prior to the date on which the original order would have expired. **It should be stressed that no property should remain empty longer than is necessary. The Closure Order must not exceed a six month period.**
- 7.3 The Police or Local Authority may wish to have the Order discharged before the period expires. This is completely desirable where the problem has been satisfactorily addressed. In relation to discharge, the court must decide that the Closure Order is no longer necessary to prevent the occurrence of **persistent and serious disorder or serious nuisance**. Where for example, the tenant voluntarily surrenders the tenancy immediately, the property can be brought back into management almost straight away and the Closure Order can be discharged more quickly.
- 7.4 The Police or Local Authority may apply to the Magistrates Court for costs against the owner for any expenses incurred by the Police or Local Authority in enforcing the Closure Order. (cost of clearing, boarding up or maintaining the premises) however, this would be inappropriate if the landlord had fully co-operated with the Police or Local Authority. Any such claim for costs must be made to the courts **within three months** of expiry of the Closure Order.

## 8. Human Rights

- 8.1 Nothing in this protocol allows for a breach of Human Rights. The test of whether the proposed action is reasonable and proportional must be taken at each occasion.

Consideration must also be given to any diverse or particular community issues that may be outside of the scope and knowledge of the initiating officer/individual.

## 9. Key Points

- Identification of potential premises, those that are associated with significant and persistent disorder or persistent serious nuisance to a community within the preceding 3 months – Police Officer, PCSO, Housing Officer, Warden.
- Inform Anti-Social Behaviour Unit who will begin to collate evidence. (Consider ASBO's or other interventions if appropriate)
- Take reasonable steps to identify "interested parties". (residents, those who may not be tenants but who live there nonetheless) (tenants and their dependants at the property) (the owner or their representative) (persons affected through access to their property).
- Consult with Police/Local Authority.
- Inform relevant parties. (Housing, Social Services etc)
- Liaise with the local community – ongoing process.
- Bring to attention of Civil Litigation Officer / NBC Legal for legal process to commence.
- Liaise with Police Press Office and Local Authority Media Department.
- Collate evidence and prepare Closure Notices.
- Notice can be authorised by a Superintendent or above or, in the case of the Local Authority, the Chief Executive or Director of Housing.
- Once the Notice is served the evidence to support a Closure Order must be placed before a court within 48 hours.
- If Closure Order is granted property is secured for 3 months. If Notice is revoked consider appeal process through Crown Court.
- Regular visits to ensure compliance with the Order.
- Inform NBC Housing of Order.

## **Appendix A**

### **Definition of Terms – Disorder/Serious Nuisance**

- Intimidating and threatening behaviour towards residents
- A significant increase in crime in the immediate area surrounding the premises
- The presence of discharge of a firearm in or adjacent to the premises
- Significant problems with prostitution or sexual acts being committed in the vicinity of the premises
- Serious disorder associated with alcohol abuse, for example in and around drinking dens
  - Violent Offences and Crime being committed on or in the vicinity of the premises
  - High numbers of people entering and leaving the premises at all times of the day or night and the resultant disruption they cause to residents
  - Noise – constant/intrusive noise – excessive noise at all hours associated with visitors to the property

### **The Definition of Premises**

The Act defines 'premises' as including a) any land or other place (whether enclosed or not); and b) any outbuildings which are or are used as part of the premises. Any of the following are therefore included:

- Houses
- Flats
- Apartments
- Sheds
- Common areas adjacent to houses or flats
- Garages
- Factories
- Shops
- Pubs
- Clubs
- Public buildings
- Community centres or halls
- Car parks

**At the time of commencement of the legislation, there were no properties exempted from the Act.**

## **Appendix B**

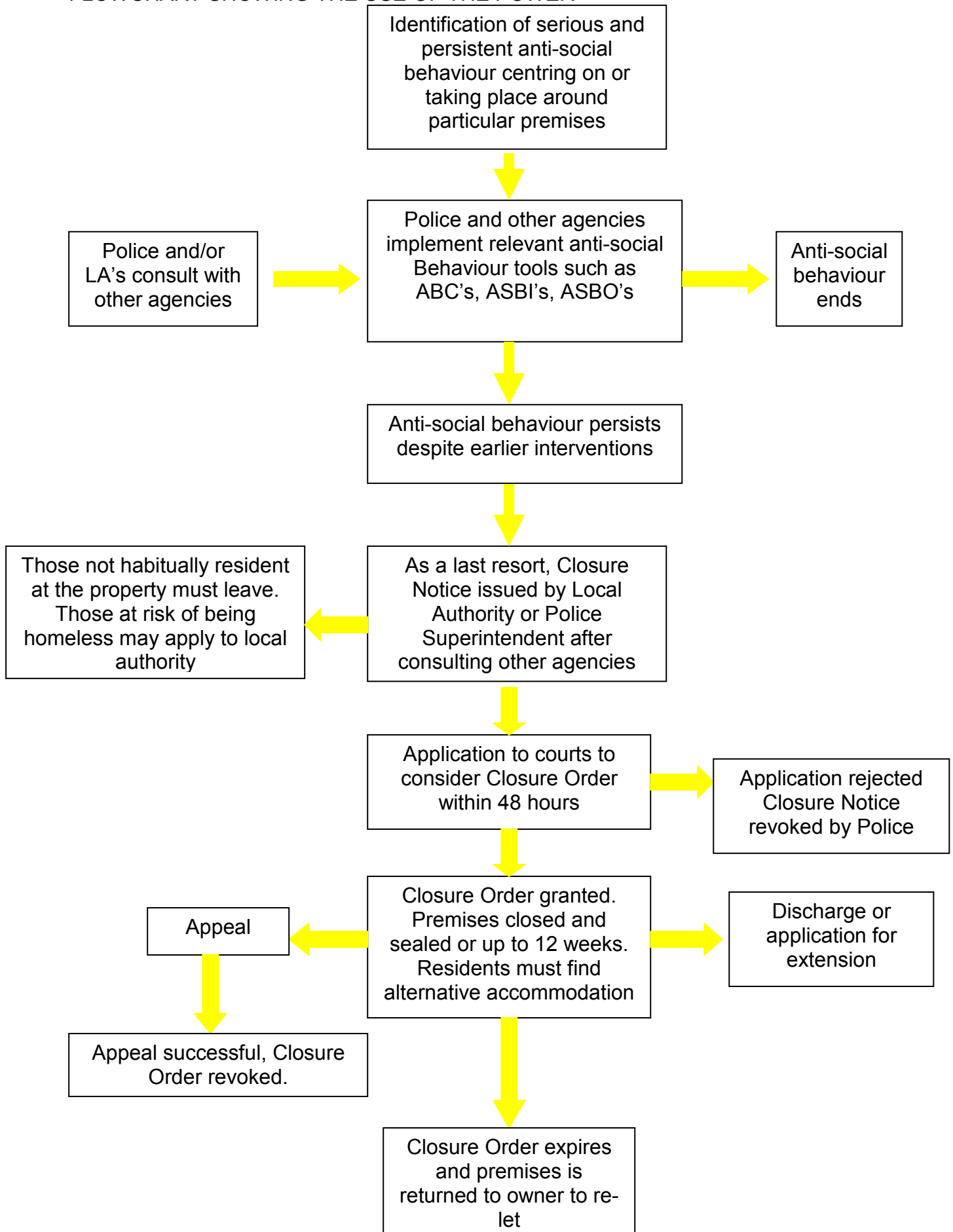
### **Dealing with those in the Premises**

Once served, those at a premises affected by the Closure Notice may well choose to leave voluntarily. Those who habitually reside there should be advised to seek alternative accommodation. If they have failed to do so themselves, they should be referred to the Closure Notice or the advice providers referred to in the Closure Notice, regarding help with accommodation, drug problems, leaving the sex trade, and obtaining legal assistance. It may still be possible for those resident to change the way the premises are used.

However it is an 'arrestable offence' for a person who does not normally live at the premises or is not the owner to continue to reside at or enter the property during the Closure Notice period.

## Appendix C

### FLOWCHART SHOWING THE USE OF THE POWER



## Appendix D



### Section 1A Anti Social Behaviour Act 2003

#### CERTIFICATE OF CONSULTATION

#### Premises Closure Orders

I, \_\_\_\_\_ of Northampton Borough Council  
certify that I, being authorised to consult on behalf of the above agency, have been  
consulted in relation to an application for a Premises Closure Order in respect of  
the below named:

<b>Name:</b>	
<b>Date of Birth:</b>	
<b>Address:</b>	

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Local Authority Signatory

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Superintendent, Northampton  
Northamptonshire Police

**Appendices**  
**4**



Item No.

**11**

## CABINET REPORT

<b>Report Title</b>	<b>Housing PFI - Amended Proposals</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16th December 2009
<b>Key Decision:</b>	YES
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	HOUSING
<b>Accountable Cabinet Member:</b>	Councillor Sally Beardsworth
<b>Ward(s)</b>	Billing, Ecton, Brook, Lumbertubs, Thorplands

### 1. Purpose

- 1.1 For Cabinet to consider and amend or approve proposals for a scaled down Expression of Interest for Housing HRA PFI on two estates in Northampton East.

### 2. Recommendations

- 2.1 To Note the work of external advisors in producing assessment criteria to assist in producing a scaled back Expression of Interest in PFI.
- 2.2 To decide, in the light of the reports on the scaled back bid and the revised financial implications whether to proceed with the PFI project.
- 2.2 To approve the inclusion of Eastfield and Thorplands estates in the scaled back bid.



- 2.3 To Authorise the Director of Housing, in consultation with the Portfolio Holder, to submit the revised bid after the financial assumptions have been scrutinised by the new team of external advisors
- 2.4 To note the financial implications of proceeding with the bid as set out in section 4.2 of the report and to call for regular monitoring reports to be provided on progress and project expenditure
- 2.5 To call for a report on the way forward for the two estates not included in the PFI project.

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 The outcome of the Expression of Interest (EOI) or bid for PFI credits, approved by Cabinet on 30th October 2008, was reported to Cabinet on 5<sup>th</sup> August 2009. An outline of the bid, which covered the four estates of Eastfield, Blackthorn, Bellinge and Thorplands, is attached at Appendix A.
- 3.1.2 Members will recall that the Homes and Communities Agency (HCA) advised that the bid, originally for £167 million but revised upwards to £208 million, needed to be scaled back to an indicative level of credits of approximately £100 million. This should cover Eastfield Estate and other elements. The letter from HCA was attached to the Cabinet report.
- 3.1.3 It has always been the Council's approach that, in the event of a scaled down bid, the same depth and scope of work would take place over a smaller area, rather than reduce the scope of works to cover a wider area. This was because the impact of that investment would be diluted. This report therefore describes the exercise to reduce the number of estates included in the PFI proposals to the level of investment available.
- 3.1.4 HCA criteria for a revised bid were set out in the guidance notes attached to their letter and are repeated below.
- Maximum PFI credits of £100 million
  - Value for money
  - Demand
  - Policy Objectives-how the project will contribute towards achieving transformational change in local authority stock.
  - Policy Objectives-additional social rented housing
  - Tenant participation
  - Efficiency
  - Marketability
  - Project Management
  - Design quality
- 3.1.5 Of all the criteria listed above, achieving transformational change creates the greatest challenge. The guidance document to support bids made as part of

the original EOI in October 2008 stated it funds regeneration projects that can achieve 'transformational change' by:

- Improving the design, quality and diversity of housing
- Improving the reputation of and demand for housing on selected estates
- Providing more affordable rented housing
- Creating employment opportunities
- Supporting communities

3.1.6 The expression "transformational change", for the purposes of the exercise to scale down the bid, has been taken to mean greatest physical change in appearance, layout and design, combined with the scope to make real differences to the quality of life for those communities. This would cover community safety, health, employment and education, leisure and community development and sustainment. Many of these factors are reflected in the Index of Multiple Deprivation (IMD) scores for the estates in question, which reflected the greatest need for intervention in Northampton East and was the reason those four estates were originally chosen for the initial PFI bid. The difficulty in respect of this project is in assessing the scope for transformational change involving additional inward investment over and above the basic PFI scheme, which does not involve any additional market investment beyond refurbishing or replacing council housing. The true scope for transformational change in the physical sense will not therefore be fully assessed until the scheme comes to market and the communities on those estates have been consulted about the detailed proposals put forward by the short-listed consortia. Additional programmes to improve health, job prospects, address anti-social behaviour and improve the quality of life in those neighbourhoods will build on the momentum provided by the PFI investment.

3.1.7 Appendix A to this report describes the revised bid as submitted in the spring of 2009. PFI credits are cash paid by Government to the Council in instalments during the life of the scheme. The Council is not engaged in borrowing in respect of the PFI capital programme, but it will incur costs in relation to achieving vacant possession for demolition and replacement and in its role as client to the contractor/provider of services. These costs are covered in paragraph 4.2 below. The housing remains in the Council's ownership at all times and Council tenants remain secure tenants of the Council (unless they breach the conditions of their tenancy). At the end of the PFI contract, all responsibility for management and maintenance will revert to the Council. Additional housing and other facilities, not funded by the PFI credits, may be built for sale or rent by the appointed consortium and the ownership and proceeds from those assets will be part of the negotiations going forward with a preferred bidder. The commercial elements of market housing were specifically not included in the PFI bid, although the potential was identified.

## **3.2 Issues**

3.2.1 The process of reducing the bid down from four estates to a project valued at around £100 million in PFI credits has been carried out. Firstly, a set of

objective criteria was developed by officers with ward councillors and stakeholders. Consultation on criteria included the implications of the criteria selected for the ranking of the four estates and this was demonstrated in a series of public drop-in sessions run through September 2009. It should be noted that the ward councillors for Lumbertubs expressed some concern that the Index of Multiple Deprivation (IMD) scores for the Blackthorn estate included two very different areas or enumeration districts and that averaging the scores could give a potentially misleading impression. This is covered in the AECOM report. The outcome of the drop-in sessions is included in the AECOM report at Appendix B, from which it appears that the combination, which most fits the agreed criteria, is Eastfield and Thorplands. Such exercises are by no means conclusive, however, especially as the scope for transformational change cannot truly be established at this point.

- 3.2.2 Secondly, Grant Thornton, financial advisors to the original bid, were re-commissioned to run the three variations, of Eastfield plus one other estate, through the revised model, to establish whether the two estates could be included within the £100 million of PFI credits described by HCA as the maximum. This indicates **the** following combination of estates and the amount of credits required.

<b>Estate Combination</b>	<b>PFI credits (Inclusive of revised life-cycle costs funded by PFI)</b>
Eastfield and Bellinge	£98.668 million
Eastfield and Blackthorn	£117.863 million
Eastfield and Thorplands	£101.333 million

- 3.2.3 This suggests that the combination of Eastfield and Blackthorn would not be affordable within the maximum PFI credits available. Both the other combinations are close to the £100 million indicative figure.
- 3.2.4 Recruitment of a new team of advisors is nearing completion and, subject to decisions made at this Cabinet meeting, they will be required to review all of the financial information before the scaled-back Expression of Interest is submitted in late January 2010. They will be carrying out that review at the same time as commencing work on the outline business case, due to be submitted in the period July to September 2010.

### **3.3 Choices (Options)**

3.3.1 The options fall into three distinct categories.

#### **Option A: withdraw from PFI**

3.3.2 The Council could decide, in the light of this report, not to proceed with the PFI scheme. As was previously established<sup>1</sup>, PFI does not close the short-term Decent Homes investment gap, largely due to upfront investment required in early years to cover the cost of advisors and securing vacant possession for demolition and replacement and because the scale of works carried out is much larger than Decent Homes. Over the longer term, thirty years, the full PFI bid made a difference of about £19 million. On a pro rate basis, it could be expected that the scaled back bid would reduce the investment gap by around £8 million. Detailed modelling of the impact is currently in hand and any revisions to that figure will be reported in the presentations to Cabinet.

3.3.3 The estimated shortfall of £73 million in capital investment needed to achieve Decent Homes standards in the housing stock over the five years from April 2009, as reported to Cabinet on 15<sup>th</sup> July 2009, takes no account of the regeneration needs of the estates. To achieve regeneration and transformational change will require the injection of additional funds over and above the £73 million shortfall. At present only PFI or a selective transfer to a different landlord could achieve this. The option of selective transfer also now looks to be in doubt following the proposed changes to HRA finance.

3.3.4 In summary, not to proceed with the PFI project will leave regeneration plans in limbo until the proposed HRA reforms become much clearer in terms of their local impact. The Council could also face reputational risks with the HCA and Government and costs incurred to date would be abortive.

#### **Option B: to proceed with the combination suggested**

3.3.5 The combination suggested is Eastfield and Thorplands, based on the AECOM and Grant Thornton reports. It is not suggested that this work is conclusive, but the AECOM work builds on the process by which the original four estates were selected out of a possible fourteen in Northampton East, a limited amount of additional objective criteria and the results of an extensive survey of residents. The Grant Thornton financial modelling suggests that this combination is close to the indicative maximum amount of PFI credits available.

#### **Option C: Agree a different combination**

3.3.6 The different combinations that could be considered are Eastfield with Bellinge and Eastfield with Blackthorn. The remainder of this section takes Eastfield as a given and deals with the variations concerning the two other estates.

3.3.7 The Bellinge combination could be accommodated within the indicative PFI credits. The Bellinge estate, as set out in the AECOM report, has the highest

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<sup>1</sup> Report to Cabinet 15<sup>th</sup> July 2009-Future Housing Investment Options-Appendix 1-Paper from Housing Quality Network paragraph 4.1

cost of preparing voids and for responsive repairs, which may reflect the significant proportion of elderly persons' accommodation on the estate. That factor also affects the scope for transformational change in that demolition and replacement is problematic when dealing with a large number of elderly residents. With regard to the Index of Multiple Deprivation, Bellinge ranks equally with Thorplands. Of the four estates, however, Bellinge is the most popular with residents and applicants, according to the residents' survey.

- 3.3.8 With respect to Blackthorn estate, this estate has the lowest unit cost / need for investment, but the combination in total is not affordable within the PFI credits limit. Scaling back elements of the bid by reducing the scope or area covered by the proposal would not meet the HCA criterion of scope for transformational change and could therefore put at risk the PFI funding. A separate point has been made by the ward councillors that the area boundaries of the bid need to be adjusted to reflect the areas of greatest need. This will be possible for taking forward proposals outside of the PFI round 6 programme.

### **What happens to the estates not included in the PFI scheme?**

- 3.3.9 This has been described as "Plan B". The difficulty at the present time is that the consultation on the reform of council housing finance renders some of the investment options uncertain. In addition, the end of the Comprehensive Spending Review (CSR) period means that there is currently no other source of central government funding for regeneration. There is however an opportunity to work with the residents, ward councillors and local stakeholders of the neighbourhoods not included in the PFI project, to develop proposals for regeneration of those areas and to be prepared to bid for funding in the new round of CSR. Over the past fifty years there has always been some form of government assistance for council estate regeneration. The case has been made for these two estates, but the funding sought is currently not available and options for securing additional funding from the private sector are also uncertain in the present economic climate.

- 3.3.10 The proposal is therefore to work with the relevant interests on those two estates, to develop a vision for the area and to consider the options going forward. These options could include:

- A limited decent homes programme funded from council HRA resources coupled with a limited amount of environmental improvements.
- A further round of PFI (if available, or a variation of central government funding)
- A local joint venture with a developer and/or a housing association (e.g. a local housing company)
- Selective interventions with particular problem areas

- 3.3.11 The difference compared with current initiatives, is that the Council could be pro-active in promoting schemes for these areas and shaping possible funding opportunities. It would then be in a position, as many other councils are, to bid

for funding with a developed proposal and community backing, as opposed to reacting in the short term to funding programmes with particular bidding rules.

3.3.12 The (consultative draft) housing asset management strategy proposes reviews of investment options for homes with investment challenges beyond the decent homes standard. This includes reviews of single persons' accommodation, sheltered housing, non-traditional construction and regeneration areas such as Spring Boroughs and Kings Heath. It is proposed that the two estates not included in the PFI project should be added to the two area reviews and that a report on the options for those two estates should be brought back to Cabinet in due course.

#### **4. Implications (including financial implications)**

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##### **4.1 Policy**

4.1.1 None at this stage.

##### **4.2 Resources and Risk**

###### **The costs to the Council**

4.2.1 The financial elements of the proposal are summarised at Appendix D in the form of a PowerPoint hand out from Grant Thornton, which will form the basis of their presentation to Cabinet at the meeting. A summary of this is set out in the table below for the preferred option for Eastfield & Thorplands

<b>Annual Projected Contract Revenue Costs</b>	<b>Annual costs (£k) 2008/9 Base Year</b>
Current costs (Management, Maintenance & Insurance)	£989k
Additional Housing Management payment forecast to PFI operator	£426k
Management & Maintenance Allowances	(£989k)
Reduction to Housing Maintenance	(£46k)
Additional 10% to MM allowance	(£99k)
<b>Additional Council Contribution Required £k p.a (2008/9 base).</b>	<b>£281k</b>
<b>Rounded to</b>	<b>£280k</b>

4.2.2 The Council's additional financial contributions, i.e. those in addition to the Council's internal project team, including Project Leader and Estate's Renewal Team, to the scheme fall into three distinct areas, as shown on the table below

Activity	Approximate Costs (£k)	Revenue / Capital
<b>Project Development</b> through to financial closure;		
Finance, Legal and Technical advisors (including Local Partnerships)	£850k	Revenue*
Project Team (Project Manager and Finance Manager)	£200k	Revenue*
Planning assistance	£50k	Revenue*
Consultation events and materials	£50k	Revenue*
<b>Subtotal</b>	<b>£1,150k</b>	
<b>Securing vacant possession:</b>		
Leasehold buy-backs (40 assumed)	£3,600k	Capital
Home loss and disturbance (218)	£1,744k	Capital
<b>Subtotal</b>	<b>£5,344k</b>	
<b>Additional revenue costs</b> for management and maintenance (after the scheme starts)	<b>£280k</b> per year, indexation to 2014/15 may mean this is approx <b>£326k</b>	Revenue

Note: these revenue items may be capitalised

4.2.3 A cost plan is currently being drawn up by the Finance Manager to annualise the Project Development costs and establish what funds are required in each of 2010/11, 2011/12, 2012/13, 2014/15 and a paper will be drafted setting this out and requesting the funds for those years. For 2009/10 £275k has already been approved and authorised.

4.2.4 The request for funding for the capital costs has been included in the capital programme bid report to Cabinet.

4.2.5 There may also be the need for additional transitional costs leading up to financial close and in the early months of the contract while things get set up and training occurs as there will be increased activity to be fully prepared for contract start and to deal with and learn from early contract management issues. As we draw closer to financial close and plan for these activities we can assess the likely level of resource required, but the implementation costs quoted above should be regarded as the minimum.

## Project development

4.2.6 Estimates given in previous reports to Cabinet have covered the first element of project development and the most recent figure quoted to Cabinet on 5<sup>th</sup>

August 2009 was £1.1 million at 2009 prices. In the event of any delays in reaching financial closure or other significant amendments (e.g. revised scope or significant contract derogations) this figure could rise. The PFI Finance Manager is specifically charged with monitoring all scheme development costs

### **Securing vacant possession**

- 4.2.7 The figure of £5.344 million is in line with previous estimates given to Cabinet. The estimate of 40 buy-backs is based on 29 originally sold under the Right to Buy at November 2009 potentially increasing as the scheme develops.

### **Additional Revenue Costs**

- 4.2.8 Once the procurement process gets underway, it will be possible to periodically test the assumptions previously made about the costs of management and maintenance. The Council currently meets these revenue costs. Under the current Housing Revenue account (HRA) subsidy system, the Council receives allowances for management and maintenance. Setting aside proposed reforms to council housing finance, the Council will continue to receive management and maintenance allowances for the PFI estates, but not the Major Repairs Allowance (MRA). The question is whether the bidding consortia can contain their costs within the continuing management and maintenance allowances, taking into account a proposed uplift of 10% in such allowances, as acknowledged by the Government in its consultation paper. The evidence from previous rounds of PFI is that most consortia plan to charge considerably in excess of those allowances, which would mean those additional revenue costs would need to be funded by the HRA.
- 4.2.9 Ways of reducing the risks of excessive revenue contributions relate to the procurement process, making it clear that the revenue costs will be a key consideration in selection, capping the costs in advance or reviewing the specification. Capping revenue costs has featured in some recent PFI schemes and has the benefit of fixing both the capital costs (through the known maximum PFI credit) and the revenue costs through the cap. Consortia effectively tender for what they will provide for the capital and revenue funding available.
- 4.2.10 It has been argued that higher management and maintenance costs in PFI schemes stem from onerous contract conditions and a higher performance specification. As part of the procurement process therefore, and subject to resident consultation, consideration could be given to amending the contract conditions and specification to reduce revenue costs.
- 4.2.11 Finally, the question of insurance has arisen since unit costs are much higher in PFI schemes, at £275 per home per year, compared to the Council's current cost of about £15 per home per year. Ways of reducing those costs will be explored. The Council will need to be prepared, at this stage however, to acknowledge that additional revenue costs over and above management and maintenance allowances of up to £280,000 (subject to indexation from now to financial close) per year may have to be funded from the HRA.



## **Offset Benefits**

- 4.2.12 Against the identified costs above could be set two principal financial benefits, which would reduce the net financial impact of the scheme. Firstly, there is the advantage of 610 council properties not requiring any major works funded by the Council for 30 years, at which time management and maintenance will be handed back to the Council. Secondly, there is the potential for infill development of market housing on council owned land. This should yield some capital receipts either to be re-cycled within the scheme or use to finance other works elsewhere within the council housing stock. This potential is however unknown at 2009 and will be subject to market forces over the next four years.
- 4.2.13 Financial, technical and legal advisers have been appointed to support the project through to completion (subject to Cabinet authority to proceed), with a break clause at Outline Business Case (OBC). The OBC stage is now estimated at around July-September 2010. The financial advisers will be directly accountable to the Director of Finance and Support and supervised by the PFI Operational Team.
- 4.2.14 In addition to financial advisers, a PFI finance manager has been appointed and recruitment is in hand for a project manager to join the operational team.
- 4.2.15 The full risk map for the life of the scheme, including implementation, is under development. This runs into several pages but the key risks in this phase were reported to the Cabinet meeting on 5<sup>th</sup> August 2009 and principally include:
- Community engagement and support
  - Project delay
  - Outline Business Case not accepted
  - Tender costs too high
  - Affordability in capital and revenue

## **4.3 Legal**

- 4.3.1 The decanting programme will involve the need for full consultation and exchange of views with the tenants and other residents affected within prescribed timescales and consideration of any representations they make before the programme is finalised. Court action may be required in the event of a tenant's refusal to be involved with the programme which would prevent its implementation. As a last resort CPO powers may have to be utilised in respect of a leaseholder's refusal.
- 4.3.2 Legal advisors have been appointed to support the project through to financial completion (subject to Cabinet authority to proceed). They will be accountable directly to the Borough Solicitor and provide all legal advice through him. They have professional indemnity insurance on which the Council could rely in the event that their advice was negligent. The PFI operational team will supervise their work programme.

## 4.4 Equality

- 4.4.1 The tenants' survey responses were compared with the tenant profiles for the four estates and shown to be broadly representative with respect to age and ethnicity. The survey achieved a 70.7% response rate.
- 4.4.2 Across the four estates, the tenant profile shows that Bellinge has the lowest proportion of tenants in the age group of 16-25 (4%) and the highest proportion over 65 (30.6%). Eastfield has the lowest proportion of white British whilst the other three estates are broadly similar (Tenants Survey page 10).
- 4.4.3 An Equalities Impact Assessment has been carried out and can be found on our website on the Housing PFI web pages.

## 4.5 Consultees (Internal and External)

- 4.5.1 A full schedule of consultation events and communications is attached at appendix B. This report in draft and the emerging conclusions has been discussed at the PFI project board, with stakeholders and with ward councillors and representatives of the local MPs.
- 4.5.2 The conclusions of the estates review by Aecom (formerly EDAW) and the financial review by Grant Thornton, both of whom advised on the original bid, were discussed with ward councillors on 3<sup>rd</sup> December 2009. A further session was held with some stakeholders on the same evening. Whilst ward councillors expressed appreciation of the rigour of the exercise, the point was again made that the boundaries of the Blackthorn estate had been wrongly drawn up in the original bid made in October 2008. If Goldings had been included at that time the estate would have scored higher priority in the estates review. Against that, it was recognised that the quantum of funding required considerably exceeded the PFI credits available. All present agreed that the opportunity to secure nearly £60 million of capital investment should not be passed up.

## 4.6 How the Proposals deliver Priority Outcomes

### 4.6.1 Links to the Corporate Plan

Highlighted below are the corporate priority outcomes that this project would work towards delivering, with consequential improvements in other corporate priorities:

CORPORATE PRIORITY	PRIORITY OUTCOMES
Safer, greener and cleaner communities	Reduced fear of crime
	Reduced anti-social behaviour
	Reduced crime
	Increased recycling and composting
	Reduced Council 'carbon footprint'
	Improved air quality
	Reliable, cost-effective refuse collection and street cleansing service
	Less waste produced
	Cleaner neighbourhoods

	Good quality open spaces and parks
Housing, health and wellbeing	<b>Achieving the Decent Homes standard</b>
	Increased affordable homes
	<b>Reduced homelessness</b>
	<b>Meeting housing needs</b>
	Leisure and cultural activities for young people
	Improved participation and access to cultural opportunities
	<b>Healthier living for young people</b>
	<b>Improved health for local people</b>
	<b>Vibrant neighbourhoods and engaged communities</b>
A Confident, Ambitious and Successful Northampton	A vibrant and viable town centre
	<b>Sustainable growth in jobs and housing</b>
	Improved town centre management with partners
	Regeneration of key sites
	Quality shopping, leisure and cultural activities and events
	<b>Enhanced reputation and regional influence</b>
Partnerships and community engagement	Sound planning policy framework
	<b>Improved education and skills attainment</b>
	Strong community leadership
	<b>Effective working with voluntary and community sectors</b>
A well managed organisation that puts customers at the heart of what we do	<b>Increased customer consultation</b>
	<b>Accessible services</b>
	Improved financial management
	<b>Services with a local focus</b>
	<b>Achieve a positive Comprehensive Area Assessment rating</b>
	<b>Equitable services</b>
	<b>Improved customer insight</b>
	Effective governance arrangements
	<b>Value for money</b>
	An employer of choice
	<b>Efficient and effective management</b>

## 5. Background Papers

### 5.1

Original Bid Summary: (Appendix A)  
 Consultation Programme: (Appendix B)  
 Technical Adviser's Report (AECOM) (Appendix C)  
 Financial Adviser's Report (Grant Thornton) (Appendix D)  
 Original submission 31<sup>st</sup> October 2008\*  
 Equalities Impact Assessment\*  
 Residents' Survey Report \*  
 Regeneration Principles\*  
 Risk register\*

\* Copies of these documents can be downloaded from the Council's web pages from the PFI page in the Housing section or can be obtained by calling the Estate Renewal Team on 01604 838633

Brian Queen.  
 Acting Head of Housing Strategy, Investment and Performance,  
 Ext 7174

**PFI**  
**Expression of Interest Summary**

The bid focuses on 4 estates in Northampton East:

Bellinge	Blackthorn	Eastfield	Thorplands
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The revised PFI Credit requested was £208.508 million.

The amount agreed in principle is £100 million.

PFI Credits are cash from the Government, paid in even amounts quarterly over the life of the contract. Provided the awarded contract is within the PFI credit approved therefore, the capital element of any housing PFI scheme is entirely externally funded. The Council may have to invest up to £10 million to progress the scheme and to achieve vacant possession in areas to be re-modelled.

There were **1429** properties in the original bid area. After 4 years, at the end of the redevelopment works, there would have been **1393** properties.

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The PFI proposals included:

- Demolition and replacement of 576 Council rented homes, mostly unpopular flats, with a 57% increase in family accommodation.
- Refurbishment of 817 Council rented homes (Including the remodelling of 72 small and unpopular flats into 36 family homes). (The proposals would have required the acquisition of 27 leasehold properties and the development of a range of ownership options for these leaseholders)
- A Range of public realm improvements.
- Social and economic initiatives – including the improvement of the local shopping and community hubs and local labour and employment initiatives.
- Additional opportunity sites (not included in the bid) could provide 304 homes for private sale, 49 Low cost home ownership, and 115 homes for affordable rent.

<b>PFI Consultation and Communication Plan</b> <b>Revising the bid- July- December 2009</b>			
<b>Event/Activity</b>	<b>Audience</b>	<b>Person/Org responsible</b>	<b>Timescale</b>
Eastfield Residents Association To discuss- PFI outcome and setting up Resident Steering Group	Residents	Andrew Treweek	30 <sup>th</sup> July
Update to Northampton East Neighbourhood Management Forum on project including result and overview of way forward for revision of bid	Northampton East Neighbourhood Management Forum	Andrew Treweek	10 <sup>th</sup> September
Update to Northampton East Neighbourhood Management Board on project and proposal for October consultation sessions	Northampton East Neighbourhood Management Board	Peter Wright	17th September
Article in Eastfield & Headlands local newsletter publicising drop in sessions	Eastfield & Headlands	Alice Arden-Barnatt Linda Martin	End September
Ward Cllrs to preview consultation materials which display criteria, for estate drop in sessions	Ward Cllrs	Andrew Treweek	7th October
Stakeholder and staff briefing	Stakeholders Key staff	Andrew Treweek	8 <sup>th</sup> October
Estate drop in sessions to consult on criteria and Regeneration Principles  Press release opportunity	All Residents,	Andrew Treweek/AECOM  Lois Winstanley	Bellinge 13 <sup>th</sup> October Thorplands 15 <sup>th</sup> October Blackthorn 20 <sup>th</sup> October Eastfield 22 <sup>nd</sup> October
Outcome of Independent Estate Review and cost modelling recommending two estates to go forward	Cllrs Stakeholders	Brian Queen	December 3 <sup>rd</sup> Weston Favell
Communication of the two estates to go forward:  Letter to residents Press release	All residents on the four estates	Lesley Wearing Lois Winstanley	December 8th

Resident Steering Groups (1 per estate)	Residents	Andrew Treweek	Start of 2010
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**The AECOM Estate Review Report**

**Grant Thornton Presentation**



Northampton East  
Estates Review Round Two  
November 2009



# **NORTHAMPTON EAST PFI**

## **ESTATES REVIEW ROUND TWO**

### **1. Introduction**

1.1. Northampton Borough Council (NBC) has asked AECOM Design + Planning (formally EDAW) to rerun the estates prioritisation process that was previously undertaken as part of the original Private Finance Initiative (PFI) Round 6 Expression of Interest (EOI) in October 2008.

1.2. This review helps to identify the scope for transformational change on each estate and will inform a decision by the PFI Project Board and NBC Cabinet on the final two estates to include in the EOI. A reduction in the number of estates will reduce the level of PFI credits required by NBC to around £100m.

1.3. The four estates included in the original EOI were Bellinge, Blackthorn, Eastfield and Thorplands. Whilst this review identifies the two estates with the greatest potential for transformational change, it is important to note that there is significant scope for such change on all four estates and all are in need of regeneration.

1.4. “Transformational change” is taken to mean a complete alteration to the neighbourhood rather than simple refurbishment and replacement, which will lead to a dramatic improvement to the layout and appearance of the area as a place to live. The guidance document to support bids made as part of the original EOI in October 2008 stated it funds regeneration projects that can achieve ‘transformational change’ by:

- Improving the design, quality and diversity of housing
- Improving the reputation of and demand for housing on selected estates
- Providing more affordable rented housing
- Creating employment opportunities
- Supporting communities

1.5. Additionally, this work has been used to engage residents and members in agreeing the process by which the final decision will be made.

1.6. The estates review assessment considered four areas:

<b>Stock condition need</b>	<b>Site capacity/design</b>
<b>Socio-economic need</b>	
<b>Estate popularity</b>	

- 1.7. Stock condition need, socio-economic need and estate popularity are assessed to identify the need for transformational change. Once need has been established, a site capacity assessment will be made, which will assess potential for transformational change via the PFI scheme.
- 1.8. The datasets and the assessment criteria for each element are set out at the beginning of each sub-section. Where possible, we have scored estates against the NBC average or another suitable average related to the dataset. In other instances, we have used the estates ranking to derive a score. All assumptions are clearly stated. The scores are set out on a 1 to 5 scale, with 1 used to indicate the most need or most potential for transformational change and 5 the least need or potential. It is important to bear in mind that PFI is more suitable for higher levels of investment need.
- 1.9. It should also be noted that on Eastfield, not all properties on the estate were included in the original PFI EOI. Therefore only those properties identified as potentially part of the PFI scheme have been assessed (a total of 213 properties out of 578), unless otherwise stated. In most cases it is Eastfield flats which are included and Eastfield houses in council ownership which are not in the current proposal.
- 1.10. As part of the PFI EOI, Potential Infill Sites (PIS) were established on parts of the estates where demolition and redevelopment through infill was deemed appropriate, as opposed to refurbishment. As these are subject to HCA approval they are indicative and will require further work and consultation with residents should an estate be taken forward through PFI funding. To this end, they have not been consulted on as part of any previous consultation in relation to the PFI EOI and should not be used until approval is received from the HCA and appropriate further feasibility work undertaken (likely to be at Outline Business Case (OBC) stage).
- 1.11. Where Potential Infill Sites (PIS) are used to support assessment criteria, revised PIS boundaries have been used. These represent an amendment from the original PIS put forward in the October 2008 EOI. These new sites represent the outcome of a review undertaken by NBC and AECOM Design + Planning to maximise the potential for physical transformational change across the estates by creating larger sites and more viable development opportunities. It should be noted that to ensure consistency with the previous submission to the HCA, the PFI model that will be submitted in early 2010 with the revised EOI, will be based on the original October 2008 PIS. The revised PIS will instead be used as part of the evidence base that will inform further work towards the Outline Business Case, which is the next stage of the PFI process, once the EOI has been approved. The revised PIS have been used to indicate the maximum potential on each estate for the sole purpose of this review.
- 1.12. This report is based on providing an assessment framework for both the need and capacity for transformational change through the PFI housing scheme. It is therefore focused on physical housing issues and projected housing interventions and not wider aspects of transformational change that might be required or possible on the estates. It has been assumed that Housing PFI investment in the estates will act as the catalyst for such change, and as such could help bring about improvements to social, green and transport infrastructure. This in turn could lead to improved life chances for residents, healthier and safer lives and more sustainable living patterns. Much of this will be identified and realised through more detailed design and

development phases should proposals for the estate be realised. However, it is beyond the scope of this report to try and assess either the need or capacity of the estates in these areas.

## 2. STOCK CONDITION

2.1. Stock condition has been assessed by looking at projected 30-year investment costs per dwelling, averaged across each estate and then compared to the NBC average. Furthermore, the average of the combined actual costs for preparing void properties and undertaking responsive repairs has also been compared, again against the NBC average. In effect, it is contended that areas which need more investment are more suitable for the PFI approach.

### 30-year investment costs per dwelling

2.2. The average 30-year investment costs across NBC are £24,819 per flat and £29,655 per house. Each estate therefore has a different typical average depending on the mix of flats and houses. The estates with average costs higher than this derived average will score low as it is assumed that the stock is in a poorer condition on the basis that their investment costs are higher than the average. Based on an assessment of all Council-owned properties across each of the four estates, the estates are scored below.

- 5% to 7% below the average – SCORE 5 (lowest investment need)
- 2% to 4% below the average – SCORE 4
- Minus 1% to Plus 1% above the average – SCORE 3
- 2% to 4% above the average – SCORE 2
- 5% to 7% above the average – SCORE 1 (highest investment need)

2.3. The 30-year investment table relates to the maps as set out in Appendix 1.

Estate	Total 30-year investment cost derived NBC borough average	Total 30-year investment costs estate average	% difference	Score (highest investment / poorest condition scores 1)
Bellinge	£29655	£30571	3%	2
Blackthorn	£28951	£27261	-6%	5
Thorplands	£27475	£29148	6%	1
Eastfield	£25682	£25333	-1%	3

### **Cost of preparing voids for habitable use and responsive repairs**

2.4. The average costs per dwelling involved in preparing voids for habitable use, along with the costs associated with responsive repairs has also been assessed against the NBC average, as another proxy for stock condition. The assumption is that the higher the costs of void preparation and responsive repairs, the poorer condition of the stock. The data is taken from April 2006 through to September 2009 (3 ½ years).

2.5. The average annual cost for the combined voids and responsive repairs across NBC is £951. The four estates have been scored against this as set out below:

- 16% to 25% below the average – SCORE 5 (lowest expenditure)
- 15% to 5% below the average – SCORE 4
- Minus 4% to 5% above the average – SCORE 3
- 6% to 15% above the average – SCORE 2
- 16% to 25% above the average – SCORE 1 (highest expenditure)

<b>Estate</b>	<b>Average combined cost</b>	<b>% difference from the average</b>	<b>Score</b>
Bellinge	£1122	18%	1
Blackthorn	£770	-19%	5
Thorplands	£865	-9%	4
Eastfield	£1027	8%	2

## Stock condition summary

2.6. The summary analysis captures properties that would be in line for refurbishment as well as those which could be replaced, and is summarised below.

Estate	30-yr investment costs	Cost of preparing voids and responsive repairs	Stock condition section total
Bellinge	2	1	1.5
Blackthorn	5	5	5
Thorplands	1	4	2.5
Eastfield	3	2	2.5

## 3. SOCIO-ECONOMIC NEED

3.1. Socio-economic need has been assessed using the same Index of Multiple Deprivation (IMD) data analysed for the October 2008 EOI. The overall IMD score has been used and not specific elements within it. This is because it is expected that the PFI scheme will act as a catalyst for wider regeneration of the area that should serve to affect all need and not just housing related issues. The scoring system is set out below.

3.2. Where the majority of an estate falls within:

- The 5-10 per cent most deprived wards in the UK – SCORE 1 (highest priority)
- The 11-20 per cent most deprived wards in the UK – SCORE 2
- The 21-40 per cent most deprived wards in the UK – SCORE 3
- The 41-60 per cent most deprived wards in the UK – SCORE 4
- The 61-100 per cent most deprived wards in the UK – SCORE 5 (lowest priority)

3.3. The map in Appendix 2 demonstrates that the large majority of Eastfield is among the 5-10 per cent most deprived wards in the UK, scoring one. Approximately two-thirds of Bellinge is among the most deprived 5-10 per cent of wards, and the other third falls in the 21-40 per cent band – on balance we therefore score Bellinge as two. All of Thorplands is among the most deprived 11-20 per cent of wards in the UK, scoring two. Blackthorn is split: approximately half the estate (the central area) lies in the 11-20 per cent range, while the other half (areas to the south and east) fall in the more prosperous 21-40 per cent range. On balance, we score Blackthorn 2.5. Accordingly, the four estates have been scored in terms of socio-economic need as follows:

Estate	Score by IMD (most deprived scores lowest)
Bellinge	2
Blackthorn	2.5
Thorplands	2
Eastfield	1

#### 4. ESTATE POPULARITY

4.1. Estate popularity was assessed using results from the recent residents' survey.

##### Residents' survey

4.2. Data for 'net satisfaction with condition of house and immediate area' was averaged across the three measures (condition of immediate area, external and internal) and scored as follows:

- Average satisfaction of minus 6 to minus 15 – SCORE 1 (least popular)
- Average satisfaction of 5 to minus 5% – SCORE 2
- Average satisfaction of 6 to 15 – SCORE 3
- Average satisfaction of 16 to 25 – SCORE 4
- Average satisfaction of 26 and above – SCORE 5 (most popular)

Estate	Net satisfaction with condition of: immediate area / external / internal	Average of satisfaction figures	Score by satisfaction (least satisfied residents scores 1)
Bellinge	36% / 48% / 28%	37	5
Blackthorn	-1% / 23% / 28%	17	4
Thorplands	-28% / -15% / 12%	-10	1
Eastfield	-27% / -25% / 18%	-11	1

## 5. NEEDS-BASED SUMMARY AND RECOMMENDATIONS

5.1. The table below summarises the analysis across all the three 'needs measures'. In each case, the lowest score indicates the estate identified through the estates review model as most in need of transformational change through PFI investment.

Estate	Stock condition, total score	Socio-economic need, total score	Estate popularity, total score
Bellinge	1.5	2	5
Blackthorn	5	2.5	4
Thorplands	2.5	2	1
Eastfield	2.5	1	1

5.2. It is possible to rank the estates against each of the three elements as described and set out in the table below (lowest rank equals highest priority).

Estate	Stock condition, rank	Socio-economic need, rank	Estate popularity, rank	Average ranks
Bellinge	1	2	4	2.3
Blackthorn	4	4	3	3.7
Thorplands	2	2	1	1.7
Eastfield	2	1	1	1.3

- Eastfield performs worst in socio-economic need and is second worst in estate popularity and joint second worst performer in stock condition.
- Thorplands performs worst in estate popularity and joint second worst in socio-economic need and stock condition.
- Bellinge performs worst in stock condition and is the joint second worst in terms of socio-economic need but second best in estate popularity (i.e. is second most popular).



- Blackthorn has the best stock condition, and performs reasonably in the other categories.
- These scores are not weighted, that is, no factor has been assumed to be more important than any other.

## **6. SITE CAPACITY/DESIGN**

6.1. The site capacity/design assessment is based on the revised Potential Infill Sites (PIS) that were developed in partnership with NBC (shown in Appendix 1).

6.2. The PIS were identified based partly on an urban design analysis undertaken for the Strategic Regeneration Framework, which was appended to the October 2008 EoI submission. PIS within each estate were identified based on the following visual criteria:

- Continuity and enclosure
- Quality of the public realm
- Ease of movement
- Character
- Legibility
- Adaptability
- Diversity

6.3. The original methodology for identifying PIS that was submitted as part of the October 2008 EoI was also based on an assessment of stock condition per dwelling against the borough average (using decent homes costs as a proxy), along with an assessment of relative deprivation on the estates using the Indices of Multiple Deprivation (IMD) 2008.

6.4. Where dwellings performed badly against these criteria a further assessment was made, based on the extent to which their location formed a viable development site (i.e. where they were next to other council owned properties, or next to poor quality open space and where they could be combined to form a development site). These sites were originally identified as PIS. At this point NBC did not wish to include significant numbers of leaseholder properties or any freehold properties within the PIS as there were concerns about a reliance on a commitment to high levels of acquisitions at the Expression of Interest stage.

6.5. In April 2009, AECOM undertook a follow up site visit to re-confirm the original PIS areas and presented the findings to the PFI Steering Group. At this point a decision was taken to consider expanding the PIS sites, where appropriate based on the visual criteria, to create more viable development opportunities that would have an improved opportunity in leading to transformational change across the estates. The revised PIS areas include an increased number of leaseholders and freeholder properties as there is an acknowledgment that an extended

acquisition strategy might be necessary to realise the scale of change necessary to encourage viable development and lead to transformational change.

6.6. The PIS areas are now therefore expanded to include more properties and larger areas of each estate. Some small non-viable PIS areas have been removed as it was felt that on balance these areas would be less viable due to their location and proximity to existing freehold properties.

6.7. It should be noted that on Eastfield, an additional variable is included. A number of corner properties, currently flats, are included to be remodelled into family homes. This would result in four flats in each block becoming two houses. Furthermore, where these corner properties include at least one leaseholder, the remaining tenanted properties within this block are identified for refurbishment instead of remodelling. It would not be viable to acquire the leaseholder properties necessary to enable remodelling of these tenanted properties.

### **Number of council homes for demolition**

6.8. This measure assesses the number of council homes to be demolished within each estate's PIS, expressed as a percentage of the total number of council homes across each estate. A high percentage of properties to be replaced is awarded a low score, suggesting an increased opportunity or potential to achieve transformational change.

6.9. The proportion of council homes that could be demolished and replaced based on the PIS is scored as follows:

- 81 to 100 per cent demolition – SCORE 1 (highest proportion)
- 61 to 80 per cent demolition – SCORE 2
- 41 to 60 per cent demolition – SCORE 3
- 21 to 40 per cent demolition – SCORE 4
- 0 to 20 per cent demolition – SCORE 5 (lowest proportion)

<b>Estate</b>	<b>Tenanted properties in PIS (for demolition)</b>	<b>Tenanted properties outside PIS</b>	<b>Proportion of council homes for demolition</b>	<b>Score (low proportion scores 1)</b>
Bellinge	181	107	63%	2
Blackthorn	135	442	23%	4
Thorplands	191	387	33%	4
Eastfields	125	332	27%	4

6.10. It should be noted that the Eastfield figure includes properties for remodelling as well as demolition. Moreover, all Eastfield tenanted properties are included in this analysis, not just those within the proposed PFI EOI as this measure is linked to the transformational change of the whole estate.

#### **Number of right-to-buy properties**

6.11. This measure (mapped in Appendix 4) assesses the number of right-to-buy properties to be acquired within each estate's PIS, expressed as a ratio of the development footprint (in dwellings per hectare). Each privately owned home would have to be purchased back by the Council or its partners before any demolition and replacement could take place. A high ratio would suggest potential viability issues with such development, and thus receives a high score (indicating a lower priority for intervention).

- 0.00 - 3 right-to-buy households per hectare of PIS – SCORE 1 (Lowest proportion of RTBs)
- 3.1 - 6 right-to-buy households per hectare of PIS – SCORE 2
- 6.1 - 9 right-to-buy households per hectare of PIS – SCORE 3
- 9.1 - 12 right-to-buy households per hectare of PIS – SCORE 4
- 12.1 - 15 right-to-buy households per hectare of PIS – SCORE 5 (highest proportion of RTBs)

Estate	Hectares	No. of right-to-buy properties	Right-to-buy PIS density (Hhd/Ha)	Score (low ratio scores 1)
Bellinge	6.03	22	3.65	2
Blackthorn	5.35	14	2.62	1
Thorplands	3.83	31	8.09	3
Eastfields	4.19	59	14.10	5

### Number of sheltered properties

6.12. This measure assesses the number of sheltered properties occupied by tenants over retirement age within each estate's PIS, expressed as a proportion of the number of tenanted properties. A high ratio would suggest potential issues around the disturbance of elderly or frail tenants with such development, and thus receives a high score (indicating a lower priority for intervention).

- 0-10% sheltered properties within the PIS – SCORE 1 (least number of sheltered or older persons' accommodation)
- 11-20% sheltered properties within the PIS – SCORE 2
- 21-30% sheltered properties within the PIS – SCORE 3
- 31-40% sheltered properties within the PIS – SCORE 4
- 41-50% sheltered properties within the PIS – SCORE 5 (highest number of sheltered or older persons accommodation)

Estate	No. of sheltered properties	No. of tenanted properties	% of sheltered properties	Score (low ratio scores 1)
Bellinge	87	181	48%	5
Blackthorn	45	577	8%	1
Thorplands	0	125	0%	1
Eastfield	6	135	4%	1

In summary, Bellinge has a high proportion of homes occupied by elderly people and sheltered homes and re-modelling would therefore be most problematic.

### Potential development opportunity

6.13. This measure is based on a high level (desk top) assessment of the potential development opportunity of each PIS based on density and household size mix.

6.14. A density of 62 dwellings per hectare was established as an indicative target in the October 2008 EOI for development on opportunity sites. While this is not established policy, it provides a basis for assessment ahead of more detailed work to set out planning requirements. The housing mix targets are also based on the agreed split as set out in the October 2008 EOI and consistent with current planning policy. These are 65 per cent private housing and 35 per cent intermediate tenure, of which 70 per cent should be social rented and 30 per cent shared

ownership/equity and other intermediate tenure options. The previously agreed split of property size for different tenures has also been used.

6.15. The development potential of each estate is based on the combined size of the identified PIS on each estate and the density assumption set out in paragraph 6.8 above. For this exercise, it is assumed that all demolished tenanted properties on the estate would be replaced, with tenants re-housed as part of the new development. Therefore the high level calculation of the potential for new properties on the estate is made after the total number of existing tenanted properties required to be rebuilt has been accounted for.

<b>BELLINGE</b>	<b>1-bed</b>	<b>2-bed</b>	<b>3-bed</b>	<b>4-bed</b>	<b>5-bed</b>	<b>TOTAL</b>
Additional social rented	5	14	21	5	2	47
Affordable	0	12	6	2	0	20
Private	38	69	13	6	0	126
<b>TOTAL (NET)</b>	<b>43</b>	<b>95</b>	<b>40</b>	<b>13</b>	<b>2</b>	<b>193</b>

<b>BLACKTHORN</b>	<b>1-bed</b>	<b>2-bed</b>	<b>3-bed</b>	<b>4-bed</b>	<b>5-bed</b>	<b>TOTAL</b>
Additional social rented	5	14	22	5	2	48
Affordable	0	12	6	2	0	21
Private	38	70	13	6	0	128
<b>TOTAL (NET)</b>	<b>43</b>	<b>97</b>	<b>41</b>	<b>13</b>	<b>2</b>	<b>197</b>

<b>THORPLANDS</b>	<b>1-bed</b>	<b>2-bed</b>	<b>3-bed</b>	<b>4-bed</b>	<b>5-bed</b>	<b>TOTAL</b>
Additional social rented	3	8	12	3	1	28
Affordable	0	7	4	1	0	12
Private	22	40	7	4	0	73
<b>TOTAL (NET)</b>	<b>25</b>	<b>55</b>	<b>23</b>	<b>8</b>	<b>1</b>	<b>113</b>

<b>EASTFIELD</b>	<b>1-bed</b>	<b>2-bed</b>	<b>3-bed</b>	<b>4-bed</b>	<b>5-bed</b>	<b>TOTAL</b>
Additional social rented	3	9	14	3	2	30
Affordable	0	8	4	1	0	13
Private	24	44	8	4	0	81
<b>TOTAL (NET)</b>	<b>27</b>	<b>61</b>	<b>26</b>	<b>8</b>	<b>2</b>	<b>124</b>

6.16. The figures provided in the tables above were scored based on total provision of new housing, as follows:

- 161 to 200 new dwellings – SCORE 1 (greatest potential for additional housing)
- 121 to 160 new dwellings – SCORE 2
- 81 to 120 new dwellings – SCORE 3
- 41 to 80 new dwellings – SCORE 4
- 0 to 40 new dwellings – SCORE 5 (lowest potential for net additional housing)

Estate	Total additional housing	Score
Bellinge	193	1
Blackthorn	197	1
Thorplands	113	3
Eastfield	124	2

#### Re-profiling the tenure mix

6.17. This measure sought to assess the PIS' impact on the mix of tenures as a means to demonstrate the achievement of transformational change. The current tenure mix was compared to the future projected tenure mix achievable through redevelopment of the PIS as shown:

EXISTING ESTIMATED TENURE	TENANTED		INTERMEDIATE		PRIVATE		TOTAL
	Estate	Total	%	Total	%	Total	%
	Bellinge	288	39%	0	0%	459	61%
	Blackthorn	577	48%	0	0%	629	52%
	Thorplands	457	33%	0	0%	944	67%
	Eastfield	578	56%	0	0%	452	44%
							1030

<b>FUTURE ESTIMATED TENURE</b>	<b>TENANTED</b>		<b>INTERMEDIATE</b>		<b>PRIVATE</b>		<b>TOTAL</b>
<b>Estate</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	
Bellinge	335	37%	20	2%	562	61%	918
Blackthorn	625	45%	21	1%	743	53%	1389
Thorplands	485	33%	12	1%	986	67%	1483
Eastfield	608	56%	13	1%	474	43%	1095

6.18. A summary table of the estimate actual and future proportions of each tenure is set out below.

<b>Estate</b>	<b>Tenanted</b>	<b>Intermediate</b>	<b>Private</b>
Bellinge existing	38.6%	0.0%	61.4%
Bellinge future	36.5%	2.2%	61.3%
Blackthorn existing	47.8%	0.0%	52.2%
Blackthorn future	45.0%	1.5%	53.5%
Thorplands existing	32.6%	0.0%	67.4%
Thorplands future	32.7%	0.8%	66.5%
Eastfield existing	56.1%	0.0%	43.9%
Eastfield future	55.5%	1.2%	43.3%

6.19. Due to the small amount of new build properties relative to the large amount of existing properties, the changes achieved through this calculation are not statistically significant and no scoring was undertaken.

6.20. It should be noted that due to the lack of available data, the freehold properties are an estimate based on a hand count of the number of properties from the OS base map.

#### **Site capacity/design summary**

6.21. The table below summarises the three measures described above. In each case, the lowest score indicates the estate with greatest capacity for change:

Estate	No. council homes for demolition	No. right-to-buy properties	% of sheltered properties	Potential dev. opportunity	Site capacity / design section average
Bellinge	2	2	5	1	2.7
Blackthorn	4	1	1	1	1.0
Thorplands	4	3	1	3	2.3
Eastfield	4	5	1	2	2.7

## 7. Consultation

7.1. To support the development of the final Estates Review and feed into the decision making process, AECOM Design + Planning and NBC held a number of walk in exhibitions, which were preceded by a series of meetings to gain views on the emerging picture. These were:

- PFI Project Team and Project Board – held on 1<sup>st</sup> October at the Guildhall
- Local ward Councillors – held on 7<sup>th</sup> October at the Guildhall
- Strategic stakeholders – held on 8<sup>th</sup> October at the Guildhall
- Bellinge residents – held on 13<sup>th</sup> October at Bellinge Community Centre
- Thorplands residents – held on 15<sup>th</sup> October at Thorplands Community Shop
- Blackthorn residents – held on 20<sup>th</sup> October at Children's and Community Centre
- Eastfield residents – held on 22<sup>nd</sup> October at St Albans Church

7.2. Letters were sent to all residents on the estates inviting them to attend an exhibition, widening out the base from previous consultation that focussed on tenants and leaseholders.

7.3. At each of these sessions, exhibition boards explaining the methodology of the Estates Review were set out and participants were given a guided explanation of their contents by either an AECOM Design + Planning consultant or an NBC officer.

7.4. The 10 PFI Regeneration Principles established during the previous consultation with residents and stakeholders in early 2008 were also exhibited. Details of the feedback on this element will be included in the revised EOI.



### **PFI Project Team and Project Board, local ward councillors and strategic stakeholders**

- 7.5. These sessions were designed to both test the methodology and ensure the message was clear and acceptable prior to the resident focused events. A number of suggestions in terms of amendments to wording, images and diagrams were made and subsequently taken forward.
- 7.6. Local ward councillors who attended their workshop expressed broad approval of the exhibition boards, the level of consultation proposed and the overall approach in terms of the methodology. Blackthorn ward councillors highlighted concerns previously raised with NBC, that the estate's boundary as defined in the original PFI submission did not include the most deprived and problematic part of the estate. It was explained that the PFI boundaries were based on existing NBC estate boundaries and that the area in question fell into Goldings Estate. It is not possible to add in further geographical areas at this stage and that we have to continue with the four estates as identified in the October 2008 EOI. It was also explained that NBC were aware of the specific issues raised by the councillors and a non-PFI solution was being explored in a specific area of the Goldings estate to resolve it.
- 7.7. At both the PFI Project Team and strategic stakeholder sessions the need to widen the assessment of transformational change in the Estates Review beyond physical development was discussed. The assessment does include the Indices of Multiple Deprivation (IMD) to assess need for change. It was concluded that as the PFI money is based on redevelopment and refurbishment of housing, which should subsequently act as a catalyst for wider social, economic and environmental change. Therefore at this level, an assessment largely focused on this type of physical development (but including the IMD) was appropriate. Once the final estates have been agreed, further work through the Outline Business Case will then be required to realise the maximum potential for wider transformational change based on the scope and breadth of housing change. Complementary regeneration programmes will then be developed to ensure that the maximum benefit is achieved for local people.

### **Resident exhibitions**

- 7.8. The four resident exhibitions were attended by approximately 75 people. All visitors were taken round the boards either individually or in groups and the methodology explained and questions answered.
- 7.9. A questionnaire was provided for participants to complete, asking for feedback on the methodology. Respondents were asked to comment on whether they thought the methodology for each of the four elements of the criteria (stock condition, social and economic need, estate popularity and capacity) was suitable. The findings and comments are set out below:

Criteria	Yes	No	Don't know
The need for change - condition of the council's housing stock	96%	2%	2%
The need for change - social and economic need	100%	0%	0%
Popularity of the estates	78%	9%	13%
Opportunity for most change	89%	9%	2%

7.10. The responses both during the exhibitions and through the questionnaire illustrate a broad consensus among residents that the process for decision making is seen as reasonable.

7.11. A suggestion raised by some residents was that the potential available PFI credit should be shared around the four estates, rather than focused on two. Residents were informed that it was not felt that using the PFI money across all four estates would make the necessary impact and thus lead to the required transformational change. Indeed, it was felt that it would not be possible to demonstrate the ability to deliver the necessary level of change to the HCA to enable them to approve the revised EOI in early 2010. Furthermore, residents were informed that NBC Cabinet had already taken a strategic decision to focus resources to maximise impact, rather than make less of an impact over a wider area.

7.12. One respondent raised a point about weighting the criteria. However, this has not been taken forward as it would be difficult to demonstrate objectivity in any weighting measure proposed (i.e. that one factor was more important than another). All other respondents were happy with the process as outlined.

### **Conclusions on consultation and engagement**

7.13. The consultation sessions were extremely valuable in explaining the complex and difficult decision that NBC Cabinet needs to make. Among residents that attended the exhibitions, there was broad consensus that the approach was fair and covered the main areas that should be assessed in order to make a final decision.

7.14. During the consultation sessions, residents were also invited to join a Resident Steering Group. A steering group will be set up for each of the four estates, regardless of the two estates chosen for PFI credits, to discuss potential interventions on each estate as part of a wider consultation programme. Interest in the groups was reasonable, with a total of 23 volunteers.

## 8. SUMMARY AND RECOMMENDATIONS

8.1. The Estates Review provides a basis for decision making. The model above has been set out for review and discussion by the PFI Project Board and NBC Cabinet, both in terms of datasets used, assumptions made and the scoring derived to assess the estates.

8.2. A summary of the scores for each element is set out below:

Estate	Stock condition, total score	Socio-economic need, total score	Estate popularity, total score	Site capacity / design section average
Bellinge	1.5	2	5	2.7
Blackthorn	5	2.5	4	1.0
Thorplands	2.5	2	1	2.3
Eastfield	2.5	1	1	2.7

8.3. The completed ranking table shows the following split:

Estate	Stock condition, rank	Socio-economic need, rank	Estate popularity, rank	Site capacity / design section total	Average rank
Bellinge	1	2	4	4	3.3
Blackthorn	4	4	3	1	2.7
Thorplands	2	2	1	2	1.7
Eastfield	2	1	1	4	2.0

8.4. Based on the above it is possible to make a number of observations and subsequent recommendations.

### **Blackthorn**

8.5. Blackthorn, as defined in the original October 2008 EOI, demonstrates a high level of capacity for transformational change. However, the review highlights that it has relatively good stock condition and less socio-economic need, when compared to the other three estates. It is also a relatively popular estate when considering the resident survey. Therefore, the estate does not

demonstrate relative need for transformational change compared to the others. It is important that the final estates demonstrate relative need first, to ensure that the change that should occur through PFI will have the most impact (i.e. be transformational).

- 8.6. As a result this report recommends that Blackthorn is not one of the final two estates. This is confirmed by its average rank of 3.3, the highest of the four estates.

### **Bellinge**

- 8.7. The Estates Review highlights that Bellinge has the poorest stock condition relative to the other estates and some significant socio-economic problems. However, based on the resident survey it is the most popular estate. Furthermore, while the capacity for change highlights what appear to be good opportunities to establish redevelopment sites and deliver new replacement homes, a very high proportion of the stock to be replaced would be sheltered housing in the form of popular bungalows. Throughout the consultation process since the October 2008 submission it has been underlined that the demolition of sheltered housing should be avoided wherever possible, as disruption of such tenants should be kept to a minimum. In addition, the future of such stock is subject to a separate review within the Housing Asset Management Strategy (consultation draft) approved by NBC Cabinet in July. The focus of the NBC PFI submissions is on re-provision of general needs housing and to provide more family size units and refurbishment of other stock. Sheltered accommodation then, wherever possible, should not be considered for replacement except within the wider review as part of the Independent Living Strategy.

- 8.8. On this basis, and due to the estates popularity, this report recommends that Bellinge is not one of the final two estates. This is confirmed by its average rank of 2.7, the second highest of the four estates.

### **Eastfield**

- 8.9. The HCA has already advised NBC that Eastfield should be taken forward as one of the PFI estates in the revised EOI due in early 2010. The Estates Review has highlighted that in terms of socio-economic need it is the poorest performer of the four estates. It is also the joint least popular among its residents. In terms of stock condition it is also relatively weak. In terms of capacity for change, the high number of site acquisitions proposed as part of the revised PIS areas will need to be reviewed as part of work towards the Outline Business Case. However, the original October 2008 PIS, upon which the next EOI will be based, is focused on limited site acquisition and is therefore not of significant concern at this stage.

- 8.10. On this basis the report recommends that Eastfield is one of the estates taken forward in the revised EOI. This is supported by its average rank of 2.0, the second poorest of the four estates.

### **Thorplands**

- 8.11. The Estates Review indicates that across the four elements of the criteria, Thorplands is highlighted as in relative need and has a capacity for transformational change. Along with Eastfield it ranks lowest in terms of resident popularity and also scores poorly against stock condition and socio-economic need. Furthermore, in terms of capacity it demonstrate scope for realising development opportunities.
- 8.12. As a result of these findings, this report recommends that Thorplands is one of the estates taken forward in the revised EOI. This is supported by its average rank of 1.7, the poorest of the four estates.

### **Conclusions/Recommendations**

- 8.13. This Estates Review recommends that Thorplands and Eastfield are taken forward in the revised EOI, to be submitted to the HCA in early 2010.

## **APPENDIX 1 – STOCK CONDITON PLANS**

# Stock Condition

## Northampton East Housing

### Legend

#### 30 Year Expenditure per Property

#### Percent from NBC Average

- -42.6 to -20.0
- -19.9 to -10.0
- -9.9 to 0.0
- 0.1 to 20.0
- 20.1 to 81.3

  Estate Boundaries

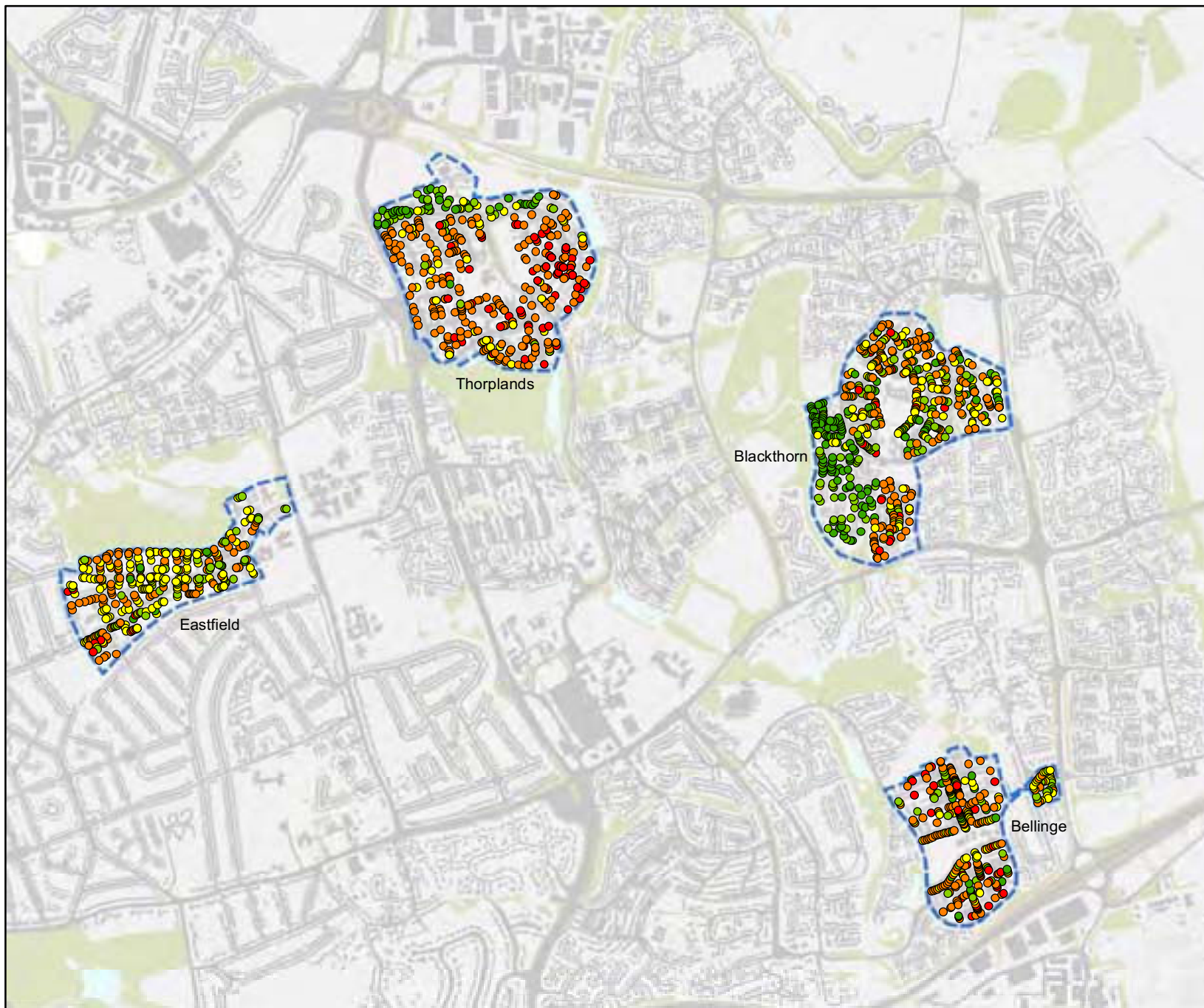
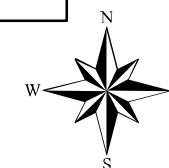
#### osArea

- Other
- Building
- General Surface
- Inland Water
- Landform
- Natural Environment
- Rail
- Road Or Track

*Note: Indicative for cost modelling only - subject to consultation, costing and planning*



Metres  
0 195 390 780





# Stock Condition

## Bellinge

### Northampton East Housing

#### Legend

30 Year Expenditure per Property

Percent from NBC Average

- -42.6 to -20.0
- -19.9 to -10.0
- -9.9 to 0.0
- 0.1 to 20.0
- 20.1 to 81.3

▬ Estate Boundaries

Potential Infill Sites

▬ Potential Infill Sites

▬ Potential Infill Sites with Leaseholders

osArea

- Other
- Building
- General Surface
- Inland Water
- Landform
- Natural Environment
- Rail
- Road Or Track

*Note: Indicative for cost modelling only - subject to consultation, costing and planning*





# Stock Condition

## Blackthorn

### Northampton East Housing

#### Legend

30 Year Expenditure per Property

Percent from NBC Average

- -42.6 to -20.0
- -19.9 to -10.0
- -9.9 to 0.0
- 0.1 to 20.0
- 20.1 to 81.3

▬ Estate Boundaries

Potential Infill Sites

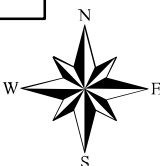
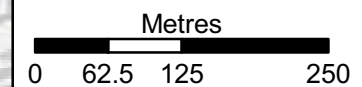
▬ Potential Infill Sites

▬ Potential Infill Sites with Leaseholders

osArea

- Other
- Building
- General Surface
- Inland Water
- Landform
- Natural Environment
- Rail
- Road Or Track

*Note:* Indicative for cost modelling only -  
subject to consultation, costing and planning



# Stock Condition

## Eastfield

### Northampton East Housing

#### Legend

30 Year Expenditure per Property

Percent from NBC Average

- -42.6 to -20.0
- -19.9 to -10.0
- -9.9 to 0.0
- 0.1 to 20.0
- 20.1 to 81.3

▬ Estate Boundaries

Potential Infill Sites

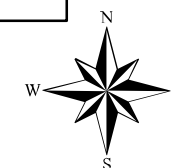
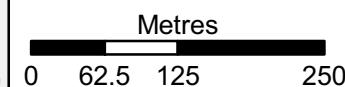
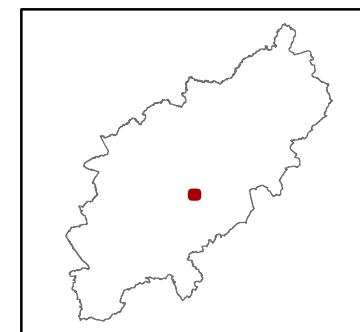
▬ Potential Infill Sites

▬ Potential Infill Sites with Leaseholders

osArea

- Other
- Building
- General Surface
- Inland Water
- Landform
- Natural Environment
- Rail
- Road Or Track

*Note:* Indicative for cost modelling only -  
subject to consultation, costing and planning





# Stock Condition

## Thorplands

### Northampton East Housing

#### Legend

30 Year Expenditure per Property

Percent from NBC Average

- -42.6 to -20.0
- -19.9 to -10.0
- -9.9 to 0.0
- 0.1 to 20.0
- 20.1 to 81.3

▬ Estate Boundaries

Potential Infill Sites

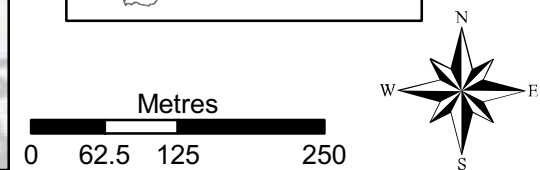
▬ Potential Infill Sites

▬ Potential Infill Sites with Leaseholders

osArea

- Other
- Building
- General Surface
- Inland Water
- Landform
- Natural Environment
- Rail
- Road Or Track

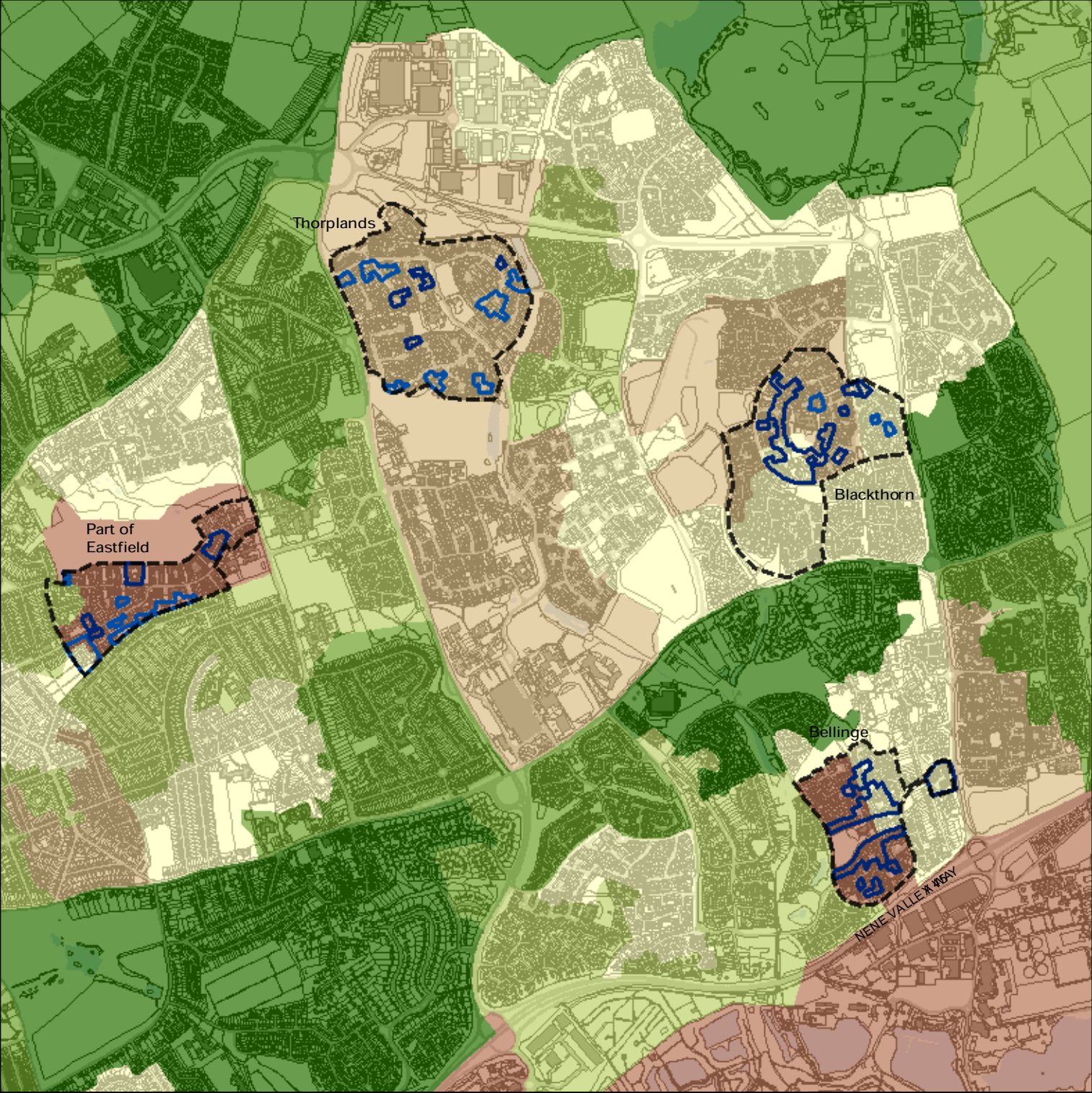
*Note:* Indicative for cost modelling only -  
subject to consultation, costing and planning



## **APPENDIX 2 – SOCIO-ECONOMIC PLANS**

# IMD: Overall Rank

## Northampton East Housing Round 6 PFI Expression of Interest



Legend

Overall

IMD National Rank

- <5% - Most Deprived
- 5-10%
- 11-20%
- 21-40%
- 41-60%
- 61-80%
- 81%+ - Least Deprived

- Building
- Inland Water
- Road Or Track
- Potential Infill Sites
- Potential Infill Sites with Leaseholders
- Estate Boundaries

Kilometres

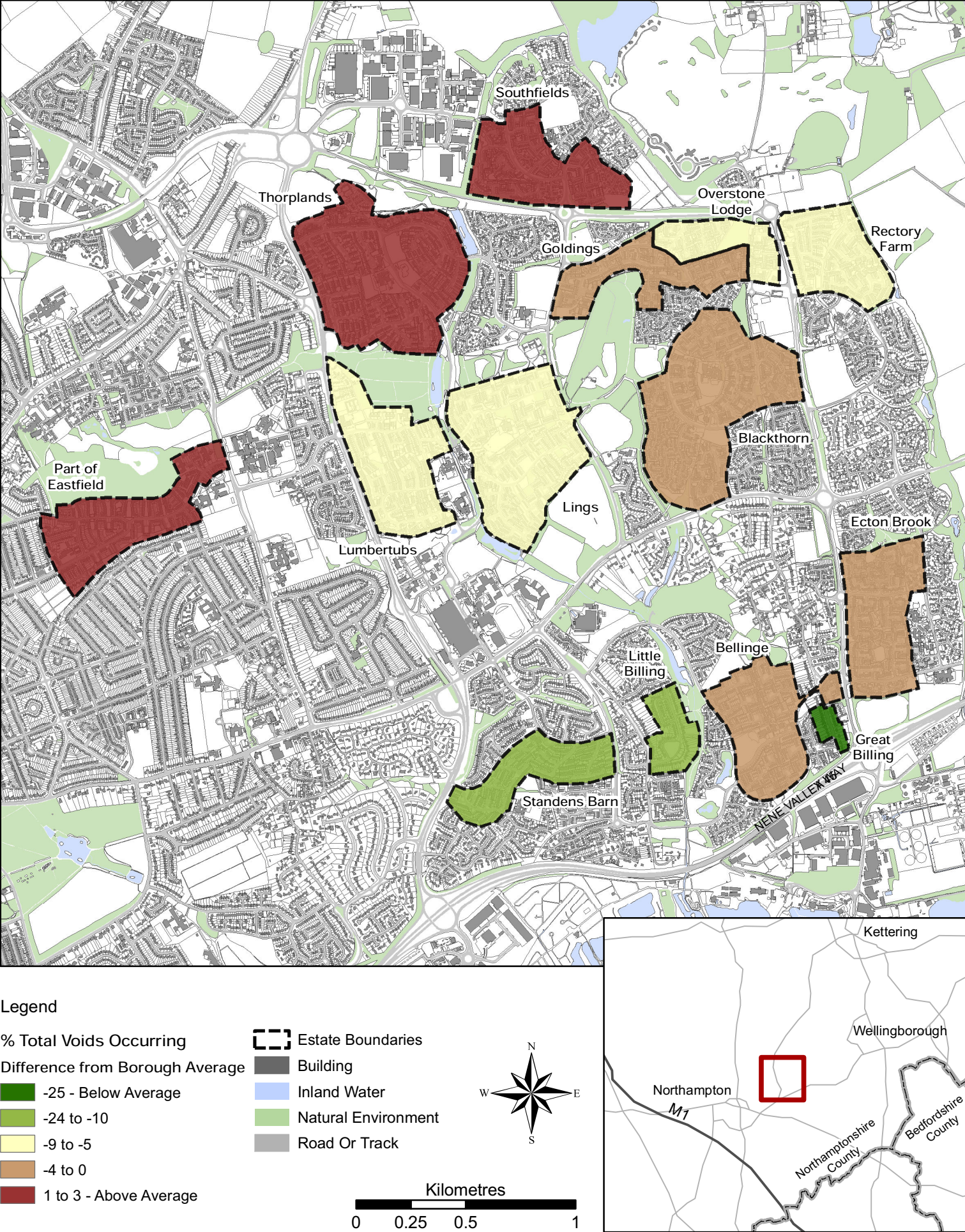
0 0.25 0.5 1

## **APPENDIX 3 – ESTATE POPULARITY PLANS**



# Estates Ranked by % Total Voids Occurring (2006-2008)

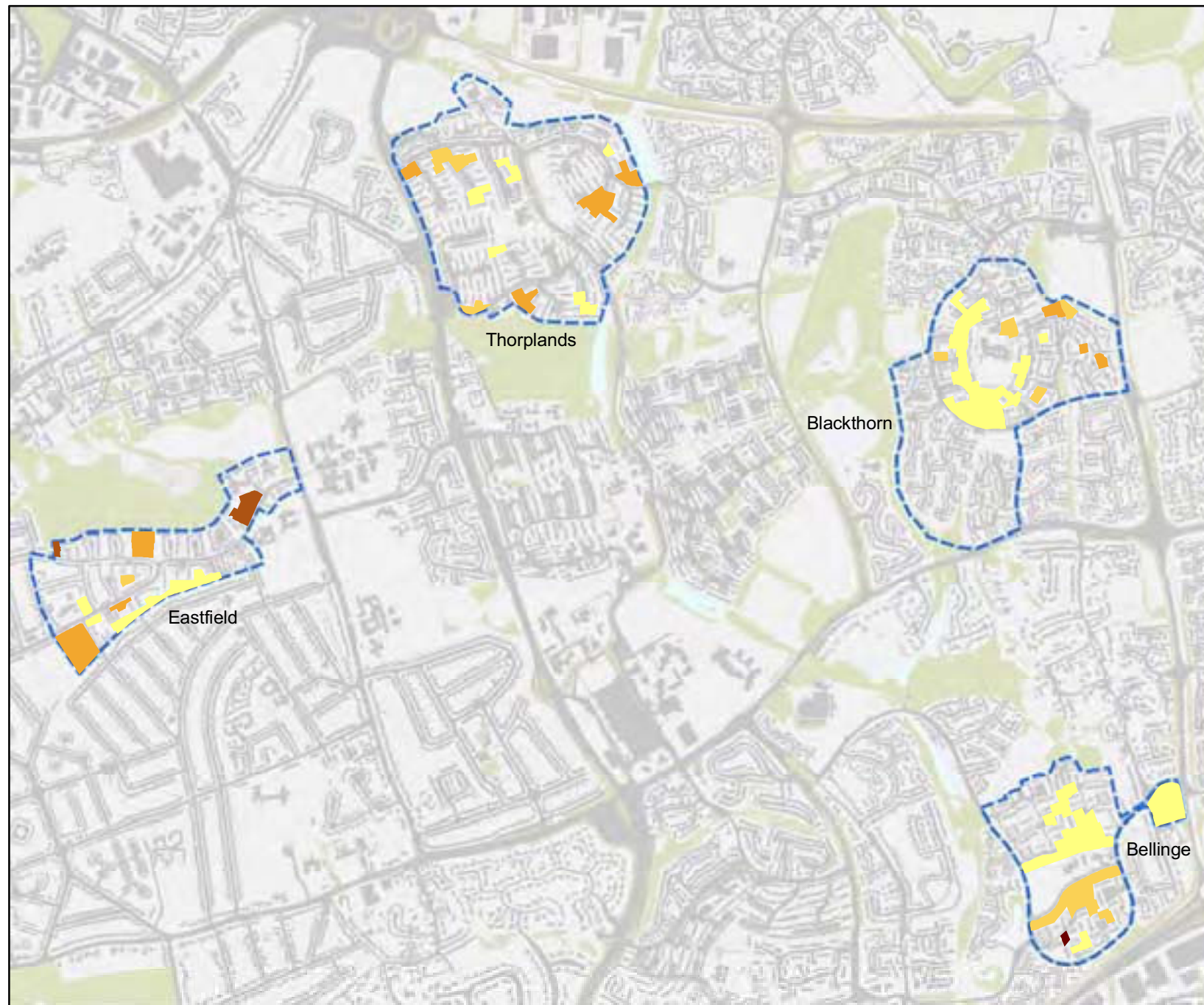
Northampton East Housing Round 6 PFI Expression of Interest



## **APPENDIX 4 – SITE CAPACITY/DESIGN PLANS**



# Right to Buy PIS Density Northampton East Housing



## Legend

### Right to Buy PIS Density (HHD/Ha)

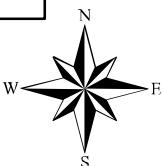
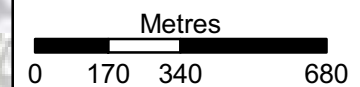
- 0.00 - 2.93
- 2.94 - 8.00
- 8.01 - 24.21
- 24.22 - 49.83
- 49.84 - 123.89

  Estate Boundaries

### osArea

- Other
- Building
- General Surface
- Inland Water
- Landform
- Natural Environment
- Rail
- Road Or Track

*Note: Indicative for cost modelling only - subject to consultation, costing and planning*





Grant Thornton

Northampton Borough Council

Northampton East Housing PFI  
Financial analysis of estate renewal options

3rd December 2009

Paul Williamson - NBC Finance Manager

Ian Davitt - Grant Thornton  
National Head of Housing PPP/PFI



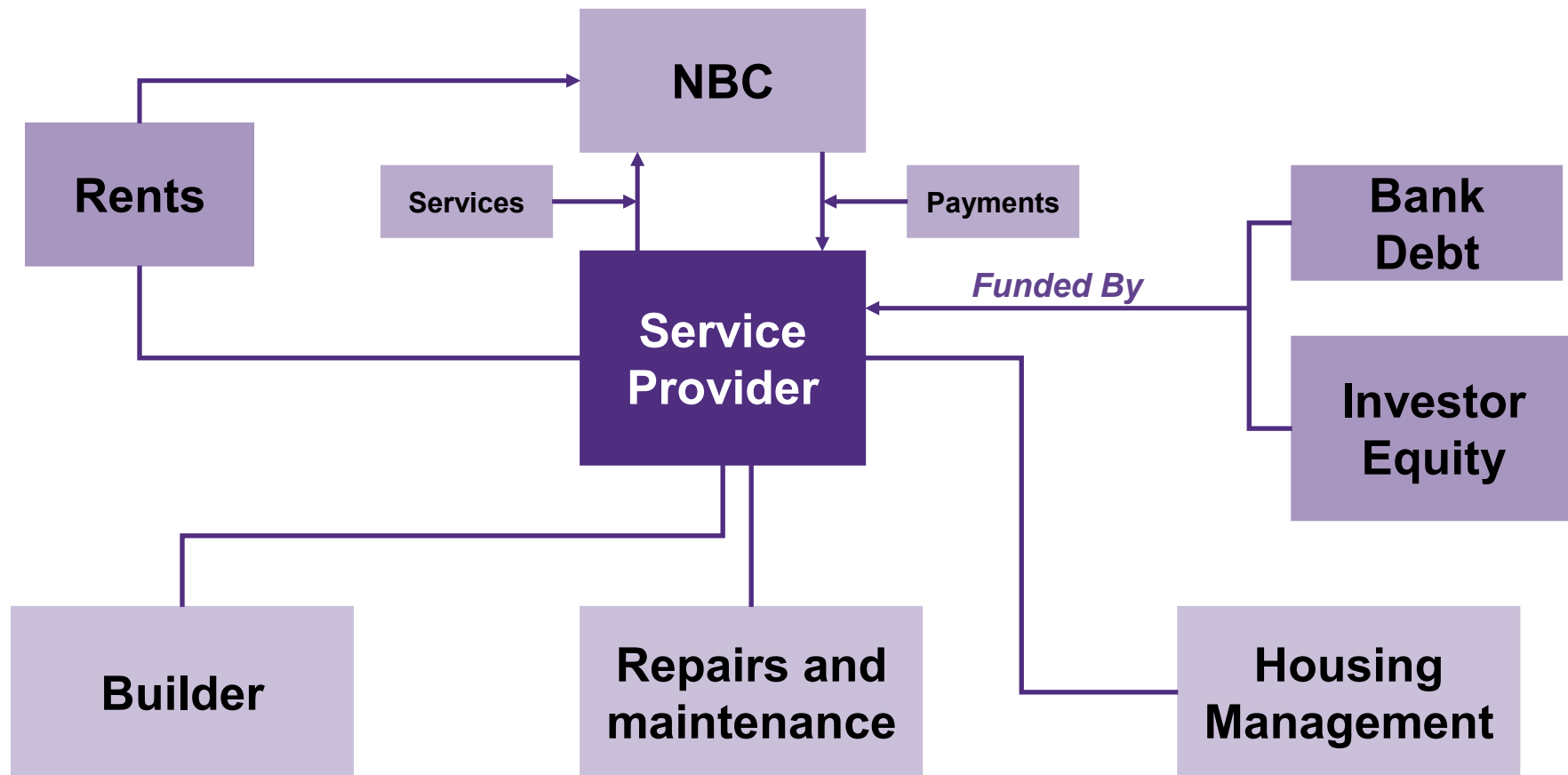
# Fundamentals of PFI

---

# Fundamentals of the Project

- Tenants remain tenants of the Council
- Demand risk remains with NBC
- NBC do not raise the finance
- Infill development opportunities are outside of these PFI financing arrangements, but represent a cross subsidy opportunity

# Typical Housing PFI structure



# Cashflows within PFI

## **Local Authority Receives:**

- PFI credit
- Management and maintenance allowances
- Capital/revenue contributions

## **PFI credit finances:**

- capital costs
- lifecycle repairs
- financing costs

## **Service Provider Receives:**

Unitary charge

## **Unitary charge finances:**

- capital costs
- lifecycle repairs
- operating costs
- finance costs

# Risk Transfer

	Risk Allocation	
	NBC	Private Sector
Planning	“	“
Financing		“
Interest rate change pre financial close	“	
Construction costs		“
Construction inflation		“
Future lifecycle costs		“
Lifecycle inflation		“

	Risk Allocation	
	NBC	Private Sector
Future FM costs		“
FM inflation		“
Rent collection		“
Long term demand/voids	“	
Construction delay		“
Contractor default		“
Residual value	“	
Inflation on Unitary Charge	“	

# Headline Figures (1)

Option	Estates	PFI Credits £'000
1.	Eastfield & Bellinge	97,832
2.	Eastfield & Blackthorn	116,640
3.	Eastfield & Thorplands	100,176



## Headline figures (2)

	<b>Nominal Capital expenditure £'000</b>	<b>No. of dwellings</b>	<b>Nominal U/C WLC £'000</b>	<b>Net present value U/C £'000</b>
1. Ea & Be	58,367	268 new 173 refurb. 441 total	257,286	121,306
2. Ea & BI	70,792	280 new 368 refurb. 648 total	318,081	150,940
3. Ea & Th	59,942	218 new 392 refurb. 610 total	278,140	132,553

# Average cost per dwelling

	<b>Nominal Capex per dwelling £'000</b>	<b>Total no. of dwellings</b>	<b>Nominal U/C WLC per dwelling £'000</b>	<b>UC NPV per dwelling £'000</b>
1. Ea & Be	132	441	583	275
2. Ea & Bl	103	648	491	233
3. Ea & Th	98	610	456	217

## Homeloss & Disturbance

Eastfield & Bellinge (288 demo.)	£2.304m
----------------------------------	---------

Eastfield & Blackthorn (280 demo.)	£2.240m
------------------------------------	---------

Eastfield & Thorplands (218 demo.)	£1.744m
------------------------------------	---------

(Based on £8k per demolished dwelling and excluded from the PFI model)

# Cost benchmarking

£ per unit pa	Council assumption	GT cost benchmark	Difference
Housing Management	£534	£973	£439
Insurance	£15	£275	£260
Maintenance*	*£1,071-£1,127	£995	(£76 - £132)
Lifecycle (met by PFI)	£606	£698	£92

\*Varies for each estate option - (East/Bell £1090, East/Black £1127, East/Thorp £1071).

# Impact of benchmark costs - Housing management plus insurance

	Net additional cost per dwelling £	No. of dwellings	Annual increased cost £'000
1. Ea & Be	£699	441	£308k
2. Ea & BI	£699	648	£453k
3. Ea & Th	£699	610	£426k

# Impact of benchmark costs - Maintenance

	Net additional cost /(saving) per dwelling £	No. of dwellings	Annual increased cost /(saving) £'000
1. Ea & Be	(£95)	441	(£42k)
2. Ea & Bl	(£132)	648	(£86k)
3. Ea & Th	(£76)	610	(£46k)

# Impact of cost benchmarks - Lifecycle

	Council assumption PFI credit	GT benchmark PFI credit	Increase in PFI credits
1. Ea & Be	£97.832m	£98.668m	£0.836m
2. Ea & BI	£116.640m	£117.863m	£1.222m
3. Ea & Th	£100.176m	£101.333m	£1.157m

Appendices

1



**NORTHAMPTON**  
BOROUGH COUNCIL

Item No.

**12**

## CABINET REPORT

<b>Report Title</b>	COUNCIL TAX BASE 2010 -2011
---------------------	-----------------------------

**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16 <sup>th</sup> December 2009
<b>Key Decision:</b>	Yes
<b>Listed on Forward Plan:</b>	Yes
<b>Within Policy:</b>	Yes
<b>Policy Document:</b>	No
<b>Directorate:</b>	Finance & Support
<b>Accountable Cabinet Member:</b>	David Perkins
<b>Ward(s)</b>	All

### 1. Purpose

- 1.1 The report sets out the calculation of Northampton Borough Council's Tax Base for the year 2010/11 under the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) regulations 2003 (SI 2003/3012).

### 2. Recommendations

- 2.1 That Council approve the tax base for 2010/11 at 66,896 Band D equivalent properties and associated parish tax bases within this.

	2010/11	(2009/10)
Billing	2,716	2,568
Collingtree	517	514
Duston	5,255	5,172
Great Houghton	288	286
Hardingstone	755	743
Upton	1,469	1,302



Wootton & East Hunsbury	6,340	6,331
Northampton (Unparished)	49,556	49,250
Total tax base	66,896	66,166

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 A summary of the tax base and how this is calculated is attached at Appendix 1. This shows the comparison to 2009/10.
- 3.1.2 The tax base has been adjusted to include the expected outcome of the Single Person Discount Review, which would generate an estimated additional income to the council of £81k. This has been included in the budget report figures.
- 3.1.3 The non-collection rate of council tax remains at 2.5% for the 2010/11 tax base setting. This is a prudent to maintain this level taking into consideration the current financial climate and with estimated Collection Fund deficit in mind. There is currently a deficit on the Collection Fund (the ring-fenced council tax and NNDR account), of which the Council has an allocation along with the County Council and Police Authority. The collection rate is reviewed each year as part of the tax base setting process.
- 3.1.4 The apportioned deficit on the Collection Fund to Northampton Borough Council is estimated to be £171k at the 2009/10 year end. This deficit has been incorporated into the budget for 2010/11.

#### **3.2 Issues**

- 3.2.1 The report represents the application of a prescribed process.

#### **3.3 Choices (Options)**

- 3.3.1 To not set a tax base would render the authority unable to set a council tax.
- 3.3.2 In the methodology to calculate the tax base, the previous decisions made by Council to reduce the discount on second homes, holiday homes and empty, but furnished properties to 10%, instead of the normal 50%, and also to remove the discount on long-term empty properties have been used.
- 3.3.3 Each of these previous decisions, either individually or as a whole, could be reconsidered by Full Council and the discounts reinstated. Any decision to change the current position would have a negative financial impact on the budget report and tax base. The value of the removal of discounts is shown as a band D equivalent in appendix 1.
- 3.3.4 To approve the recommendations in the report

## **4. Implications (including financial implications)**

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### **4.1 Policy**

None

### **4.2 Resources and Risk**

4.2.1 No resource required. The base has to be determined by the 31<sup>st</sup> January 2010 by Full Council

4.2.2 That the above policy position in respect of discretionary discounts and exemptions be kept under review in respect of future years

### **4.3 Legal**

These are covered within the body of the report.

### **4.4 Equality**

No direct impact on equality context, however any resulting impact on options/ consultations for budgets will have to be considered individually.

### **4.5 Consultees (Internal and External)**

Internal: Finance & Support – Section 151 Officer  
Legal Services – Solicitor to the Council

External: None

### **4.6 How the Proposals deliver Priority Outcomes**

None

### **4.7 Other Implications**

None

## **5. Background Papers**

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5.1 Background papers are held within Revenues and Benefits

Council Tax Base 10/11:

Evidence to support the calculations of figures (e. g. system totals, ctb1 return and new build figures)

**Ian Tyrer, Revenues Manager**  
**Extension 7451, [ityrer@northampton.gov.uk](mailto:ityrer@northampton.gov.uk)**

**Council Tax Base for Northampton**

<b>09/10</b>		<b>10/11</b>
66,629.40	CTB1 Oct	67,594.50
42.51	Movement in base between Oct and 30th November	44.95
91.56	Second Homes Empty Property (note 1)	89.52
524.69	Planning Assumptions (note 2)	422.72
-1,682.20	Non-Collection 2.5% (note 3)	-1,715.28
559.70	Long-term Empty Homes Discount (note 4)	459.61
66,165.66	Taxbase for Council Tax	66,896.02

NB - all figures are expressed in band "D" equivalent
---

Note 1	NBC charge 90% rather than 50%, as assumed in CTB1, therefore additional income generated
Note 2	There is an allowance of 72.5% applied to the estimated new build to allow for part year liability.
Note 3	The Non-collection rate has remained at to 2.5% this year to reflect the current financial climate.
Note 4	NBC charge 100% rather than 50%, as assumed in CTB1, therefore additional income generated

**Council Tax Base for Northampton (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	30006.00	20876.00	21768.00	10026.00	5249.00	2269.00	1164.00	77.00
2	less exemption	0.00	1521.00	904.00	672.00	218.00	71.00	45.00	22.00	10.00
3	plus disabled from higher band	37.00	65.00	106.00	70.00	31.00	16.00	13.00	5.00	0.00
4	less disabled going into lower band	0.00	37.00	65.00	106.00	70.00	31.00	16.00	13.00	5.00
5	less number of one adult resident household x25%	2.12	3617.92	1964.71	1601.90	550.74	204.96	78.64	28.35	0.47
6	less number of properties with no residents but not exempt x50%	0.00	6.50	8.00	3.50	5.50	6.50	7.00	12.00	10.00
7	less number of second home properties with no residents but not exempt x10%	0.00	8.50	4.50	6.40	2.60	1.30	0.90	1.10	0.10
8	long-term empties x no discount	0.00	504.00	235.00	245.00	111.00	25.00	13.00	11.00	2.00
9	plus f y e for new properties	0.00	16.975	124.95	159	105.475	37.275	5.175	8.625	0
10	Total	34.89	24897.06	18160.75	19607.21	9315.64	4987.52	2139.64	1101.18	51.43
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	19.38	16598.04	14125.02	17428.63	9315.64	6095.85	3090.58	1835.29	102.86

**Total**      68611.30**Assume 97.5% collection****Tax Base**      **66896**

**Council Tax Base for Duston (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	887.00	1711.00	2675.00	894.00	463.00	76.00	22.00	2.00
2	less exemption	0.00	42.00	47.00	38.00	17.00	3.00	0.00	0.00	0.00
3	plus disabled from higher band	4.00	10.00	13.00	3.00	3.00	2.00	0.00	0.00	0.00
4	less disabled going into lower band	0.00	4.00	10.00	13.00	3.00	3.00	2.00	0.00	0.00
5	less number of one adult resident household x25%	0.47	125.57	170.65	173.22	39.66	9.67	2.59	0.71	0.00
6	less number of properties with no residents but not exempt x50%	0.00	0.00	0.50	0.00	0.50	0.00	0.00	1.00	1.00
7	less number of second home properties with no residents but not exempt x10%	0.00	0.70	0.50	0.20	0.10	0.10	0.00	0.00	0.00
8	long-term empties x no discount	0.00	11.00	14.00	3.00	2.00	2.00	1.00	0.00	0.00
9	plus f y e for new properties	0.00	0.00	8.98	10.98	12.70	4.90	0.00	0.00	0.00
10	Total	3.53	724.74	1504.33	2464.56	849.44	454.14	71.42	20.30	1.00
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	1.96	483.16	1170.03	2190.72	849.44	555.05	103.16	33.83	2.00

**Total** 5389.35**Assume 97.5% collection****Tax Base 5255**

**Council Tax Base for Collingtree (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	5.00	38.00	58.00	27.00	105.00	43.00	127.00	26.00
2	less exemption	0.00	0.00	2.00	2.00	2.00	1.00	0.00	1.00	1.00
3	plus disabled from higher band	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
4	less disabled going into lower band	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
5	less number of one adult resident household x25%	0.00	0.47	3.06	3.54	1.41	5.88	1.88	4.01	0.47
6	less number of properties with no residents but not exempt x50%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00
7	less number of second home properties with no residents but not exempt x10%	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.10	0.00
8	long-term empties x no discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	1.00
9	plus f y e for new properties	0.00	0.00	0.00	0.00	1.45	0.00	0.00	0.00	0.00
10	Total	0.00	4.43	32.95	52.46	25.04	98.13	41.12	122.39	23.53
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	0.00	2.95	25.62	46.63	25.04	119.93	59.40	203.98	47.06

**Total** 530.62**Assume 97.5% collection****Tax Base** 517

**Council Tax Base for Billing (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	1249.00	809.00	570.00	438.00	300.00	88.00	89.00	1.00
2	less exemption	0.00	37.00	67.00	55.00	32.00	4.00	0.00	2.00	0.00
3	plus disabled from higher band	4.00	1.00	3.00	2.00	1.00	1.00	0.00	0.00	0.00
4	less disabled going into lower band	0.00	4.00	1.00	3.00	2.00	1.00	1.00	0.00	0.00
5	less number of one adult resident household x25%	0.00	151.79	69.23	36.75	20.07	9.87	4.25	2.59	0.00
6	less number of properties with no residents but not exempt x50%	0.00	0.00	0.50	0.50	0.50	0.00	0.00	0.50	0.50
7	less number of second home properties with no residents but not exempt x10%	0.00	0.10	0.10	0.00	0.10	0.00	0.00	0.10	0.00
8	long-term empties x no discount	0.00	15.00	3.00	5.00	4.00	0.00	0.00	2.00	0.00
9	plus f y e for new properties	0.00	0.00	65.00	50.98	33.08	5.63	0.00	0.00	0.00
10	Total	4.00	1057.12	739.18	527.73	417.41	291.76	82.76	83.82	0.50
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	2.22	704.74	574.91	469.09	417.41	356.59	119.54	139.69	1.00

**Total**            2785.19**Assume 97.5% collection****Tax Base**            **2716**

**Council Tax Base for Great Houghton (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	3.00	31.00	45.00	37.00	114.00	34.00	17.00	0.00
2	less exemption	0.00	0.00	1.00	3.00	0.00	0.00	0.00	1.00	0.00
3	plus disabled from higher band	0.00	0.00	0.00	1.00	2.00	0.00	1.00	0.00	0.00
4	less disabled going into lower band	0.00	0.00	0.00	0.00	1.00	2.00	0.00	1.00	0.00
5	less number of one adult resident household x25%	0.00	0.00	3.53	4.23	2.59	6.11	0.71	0.47	0.00
6	less number of properties with no residents but not exempt x50%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	less number of second home properties with no residents but not exempt x10%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	long-term empties x no discount	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	plus f y e for new properties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Total	0.00	3.00	26.48	38.77	35.42	105.89	34.30	14.53	0.00
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	0.00	2.00	20.59	34.46	35.42	129.42	49.54	24.22	0.00

**Total**                      295.64**Assume 97.5% collection****Tax Base**                      **288**



**Council Tax Base for Hardingstone (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	101.00	167.00	372.00	125.00	82.00	50.00	18.00	0.00
2	less exemption	0.00	2.00	2.00	10.00	3.00	1.00	0.00	0.00	0.00
3	plus disabled from higher band	1.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00
4	less disabled going into lower band	0.00	1.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00
5	less number of one adult resident household x25%	0.00	11.06	19.76	26.84	8.02	3.53	2.12	0.47	0.00
6	less number of properties with no residents but not exempt x50%	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00
7	less number of second home properties with no residents but not exempt x10%	0.00	0.00	0.00	0.10	0.10	0.00	0.00	0.10	0.00
8	long-term empties x no discount	0.00	0.00	1.00	2.00	2.00	1.00	0.00	0.00	0.00
9	plus f y e for new properties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Total	1.00	86.94	151.25	329.07	113.88	77.48	47.39	17.43	0.00
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	0.56	57.96	117.64	292.50	113.88	94.69	68.45	29.05	0.00

**Total**                      774.72                      **Assume 97.5% collection**

**Tax Base**                      **755**

**Council Tax Base for Upton (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	49.00	131.00	598.00	476.00	140.00	132.00	61.00	7.00
2	less exemption	0.00	9.00	2.00	27.00	15.00	2.00	9.00	6.00	0.00
3	plus disabled from higher band	0.00	0.00	1.00	5.00	0.00	1.00	1.00	1.00	0.00
4	less disabled going into lower band	0.00	0.00	0.00	1.00	5.00	0.00	1.00	1.00	1.00
5	less number of one adult resident household x25%	0.00	3.06	14.82	69.92	43.51	7.77	3.81	0.94	0.00
6	less number of properties with no residents but not exempt x50%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00	3.00
7	less number of second home properties with no residents but not exempt x10%	0.00	0.80	0.00	0.10	0.20	0.00	0.00	0.10	0.00
8	long-term empties x no discount	0.00	8.00	14.00	25.00	13.00	0.00	1.00	0.00	0.00
9	plus f y e for new properties	0.00	0.00	0.00	28.68	35.58	26.75	3.00	5.00	0.00
10	Total	0.00	36.15	115.18	533.66	447.87	157.98	122.20	56.96	3.00
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	0.00	24.10	89.58	474.36	447.87	193.09	176.50	94.93	6.00

**Total** 1506.44**Assume 97.5% collection****Tax Base 1469**

**Council Tax Base for Wootton & East Hunsbury (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	273.00	1400.00	1728.00	1681.00	1098.00	623.00	207.00	3.00
2	less exemption	0.00	19.00	43.00	35.00	28.00	6.00	6.00	2.00	0.00
3	plus disabled from higher band	0.00	7.00	5.00	5.00	4.00	1.00	3.00	0.00	0.00
4	less disabled going into lower band	0.00	0.00	7.00	5.00	5.00	4.00	1.00	3.00	0.00
5	less number of one adult resident household x25%	0.00	45.15	159.98	133.44	83.12	42.42	19.82	5.64	0.00
6	less number of properties with no residents but not exempt x50%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
7	less number of second home properties with no residents but not exempt x10%	0.00	0.20	0.40	0.80	0.10	0.10	0.30	0.00	0.00
8	long-term empties x no discount	0.00	1.00	6.00	7.00	6.00	1.00	1.00	0.00	0.00
9	plus f y e for new properties	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Total	0.00	215.65	1194.62	1558.76	1568.78	1046.48	598.89	195.36	3.00
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	0.00	143.77	929.15	1385.56	1568.78	1279.03	865.06	325.60	6.00

**Total** 6502.95**Assume 97.5% collection****Tax Base 6340**

**Council Tax Base for the remainder of the Northampton Borough Area (inc. long-term empty homes)**

	<b><u>BAND</u></b>	<b><u>A-</u></b>	<b><u>A</u></b>	<b><u>B</u></b>	<b><u>C</u></b>	<b><u>D</u></b>	<b><u>E</u></b>	<b><u>F</u></b>	<b><u>G</u></b>	<b><u>H</u></b>
1	Number on list	0.00	27439.00	16589.00	15722.00	6348.00	2947.00	1223.00	623.00	38.00
2	less exemption	0.00	1412.00	740.00	502.00	121.00	54.00	30.00	10.00	9.00
3	plus disabled from higher band	28.00	47.00	78.00	54.00	21.00	11.00	8.00	3.00	0.00
4	less disabled going into lower band	0.00	28.00	47.00	78.00	54.00	21.00	11.00	8.00	3.00
5	less number of one adult resident household x25%	1.65	3280.83	1523.70	1153.97	352.37	119.73	43.49	13.53	0.00
6	less number of properties with no residents but not exempt x50%	0.00	6.50	7.00	3.00	4.50	6.50	6.50	7.00	5.50
7	less number of second home properties with no residents but not exempt x10%	0.00	6.60	3.50	5.20	2.00	1.10	0.60	0.70	0.10
8	long-term empties x no discount	0.00	469.00	197.00	203.00	84.00	21.00	10.00	7.00	1.00
9	plus f y e for new properties	0.00	16.98	50.98	68.38	22.68	0.00	2.18	3.63	0.00
10	Total	26.36	22769.05	14396.78	14102.21	5857.81	2755.68	1141.59	590.40	20.40
11	conversion to band d equivalent	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
12	band d equivalent	14.64	15179.36	11197.49	12535.29	5857.81	3368.05	1648.96	983.99	40.80

**Total**      50826.39**Assume 97.5% collection****Tax Base**      **49556**

**Appendices  
12**



**NORTHAMPTON  
BOROUGH COUNCIL**

**Item No.**

**13**

## CABINET REPORT

<b>Report Title</b>	<b>COUNCIL WIDE BUDGET 2010/11 – 2012/13</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16 December 2009
<b>Key Decision:</b>	YES
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Finance and Support Services
<b>Accountable Cabinet Member:</b>	Cllr David Perkins
<b>Ward(s)</b>	N/A

### 1. Purpose

1.1 The purpose of this report is:

- To present for consultation the Cabinet's draft budget proposals for 2010/11 and the forecast budgets for 2011/12 and 2012/13 for:
  - The General Fund (revenue) as attached summarised in Annex A detailed in Annex B and supporting annexes and recommended Council Tax levels for public consultation.
  - The Housing Revenue Account (HRA) excluding rents, charges and subsidy
  - The draft capital programme and funding proposals
- To approve for consultation the Council's draft Capital Strategy for 2010/11 to 2012/13.

- 1.2 To provide details of the current financial climate and progress in compiling the 2010/11 to 2012/13 General Fund revenue budget, setting out the issues considered as part of the revenue budget setting process.

## **2 Recommendations**

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- 2.1 That the Cabinet's General fund draft budget proposals for 2010/11 and indicative budgets for 2011/12, and 2012/13 as summarised in Annexes A to E be approved for public consultation.
- 2.2 That the proposed council tax increase of 2.47% for 2010/11 and the indicative 2.47% for 2011/12, and 2012/13 be approved for public consultation.
- 2.3 That the Cabinet's draft capital programme and financing as detailed in annexes I, J, and K be approved for public consultation
- 2.4 That Cabinet approve the draft Housing Revenue Account (HRA) budget excluding charges, subsidy and rents.
- 2.5 That the draft Capital Strategy at appendix L be approved for consultation.
- 2.6 That the consultation leaflet be delegated to the Assistant Chief Executive in consultation with the Leader and Portfolio Holder for Finance for approval.
- 2.7 That the Chief Executive and Director of Finance, in consultation with the relevant portfolio holders, undertake the preparatory work in relation to the savings and efficiencies built into the draft budget proposals, subject to any actions being rescinded should any budget options not be approved by 25 February 2010 Council.

## **3. Issues and Choices**

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### **3.1 Report Background**

#### **Local Preparation**

- 3.1.1 The Board approved the timetable and process for the Medium Term Plan and budgets in the summer. The report set out the financial parameters for budget projections 2010/11 to 2012/13.
- 3.1.2 The budget process was closely linked to the corporate plan and the objectives set out in it, which are also reflected in the Medium Term Financial Strategy.

#### **Timetable**

- 3.1.3 The Revised Provisional Formula Grant was announced on 26 November and the time timetable following this draft budget report is as follows:
- January – main public consultation on budget and proposed level of council tax.
  - End January/February – Final Formula Grant settlement announcement is received from Government.
  - February – Cabinet recommends budget to Council. Council agrees budget and council tax.

## **3.2 Overview**

- 3.2.1 The budget is being set at a time of unprecedented economic and financial turmoil accompanied by political uncertainty with a general election due in the Spring. The Cabinet has made its determination absolutely clear to continue on the path of improvement and to transform this Council into an excellent performing organisation which is providing value for money services to the community. The Council will not be deflected from this aim by these external factors however it does recognise that they make it more challenging to accomplish.
- 3.2.2 In January 2007 the Audit Commission severely criticised the Council for its performance. It stated that the Council had made little real progress since 2004, and had failed to improve on its "poor" rating. The report picked out numerous failings including the management team, political leadership and budgetary control.
- 3.2.3 In the latest annual assessment report, published on 9 December 2009, the Commission now states that Northampton Borough Council has transformed how it works and it demonstrates a huge improvement in the performance of the Council.
- 3.2.4 The report comments positively on how "new staff and departments have enabled the Council to improve services for local people" and that the Council is now performing as well as most other district authorities in the county."
- 3.2.5 The Audit Commission notes that there are excellent prospects for improvement and that the Council has put in place clear plans to continue to improve. The Borough Council is now listed as performing adequately, which is a huge improvement since the previous inspection that rated the Council as among the worst 13 local authorities in the country.
- 3.2.6 The report also notes that there are still areas for improvement, such as making it easier to contact the Council and becoming more cost effective but recognises that the Council is aware of this. Council staff are "committed to improve services" and the Council has good plans in place for continuing these improvements.
- 3.2.7 The report highlights how the Council is now better at listening and helping residents get involved. The ongoing regeneration and rejuvenation of the town centre is praised. There is also recognition that "good progress" has been made to improve the Council's Revenues and Benefits service and Housing department, which are both areas of the Council that support some of the town's most vulnerable residents.
- 3.2.8 This report confirms the progress the Council has made, and underpins it's ambition to be the best in terms of Public Service by 2013. It recognises that not only have we made improvements, but that we will continue to improve despite the economic climate change which is having a huge affect on our finances.

## **3.3 Issues**

- 3.3.1 This report sets out the issues facing decision makers, with the aim of allowing as much information as possible to be in the public domain, as early as possible.

- 3.3.2 The Council is facing an extremely challenging financial situation in the short to medium term, particularly due to the Economic Environment, Government Policy in relation to funding and technical changes in accounting.

### **Economic Environment**

- 3.3.3 The national economy remains in a period of downturn and instability. This has had specific repercussions locally.
- 3.3.4 The impact on the housing market has seen continuing low levels of related income such as building control and land charges.
- 3.3.5 Trip volumes on concessionary fares are continuing to rise, and are expected to continue to do so over the medium term.
- 3.3.6 Investment interest levels remain low, and are expected to do so for the next 12 months before rising slowly thereafter.
- 3.3.7 The funding for capital expenditure is linked both to revenue funding in relation to borrowing costs and its ability to generate capital receipts in these difficult times.
- 3.3.8 The impact on the housing market has had the effect of reducing income levels i.e. right to buy receipts have virtually dried up and buyers are difficult to secure for other types of property, particularly at the right price. This will have an impact on the availability of capital receipts to fund capital expenditure.
- 3.3.9 In terms of borrowing, the differential between investment and borrowing rates are higher than they have been over the past few years, and the cost of borrowing is expected to rise significantly in comparison to the investment rates which are expected to remain around 1%.
- 3.3.10 Overall the effects of the economic downturn on local citizens and businesses are such that there is likely to be an increased draw on certain services, such as homelessness, which in turn, draws on the Council's resources.

### **Government Policy**

- 3.3.11 There are several areas of Government policy that have influenced the Council in considering the costs of growth and limits placed on Government grant.
- 3.3.12 The population figures used in the funding formula that determines the overall settlement, which Northampton receives, are understated by around 8,000 people in 2010/11 compared to the mid 2008 estimate published by the Office of National Statistics in August 2009. The implication of this is that this authority is providing services for over 8,000 people who are not taken into account in the Government funding formula.
- 3.3.13 The limited recognition of growth that exists in the formula means that in the majority of years this authority remains below the floor mechanism and therefore receives the minimum possible grant increase. For 2010/11 this will be 0.5% compared to CPI of +1.1% and RPIX of +1.3% as at September 2009 (RPI -1.4%). The average increase nationally for district authorities was +1.4%.



- 3.3.14 The 2007 Spending Review was always expected to generate a real terms minimal funding increase for local government, with a far greater emphasis on cashable efficiency savings. In the event a real terms increase of 1% was announced nationally, however economic events have moved on since the assumptions behind that announcement were made. The 0.5% increase for NBC equates to only £94k more than last year in monetary terms.

### **Technical Issues**

- 3.3.15 Over the three-year period there are a number of technical changes to bring local government accounting treatment into line with international financial reporting standards.
- 3.3.16 The first area, which relates to accounting for capital borrowing was put into place in 2008/09. This means that the value of the asset must now be written down over the life of the asset rather than 4% on reducing balance. As a district authority a significant part of our new capital investments tend to relate to short-lived assets such as software, vehicles, plant and equipment, therefore the impact is particularly significant.
- 3.3.17 In relation to International Financial Reporting Standards (IFRS) implementation, there are two areas in particular that pose a risk to the council's General Fund Revenue Budgets, which are the effects of leasing classification and the employee benefits accrual.
- 3.3.18 CIPFA are due to publish the final Code of Practice for IFRS in December. The first key milestone date for IFRS work being the 31 December 2009.
- 3.3.19 Based on the latest information provided by CIPFA, it is currently anticipated that there will be legislative mitigation for these effects, so at this stage they have been taken into account in the risk assessment of reserves and have not being included in the main budget.

### **Government Lobbying**

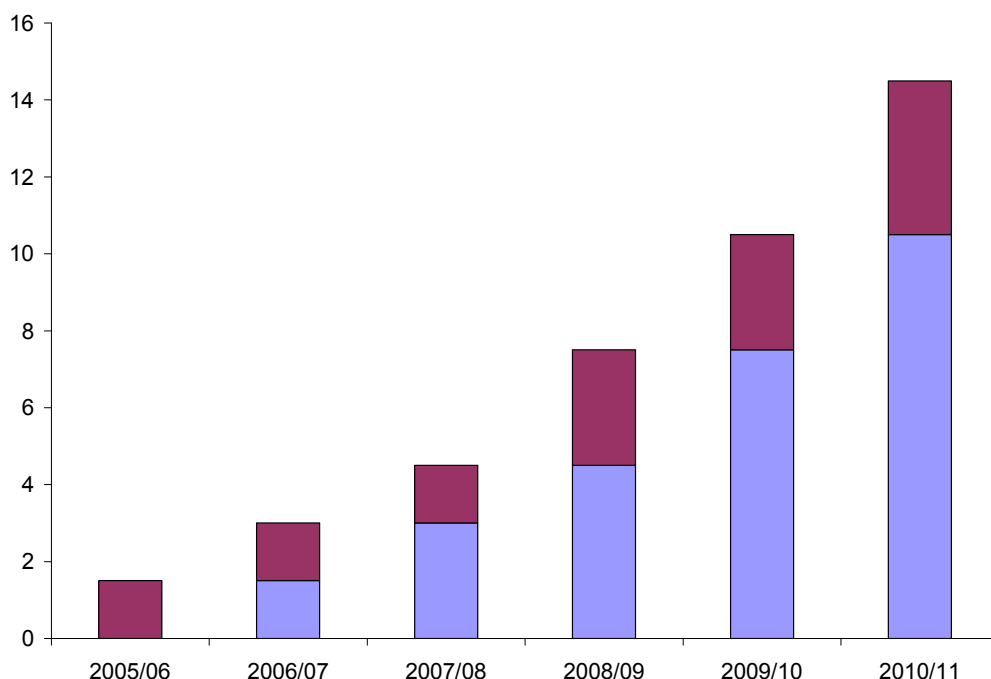
- 3.3.20 Last year representatives of the Borough Council met with the minister to discuss Northamptonshire's particular issues with funding, in particular relating to the borough's improvement journey and the expansion of Northampton. This year the Borough will make written representations, but the minister has made it clear he will not meet with individual authorities, only groups who represent the interest of local authorities.

### **3.4 Revenue Budget**

- 3.4.1 The overall summary budget summary can be found at annex A to this report. From the summary it can be seen that a key feature of the budget process has been a focus on obtaining further efficiency for the latest year of Annual Efficiency targets.
- 3.4.2 As part of the budget report 2009 the Chancellor increased the cashable efficiency savings target that local authorities need to make to 4%. As in previous years, these need to be new efficiencies on top of the targets set by the Chancellor in previous budget rounds.

- 3.4.3 The borough council has achieved these targets each year to date, and these savings have contributed towards investment in priority areas and minimising service cuts. As time goes on it becomes increasingly challenging to find new efficiency savings and the council works hard to be as efficient as possible. Chart 1 Summaries the increase in cashable efficiency targets which the Council has met or exceeded each year.

**Chart 1: Incremental Government Efficiency Targets met by NBC**



- 3.4.4 The changes that are being proposed are part of the reorganisation of the Council that are necessary to achieve excellent status and are an essential part of the requirement to deliver more with less and to raise our productivity and customer focus. These changes are part of an ongoing plan for the next three years and include:
- 3.4.5 The authority is pro-actively working on delivering major changes through its work on:
- Change Plan
  - Strategic Business Reviews
  - Investigating opportunities for Partnership working
- 3.4.6 The change plan looks to give us a forward looking picture of the Council services over the medium term, translating the corporate plan into a programme of project delivery whilst the Strategic Business Reviews, which are contained within the change plan, aim to establish the most economic and efficient way to deliver services.
- 3.4.7 The Council recognises that it will be necessary to share services with other authorities in order to deliver change. We are very open with regard to working with partners and overall recognise that we need a change of delivery model in some areas to enable local authority services to be delivered efficiently and effectively in this difficult financial environment.

## Efficiencies

3.4.8 As part of the 2010/11 budget process each department was asked to develop efficiency options. Whilst work is still underway, **Table 1** below summaries what has already been built into the 2010/11 budget, and a full schedule can be found at annex E.

**Table 1: Efficiency Savings**

	£m
Assistant Chief Executive	0.299
Environment & Culture	2.017
Planning and Regeneration	0.149
Finance and Support	1.525
Borough Solicitor	0.016
Housing General Fund	0.393
	<b>4.399</b>

## Closing the Budget Gap

3.4.9 The Council's aim of delivering efficient cost effective services, have effectively closed the majority of the budget / funding gap, but there is still the need to consider the balance between using reduction in service levels in some areas (Annex B), increasing income in others (Annex C) along with council tax increases to balance the budget, taking into account both customer needs and whether the Council Tax they set could be deemed to be excessive and therefore be subject to capping by Government.

3.4.10 Over the next six to eight weeks members and officers will continue to review services in order to identify further savings with the view of minimising the impact on the public. Due to timescales, these further options will not form part of the budget consultation, but may be used, along with use of reserves, to balance the final budget.

## General Fund Balances

3.4.11 A prudent level of reserves, along with appropriate application of reserves, should be part of the overall budget. An annual risk assessment is undertaken to ascertain the minimum level of reserves the authority should hold. This suggests that £3.0m should be the minimum for 2010/11.

3.4.12 This is a significant change since the last review, which is a reflection of three key areas:

- Tighter requirements to plan to mitigate counterparty risk in investment.
- Provision for emergency asset maintenance risks.
- General increased risk levels due to the unstable political and financial climate nationally.

3.4.13 In the current financial climate it is not possible to move directly from £2m to £3m. It is therefore recommended that the authority moves to this level of reserves over the next 3-5 years, beginning by contributing £0.1m to reserves in 2010/11.

## Planning Levels of Resources

- 3.4.14 There are two main funding streams for local authorities general fund revenue budgets. The first is local taxation, and the second is from Government – Formula Grant, consisting of Revenue Support Grant (RSG) and the redistributed Business Rate (NNDR).

## Council Tax

- 3.4.15 Options for Council Tax levels were considered by Cabinet in December 2009. This included the option of a small increase, a nil increase, or a reduction. The Cabinet has chosen to consult with the public on a 2.47% increase.
- 3.4.16 Latest projections show that a 1% increase in Council Tax generates approximately £135k.
- 3.4.17 It is estimated that there will be a collection fund deficit of circa £1,098k for 2009/10. Northampton's share of the deficit equates to £171,360 and is built into the 2010/11 draft budget. Any surplus or deficit is distributed between the precepting authorities.

## 2010/11 Provisional Settlement

- 3.4.18 On 26 November 2009 the Government announced the proposed Local Government Settlement for 2010/11. This is shown in **Table 2** below.

**Table 2: Proposed 2010/11 Settlement**

	<b>2010/11 £m</b>
Revenue Support Grant	2,401
Redistributed Business Rates	16,535
<b>Total Formula Grant</b>	<b>18,936</b>

- 3.4.19 At this stage it must be stressed that the Formula Grant projections from 2010/11 onwards are from the provisional settlement, as the final settlement announcement due in January 2010 could differ from the provisional announcement, although this is unlikely.

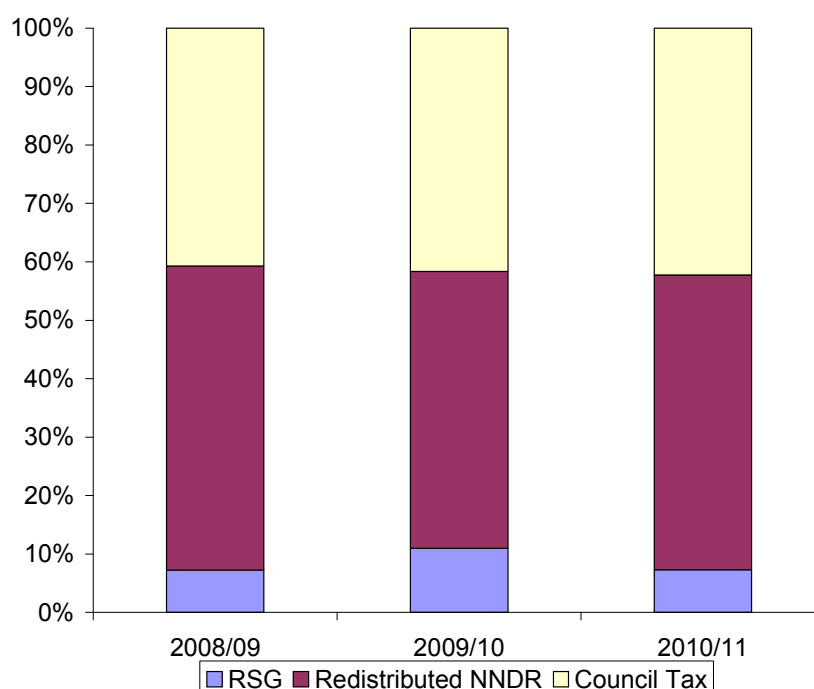
## Council Tax Recommendations

- 3.4.20 The Borough Council's 2009/10 Band D Council Tax is £204.60, excluding amounts raised for parish precepts. In 2010/11, the Band D at the resource illustration is £209.65, representing a 2.47% increase in Council Tax.
- 3.4.21 The Medium Term Plan requires the Council to look ahead. Whilst the budgets for years 2, and 3 have been comprehensively prepared, there may be opportunities to reduce expenditure, or changes to the Government funding arrangements in the future.

## Total Resources

3.4.22 The total resources available to the Council are estimated as shown below in **Chart 2** below:

**Chart 2: Resources available to Northampton Borough Council over SR2007**



*\*Note that this does not include fees and charges, investment or similar income streams.*

## 3.5 HOUSING REVENUE ACCOUNT

- 3.5.1 The Housing Revenue Account (HRA) is a ring-fenced account that represents the costs of holding the Council's housing stock. There are strict rules surrounding the costs and income that can be charged to this account.
- 3.5.2 Much of the income and expenditure is dictated by legislation and regulation leaving the Council with direct control over a limited number of these budgets. Rental income, by far the largest single budget within the HRA, is calculated by applying the rent restructuring formula as defined by the Government.
- 3.5.3 The Draft HRA Determinations have not yet been issued and so an indicative position relating to subsidy and the rental increase is not known.
- 3.5.4 Rents within the HRA are currently being restructured in line with the Government Rent Restructuring formula. The intention of this restructuring is to have a consistent approach to rental charges across the whole of the Public Sector housing stock.
- 3.5.5 The Government has undertaken a fundamental review of Housing Finance and the subsidy mechanism. This review has been consulted upon and the Government is currently considering the responses. The review, therefore, does not form part of this budget process. Since the calculation of rent is dependent upon the Final Determination, this will be considered in detail for the February meeting where the rents will be set. For the purposes of these draft budgets, it has been assumed that HRA rents will remain at 2009/10 levels.

3.5.6 The Housing Revenue Account Draft Budget does not include the effect of rent and charges increases at this stage, for the reasons stated above. These cannot be set until the final subsidy determination is released. Rents and charges and the associated budgets will be considered and set in February.

3.5.7 The HRA budgets will continue to be scrutinised and reviewed and updated figures will be brought to a February Cabinet for consideration and approval.

### **Summary of Overall HRA Position**

3.5.11 A summary of the draft HRA budget figures is contained in Appendix F, which includes budgeted efficiencies of £726k, and medium term planning investment and efficiency options are shown at Appendix G & H respectively.

### **3.6 Capital Programme**

3.6.1 The proposed capital programme for 2010/11 to 2012/13 is attached at Annex I. The programme is split between General Fund (GF) and Housing Revenue Account (HRA) schemes, and is made up of:

- Continuation schemes from 2009/10;
- New bids for 2010/11 starts;

3.6.2 The value of the total proposed capital programme for 2010-11 is £25.337m.

3.6.3 The table below outlines how it is planned to fund the proposed capital programme in 2010/11.

**Table 3: Proposed Capital Programme Funding**

<b>Funding source</b>	<b>GF</b>	<b>HRA</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Capital Programme 2010-11</b>	<b>8,471</b>	<b>16,866</b>	<b>25,337</b>
Supported Borrowing		0.500	0.500
Prudential Borrowing	5.424	0.433	5.857
Capital Receipts	0.110	0.140	0.250
Major Repairs Allowance		8.100	8.100
Grants & Third Party Contributions	2.386	0.835	3.221
Revenue Contributions/Earmarked Reserves	0.551	6.857	7.408
<b>Total</b>	<b>8,471</b>	<b>16,866</b>	<b>25,337</b>

3.6.4 A more detailed breakdown of the funding assumptions for the next three years is set out at Annex J.

3.6.5 Annex K sets out how the new bids for 2010/11 starts in the proposed capital programme contribute to the Council's corporate priorities for 2009/2012.

## **HRA Capital Programme**

- 3.6.6 The budget for 2010/11 includes £8.2m for the Major Repairs Allowance. This can only be used to finance HRA capital expenditure. Currently, there is no budget provision for Revenue Contribution to Capital Expenditure (RCCE) built into the budget shown at Annex F, however it is assumed that the contribution to earmarked reserves will be spent on financing the capital programme. The HRA capital programme has a direct impact on the revenue position of the HRA. Expenditure for capital purposes and the effect on revenue expenditure continue to be considered together.

### **3.7 Capital Strategy**

- 3.7.1 The proposed Capital Strategy for 2010/11 to 2012/13 is attached at Annex L. This updates the Capital Strategy for 2009/10 to 2011/12 approved by Council on 26 February 2009.
- 3.7.2 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 development of the Council's services.
- 3.7.3 The Government expects each local authority to produce a capital strategy. 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.
- 3.7.4 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.
- 3.7.5 The strategy covers both the present position and future plans - the former setting the context for the latter. It also includes an action plan for future improvements. The capital strategy also outlines the management and monitoring arrangements that the Council has in place for effective delivery of the strategy.
- 3.7.6 The strategy includes the Council's capital funding strategy for 2010/11.

### **3.8 Corporate Plan and Consultation**

- 3.8.1 The Council agreed the Corporate Plan for 2009/2012 at its meeting on the 26 February 2009. The plan is renewed on an annual basis. The plan identified the council's priorities for 2009/2012 as:
- Safer, greener and cleaner communities
  - Housing health and well-being
  - A confident, ambitious and successful Northampton
  - Partnership and community engagement
  - A well-managed organisation that puts our customers at the heart of what we do
- 3.8.2 In order to develop the Council's Corporate Plan priorities for 2009/12 and outcomes to be achieved for each of the priorities, the Council sought the views of local residents and stakeholders.

- 3.8.3 The draft Corporate Plan 2010/13 will be developed using consultation feedback. The feedback will inform the development of specific outcomes, through detailed service planning, to ensure that the services we deliver against priorities, meet the needs of local communities.
- 3.8.4 The draft Corporate Plan priorities are currently being widely consulted upon and the consultation will continue alongside consultation on the budget proposals throughout January 2010. Different consultation mechanisms, supported by a comprehensive communications plan are being used to support access to the consultation process, including;
- Focus groups with Forum and Resident Panel members,
  - On-line public consultation through the Council's website,
  - Paper consultation using questionnaires available at all council public buildings,
  - Seven public meetings at venues across the town
- 3.8.5 The Cabinet will consider recommending for public consultation the draft budget for 2010/11 and its indicative budgets for 2011/12 and 2012/13 as set out in Annex A, which assume a 2.47% Council Tax increase in each of these years. In arriving at this decision the Cabinet has taken account of reviews of:
- corporate priorities;
  - continuation budgets;
  - efficiencies that have been achieved through the relevant processes;
  - impact on individuals in a difficult financial climate;
  - growth items identified through the Medium Term Planning (MTP) process;
  - the current and planned levels of reserves; and
  - the outcome of the formula grant settlement.
- 3.8.6 The Cabinet is keen to listen to the debate on the budget proposals for Northampton Borough Council. This debate takes place at a time when the issue of good public services and their funding is to the fore. Following receipt of the consultation analysis, the Cabinet will recommend approval of the new Corporate Plan and budget at its meeting in late February 2010, for consideration at the Council meeting on 26 February 2010.
- 3.8.7 The Cabinet has sought to protect the Council's corporate priorities from the brunt of service cuts and the growth items are targeted on the Council's priority areas.
- 3.8.8 The aim of the process was to arrive at a sound three-year financial plan that sought to improve services in the priority areas, consistent with maintaining a low Council Tax.

### **3.9 Choices (Options)**

- 3.9.1 The Cabinet can agree that the budget proposals for 2010/11, for General Fund Revenue, Housing Revenue Account and Capital, and indicative budgets for 2011/12, and 2012/13 as summarised in the annexes to this report are approved for public consultation, along with the capital strategy.



- 3.9.2 The Cabinet can agree that the proposed council tax increase of 2.47% for 2010/11 and the indicative 2.47% for 2010/11, and 2012/13 are approved for public consultation.
- 3.9.3 The Cabinet can choose to make changes to the budget proposals and the proposed council tax levels subject to the advice of the Chief Financial Officer.

#### **4. Implications (including financial implications)**

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##### **4.1 Policy**

- 4.1.1 The revenue and capital budgets are set in support of the council's priorities.
- 4.1.2 The General Fund Revenue Budget is set in the context of the Medium Term Financial Strategy, approved by Cabinet on 25 November 2009.
- 4.1.3 The capital programme is set in the context of the Council's Capital Strategy. The proposed Capital Strategy for 2010-11 to 2012-13 is attached at Annex L.

##### **4.2 Resources and Risk**

- 4.2.1 In addition to the Borough Council's own Council Tax, there are separate Council Taxes for Northamptonshire County Council, the Parish Areas and the Police Authority.
- 4.2.2 The provisional local government finance settlement announced on 26 November 2009 is subject to change and will be updated when the final settlement is announced, at the end of January/early February 2010.
- 4.2.3 That Housing Revenue Account budgets will need to be updated when the final HRA subsidy determination settlement is announced, the date of which is anticipated to be sometime in January 2010.
- 4.2.4 The formula on which rents are based is included within the subsidy determination and so the rents budget cannot be set until after the final determination is received.
- 4.2.5 Information will be included in the report to the Council meeting in February 2010 on the level of spend for the county, the Parishes, the Police Authority, and the final Formula Grant settlement.

##### **4.3 Legal**

- 4.3.1 There are no specific legal issues arising from this report.

##### **4.4 Equality**

- 4.4.1 Equality and Diversity were considered as a part of the budget build process, and an equalities assessment is completed as part of each medium term planning option submitted.
- 4.4.2 Each completed capital project appraisal includes responses to the following questions:
- State specifically the equalities issues that have been identified that this project will address?
  - How will this project address the equalities issues that have been identified?
- 4.4.3 The Equalities Impact Assessment process will be completed for each scheme in the agreed capital programme as a condition of approval.

- 4.4.4 The Capital Strategy will undergo an Equalities Impact Assessment screening, to determine whether a full Assessment is required. As there are no direct impacts on individuals from the Capital Strategy itself it is anticipated that this will not be required.

#### **4.5 Consultees (Internal and External)**

- 4.5.1 Internally Heads of Service and Budget Managers have been consulted, and Management Board has carried out a detailed challenge of the budget.
- 4.5.2 This paper is to agree to put out a draft capital and revenue budget and council tax to public consultation, which will be undertaken with the general public, partners of the Council and businesses. This is in line with best practice and the statutory requirements of the Local Government Finance Act 1992.

#### **4.6 How the Proposals deliver Priority Outcomes**

- 4.6.1 All of the discretionary proposals in the draft revenue budget have been assessed against the corporate priorities as set out in the Corporate Plan.
- 4.6.2 The comparison of capital bids to corporate priorities is shown at annex K.

#### **4.7 Other Implications**

The **Annexes** are set out as follows:

- A. Proposed General Fund Revenue Budget 2010/11 and Budget Projections 2011/12 - 2012/13
- B. General Fund Savings Options
- C. General Fund Income Options
- D. General Fund Investment Options
- E. General Fund Efficiency Options
- F. Proposed HRA Revenue Budget 2010/11 and Budget Projections 2011/12 - 2012/13
- G. HRA Investment Options
- H. HRA Efficiency Options
- I. Proposed Capital Programme 2010/11
- J. Proposed Capital Programme Financing 2010/11
- K. Capital Programme Bids and the Corporate Priorities
- L. Proposed Capital Strategy

### **5. Background Papers**

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- 5.1 Cabinet Reports: 25 November 2009 General Fund Revenue Budget Monitoring 2009/10 – Position as at the end of September 2009  
25 November 2009 Housing Revenue Account Budget Monitoring 2009/10 Position at 30<sup>th</sup> September 2009  
25 November 2009 Capital Programme 2009-10 – Position as at End of September 2009

5.2 External documents:

- HM Treasury - 2009 Pre Budget Report (9 December 2009)
- HM Treasury - 2009 Budget Report.
- HM Treasury - 2007 Spending Review
- CLG – Provisional Local Government Finance settlement 2008/09 – 2010/11

5.3 Other Papers:

- Budget working papers
- Draft fees & charges schedule.

Isabell Procter, Director of Finance and Support, ext. 8757

**2010/11 - 2012/13 General Fund Revenue Budget Build**

	2009/2010	2010/2011	2011/2012	2012/2013
	£000	£000	£000	£000
<b><u>Service Continuation Budget</u></b>				
Assistant Chief Executive	4,043	4,360	4,420	4,221
Director of Planning & Regeneration	2,830	3,219	3,298	3,334
Director of Finance and Support	17,137	18,773	19,887	21,233
Housing	1,582	1,459	1,630	1,684
Borough Solicitor	1,171	1,251	1,455	1,251
Director of Environment and Culture	12,221	13,023	13,750	14,189
	<b>38,984</b>	<b>42,085</b>	<b>44,440</b>	<b>45,912</b>
<b>Service Continuation Budget</b>	<b>38,984</b>	<b>42,085</b>	<b>44,440</b>	<b>45,912</b>
<b><u>Medium Term Planning Options</u></b>				
Income MTP Options	0	(524)	(539)	(553)
Savings MTP Options	0	(302)	(340)	(343)
Investment MTP Options	0	16	72	75
Efficiency Options	0	(4,399)	(6,218)	(6,354)
	<b>0</b>	<b>(5,209)</b>	<b>(7,025)</b>	<b>(7,175)</b>
<b>Total MTP Options</b>	<b>0</b>	<b>(5,209)</b>	<b>(7,025)</b>	<b>(7,175)</b>
Debt Financing	1,124	2,166	1,555	1,240
Recharges from the General Fund to HRA and Capital	(5,853)	(5,532)	(5,380)	(5,334)
Parish Grants	(21)	(22)	(22)	(22)
Parish Precepts	904	908	935	963
Contribution to/(use of) Reserves	100	150	100	100
Transfer to/(from) Earmarked Reserves	(844)	214	980	1,333
	<b>(4,590)</b>	<b>(2,116)</b>	<b>(1,832)</b>	<b>(1,720)</b>
<b>Revenue Budget Requirement</b>	<b>34,394</b>	<b>34,760</b>	<b>35,583</b>	<b>37,017</b>

2009/2010	2010/2011	2011/2012	2012/2013
£000	£000	£000	£000

**Funding**

Revenue Support Grant	(3,533)	(2,401)	(3,374)	(3,272)
Non-Domestic Rate	(15,309)	(16,535)	(14,616)	(14,178)
<b>Total Government Grant</b>	<b>(18,842)</b>	<b>(18,936)</b>	<b>(17,990)</b>	<b>(17,450)</b>

**Council Tax**

Council Tax: Previous Years	(12,887)	(13,538)	(14,025)	(14,443)
Council Tax: Tax base	(142)	(149)	(70)	(73)
Council Tax: 2.47% increase	(508)	(338)	(348)	(435)
Collection Fund (Surplus)/Deficit	86	171	0	0
Single Persons Discount Review	0	0	0	0
Parish Related Council Tax	(904)	(908)	(935)	(963)
<b>Total Council Tax</b>	<b>(14,355)</b>	<b>(14,762)</b>	<b>(15,378)</b>	<b>(15,914)</b>

**Other Government Grant**

Area Based Grant	(504)	(349)	(342)	0
Government Funding for Concessionary Fares	(693)	(713)	(716)	(716)
<b>Total Other Grants</b>	<b>(1,197)</b>	<b>(1,062)</b>	<b>(1,058)</b>	<b>(716)</b>

<b>Total Funding</b>	<b>(34,394)</b>	<b>(34,760)</b>	<b>(34,426)</b>	<b>(34,080)</b>
	<b>0</b>	<b>0</b>	<b>1,157</b>	<b>2,937</b>

**2010/11 - 2012/13 General Fund Revenue Budget Build****MTP Savings Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>MTP Savings Options</b>						
Director of Finance and Support	Head Of Human Resources	MTPS15	(25,000)	(25,000)	(25,000)	Reduction of Corporate Training Budget
Director of Environment and Culture	Head Of Public Protection	MTPS22 & 4	(43,223)	(44,704)	(46,260)	Realignment of CCTV resources to focus on crime hotspots
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	MTPS41	(19,000)	(19,000)	(19,000)	Remove grant to the BTCV trust, NBC will undertaking grounds maintainance in house.
Assistant Chief Executive	Head Of Policy And Community Engagement	MTPS73	(11,711)	(15,068)	(16,372)	Remove inflation from community grants budgets, but maintain current level of grant.
Director of Planning & Regeneration	Head Of Regeneration And Development	MTPS34&35	(83,843)	(84,586)	(84,896)	Restructure of Regeneration Department
Director of Environment and Culture	Head Of Public Protection	MTPS59	(61,810)	(61,810)	(61,810)	Restructuring of Public Protection
Director of Finance and Support	Head Of Human Resources	MTPS68 & 60	(57,500)	(90,000)	(90,000)	Restructuring within H.R.
<b>Total MTP Savings Options</b>			<b>(302,087)</b>	<b>(340,168)</b>	<b>(343,338)</b>	

**2010/11 - 2012/13 General Fund Revenue Budget Build****MTP Income Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>MTP Income Options</b>						
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	MTPI1 & 2	(13,236)	(26,904)	(41,018)	Adjustment in cemetery fees by 3% and increase parks sports facilities fees by 4%
Housing	Head Of Housing Needs And Support	MTPI3	(35,000)	(35,000)	(35,000)	Increase Disabled Facilities Grant Administrative Allowance by 2%
Housing	Head Of Housing Needs And Support	MTPI4	(75,978)	(112,995)	(112,995)	Revise lifeline rentals by 2.5%.
Director of Planning & Regeneration	Head Of Planning	MTPI5	(2,297)	(2,557)	(2,692)	Increase in Building Control Table 2 charges by 2%
Director of Finance and Support	Head Of Finance And Assets	MTPI6	(5,000)	(5,000)	(5,000)	Introducing charging for surveyors fees in liaison with Legal
Director of Finance and Support	Head Of Finance And Assets	MTPI7	(10,000)	(10,000)	(10,000)	Introduction of charging for replacement Concessionary Fare Travel Passes
Borough Solicitor	Borough Solicitor	MTPI8	(2,000)	(2,000)	(2,000)	Increase in income from sale of Electoral Register
Director of Environment and Culture	Head Of Leisure And Culture	MTPI10 & 12	(128,979)	(128,979)	(128,979)	Additional income for Direct Debit income relating to increased membership sales based on trendline of membership sales
Director of Environment and Culture	Head Of Leisure And Culture	MTPI13, 14, 15, 17 & 11	(55,850)	(55,850)	(55,850)	Additional income from Forum cinema, Fun zone, Personal Training, vending and catering and increased bar functions resulting from
Director of Environment and Culture	Head Of Leisure And Culture	MTPI16 & 9	(90,880)	(54,880)	(54,880)	Charge for User Cards relating to free swimming at £2.00 per card and additional income for swimming lessons
Director of Environment and Culture	Head Of Leisure And Culture	MTPI18	(25,000)	(25,000)	(25,000)	Partnership working with NHS Northants to deliver public health outcomes
Director of Finance and Support	Head Of Human Resources	MTPI19	(20,000)	(20,000)	(20,000)	Provision of NBC internal training courses and assessment centres to other district councils
Housing	Head Of Housing Needs And Support	MTPI20	(10,000)	(10,000)	(10,000)	Increase Choice Base Letting charge to Registered Social Landlords' and Housing Revenue Account (adverts)
Director of Environment and Culture	Town Centre Management	MTPI21	(50,000)	(50,000)	(50,000)	Review of current discounts to seasonal ticket holders, town centre residents and overnight parking.
<b>Total MTP Income Options</b>			<b>(524,220)</b>	<b>(539,165)</b>	<b>(553,414)</b>	

**2010/11 - 2012/13 General Fund Revenue Budget Build****MTP Investment Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>MTP Investment Options</b>						
Director of Planning & Regeneration	Head Of Planning	MTPG6	0	56,431	59,077	Additional Development Control Officer following Joint Core Strategy and Central Area Action Plan.
Director of Planning & Regeneration	Head Of Planning	MTPG7	6,000	6,000	6,000	Specialised Archaeological Advice via service level agreement with Northamptonshire County Council
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	MTPG30	9,900	9,900	9,900	Funds to cover the disposal costs for the waste associated with Community Payback schemes and community clear ups
<b>Total MTP Investment Options</b>			<b>15,900</b>	<b>72,331</b>	<b>74,977</b>	



**2010/11 - 2012/13 General Fund Revenue Budget Build****Efficiency Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>Efficiency Options</b>						
Assistant Chief Executive	Head Of Performance And Improvement	EFFY1	(39,043)	(39,390)	(39,534)	Restructure of Assistant Chief Executive Office.
Director of Planning & Regeneration	Head Of Planning	EFFY2	(7,437)	(7,502)	(7,530)	Restructure of Planning Dept.
Director of Finance and Support	Head Of Finance And Assets	EFFY3	(135,917)	(135,156)	(134,365)	Reduction of Professional Services Costs in relation to the MEARS contract. The same level of service will be provided but no additional admin overhead will be levied on the Council.
Director of Finance and Support	Head Of Finance And Assets	EFFY4	(57,000)	(57,000)	(57,000)	Increase maximum investment period for parties on existing counter party list from 30 days to 12 months
Director of Planning & Regeneration	Head Of Planning	EFFY5	(24,000)	(24,000)	(24,000)	Cessation of Planners Retention Payments
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	EFFY6	(48,100)	(48,100)	(48,100)	Removal of bulky waste collection vehicle and use of existing fleet to collect bulky waste
Director of Finance and Support	Head Of Revenues And Benefits	EFFY7 & 10	(55,594)	(57,438)	(57,815)	Management re-structure of Revenues and Benefits
Director of Finance and Support	Head Of Revenues And Benefits	EFFY11	(5,000)	(5,000)	(5,000)	Reduction to overtime costs as a result of changes in working practices
Director of Finance and Support	Head Of Revenues And Benefits	EFFY12	(2,000)	(2,000)	(2,000)	Reduction on publication costs due to online access to information
Director of Finance and Support	Head Of Revenues And Benefits	EFFY13	(2,500)	(2,500)	(2,500)	Removal of Comino module that is no longer used. This will have no impact on service delivery.
Director of Finance and Support	Head Of Revenues And Benefits	EFFY14	(4,137)	(4,137)	(4,137)	Reduced storage costs as a result of an increased level of document imaging
Director of Finance and Support	Head Of Revenues And Benefits	EFFY16	(3,990)	(3,990)	(3,990)	Cessation of the use of LOCKTA system for tracing debtors. Use collection agencies as more effective way to trace debtors.

**2010/11 - 2012/13 General Fund Revenue Budget Build****Efficiency Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>Efficiency Options</b>						
Director of Environment and Culture	Head Of Public Protection	EFFY17	(50,000)	(50,000)	0	Area Based Grant funding for Anti Social Behaviour will cease in March 2010 therefore budget will not be available
Director of Environment and Culture	Head Of Public Protection	EFFY18	(25,000)	(25,000)	(25,000)	Reduction of working hours within Food Safety, Health & Safety and Environmental Protection teams within Public Protection
Director of Environment and Culture	Head Of Public Protection	EFFY19	(6,480)	(6,480)	(6,480)	Adjust budget for clean-up of unauthorised Traveller encampments to current level of spend
Director of Environment and Culture	Head Of Public Protection	EFFY20	(34,697)	(52,507)	(52,699)	Restructure of Licensing & Regulatory Services department
Director of Environment and Culture	Head Of Public Protection	EFFY21	(5,200)	(5,200)	(5,200)	Termination of standby payments for Licensing Officers
Assistant Chief Executive	Head Of Policy And Community Engagement	EFFY23	(170,000)	(170,000)	(170,000)	Rationalisation / restructure of the caretaking provision for community centres.
Director of Finance and Support	Director Of Finance & Support	EFFY28	(24,317)	(24,535)	(24,626)	Removal of 1 vacant FTE post within Finance and Support Services Administration Team.
Director of Environment and Culture	Town Centre Management	EFFY29	(12,045)	(12,045)	(12,045)	Reduction of Agency budget with no impact on service
Housing	Head Of Housing Needs And Support	EFFY30	(33,202)	(33,327)	(33,451)	Remove 1 vacant fte from Private Sector Housing Solutions
Housing	Head Of Housing Strategy, Investment & Performance	EFFY31	(4,718)	(16,090)	(16,151)	Remove vacant 0.68 fte Admin post from Housing Strategy Team wef Jan 2011
Housing	Head Of Housing Needs And Support	EFFY32	(50,000)	(50,000)	(50,000)	Reduction in costs relating to Homelessness provision. This reflects a strategic move towards the use of Private Sector Landlords (Bond Guarantee Scheme)

**2010/11 - 2012/13 General Fund Revenue Budget Build****Efficiency Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>Efficiency Options</b>						
Director of Finance and Support	Head of Customer Services and ICT	EFFY33	(9,910)	(10,228)	(10,347)	Module to merge mail reducing postage
Director of Finance and Support	Head Of Finance And Assets	EFFY 40-46	(171,245)	(171,245)	(171,245)	Savings on renegotiated electricity contracts
Director of Finance and Support	Head Of Finance And Assets	EFFY 34 - 39 & 47 & 77	(142,864)	(142,864)	(142,864)	Savings on renegotiated gas contracts
Director of Finance and Support	Head Of Finance And Assets	EFFY49-60	(136,400)	(308,260)	(489,810)	Reversal of Supplies and Services Inflation. This efficiency has a nil impact on the overall budget of the Council as inflation is added and removed.
Director of Finance and Support	Head Of Finance And Assets	EFFY61	(20,910)	(20,910)	(20,910)	Efficiency to remove inflationary increase on NNDR budgets. Inflation not required due to revaluation in April 2010.
Director of Finance and Support	Head of Customer Services and ICT	EFFY62	(4,776)	(4,732)	(4,841)	Restructuring of Facilities Management at Cliftonville House with no impact on service delivery.
Director of Finance and Support	Head Of Finance And Assets	EFFY63	(21,647)	(21,841)	(21,922)	Deletion of a vacant post following centralisation of Exchequer Services.
Director of Planning & Regeneration	Head Of Planning	EFFY64	(40,943)	0	0	Hold the vacant post of Landscape Architect free for the period of 1 year
Director of Finance and Support	Head Of Finance And Assets	EFFY65	(46,108)	(70,056)	(71,850)	Improved use of office space generating external income
Director of Finance and Support	Head Of Finance And Assets	EFFY66	(20,000)	(20,000)	(20,000)	Reduced professional services budget due to in house capacity through training and experience
Director of Environment and Culture	Head Of Public Protection	EFFY68	(17,450)	(17,628)	(17,710)	Review of Regulatory Services front office and transfer telephone function to contact centre. Delete one post
Director of Environment and Culture	Head Of Public Protection	EFFY69	(50,892)	(51,343)	(51,531)	Restructure of Community Safety with reduced management structure. Figure is gross saving (severance costs shown separately). Delete one post

**2010/11 - 2012/13 General Fund Revenue Budget Build****Efficiency Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>Efficiency Options</b>						
Borough Solicitor	Borough Solicitor	EFFY71	(1,620)	(1,620)	(1,620)	Reduction of Various Supplies & Services Budgets
Borough Solicitor	Borough Solicitor	EFFY72	(12,200)	(12,200)	(12,200)	Reduction of Publications Budget
Borough Solicitor	Borough Solicitor	EFFY73	(2,000)	(2,000)	(2,000)	Reduction of Printing & Stationary Budget
Director of Finance and Support	Head Of Finance And Assets	EFFY70	(15,000)	(15,000)	(15,000)	Reduction in Internal Audit Core System days as a result of the improving nature of the authority.
Director of Finance and Support	Head Of Finance And Assets	EFFY74	(25,895)	(26,127)	(26,223)	Vacant post deletion following processes review
Director of Finance and Support	Head Of Finance And Assets	EFFY75	(15,000)	0	0	Leave post vacant for 6 months pending review
Assistant Chief Executive	Head Of Performance And Improvement	EFFY78	(10,000)	(10,000)	(10,000)	Reduction in budget requirement for corporate consultation
Housing	Head Of Housing Needs And Support	EFFY79	(32,530)	(32,530)	(32,530)	Introduction of the Choice Based Letting Scheme for the allocation of vacant dwellings
Housing	Head Of Housing Needs And Support	EFFY80	(51,546)	(51,738)	(51,738)	Delete vacant post - Team Leader within Housing Options Team
Housing	Head Of Housing Needs And Support	EFFY81	(8,556)	(8,556)	(8,556)	Management agreement at Ecton Lane Travellers' Site
Director of Finance and Support	Head Of Human Resources	EFFY82	(20,000)	(20,000)	(20,000)	Reduction in the reliance on agency staff. Target to reduce agency spend by an additional 1%
Director of Finance and Support	Head Of Revenues And Benefits	EFFY83	(29,948)	(29,948)	(29,948)	Increase debt recovery collection rates. This option is net of the cost of an additional member of staff to facilitate the additional debt recovery.

**2010/11 - 2012/13 General Fund Revenue Budget Build****Efficiency Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>Efficiency Options</b>						
Director of Finance and Support	Head Of Human Resources	EFFY85	(104,125)	(104,125)	(104,125)	Savings on cost of recruitment following introduction of a more targeted recruitment process.
Director of Finance and Support	Head of Customer Services and ICT	EFFY86	(150,000)	(150,000)	(150,000)	Replacement of existing printers with more modern printers, capable of producing greater quality and greater quantity significantly reducing the need to purchase print externally.
Housing	Head Of Housing Needs And Support	EFFY84	(35,000)	(35,000)	(35,000)	HRA to pay for Housing Advice
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	EFFY87	(15,000)	(15,000)	(15,000)	Reduction of agency budget on cemeteries
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	EFFY88	(28,470)	(28,470)	(28,470)	Adjust agency budget on Graffiti to current level of spend. No impact on service as work being undertaken by existing staff.
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	EFFY89	(6,210)	(6,210)	(6,210)	Adjust agency budget on fly tipping to current level of spend. No impact on service as work being undertaken by existing staff.
Director of Finance and Support	Head Of Procurement	EFFY90	0	(28,000)	(28,000)	Finer enhancement of Electronic Purchasing and Settlement solution
Director of Finance and Support	Head Of Procurement	EFFY91	(19,000)	(19,000)	(19,000)	Procurement Related Savings for discounted rail travel, coach travel, savings on janitorial products, liquid fuels and stationery.
Director of Finance and Support	Head Of Revenues And Benefits	EFFY92	(77,685)	(77,685)	(77,685)	Restructure in Revenues and Benefits as a result of efficiency projects with Customer Services
Director of Finance and Support	Head of Customer Services and ICT	EFFY93	(77,685)	(77,685)	(77,685)	Restructure in Customer Services as a result of efficiency projects with Revenues and Benefits
Director of Environment and Culture	Head Of Leisure And Culture	EFFY94	(5,060)	(5,060)	(5,060)	Savings on supplies and services budgets for Leisure Centres
Director of Environment and Culture	Head Of Leisure And Culture	EFFY95	(4,286)	(4,286)	(4,286)	Savings on supplies and services budgets for Museums
Housing	Head Of Housing Strategy, Investment & Performance	EFFY96	(112,900)	(112,900)	(112,900)	Restructure of Housing Service to create employee savings

**2010/11 - 2012/13 General Fund Revenue Budget Build****Efficiency Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>Efficiency Options</b>						
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	EFFY97	(770,000)	(770,000)	(770,000)	Delivery of Phase 1 of Efficiency Plan
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	EFFY98	(280,000)	(280,000)	(280,000)	Delivery of Phase 2 of Efficiency Plan
Director of Environment and Culture	Head Of Leisure And Culture	EFFY99	0	(250,000)	(250,000)	Potential to move to alternative management option
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	EFFY100	(421,140)	(421,140)	(421,140)	Improved contract to take all green waste and silt. This option in the net saving that the council incurs on haulage costs
Director of Finance and Support	Director Of Finance & Support	EFFY101	(83,333)	(100,000)	(100,000)	Savings in facilities staff based on moving out of Cliftonville by 30th May 2010. Subject to SB Report and cabinet decision
Director of Finance and Support	Director Of Finance & Support	EFFY102	0	(350,000)	(350,000)	Estimated minimum savings arising from moving out of Cliftonville House (none assumed for 10/11). Subject to SB Report and Cabinet decision
Director of Planning & Regeneration	Head Of Regeneration And Development	EFFY103	(21,647)	(21,841)	(21,922)	Reorganise the Planning and Regeneration Departments Support Function into a central support team (deletion of vacant post).
Director of Finance and Support	Head Of Revenues And Benefits	EFFY104	(43,215)	(43,215)	(43,215)	Reduced cost of benefit payments as a result of paying by BACS
Assistant Chief Executive	Assistant Chief Executive	EFFY105	(41,288)	(41,288)	(41,288)	Saving following Implementation of current restructuring in ACE
Director of Environment and Culture	Head Of Neighbourhood Environmental Services	EFFY106	0	(1,000,000)	(1,000,000)	Strategic Business Review Environmental Services subject to Report and Cabinet decision
Director of Environment and Culture	Head Of Leisure And Culture	EFFY107	(36,852)	(37,180)	(37,316)	Permanently remove vacant Events Officer Post
Director of Environment and Culture	Head Of Leisure And Culture	EFFY108	(39,872)	(40,277)	(40,374)	Permanently remove vacant Business Development Officer post from Leisure Centres

**2010/11 - 2012/13 General Fund Revenue Budget Build****Efficiency Options**

Directorate	Division	Reference	2010/11	2011/12	2012/13	Description
			£	£	£	
<b>Efficiency Options</b>						
Director of Planning & Regeneration	Head Of Planning	EFFY109	(31,191)	(31,469)	(31,585)	Planning restructure amalgamating support functions
Director of Planning & Regeneration	Head Of Planning	EFFY110	(24,064)	(24,280)	(24,369)	Planning Restructure re upgrade of fast planning
Housing	Head Of Housing Needs And Support	EFFY111	(42,400)	(42,400)	(42,400)	Restructure of Housing Services
Assistant Chief Executive	Head Of Performance And Improvement	EFFY112	(38,500)	(38,500)	(38,500)	Restructuring in Assistant Chief Executive's department
Director of Environment and Culture	Head Of Leisure And Culture	EFFY113	(10,942)	(10,942)	(10,942)	Removal of one part time vacant attendant post from Abington Museum
Housing	Head Of Housing Needs And Support	EFFY114	(22,000)	(22,000)	(22,000)	Agreed reduction in Countywide Travellers Unit delivering same service level at reduced cost
Director of Environment and Culture	Head Of Leisure And Culture	EFFY115	(149,039)	(150,270)	(150,926)	Restructuring with Museums within the Leisure and Culture Department.
<b>Total Efficiency Options</b>			<b>(4,398,721)</b>	<b>(6,218,446)</b>	<b>(6,353,866)</b>	



## HOUSING REVENUE ACCOUNT

DRAFT BUDGETS - 2010/11, 2011/12 & 2012/13

	2009/2010 £,000's Base Budget	2010/2011 £,000's Proposed Budget	2011/2012 £,000's Proposed Budget	2012/2013 £,000's Proposed Budget
<b>INCOME</b>				
Rents - Dwellings Only **	-43,080	-42,170	-42,170	-42,170
Rents - Non Dwellings Only **	-1,157	-1,155	-1,155	-1,155
Service Charges	-1,471	-1,471	-1,471	-1,471
Other Income	-205	-205	-205	-205
<b>Total Income</b>	<b>-45,912</b>	<b>-45,001</b>	<b>-45,001</b>	<b>-45,001</b>
<b>EXPENDITURE</b>				
Repairs and Maintenance	9,407	9,435	9,696	9,939
General Management	4,589	4,272	4,347	4,416
Special Services	3,561	3,496	3,681	3,806
Rents, Rates, Taxes & Other Charges	45	45	45	45
Increase in Bad Debt Provision	400	400	400	400
Rent Rebate Subsidy Deductions **	1,324	1,324	1,324	1,324
Housing Revenue Account Subsidy **	10,683	9,570	9,570	9,570
<b>Total Expenditure</b>	<b>30,008</b>	<b>28,542</b>	<b>29,063</b>	<b>29,500</b>
<b>Net Cost of Services (Continuation Budget)</b>	<b>-15,904</b>	<b>-16,459</b>	<b>-15,938</b>	<b>-15,501</b>
<b>MTP Options</b>				
<b>Level 1 MTP Options (Investments)</b>	0	2,008	1,911	1,886
Net Recharges to the General Fund	5,392	5,527	5,375	5,329
Interest & Financing Costs	-28	-28	-28	-28
Contribution to Earmarked Reserves	2,500	1,000	500	0
Depreciation/MRA	7,957	8,101	8,205	8,205
<b>Net Transfer From/(To) Working Balance</b>	<b>-84</b>	<b>149</b>	<b>25</b>	<b>-109</b>
Working Balance B/fwd	-6,124	-6,208	-6,059	-6,034
<b>Working Balance C/fwd</b>	<b>-6,208</b>	<b>-6,059</b>	<b>-6,034</b>	<b>-6,142</b>

\*\*The figures shown above do not include any adjustments to rental income or subsidy payments as no guidance has yet been received from CLG for future years.



**2010/11 - 2012/13 Housing Revenue Account Budget Build****Level 1 MTP Investment Options**

Division	Ref	Type	2010/11 £	2011/12 £	2012/13 £	Description	Capital Scheme Dependent
Head of Strategy, Investment & Performance	HRA MTP1	L1 Investment	50,000	0	0	Development of In-Time Housing Directorate performance reporting tools. Additional costs for purchase of software and consultancy support.	No
Head of Strategy, Investment & Performance	HRA MTP2	L1 Investment	32,500	0	0	Fee payable to the Audit Commision for an inspection of the Housing Service.	No
Head of Strategy, Investment & Performance	HRA MTP3	L1 Investment	40,000	40,000	40,000	Development of an extensive training programme for Housing staff. Costs of training courses and post entry training fees.	No
Head of Strategy, Investment & Performance	HRA MTP4	L1 Investment	17,171	17,171	17,171	IT support and consultancy to assist IT application development.	No
Head of Strategy, Investment & Performance	HRA MTP5	L1 Investment	16,892	16,892	16,892	The recruitment of a part-time trainer within the Systems and Rent Accounting Team to train front-line users of current and future Housing IT systems.	No
Head of Strategy, Investment & Performance	HRA MTP6	L1 Investment	15,000	0	0	Design , printing and distribution of a Customer Engagement Strategy for all tenants and leaseholders.	No
Head of Strategy, Investment & Performance	HRA MTP7	L1 Investment	5,000	5,500	6,000	An annual tenant conference hosted by the Housing Directorate where tenants can learn more about current service objectives.	No
Head of Strategy, Investment & Performance	HRA MTP8	L1 Investment	6,000	6,000	6,000	Periodical newsletters to tenants and leaseholders.	No
Head of Strategy, Investment & Performance	HRA MTP11	L1 Investment	230,000	230,000	230,000	Engagement of professional advisors to assist in developing estates and infil areas.	Yes
Head of Strategy, Investment & Performance	HRA MTP12	L1 Investment	124,826	124,826	124,826	Resources required to support the Council in effectively managing the PFI Project.	Yes
Head of Strategy, Investment & Performance	HRA MTP13	L1 Investment	182,350	182,350	182,350	Asbestos surveys to all Council Homes to ensure that the Housing Asbestos Register is up to date. This work will take at least 3 years.	No
Head of Strategy, Investment & Performance	HRA MTP15	L1 Investment	38,229	38,229	38,229	Cost of appraisals to support the Round 2 bid to the HCA to build 6 new dwellings.	No
Head of Landlord Services	HRA MTP16	L1 Investment	25,000	25,000	25,000	Deinfestation and pest control of housing communal areas and shared spaces.	No
Head of Landlord Services	HRA MTP18	L1 Investment	25,000	25,000	0	Training for Property Maintenance trades staff to be multi-skilled to enable repairs to be carried out in one visit.	No
Head of Landlord Services	HRA MTP19	L1 Investment	1,200,000	1,200,000	1,200,000	Increase in budget to meet the current demand on the Property Maintenance Service to deliver housing repairs and void works.	No
<b>Total Level 1 MTP Investment Options</b>			<b>2,007,968</b>	<b>1,910,968</b>	<b>1,886,468</b>		

**2010/11 - 2012/13 Housing Revenue Account Budget Build****Efficiency Options**

Division	Ref	Type	2010/11 £	2011/12 £	2012/13 £	Description	Capital Scheme Dependent
Head of Strategy, Investment & Performance	HRA EFFY 1	Efficiency	(66,405)	(66,654)	(66,903)	Removal of 2 vacant posts within the Major Works Team	No
Head of Strategy, Investment & Performance	HRA EFFY 2	Efficiency	(50,000)	(50,000)	(50,000)	Reduction in the level of materials expenditure within the Major Works Team	No
Head of Strategy, Investment & Performance	HRA EFFY 3	Efficiency	(3,000)	(3,000)	(3,000)	Reduction in the level of materials expenditure within the Major Works Team	No
Head of Strategy, Investment & Performance	HRA EFFY 4	Efficiency	(6,900)	(6,900)	(6,900)	Reduction in the levels of consultancy, inspection and incentive expenditure within the Performance Improvement Team	No
Head of Strategy, Investment & Performance	HRA EFFY 5	Efficiency	(4,725)	(4,725)	(4,725)	Contract reduction for 1 member of the System Support Team from 1fte to 0.86 fte.	No
Head of Strategy, Investment & Performance	HRA EFFY 6	Efficiency	(2,361)	(2,361)	(2,361)	Freeze on the purchase of any new furniture within the Rent Accounting Team.	No
Head of Strategy, Investment & Performance	HRA EFFY 7	Efficiency	(1,800)	(1,800)	(1,800)	Cancellation of the annual subscription to TPAS.	No
Head of Strategy, Investment & Performance	HRA EFFY 8	Efficiency	(1,000)	(1,000)	(1,000)	Reduction in the number of attendees at future conferences (Customer Engagement Team)	No
Head of Strategy, Investment & Performance	HRA EFFY 9	Efficiency	(8,570)	(8,570)	(8,570)	Reduction in the external support required to set up the new Tenant Participation structure.	No
Head of Strategy, Investment & Performance	HRA EFFY 10	Efficiency	(500)	(500)	(500)	Reduction in the number of attendees at future conferences (Customer Engagement Team)	No
Head of Strategy, Investment & Performance	HRA EFFY 11	Efficiency	(22,500)	(22,500)	(22,500)	Decrease new intake from 4 to 2 trainees from September 2010 onwards (PATH Trainee Scheme)	No
Head of Strategy, Investment & Performance	HRA EFFY 12	Efficiency	(22,435)	(22,435)	(22,435)	Reduction to 3 trainees from April 2010 (PATH Trainee Scheme)	No
Head of Housing Needs	HRA EFFY 13	Efficiency	(65,667)	(65,915)	(66,163)	Restructure of Housing Department	No
Head of Landlord Services	HRA EFFY 14	Efficiency	(282,088)	(283,144)	(284,197)	Restructure of Housing Department	No
Head of Landlord Services	HRA EFFY 16	Efficiency	(5,802)	(5,802)	(5,802)	Housing restructure has led to reduced parking costs	No
Head of Housing Needs	HRA EFFY 17	Efficiency	(15,202)	(15,202)	(15,202)	Savings on electricity costs following restructure of the Housing Service	No
Head of Landlord Services	HRA EFFY 17	Efficiency	(103,040)	(103,040)	(103,040)	Realignment of electricity costs across the HRA - largely relates to Cooper St complex.	No
Head of Landlord Services	HRA EFFY 18	Efficiency	(4,577)	(4,577)	(4,577)	Realignment of NNDR costs following the restructure of the Housing Service	No
Head of Housing Needs	HRA EFFY 18	Efficiency	(1,800)	(1,800)	(1,800)	Savings on NNDR costs following restructure of the Housing Service	No
Head of Landlord Services	HRA EFFY 19	Efficiency	(1,970)	(1,970)	(1,970)	Realignment of telephone costs following the restructure of the Housing Service	No
Head of Housing Needs	HRA EFFY 19	Efficiency	(11,080)	(11,080)	(11,080)	Savings on telephone costs following restructure of the Housing Service	No
Head of Landlord Services	HRA EFFY 20	Efficiency	(10,000)	(10,000)	(10,000)	Efficiency on Court Costs due to introduction of electronic applications	No
Head of Housing Needs	HRA EFFY 22	Efficiency	(35,030)	(35,030)	(35,030)	Savings as a result of the potential closure of the Brer Court site from April 2010.	No
<b>Total Efficiency Savings</b>			<b>(726,452)</b>	<b>(728,005)</b>	<b>(729,555)</b>		

## Capital Programme 2010-11 to 2012-13

Appraisal Ref	Scheme Title	Scheme Total (All Years)	2010-11 2011-12 2012-13			
			Prior Years	Scheme Total	Scheme Total	Scheme Total
		£	£	£	£	£
<b>Capital Programme - General Fund</b>						
<b>Continuations from previous years</b>						
2008-09/GF061	Out of School Hours Play Activities	9,400	5,667	1,400	2,333	
2008-09/GF062	Holiday Play	9,858	5,041	3,400	1,417	
2008-09/GF063	Improving Access	180,000	140,000	40,000	0	
2008-09/GF064	Innovative Play Days	1,800	950	600	250	
2008-09/GF073	Money 4 Youth	175,602	128,945	46,657		
2008-09/GF075	Housing & Planning Improvements	426,759	226,759	200,000		
2009-10/GF060	Places of Change	1,569,971	873,155	696,816		
2009-10/GF065	Grosvenor Centre Car Park Improvements	1,822,579	50,000	1,717,100	27,452	28,027
2009-10/GF022	Disabled Facilities Grants	2,213,679	1,713,679	500,000		
2009-10/GF056	Wheeled Bins & Recycling Boxes	200,370	100,370	100,000		
<b>2010-11 New Starts</b>						
2010-11/BGF3	Danes Camp Roof Renewal	305,000		305,000		
2010-11/BGF6	St Crispin - Changing Rooms, Toilets, Car Parks	292,863		292,863		
2010-11/BGF7	St Crispin Park - Football pitches and Play Provision	164,796		136,831	27,965	
2010-11/BGF8	Northampton Townscape Heritage Initiative *	2,048,000		75,000	394,500	394,500
2010-11/BGF10	Beckets Park	1,110,000		60,000	525,000	525,000
2010-11/BGF11	Public Realm for Abington Street and Market Square	6,100,000		100,000	3,000,000	3,000,000
2010-11/BGF12	Market Square Lighting	280,000		280,000		
2010-11/BGF15	Water Management Works	100,000		100,000		
2010-11/BGF16	Improvements to Car Parks	120,000		120,000		
2010-11/BGF17	Cemetries Refurbishment Works	36,500		36,500		
2010-11/BGF18	Works to Churchyards (Footpaths and Boundary Walls)	100,000		100,000		
2010-11/BGF19	Corporate Properties - DDA Issues	50,000		50,000		
2010-11/BGF21	Unexpected in Year Failures	100,000		100,000		
2010-11/BGF23	Refurbishment of Parks	135,000		135,000		
2010-11/BGF24	Fire Risk Assessment	921,350		921,350		
2010-11/BGF25	Disabled Facilities Grants - Private Sector	5,566,000		1,522,000	2,022,000	2,022,000
2010-11/BGF29	Capitalisation Directive 1	500,000		500,000		
2010-11/BGF30	Capitalisation Directive 2	300,000		300,000		
2010-11/BGF32	Gates Jeyes Jetty	30,000		30,000		
<b>Total Continuations and 2010-11 New Starts - General Fund</b>		<b>24,869,527</b>	<b>3,244,566</b>	<b>8,470,517</b>	<b>6,000,917</b>	<b>5,969,527</b>
<i>Note: Townscape Heritage Initiative is a 6 year scheme, the scheme total (all years) includes the full cost up to 2015-16</i>						

## Capital Programme 2010-11 to 2012-13

Appraisal Ref	Scheme Title	Scheme Total (All Years)	2010-11		2011-12	2012-13
			Prior Years	Scheme Total	Scheme Total	Scheme Total
		£	£	£	£	£
<b>Capital Programme - HRA</b>						
<b>Continuations from previous years</b>						
2007-08/CS0026	IBS Housing Management System	1,180,000	1,054,750	125,250		
2009-10/HRA001	Disabled Adaptations - Council Stock	1,718,593	568,593	350,000	400,000	400,000
2009-10/HRA003	Fencing	150,000	100,000	50,000		
2009-10/HRA004	Decent Homes	33,797,162	6,159,651	9,097,511	9,220,000	9,320,000
2009-10/HRA005	Garage Roofs & Doors	250,000	100,000	50,000	50,000	50,000
2009-10/HRA006	Minor Adaptations for Disabled People	575,914	165,914	130,000	140,000	140,000
2009-10/HRA007	Structural Repairs	814,540	214,540	200,000	200,000	200,000
2009-10/HRA009	Environmental Enhancements to Housing Land	1,200,000	300,000	300,000	300,000	300,000
2009-10/HRA010	Heating Replacement (Responsive)	2,035,012	785,012	500,000	400,000	350,000
2009-10/HRA011	Asbestos Remedial Action	400,000	100,000	100,000	100,000	100,000
2009-10/HRA012	Voids	4,700,000	1,600,000	1,300,000	1,000,000	800,000
2009-10/HRA014	Door Entry Replacement	597,372	297,372	100,000	100,000	100,000
2009-10/HRA015	Lifts Refurbishment	1,114,480	1,014,480	100,000		
2009-10/HRA016	Woodside Way New Build Council Dwellings	1,183,993	225,957	958,036		
<b>2010-11 New Starts</b>						
2010-11/BHRA1	Digital Aerial Upgrade	600,000		400,000	200,000	
2010-11/BHRA2	Estate Regeneration	1,140,000		180,000	780,000	180,000
2010-11/HRA3	Kitchen Replacement	1,500,000		500,000	500,000	500,000
2010-11/BHRA4	Planned Heating Replacement	300,000		100,000	100,000	100,000
2010-11/BHRA5	Re-roofing	500,000		300,000	100,000	100,000
2010-11/BHRA6	Window & Doors Replacement	100,000		20,000	30,000	50,000
2010-11/BHRA7	HCA Challenge Fund Round 2 Bid (NBC New Build Scheme)	955,259		955,259		
2010-11/BHRA8	Fire Safety in Communal Areas	220,000		100,000	100,000	20,000
2010-11/BHRA9	Disabled Adaptations - Council Stock	2,650,000		650,000	1,000,000	1,000,000
2010-11/BHRA10	PFI Initiative	5,344,000		300,000	2,000,000	3,044,000
<b>Total Continuations and 2010-11 New Starts - HRA</b>		<b>63,026,325</b>	<b>12,686,269</b>	<b>16,866,056</b>	<b>16,720,000</b>	<b>16,754,000</b>
<b>TOTAL GENERAL FUND &amp; HRA</b>		<b>87,895,852</b>	<b>15,930,835</b>	<b>25,336,573</b>	<b>22,720,917</b>	<b>22,723,527</b>

# Capital Programme 2010-11 - Forecast of Capital Financing

## GENERAL FUND

	2010-11 £	2011-12 £	2012-13 £
<b><u>Available Financing</u></b>			
<b>Borrowing</b>			
Unsupported (Prudential) Borrowing	5,423,600	1,807,452	1,808,027
<b>Grants &amp; Third Party Contributions</b>			
Continuation Schemes	988,873	4,000	
New Starts 2010-11	1,396,694	4,189,465	4,161,500
<b>Capital Receipts</b>			
Capital Reserve	110,000		
<b>Revenue Contributions</b>			
New Starts	551,350		
<b>Available Financing</b>	<b>8,470,517</b>	<b>6,000,917</b>	<b>5,969,527</b>
<b><u>Financing Commitments</u></b>			
Continuation Schemes	3,305,973	6,000,917	5,969,527
New Starts 2010-11	5,164,544		
<b>Draft Capital Programme</b>	<b>8,470,517</b>	<b>6,000,917</b>	<b>5,969,527</b>
<b>Financing Excess/(Shortfall)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Annex J2****HRA**

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>Available Financing</u></b>			
<b>Borrowing</b>			
Supported Borrowing	500,000	500,000	
Unsupported (Prudential) Borrowing	433,299	7,620,000	8,454,000
<b>Grants</b>			
Major Repairs Reserve	8,100,000	8,200,000	8,300,000
HCA	225,956		
section 106	132,000		
HCA round 2 proposed	477,630		
<b>Capital Receipts</b>			
Right to Buy Capital Receipts	140,000		
<b>Revenue Contributions</b>			
Revenue Contributions B/fwd (ear marked reserve)	5,857,171		
In year contribution	1,000,000	400,000	
<b>Available Financing</b>	<b>16,866,056</b>	<b>16,720,000</b>	<b>16,754,000</b>
<b><u>Financing Commitments</u></b>			
Continuation Schemes	13,360,797	16,720,000	16,754,000
New starts 2010-11	3,505,259		
<b>Draft Capital Programme</b>	<b>16,866,056</b>	<b>16,720,000</b>	<b>16,754,000</b>
<b>Financing Excess/(Shortfall)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2010-11 Capital Programme Bids and the Council's Corporate Priorities 2009-2012

Appraisal Ref. No.	Project Title	Council Priority 1	Council Priority 2	Council Priority 3	Council Priority 4
		Safer, greener and cleaner communities	Housing health and wellbeing	A well-managed organization that puts our customers at the heart of what we do	A confident, ambitious and successful Northampton
<b>General Fund (GF)</b>					
2010-11/ GF03	Danes Camp roof renewal		✓		✓
2010-11/ GF06	Changing rooms, toilets and car park at St Crispin Park	✓	✓	✓	
2010-11/ GF07	Football pitches and play provision at St Crispin Park	✓	✓	✓	
2010-11/ GF08	Northampton Townscape Heritage Initiative	✓	✓		✓
2010-11/ GF10	Beckets Park	✓			✓
2010-11/ GF11	Public realm for Abington Street and Market Square	✓			✓
2010-11/ GF12	Market Square Lighting	✓			✓
2010-11/ GF15	Water management works	✓			
2010-11/ GF16	Improvements to car parks			✓	
2010-11/ GF17	Cemeteries refurbishment works			✓	
2010-11/ GF18	Works to churchyards (footpaths and boundary walls)			✓	

## 2010-11 Capital Programme Bids and the Council's Corporate Priorities 2009-2012

Appraisal Ref. No.	Project Title	Council Priority 1	Council Priority 2	Council Priority 3	Council Priority 4
		Safer, greener and cleaner communities	Housing health and wellbeing	A well-managed organization that puts our customers at the heart of what we do	A confident, ambitious and successful Northampton
2010-11/ GF19	Corporate properties - DDA issues		✓	✓	
2010-11/ GF21	Unexpected in year failures				
2010-11/ GF23	Refurbishment of Parks	✓	✓		
2010-11/ GF24	Fire risk assessments priority properties				
2010-11/ GF25	Disabled Facilities Grants - private sector	✓	✓	✓	✓
2010-11/ GF29	Capitalisation Directive 1			✓	
2010-11/ GF30	Capitalisation Directive 2			✓	
2010-11/ GF32	Gating Alleyways Jayes Jetty	✓	✓	✓	✓



## 2010-11 Capital Programme Bids and the Council's Corporate Priorities 2009-2012

Appraisal Ref. No.	Project Title	Council Priority 1	Council Priority 2	Council Priority 3	Council Priority 4
		Safer, greener and cleaner communities	Housing health and wellbeing	A well-managed organization that puts our customers at the heart of what we do	A confident, ambitious and successful Northampton
<b>Housing Revenue Account (HRA)</b>					
2010-11/ HRA01	Digital aerial upgrade			✓	
2010-11/ HRA02	Estate regeneration	✓	✓	✓	✓
2010-11/ HRA03	Kitchen replacement		✓	✓	
2010-11/ HRA04	Planned heating replacement	✓	✓	✓	
2010-11/ HRA05	Re-roofing	✓	✓	✓	
2010-11/ HRA06	Windows and doors replacements	✓	✓	✓	
2010-11/ HRA07	HCA challenge fund round 2 (NBC new build)	✓	✓		✓
2010-11/ HRA08	Fire safety in communal areas	✓		✓	
2010-11/ HRA09	Disabled adaptations - Council stock	✓	✓	✓	✓
2010-11/ HRA10	PFI Initiative	✓	✓	✓	✓

## 2010-11 Capital Programme Bids and the Council's Corporate Priorities 2009-2012

Council Priority 5
Partnerships and community engagement
✓
✓

# 2010-11 Capital Programme Bids and the Council's Corporate Priorities 2009-2012

Council Priority 5
Partnerships and community engagement
✓

**2010-11 Capital Programme Bids and the Council's Corporate Priorities  
2009-2012**

Council Priority 5
Partnerships and community engagement
✓
✓
✓
✓

**Northampton Borough Council**

**Capital Strategy**

**2010-11 to 2012-13**

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## **INTRODUCTION AND BACKGROUND**

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 Government expects each local authority to produce an annual capital strategy. This document is the Council's three-year capital strategy for 2010-11 to 2012-13. It updates the capital strategy for 2009-10 to 2011-12 that was agreed by Council on 26th February 2009.

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 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.

The strategy covers both the present position and future plans - the former setting the context for the latter. It includes an action plan for future improvements.

The capital strategy also outlines the management and monitoring arrangements that the Council has in place for effective delivery of the strategy.

International Financial Reporting Standards (IFRS) and the Code of Practice on Local Authority Accounting are replacing UK GAAP and the Statement of Recommended Practice (SORP) from 1 April 2010. This will impact on accounting treatment for capital and leasing including definitions. The systems and processes at NBC are being adapted to accommodate the new requirements. There will be new definitions for capital and revenue expenditure.

The three-year capital strategy will be updated on an annual rolling basis.

## **LOCAL CONTEXT**

### **Introduction**

Northampton Borough is mainly made up of the town of Northampton itself, but also includes some villages on the edge of the urban area. Although historically contained within the administrative boundaries of the Borough Council, Northampton urban area is now expanding into parts of Daventry and South Northamptonshire districts. The town has an interesting and varied history, which is reflected in the various historic buildings that can be seen within the town.

Northampton has been chosen by the Government as a major focus for expansion in the Milton Keynes & South Midlands (MKSM) Sub-regional Strategy (March 2005). The MKSM Strategy relates to the 'Sustainable Communities Plan' published by Government in 2003. It sets challenging housing targets for the region to 2031, with the town of Northampton providing a significant part of the growth itself.

Work has commenced on planning for Northampton's next stages of expansion. The Emergent West Northamptonshire Core Strategy and the Northampton Central Area Action Plan Emerging Strategy were issued for consultation in August 2009. These documents set out the role that Northampton and its centre will play as the principal urban area within West Northamptonshire and the wider sub-region.

### **Transport Networks**

Northampton has excellent central location and access to the strategic road network, which makes it a natural focus for business and housing growth. It has good road links to the surrounding towns of Wellingborough, Kettering and Daventry. But these links particularly the M1, A45 and A43 are increasingly congested and operating above design capacity. High volumes of traffic and congestion in and around Northampton will act as a brake on future growth and regeneration and put at risk Northampton's ambition to be a better place

Northampton is well placed for London's and the Midland's airports. It is situated on the main west coast rail line linking London Euston to Birmingham. There are ambitious plans to create a new modern station to more properly reflect Northampton's ambition to be a better place.

### **Area and Population**

Northampton is the largest of the district councils with a population estimated to be 205,200 at mid 2008 (ONS revised mid 2008 population estimates published August 2009).

The area of the Borough of Northampton covers 8,080 hectares within which the town has approximately 90,000 houses. It is anticipated that Northampton as a settlement will grow by approximately 43,300 additional homes and a similar number of jobs in the period 2001-2026. This will increase the population by approximately 100,000.



## **Council Services**

The Council currently provides or commissions more than 50 public services throughout Northampton, including refuse collection, housing and community safety.

## **ASSET MANAGEMENT PLANNING**

### **The Corporate Asset Management Plan**

The Council's delivery of an effective and efficient capital investment strategy can only be achieved if the process is closely aligned with a clear and robust asset management plan.

The Corporate Asset Management Plan reviews the external environment, including the property market, environmental issues, and legislative issues, and its implications for asset management together with service delivery and related accommodation needs.

It incorporates the corporate asset policy including objectives and headline performance measures.

The asset management plan is closely linked with both the revenue and capital budgets, so it is important that this is recognised in the capital strategy. The plan is due to be updated, and the capital strategy will be updated to incorporate any changes that are made as part of that review.

The Capital and Treasury Team now work closely with the Asset Management Team through the Capital Accounting User Group, and this joined up working is helping to ensure that the capital programme and the asset management plan are more effectively linked. This is becoming increasingly important with the greater emphasis placed on asset management planning in the CAA criteria.

The Housing HRA capital programme is closely aligned to the Housing Asset Management Strategy. The Capital & Treasury Team set the HRA programme in consultation with the Housing Major Works Team.

## Fixed Assets Overview

### Analysis of Fixed Assets – Movements in Year

The following table is a summary analysis of the Council's fixed assets as they appear in the Balance Sheet in the 2008-09 Statement of Accounts.

### Operational Assets

	Council Dwellings	Other Housing Property	Other land & buildings	Vehicles plant, etc.	Infra-structure	Com-munity Assets	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Certified Valuation 31st March 2008</b>	614,482	16,805	80,616	10,062	1,444	6,092	729,501
Accumulated Impairment	-948	-382	-1,664	-2,771	0	0	-5,765
Accumulated Depreciation	-17,365	-341	-4,893	-6,380	-195	-66	-29,240
<b>Net book value 31st March 2008</b>	596,169	16,082	74,059	911	1,249	6,026	694,496
<b>Movement in 2008/09</b>							
Additions	7,575	0	750	823	180	579	9,907
Disposal	-665	0	0	0	0	0	-665
Revaluations	10,513	363	1,322	1,176	0	0	13,374
Depreciation	-9,849	-250	-1,876	-466	-15	-21	-12,477
Depreciation Written Back	17,365	254	4,722	6,404	0	0	28,745
Impairments	-104,031	-547	-7,680	-6,062	0	-660	-118,980
Adjustments/Transfers	0	20	-174	2	1	0	-151
Depreciation Adj/Transfers	0	-3	9	0	0	0	6
<b>Net book value 31st March 2009</b>	517,077	15,919	71,132	2,788	1,415	5,924	614,255
Gross Valuation at 31st March 2009	631,905	17,188	82,514	12,063	1,625	6,671	751,966
Impairments at 31st March 2009	-104,979	-929	-9,344	-8,833	0	-660	-124,745
Depreciation at 31st March 2009	-9,849	-340	-2,038	-442	-210	-87	-12,966
<b>Net Book Value 31st March 2009</b>	517,077	15,919	71,132	2,788	1,415	5,924	614,255

## Non Operational Assets

	Works In Progress	Investment & Commercial	Surplus Assets	Total
	£000s	£000s	£000s	£000s
<b>Certified Valuation 31st March 2008</b>	3,050	44,195	796	48,041
Accumulated Depreciation	0	-588	0	-588
Accumulated Impairment	0	-52	0	-52
<b>Net book value 31st March 2008</b>	3,050	43,555	796	47,401
<b>Movement in 2008/09</b>				
Additions	464	129	0	593
Disposal	0	0	-381	-381
Revaluations	0	727	25	752
Depreciation	0	0	-19	-19
Depreciation Written Back	0	0	120	120
Impairments	0	-3,988	-104	-4,092
Adjustments/Transfers	-1	-590	861	270
Depreciation Adj/Transfers	0	8	-128	-120
<b>Net book value 31st March 2009</b>	3,513	39,841	1,170	44,524
Gross Valuation at 31st March 2009	3,513	44,461	1,301	49,275
Impairments at 31st March 2009	0	-4,576	-104	-4,680
Depreciation at 31st March 2009	0	-44	-27	-71
<b>Net Book Value 31st March 2009</b>	3,513	39,841	1,170	44,524

## Analysis of Fixed Assets by Category

31/03/2008		31/03/2009
Number	Operational Assets	Number
12,262	<b>Council Dwellings</b>	12,209
	<b>Other Land and Buildings</b>	
27	Council Houses not used as dwellings	27
95	Shared Ownership Properties	94
3,005	Council Garages	3,002
20	Other Housing Properties	19
67	Operational Shops	67
194	Other Garages	194
1	Guildhall	1
62.88ha	Allotments	62.88ha
4	Sports & Leisure Facilities	5
27	Community Centres	27
2	Museums, Art Galleries	2
1	Open Markets	1
15	Public Conveniences	14
5	Multi-Storey Pay & Display Car Parks	5
4	Local Area Offices	4
4	Central Administrative Offices	4
1	Gypsy Site	1
1	Bus Station	1
17	Surface Pay & Display Car Parks	18
1	Depots	1
15	Sub-Depots	15
1	Golf Course	1
74	<b>Infrastructure</b>	75
164	<b>Vehicles, Plant, Furniture and Equipment</b>	163
	<b>Community Assets</b>	
887.45ha	Parks and Open Spaces	887.45ha
4	Historical Buildings	4
33	Monuments/Memorials/Exhibitions	35
6	Pavilions	6
6	Cemeteries	8
1	Civic/Mayoral Regalia	1
	<b>Non-operational Assets</b>	
284	Commercial Property (Units)	289
65.97ha	Agricultural Land	65.97ha
1	Theatres	1
1	Indoor Market/Arts Venue	1
78	<b>Intangible Assets</b>	70

## **CAPITAL 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 other NBC plans and strategies
- Supports NBC service-specific plans and strategies
- Is affordable, financially prudent and sustainable, contributes to better value for money

Particular emphasis will be given to schemes that:

- Achieve the Council's priorities
- Improve performance against national and local targets
- Improve efficiency and effectiveness in service delivery
- Promote partnership working
- Generate or increase income streams
- Promote effective Asset Management, including DDA and Health & Safety issues

The capital strategy will be delivered through:

- Effective political and corporate leadership
- Team Northampton working together
- Adequate and effective performance management arrangements
- Clearly defined processes for building and monitoring the capital programme
- Clear policies on financing capital expenditure
- Effective risk management arrangements
- A clear purchasing protocol

## **THE COUNCIL'S PRIORITIES AND THE COMMUNITY VISION**

The Council has a major role in delivering the community vision for Northamptonshire. The framework for achieving this is the Corporate Plan, which outlines the Council's vision and values, objectives and priorities.

The Council aims to be amongst the best councils in terms of public service within five years.

The Council's priorities and the community vision are set out below.

### **Council Priorities 2010-13**

Our five corporate priorities are:

- Safer, greener and cleaner communities
- Improved homes, health and the well-being
- A confident, ambitious and successful Northampton
- Strong partnerships and engaged communities
- An efficient, well-managed organisation that puts our customers at the heart of what we do

### **Our partnership vision for Northampton**

To be effective and to maximise the use of our shared resources we have developed shared priorities. Our plans set out how we can deliver these shared resources in the most effective way for the people of Northampton.

The Council works with a number of strategic partnerships with other service providers in the area, including the Northamptonshire Partnership, Local Strategic Partnership (LSP), Safer Stronger Northampton Partnership and Children and Young People's Partnership.

### **A county vision and shared priorities**

The *Local Area Agreement* (LAA) is the key delivery plan for the *Northamptonshire Sustainable Communities Strategy* and the Northamptonshire Partnership leads this work.

The Northamptonshire Public Service Board has been established to bring the necessary partners together. The role of the Board is to inform, drive and champion the delivery of the strategies aims.

The Strategy aims are to:

- be successful through sustainable growth and regeneration
- develop through having a growing economy with more skilled jobs
- have safe and strong communities
- have healthy people who enjoy a good quality of life

The LAA sets out the vision and key objectives for the county area between now and 2031. The Agreement has seven high-level priority outcomes for Northamptonshire:

- Stronger, empowered and cohesive communities
- Building Safer Communities
- Improved life chances for Children
- Improved adult health and well-being
- A stronger local economy
- Improved environmental sustainability
- Tackling exclusion and promoting equalities

The Northamptonshire Partnership approved the county's second LAA in 2008. The agreement identifies the key priority outcomes for the whole county as well as informing local priorities for Northampton to be delivered by the Council and its partners. This Council's responses to those shared commitments are set out clearly in Appendix 2 of the Council's Corporate Plan 2010-13.

We believe Northampton will be a successful and confident town where people feel they belong, feel they have a future, feel they have financial stability and, where appropriate, business opportunities. It will also be a place that has vibrant cultures, lifestyle opportunities and where everyone who chooses to live here, work here or visit the town feels at home.

To deliver this the Northampton Local Strategic Partnership has agreed the *Sustainable Community Strategy for Northampton*. The strategy incorporates the key themes from the countywide strategy and focuses on strategic objectives local to Northampton;

By 2011 Northampton will:

- Be recognised for good quality, environmentally friendly housing
- Be well served by modern and efficient public services
- Be safer
- Be cleaner
- Be healthier

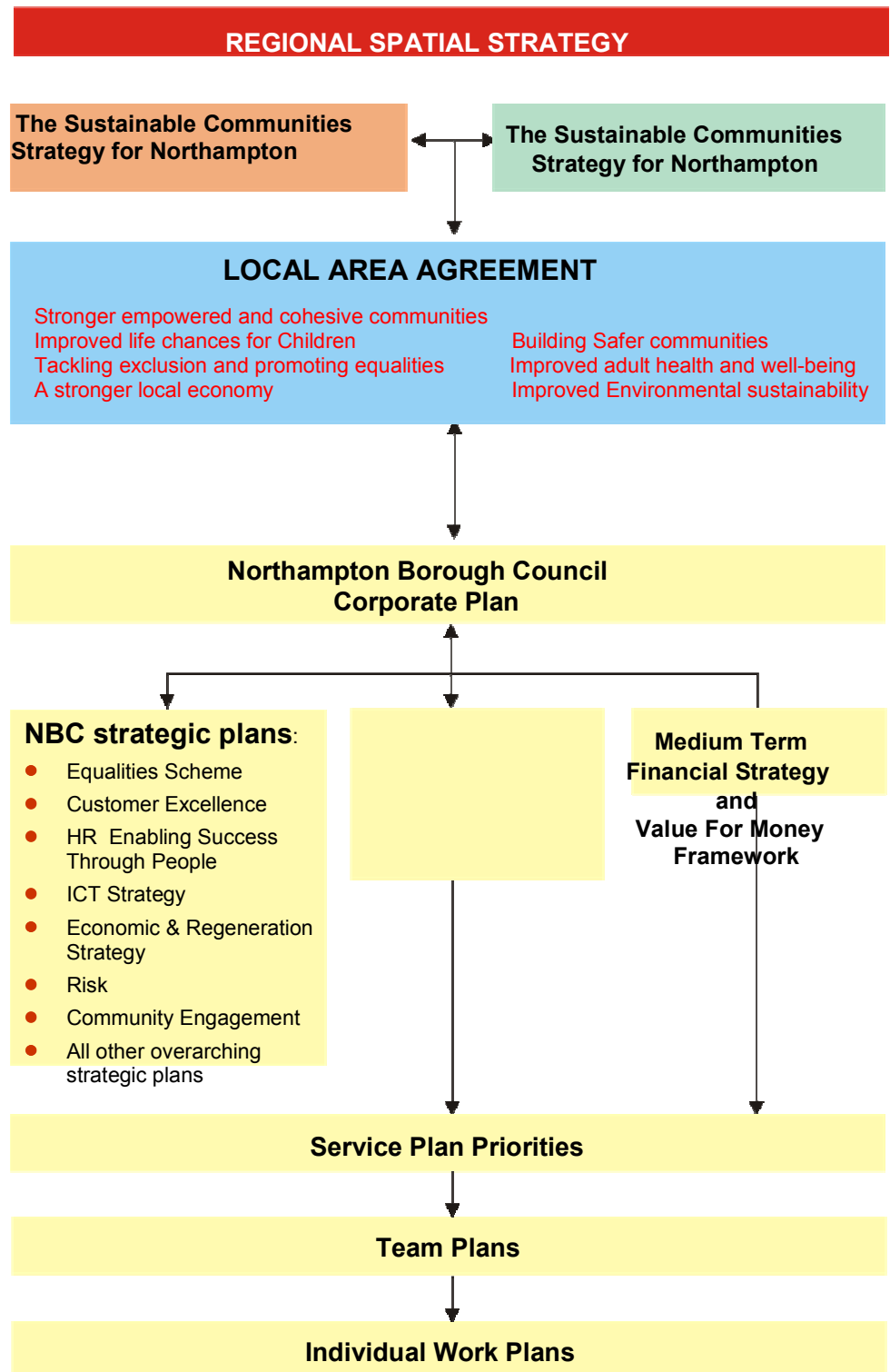
By 2021 it will be a city and a place made up from caring communities.

By 2031 it will be a place of Pride, Respect, Excitement, Vitality, Fun, and Passion. It will be defined by its excellent transport system and will be a major regional cultural and economic centre.

Our Corporate Plan 2010-13 sets out how the Council contributes to the achievement of these objectives.

The illustration on page 11 shows the relationship between these key plans.

## How we deliver our key strategies





## **PARTNERSHIP WORKING**

The Council is committed to working with its local partners to create a sustainable community for all and to deliver high quality services for its citizens.

The Council works with a number of partners as part of the capital strategy, including WNDC, EMDA, the Town Centre Partnership, and Northampton Enterprise Agency (NEL).

### **Other Partnerships**

Since the Council puts a heavy emphasis on partnership working, it is also involved in a number of other partnership arrangements, both service specific and cross-cutting, to help deliver its capital investment plans. These range from third party contributions to the funding of projects, to multi-agency initiatives involving a number of partners.

The Council's capital appraisal process specifically asks for information on the nature and duration of any partnership arrangements for schemes bidding for capital funding, and positive feedback on this point contributes to the overall score of the project when prioritising schemes to meet available funding limits.

### ***Area Partnerships***

These meetings may discuss Council services and are attended by local councillors from both Northampton Borough Council and Northamptonshire County Council. They also provide an opportunity to discuss issues and future plans for Northampton or particular wards with other organisations such as the Police, who attend each partnership regularly to provide an update on local law and order issues.

### ***Tenant Board***

The recommendations from the Tenant Participation Health Check report suggest that there is a need to promote increased engagement of the wider tenant population.

4 x Area Partnership Boards will be formed during 2010, which will feed into an overarching Housing Partnership Board, membership of which will comprise a 50/50 ratio of tenants/council officers and elected members. This will enable a wider, more inclusive and representative tenant membership than that provided by previous formal structures i.e. N-Tact and Customer Panel. It is anticipated that the structure will promote a varying tenant membership rather than a fixed membership. The mechanisms for appointing tenants to the 4 x area boards will be tenant owned.

### ***Housing Strategy Steering Panel***

This is a panel of Members and Senior Management, which enables member involvement in the production, review and delivery of the Northampton Housing Strategy.

## **COUNCIL PLANS AND STRATEGIES**

### **The Corporate Plan**

The revised Corporate Plan for 2010-13 will be taken to Cabinet on 24th February 2009 for recommendation to Council, which meets in February 2009. The Plan is important because it sets out the priorities and objectives for the next 3 years

The plan focuses particularly on the next 12 months and builds on our recent progress and sets out our ambitions, challenges, our priorities and key targets for ensuring that we respond to these and achieve success. Many of these will require effective working with public, private and voluntary sectors. To achieve this, we must become a successful council. We have put in place robust systems and processes to ensure that we will deliver this plan. These coupled with strong management and skilled staff will enable us to be one of the best councils in terms of public service with five years. To do this we will prioritise, the following management aims of our business:-

- Providing excellent customer service
- Engage in meaningful dialogue
- Make best use of our resources
- Be a single effective team
- Focus on a better Northampton

### **The Capital Strategy**

The medium term planning process is used to identify the best strategies to meet the Council's stated vision and priorities - these may have revenue or capital investment implications. Each individual bid for capital resources is evaluated, through the capital appraisal process, for its contribution to meeting the Council's vision and priorities as expressed in the Corporate Plan, as well as its contribution to performance indicators.

In addition the medium term planning framework ensures that the revenue implications of capital projects are built into the Council's forward planning process.

### **Service Plans and Strategies**

The Council's overall aims, objectives and priorities are cascaded down and translated into specific targets and actions through its other strategies and plans. At this level detailed analysis of all the factors impacting on service provision is undertaken and the results consolidated into a single document. The Council has a large number of plans and strategies, ranging from cross-cutting strategies to service specific plans. Below this level there may also be individual team plans.

Capital investment needs identified in the strategies and plans are fed into the Council's capital investment plans through medium term planning and the capital project appraisal process.

## **AFFORDABILITY, SUSTAINABILITY, PRUDENCE AND VALUE FOR MONEY**

### **The Prudential Code**

The CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code) was introduced by the Local Government Act 2003. It sets out the concepts of affordability, sustainability and prudence as they apply to capital expenditure.

A key objective of the Prudential Code is to ensure that the capital investment plans of the local authority are affordable, prudent and sustainable. To demonstrate that these objectives have been met the Code sets out the prudential indicators that must be used, and the factors that must be taken into account. These are designed to support and record local decision-making in a manner that is publicly accountable.

### ***Affordability***

The fundamental objective in determining the affordability of the authority's capital plans is to ensure that the total capital investment remains within sustainable limits. This includes considering the impact on council tax, or in the case of housing projects, housing rents. The Council is required to take into account all its current and forecast resources, together with the capital expenditure plans and revenue income and expenditure forecasts for the coming year and the following two years. This is done on a rolling basis, with regard to risk analysis and risk management strategies. Any significant known variations beyond this time frame must also be considered.

There are a number of prudential indicators that directly address the issues of affordability, including:

- The ratio of financing costs to net revenue stream
- The incremental impact of capital investment decisions on the Council Tax (or Housing Rents)
- Capital expenditure
- The capital financing requirement (i.e. the underlying need to borrow for a capital purpose)
- The authorised limit for external debt
- The operational boundary for external debt

### ***Prudence and Sustainability***

Prudence and sustainability year on year are addressed through the prudential indicators for external debt, which must be set and revised taking into account their affordability.

The key indicator of prudence laid down by the Code is that net external borrowing should not, except in the short term, exceed the total of capital financing requirement in the preceding year, plus the estimates of any additional capital financing requirement for the current and next two financial years. This ensures that, over the medium term, net borrowing will only be for a capital purpose.

It is also prudent to carry out treasury management activities in accordance with good practice, and the Prudential Code sets a number of indicators to address this. These are:

- Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services
- Upper limits on fixed and variable interest rate exposures
- Upper and lower limits on the maturity structure of borrowings
- Upper limit for principal sums invested for periods longer than 364 days

### ***Northampton Borough Council and The Prudential Code***

The Council addresses the issues of affordability, prudence and sustainability in its capital investment plans by complying with the requirements of the Prudential Code.

This includes the setting and monitoring of prudential indicators. The timetable for reporting to Cabinet and Council is set out in the following table.

Setting of prudential indicators	February/March
First monitoring report	October/November
Second monitoring report	January/February

Additional reports may be taken at any time if the need arises.

### **Value for Money**

It is important that best value for money is obtained from capital investment. The Council is committed to making continuous improvements to processes and practices to increase value for money. Those that are embedded or being developed include:

- Improvements to procurement
- Investing to improve performance and/or generate efficiency savings (spend to save)
- Working with partners to improve efficiency

### **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 Housing Revenue Account is currently not subject to an MRP charge.

New regulations, the Local Authorities (Capital Finance & Accounting) (England) (Amendment) Regulations 2008, which came into force in February 2008, now 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.

## **CONSULTATION**

Northampton Borough Council recognises that it is important to actively involve the community in the decision making process through consultation in order to provide good quality services and deliver them well.

The Council adopted a Community Engagement Strategy in 2008 and has introduced a Consultation Toolkit as a means to improve how we consult, engage and involve with the people and service users of Northampton.

### **Consultation and Capital Investment**

Consultation feeds into decision-making on the Council's capital investment priorities at a number of levels.

The community vision and strategy and the Council's vision, values, objectives and priorities, which underpin the overall investment strategy, are themselves the result of extensive consultation.

The Capital Appraisal process specifically asks for details of "Consultation with stakeholders"

The Council introduced a Consultation Toolkit in October 2008 designed to be an easy to understand, step-by-step guide. It is not intended to be prescriptive, but to assist in the planning and carrying out of consultation work.

The Council will take into consideration consultation feedback and action it where applicable and within overall policy and subject to overall financial constraints.

## **LOCAL AND NATIONAL TARGETS**

### **Local Targets**

Meaningful targets are set at all levels of the organisation, from the Council as a corporate body, through directorates, services and teams down to individual employees. The cascading effect is largely achieved through annual service plans, and staff appraisals. These local targets link directly to the Community Strategy aims and the Council's strategic objectives and priorities, and demonstrate "The Golden Thread" throughout the organisation.

Progress against targets is managed primarily through performance measurement, including performance indicators, and these are widely reported and monitored, both internally and externally.

The capital option appraisal process expressly picks up the extent to which bids for funding will impact on local targets, and these are taken into account when prioritising projects. The project appraisal form has specific questions around:

- Performance Indicators – i.e. - Describe briefly any performance indicators supported by the project (including the name and reference), and any improvement in performance the project will deliver
- Efficiency Savings – i.e. - Give brief details of the efficiencies that are included in the Medium Term Plan and give details of any ways in which the project will support these efficiencies
- Service Strategies and Service Plans – i.e. - Give brief details of any ways in which the project supports the delivery of service objectives outlined in the service strategy or plan
- Other corporate initiatives (including Best Value Improvement Plans / Value for Money Reviews / Systems Thinking) – i.e. - Give brief details of any ways in which the project supports any other corporate initiatives
- Project appraisals outline the planned outputs & outcomes, which are assessed upon project completion, as part of the post implementation review.

### **National Targets**

Since the aim of both national and local government is to deliver quality services for citizens, in most cases national targets dovetail with local targets and the two can be dealt with in tandem. Many of the statutory National Indicators (N.I.s) fall under this umbrella.

To this end, the capital bidding process also collects information on the extent to which a project will contribute towards national priorities and targets.

**Efficiency Targets**

As part of the Government's 2007 Comprehensive Spending Review it was announced that all local authorities are expected to achieve at least 4% cashable annual efficiency savings target over the period 2010/11.

The Council's strategy for delivering efficiency savings is embedded in the Council's Medium Term Planning process.

## **EQUALITIES**

### **The Council's Approach to Equality**

Northampton Borough Council is committed to ensure that everyone is fairly and equally treated irrespective of race, gender, disability, sexuality, age, religion or belief or any other part of their lives.

In 2008 the Council adopted a Single Equality Scheme that sets out how Northampton Borough Council will ensure that everyone has equal access to council services, job opportunities and to having their voices heard. This ensures that equalities issues are set firmly at the heart of the Council's service planning arrangements, and further, as targets are written into service plans specific to individual each service, ensure that equalities targets and actions are integrated across the Council. A review is currently being undertaken and publication of the outcomes is expected winter 2009.

During 2008 the Council achieved level 2 of the Equality Standard for Local Government and in 2009 the Council self-assessed as having met the criteria for Level 3. A diversity peer challenge will take place in September 2009 to validate our claim.

### **Promoting Equalities through the Capital Programme**

The capital project appraisal process is designed to pick up schemes that address equalities issues, and to give these a high priority.

Each completed project appraisal includes responses to the following questions:

- State specifically the equalities issues that have been identified in this project and how these will be addressed?
- How will this project address the equalities issues that have been identified?

The project manager for each capital scheme is responsible for ensuring that an Equalities Impact Assessment is completed appropriately for each scheme in the capital programme. The dates of completion for the assessments are recorded and this information is communicated with our equalities officer.

***All schemes are approved subject to funding and an appropriate Equalities Impact Assessment.***



## **POLITICAL AND CORPORATE MANAGEMENT STRUCTURES**

### **Political Management Structures**

The operational key decisions of Northampton Borough Council are taken by the Cabinet. Each Councillor in the Cabinet is responsible for a portfolio of specific services.

A schedule of the portfolios of Cabinet Members is attached at Annex A.

The Cabinet's decisions can be called-in by any two members of the council or by the chair of one of the three Overview and Scrutiny Committees.

There are currently three Overview and Scrutiny Committees, which, apart from being able to review decisions of the Cabinet, carry out a number of other functions including scrutinising the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas.

The Audit Committee is responsible for risk, financial control and governance (the way that the council makes decisions). It considers the Council's internal audit strategy, plans and monitors performance.

### **Corporate Management Structures**

The Council operates a directorate structure, overseen by the Management Board, which is led by the Chief Executive, Directors & Heads of Service.

### **Project Management**

All projects on the capital programme, and all new bids for capital investment, are managed by a named budget/project manager. He/She is responsible for delivering the project according to the agreed budget and timescales. In some cases the operational responsibilities may be delegated, in which case the accountability remains with the budget manager, while the project manager looks after the operational responsibilities.

Financial support, advice to budget/project managers, capital strategy and reporting to members comes from the Capital and Treasury team. This includes budget/project manager support and co-ordination of the building, monitoring and reporting requirements of the capital programme at a directorate level and for the Council as a whole.

## **PERFORMANCE MANAGEMENT**

### **Corporate Capital Groups**

In addition to the standard reporting hierarchy and management structure outlined above, a corporate group of officers was set up in 2007 to work on bringing the authority to a position where it can meet the requirements of the appropriate regulations in relation to assets and to address the issues raised in relation to capital and assets by internal audit.

This group is called the Capital Accounting User Group (CAUG), and brings together officers from both the Finance and Assets teams of the Council.

### **Comprehensive Area Assessment (CAA) and Performance Management**

The Council views effective performance management as a key component in delivering consistent high quality services that meet the demands of change and growth.

From 2008/09 the CAA has replaced the previous inspection regime of Comprehensive Performance Assessment (CPA). The CAA is an important measure of how all parts of the public sector come together to improve the outcomes for people in the area.

The CAA is in two parts, an Organisational Self Assessment of how individual council's are doing in delivering improved out comes to it's, this is scored from 1 – 4, 1 = performing poorly to 4 = performing excellently. Then an Area Assessment, which draws together, all the other bodies, namely the other districts, County Council, PCT, Fire Authority etc in an area covered by a county. Areas of notable practice will be shown with a green flag, areas of concern with a red Flag. These will both be updated on an annual basis

Improvement has already been seen on the Council's CPA Use of Resources assessment, which was released in January 2008, and further improvement is expected in the 2008 CPA inspection, the results of which are due to be released shortly.

While the CAA will continue to provide assurance about how well services are run and how effectively taxpayers' funds are used, it will also provide a greater focus on issues that are of importance to the local community, outcomes, and places a particular focus on asset management.

It is clear that the development and management of the Council's capital programme and its management of assets are fundamental to achieving a positive assessment, whether under the CPA and the CAA.

### **Performance Management**

The use of performance management, as a means of improving performance and accountability at all levels, is actively promoted within the Council. Senior managers and councillors have a principal role within the Council's Performance Management Framework (PMF)<sup>1</sup> for ensuring performance improvement.

The Council's PMF ensures that comprehensive systems provide timely performance information, which informs strategic and operational decision making processes. The PMF system incorporates monthly reporting across all service areas using a consistent format. This approach ensures improvement actions and reporting extends through to team and individual staff performance management.

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<sup>1</sup> Performance Management Framework (part 1 & 2)

The PMF sets out the flow of management information across the Council. Monthly Operational Managers reports<sup>2</sup>, completed by Level 4 managers, detail progress against targets for services. Performance indicators collected monthly, quarterly or annually are reported on their own timelines<sup>3</sup>. We use traffic light coding to clearly identify whether progress to meet targets is on track. Performance is discussed within service areas at monthly performance clinics<sup>4</sup>.

Performance and finance is monitored closely by Cabinet and senior management<sup>5</sup>. The Leader works with the Portfolio Holder for Performance and Cabinet and the relevant Overview and Scrutiny Committee to regularly review performance.

The Council is currently working with the other Local Area Agreement partners within the county to develop a co-ordinated approach to monitoring and reporting the new National Indicators and progress made in delivering the Local Area Agreement.

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<sup>2</sup> Operational Manager Report CD (Aug 08)

<sup>3</sup> Monthly and Quarterly performance reports (June 08)

<sup>4</sup> Performance Clinic documents

<sup>5</sup> Cabinet and Overview and Scrutiny Performance Reports

## **BUILDING AND MONITORING THE CAPITAL PROGRAMME**

### **Capital Programme 2010-11 to 2012-13**

Project appraisals have been completed for all 2010-11 capital programme bids. Each project appraisal demonstrates how the scheme will contribute to the Council's corporate priorities as set out in the Council's Corporate Plan.

The project appraisals also outline the contribution of the scheme to statutory duties and legal commitments, partnership working, performance indicators, service strategies and plans, equalities, other corporate initiatives, national priorities and targets, and environmental impacts. These factors are all taken into account in formulating a proposed capital programme that, within the resources available, will best target the Council's corporate priorities.

Cabinet will be asked to recommend to Council that Cabinet be authorised, once the programme has been set, to approve new capital schemes, and variations to existing schemes, arising during 2010-11, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.

Bids for future year starts have been put forward in outline only. These will form part of the capital programme build in the year preceding the proposed start and will be prioritised as outlined in the timetable below.

The deminimus level set by the authority for capital expenditure is £6,000. Individual schemes must therefore be £6,000 and above to be included in the authorities capital programme. The only exception is where the funding for the project is external and requires the scheme to be capital.

### **Building the Capital Programme**

#### **Timetables**

The Council's policy is to agree its capital programme on an annual basis in Feb/March 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 for the subsequent 2 years

The setting of the programme by Council comes at the end of a thorough process that begins in the previous summer and involves officers in all parts and at all levels of the organisation. A broad indication of the planned timetable and those involved is as follows:

May to July	Medium term planning process begins.
July/August	Capital programme launch workshops offered to all project managers and finance staff.
August	<p>Draft short bid forms for new starts completed by project managers and taken to DMT meeting for discussion, prior to being reviewed by Finance.</p> <p>All short bids, future year bids and revenue implications checked against Medium Term Planning Options by Finance.</p> <p>Short bid forms signed off and returned to Finance</p> <p>First draft programme (including continuations) and first draft financing spreadsheet put together by Finance.</p> <p>Debt financing budget implications calculated by Finance.</p>
September/	
November	<p>Short bid forms to review and prioritise.</p> <p>Full appraisals are completed for the prioritised schemes.</p> <p>Whole life costing implications assessed.</p> <p>Project appraisals 'scored' .</p> <p>Appraisals signed off.</p> <p>Management Board considers the draft capital programme.</p>
December	<p>Notification of government funding allocations.</p> <p>Report to Cabinet for consultation, including Capital Strategy.</p>
February/Mar	<p>Cabinet recommend draft programme to full Council for agreement</p> <p>Council agree the Capital Programme.</p> <p>Notification by Finance to budget managers of schemes that have been included in the authorities capital programme.</p>

The Council's Treasury Strategy and Prudential Indicators for Capital Finance, which are put together by Finance, will also be agreed by Council at the budget setting meeting in February or early March.

Once approved by Council the three-year programme will be published, at a summary level, in the Council's Revenue and Capital Budget Book.

### **Short Bid Forms**

The short bid forms are for completion by the budget or project managers at the start of the budget build process. The bid form enables managers to highlight the need for capital resources and to bid for resources. The information from the short bid form can be transferred directly to the full appraisal form for the schemes that are prioritised to form part of the future capital programme. The bid forms are available on the intranet. See Annex C, or follow the link attached: [Short Bid Form](#).

### **Project Appraisals**

All bids for inclusion in the capital programme are supported by a project appraisal, the preparation of which is the responsibility of the budget holder or project manager.

The appropriate council officers and Portfolio holder(s) sign off the appraisal. This is to show that they are aware of and support the scheme, but these signatures do not constitute approval for the scheme to go ahead.

There are two versions of the full project appraisal format:

- Single projects
- Block appraisals

Block appraisals are used to group similar projects that share the same basic details. An example might be enhancement works at various leisure centres, or security works at various car parks.

The project appraisals provide a summary analysis of the project and cover all the essential details required for the project to move ahead once agreed (subject, where relevant, to any external funding being in place).

This ensures that there are no unnecessary delays to the start of projects in the new financial year. The monitoring process then accommodates any proposed changes or additions to the programme throughout the year.

The project appraisal format is reviewed on an annual basis as part of a policy of continuous improvement and to take into account any relevant changes that may have an impact. Copies of the current project appraisal formats (as used for the Council's 2010-11 to 2012-13 capital programme build) are available on the intranet, follow the link attached: [Single projects](#) & [Block appraisal](#).

### **Prioritising projects**

All bids for inclusion in the following years programme can be scored according to a set of objective criteria to assist with the prioritisation of schemes and the allocation of funds. This ensures that, in a context of limited resources, the community vision and strategy and the Council's vision, values, objectives and priorities form the framework for decisions about investment priorities, and that capital allocations are made using clear impartial criteria.

The scoring is linked directly to the information given on the completed project appraisals, with weighting given to schemes that strongly support the Council's objectives and priorities, and those that fulfil an urgent legal or statutory requirement.

In summary, each bid can be scored on the extent to which the project contributes:

- The Council's objectives and priorities
- Partnership working
- Improvements in performance indicators
- Efficiency savings
- The delivery of service objectives
- Effective Asset Management
- Equalities
- Value for money

- Other corporate objectives
- Legal commitments or statutory duties, including DDA & Health & Safety issues
- Environmental impacts
- Extent of ring fenced or specific funding
- Levels of financial risk involved
- Impact on the revenue budget and income generation

Scoring the bids enables officers to put forward a recommended programme that is within available resources. The prioritised programme is for guidance only. Members are responsible for agreeing the capital programme and have the discretion to include or exclude schemes as they deem appropriate.

A copy of the Council's capital scheme scoring sheet for the 2010-11 programme is attached as part of the appraisal document. See Annex E, or follow the link attached: [Capital Project Scoring Sheet](#). The scoring framework will be reviewed on an annual basis as part of a policy of continuous improvement and to take into account any relevant

### **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
- Any slippage of expenditure from current to future years is identified
- 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 Capital & Treasury Team are requesting information on completed projects as part of their ongoing monitoring role.

### **Directorate Management Teams**

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

## **Finance – Capital and Treasury Team**

Responsibility for capital within Finance sits with the Capital and Treasury Team. The team is responsible for providing support and advice to assist project managers in managing and monitoring their capital budgets.

They also have a key role in consolidating and co-ordinating the monitoring information that is required for reporting purposes. This involves reporting to Directorate Management Teams via Head of Services, Management Board and Cabinet. The team is also 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 Cabinet on a monthly basis throughout the year, commencing from period 2 (end of May). The report covers the latest programme and any amendments to be notified or approved, expenditure to date, and the forecast outturn. It also discusses the financing position and any steps needed to deal with potential financing difficulties.

As part of the monitoring process, an annex to the report explains the background to any forecast under or overspends, and gives brief details of any variations to the original programme.

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

On 29 January 2007 Cabinet approved the following:

“ the principle that slippage between years for capital schemes should be more automatic, subject to the approval of the Council’s Chief Financial Officer (or nominated representative). A report would then be brought to Cabinet after the end of each financial year detailing the capital outturn and reporting the approved slippage. It will be adopted for the 2006/07 financial year onwards and will be more explicitly detailed in the Council’s Financial Management Framework which is currently under review“

### **Changes to the Agreed Programme**

The programme for the coming year is set and agreed by Council prior to 1st April, and it is essential to also have a process that then allows for changes during the year.

Changes may be required as a result of proposed additions to the programme, amendments to existing schemes or deletions from the programme. For example tenders may come in above or below estimate; difficulties may be encountered in implementation, which require a change of approach; funding may need to be released to support another more urgent priority.

### **Proposed additions to the programme**

The need to add a scheme to the programme usually arises from either access to additional funding, such as a grant or third party contribution, or as a response to an unforeseen urgent issue (often related to legal or health and safety concerns).



In order to bid for an addition to the programme, a project appraisal must be completed and signed off in the usual way. 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 – for example from reduced costs on an existing project, or by withdrawing an existing scheme of lower priority. In these cases a matching project variation must be simultaneously submitted to release the funding (see below).

The request for the decision will usually be incorporated into the regular capital monitoring report to Cabinet. In exceptional cases where an urgent decision is required arrangements can be made by Capital & Treasury team to submit the request for a decision to an earlier Cabinet or to seek an appropriate decision under delegated powers.

### **Amendments to Existing Schemes**

If the proposed amendment is one of substance, which results in a scheme materially different from the original project appraisal, then the original project must be withdrawn, and a new project appraisal completed to support the new bid. If, however, the substance of the scheme remains the same, then the change can be dealt with through the completion and approval of a project variation form.

Formal variations to budgets for existing projects must be completed and authorised in the following circumstances:

- Forecast total scheme outturn is materially in excess of budget
- Additional funding has become available to support a scheme
- A forecast overspend is to be funded by a forecast underspend in another service block
- Funding is released due to a forecast underspend on a scheme
- A scheme is to be withdrawn from the programme

Project variation forms are available on the intranet. See Annex F or follow the link attached [Project Variation Form](#).

## **FINANCING CAPITAL EXPENDITURE**

### **Overview**

Decisions on capital investment are made against the background of constrained resources, and the Council is heavily dependent upon capital receipts and grants from central government to support its capital programme. Other available funding sources include prudential borrowing, third party contributions, and revenue contributions. These are all actively pursued to support capital investment.

### **Capital Receipts**

Capital receipts are derived from both General Fund (GF) and Housing Revenue Account (HRA) asset sales.

NBC do not always receive the full value of these asset sales as some of them are subject to “clawback” arrangements whereby a proportion of the capital receipt must be paid over to HCA.

GF asset sales come from a variety of sources. Generally speaking, 100% of GF asset sales (after any ‘clawback’) 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 or even a service block.

HRA asset sales come from the sale of council houses under ‘right to buy’ legislation, and from the sale of shared ownership properties. 75% of the monies that are received (after any clawback) have to be sent to the Department for Communities and Local Government (DCLG) for re-distribution under ‘pooling’ arrangements, leaving 25% to fund new capital programme expenditure.

Since the significant reduction of new council house build, the housing stock has gradually decreased year on year. As at 31 March 2009, the Council’s housing stock stands at 12,209 dwellings, a reduction of 53 on the previous year. The amount of receipts released by right to buy sales is dependent on both the stock itself and on economic and market conditions. The current economic climate has significantly impacted on the number of sales and the amount of receipts.

### **Unsupported Borrowing**

The Local Government Act 2003 introduced new flexibilities into the capital expenditure and financing rules governing local authorities. The new rules, contained in the ‘Prudential Code’, allow local authorities to set their own limits with regard to borrowing undertaken to support capital expenditure. Additional borrowing may now be undertaken, provided that it is, and can be shown to be, prudent, affordable and sustainable. This method of financing capital expenditure is called “unsupported borrowing”.

In order for unsupported 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 borrowing therefore should be borne by the service that uses the asset.

## **Supported Borrowing**

The other form of borrowing available for funding the capital programme is supported borrowing. This is where the costs of the borrowing are part recognised in the formula grant settlement and are therefore 'supported'. However the formula grant does not cover the full cost of the borrowing undertaken. As a district authority supported borrowing allocations are limited, generally only Housing supported borrowing allocations have been made available in recent years.

## **Government Grants**

The conditions attached to government grants 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. Not surprisingly, government grants tend to be focussed towards central government priorities.

The largest government grant received by NBC to support the capital programme is the Major Repairs Allowance (MRA) - £7.957m in 2009-10 provided for the express purpose of maintaining the Council's housing stock in its current condition. Other examples from the 2009-10 programme include £422k towards the provision of mandatory disabled facilities grants. Government related agencies such as NEL also provide NBC with considerable grant funding.

## **Third Party Contributions**

As with government grants the conditions attached to third party contributions vary.

This category of funding is becoming of increasing importance to the Council in a climate of stretched local government resources. Included here are:

- Planning obligations funding from Section 106 agreements (developer contributions)
- National Lottery grants
- Contributions from local bodies.
- Contributions from national bodies.

## **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.

Revenue contributions from the HRA ear marked reserve have also been a valuable source of finance in helping to deliver the Decent Homes programme.

## **Funding Strategy**

The capital funding strategy is proposed as part of the overall capital strategy and is therefore also reviewed on an annual basis.

This will not fetter the discretion of elected members to make changes during the year – any such changes will be incorporated into the following year's Capital Strategy.

The Council's capital funding strategy for 2010-11 is set out below:

Funding streams are allocated in the following ways:

- General Fund capital receipts are not allocated or committed prior to receipt, unless inextricably linked to a specific project.
- Usable capital receipts from the sale of council housing stock under right to buy legislation are directed at the HRA capital programme to meet the requirements of decent homes targets.
- Usable capital receipts from other asset sales other than RTB, whether HRA or General Fund, can be used towards General Fund capital projects. This reflects the fact that the Council is not currently in a financial position to be able to direct all HRA receipts towards the HRA programme. However this policy may be reviewed in future years
- General fund capital receipts received during the year will be added to the un-earmarked general fund capital receipts reserve (see below) and 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.
- Capital Reserves – The current financial climate is such that capital receipts are at a premium. Once the economic climate stabilises and capital receipts become a more reliable income source, consideration will be given to increasing the capital reserve from its current value of £100k.
- The only call on the un-earmarked general fund capital reserve 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 Cabinet.
- Hypothecated funding – i.e. funding linked directly to a specific scheme or service area, such as grants, third part contributions, revenue contributions and supported borrowing – is allocated 100% to the relevant scheme or service.
- 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
- Supported Borrowing will be used if the unsupported element is affordable.
- Unsupported Borrowing will be used to fund capital investment if the cost of the borrowing is affordable. Ideally the capital investment itself will produce revenue savings, which will cover the cost of borrowing to invest.

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 Capital and Treasury 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.

### **Revenue Implications of Capital Projects**

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

## **Leasing**

Leases are classified in accounting terms as either finance or operating leases. This distinction is important because it dictates whether the lease must be classified as capital (finance leases) or revenue (operating leases), as different accounting treatment is required for each.

All proposed leases must be sent to the Capital & Treasury Team for consideration. They are responsible for advising on and arranging all leases for the Council in conjunction with the Procurement Team, and can ensure that the leases comply with all the relevant accounting conditions and requirements.

All lease arrangements entered into on behalf of the Council must be authorised and signed by the Council's Section 151 Officer.

In order to demonstrate and achieve value for money, the Council's leasing advisors carry out a full evaluation of any lease proposals on behalf of the Council. This involves an analysis of the quality of the proposed lease and a comparison of the whole life costs of, for example, an operating lease, a finance lease or capital purchase funded by prudential borrowing.

It is generally more cost effective to arrange operating leases through sale and leaseback arrangements with a third party rather than through a direct lease from the supplier.

Items financed through an operating lease are coded to and financed as part of the Council's revenue budget. It is the responsibility of the budget holder to ensure that there is sufficient capacity in the revenue budget to fund the annual operating lease costs.

The Council's preference is not to enter into finance leases unless there are exceptional reasons for doing so. Where an operating lease is either not available or not suitable, a capital purchase funded by prudential borrowing generally offers greater benefits than a finance lease

It is anticipated that the introduction of IFRS based changes to accounting regulations from April 2010 may reduce the number of instances where operating leases can be used to finance capital expenditure, particularly in the case of short life assets such as IT hardware, equipment and vehicles. Where this applies it is likely that such items will be purchased through the capital programme and financed by prudential borrowing, with the revenue cost of the borrowing met from the service budget.

## **RISK MANAGEMENT**

Risk management is a key feature in the management of capital projects.

When putting together the Council's capital programme and setting the Council's prudential indicators for capital expenditure, officers take into consideration both the opportunities and the threats which could affect Council's plans and performance, and desired levels of affordability and prudence.

Uncertainty arises in the policy, planning, development and execution phases of capital projects. In line with the Council's Risk Management Strategy, this can be dealt with through the Council's adopted risk management process. Exposure to risk is further managed by experienced finance staff who review project proposals and appraisals prepared by service managers, referring proposals to the Risk Manager as required. Ensuring that financial assumptions are robust, and that revenue implications have been taken into account.

Capital appraisal forms have sections on both financial and non-financial risks so that the risks associated with capital projects put forward for inclusion in the capital programme are fully considered.

Once the programme has been agreed, the probability and impacts of variations to planned expenditure against the capital programme remain significant. Variations can arise for many reasons including tenders coming in over budget, changes to specifications and slippage or acceleration of project phasing. There is also the possibility of needing to provide for urgent or unplanned capital works. These uncertainties are risk managed by officers, proactively, on an ongoing basis and by active financial risk management, including monitoring processes, with monthly reports going to Cabinet.

Each project in the capital programme is categorised financially as a high, medium or low risk to budget, and this assessment is reviewed regularly. The financial risk assessment takes into account the probability of a budget variance, the impact of any potential variance, and the significance of these two factors for the budget assumptions.

### **Financing Risks**

The availability of financing from capital receipts, grants and external contributions also carries opportunity and threat. These risks are managed by officers on an ongoing basis, and include horizon scanning and financial monitoring.

Projects are not authorised to proceed unless and until the associated funding has been identified and secured.

In respect of the borrowing requirements of the capital programme, debt financing revenue costs relating to past and current capital programmes are estimated in accordance with proper practices, and with an inclination to prudence. Risks associated with borrowing to fund capital expenditure are considered in the Councils Treasury Management Practises (TMPs) and annual Treasury Strategy.

## **PURCHASING PROTOCOLS**

### **Procurement Strategy 2008-11**

Capital expenditure by its nature can involve significant sums of money, and it is therefore vital that a comprehensive procurement strategy is in place to protect the Council's interests and to ensure that the Council achieves value for money.

In addition, national developments in procurement such as the National Procurement Strategy for Local Government (LGA 2003) and the Spending Efficiency Review 2004 make it plain that procurement is viewed by central government as one of the major drivers for efficiency savings.

Government requirements from April 2006 also require a fundamental change in sustainable procurement by councils in order to put the UK among the leaders in this area in the European Union by 2009.

In addition specific requirements apply to projects with a value of £3.5m or more under the Public Contracts Regulations 2006 (EU regulations).

The Council's procurement strategy was approved in April 2008. An effective procurement strategy can be used to help achieve wider objectives – for example, as a major purchaser the Council has the opportunity to influence the market in respect of economic development, environmental issues, equalities and health and safety.

### **Procurement Team**

The Council is now a partner of the Northamptonshire Area Procurement Service (NAPS). NAPS provides a shared procurement service with 5 other boroughs and districts to achieve collaborative efficiencies. The Council has joined the East Midlands Property Alliance which will provide access to specialist Construction, Works and Facility related frameworks. The Council has a team dedicated to ensuring that the most appropriate procurement methods are used. The team have a variety of procurement experience and can advise on EU requirements for tendering, as well as general purchasing.

Advice should be taken from procurement section for all capital projects.

**- Annex A -**

**Committee Structure and Cabinet Member Portfolios**

**Portfolios of Cabinet Members**

**Cllr Brian Hoare**  
**Leader of the Council**

**Partnerships & Improvement**

Strategy & Political direction of the Council

**Cllr Paul Varnsvery**  
**Deputy Leader of the Council**

**Engagement**

Leisure & Culture  
Community Engagement  
Safer Stronger Northampton Partnership

**Cllr Sally Beardsworth**

**Housing**

Housing Directorate

**Cllr Richard Church**

**Planning & Regeneration**

Regeneration  
Planning  
Market Square

**Cllr Maria-Trinidad Crake**

**Environment**

Neighbourhood Services  
Public Protection

**Cllr David Perkins**

**Finance and Support Services**

Finance ,Performance  
Legal Services

**Cllr Brian Markham**

**Communities**

Customer Services/ICT & HR

**Northampton Borough Council Committee Structure**

Council

Cabinet

Audit Committee

Overview and Scrutiny Committees

Appointments and Appeals Committee

General Purposes Committee

Standards Committee

Planning Committee

Licensing Committee

Licensing Sub Committee



## **- Annex B -**

### **Extracts from Financial Regulations**

*(as agreed by Council 19 November 2007)*

#### **3.9 Capital Strategy**

- 3.9.1 Capital expenditure is an important element in the development of the Council's services since it represents major investment in new and improved assets. Each financial year the Section 151 Officer shall prepare and submit to Cabinet a Capital Strategy for the Authority. All capital expenditure and income for the authority should be undertaken in line with the agreed Capital Strategy and in compliance with the CIPFA Prudential Code for Capital Finance in Local Authorities and all prevailing statutory and professional regulations.

#### **3.10 Capital Budget**

- 3.10.1 The S151 Officer will be responsible for ensuring that a capital budget for at least the coming three financial years is prepared and brought forward for approval by the Council, upon recommendation of the Cabinet.
- 3.10.2 The Capital Programme will be prepared in accordance with the Capital Strategy and Asset Management Plan of the Authority and be consistent with, and designed to further the achievement of, the Council's priorities. It should be updated as monitoring and the annual budget timetable dictate.
- 3.10.3 Project managers are required to prepare project appraisals including whole life capital and revenue costs for all capital projects to be included in the Council's Capital Programme. The project appraisal must be approved by the Section 151 Officer or other officer authorised by her/him before any expenditure is committed.
- 3.10.4 The first call on capital resources should be for schemes agreed as part of the prior year budget process and which have already commenced. Chief Officers should therefore take this into account when preparing bids for future years.
- 3.10.5 The S151 Officer, will propose to Cabinet a scoring scheme to prioritise capital projects and update it annually. This scheme will be used to prioritise projects within available resources and used to guide members in the setting of the capital programme.
- 3.10.6 The Section 151 Officer shall report to the Cabinet on the overall cost of the draft capital programme compared with the resources likely to be available to finance it in both capital and revenue terms.

#### **3.11 Asset Management Plan**

- 3.11.1 The Asset Manager under the direction of the Section 151 Officer will be responsible for ensuring that an Asset Management Plan covering a minimum of three to five years is prepared and updated at least annually for consideration by the Cabinet and approval by the Council. The plan will be consistent with, and designed to further the achievement of, the Council's priorities.

#### **4.6 Capital Monitoring**

- 4.6.1 Chief Officers through their capital project managers are responsible for managing the financial risks of their projects and must monitor income and expenditure

against the in-year budget, as well as total expenditure over the life of each scheme.

- 4.6.2 Project managers shall provide monthly monitoring information, on a scheme-by-scheme basis, together with a forecast outturn including any re-phasing between years, to the Section 151 Officer.
- 4.6.3 Where forecasts identify an overspend or underspend from the approved budget these variations should be reported promptly to the Section 151 officer along with the proposed action.
- 4.6.4 In circumstances where it is not possible to take programme changes to Cabinet or Council due to a requirement for a quick decision, the Section 151 officer in consultation with the relevant Cabinet Member will have authority to approve the decision, which must be notified retrospectively to Cabinet.
- 4.6.5 The Section 151 Officer shall report the overall capital monitoring position, and the level of resources available to finance the programme, to Cabinet on at least a quarterly basis.

## **5.8 Assets**

- 5.8.1 The Section 151 Officer, in conjunction with the Asset Manager, shall be responsible for maintaining an adequate and up to date register of all the Council's capital assets and for calculating and processing the appropriate capital financing charges in accordance with CIPFA Capital Accounting Guidelines.
- 5.8.2 Each Director and Service Head will be responsible for ensuring that the Section 151 Officer is advised promptly of all additions, deletions or other changes to the Council's portfolio of assets, such as might affect the preparation of the Council's accounts.

**- Annex C -**

**Short Bid Form**

This can be found on the Council's intranet at: Home | Downloads | Finance and Support | Finance and Assets | Documents and Policies | [2010-11 Capital Appraisal Bid \(Short Form\)](#)

Alternatively please contact the Council's Capital and Treasury Team on 01604 837181 or by e-mail at [capitalappraisals@northampton.gov.uk](mailto:capitalappraisals@northampton.gov.uk)

**- Annex D -**

**Project Appraisal Forms:**

**Single Project Appraisal**

This can be found on the Council's intranet at: Home | Downloads | Finance and Support | Finance and Assets | Documents and Policies | [2010-11 Capital Appraisal Form – Programme Build](#)

**Block Appraisal**

This can be found on the Council's intranet at: Home | Downloads | Finance and Support | Finance and Assets | Documents and Policies | [2010-11 Capital Appraisal Form – Programme Build - Block Form](#)

Alternatively please contact the Council's Capital and Treasury Team on 01604 837181 or by e-mail at [capitalappraisals@northampton.gov.uk](mailto:capitalappraisals@northampton.gov.uk)

**- Annex E -**

**Capital Scheme Scoring Sheet**

This can be found on the Council's intranet at: Home | Downloads | Finance and Support | Finance and Assets | Documents and Policies | [2010-11 Capital Project Scoring Sheet](#)

Alternatively please contact the Council's Capital and Treasury Team on 01604 837181 or by e-mail at [capitalappraisals@northampton.gov.uk](mailto:capitalappraisals@northampton.gov.uk)

**- Annex F -**

**Project Variation Form**

This can be found on the Council's intranet at: Home | Downloads | Finance and Support | Finance and Assets | Documents and Policies | [2010-11 Capital Appraisal Variation Form](#)

Alternatively please contact the Council's Capital and Treasury Team on 01604 837181 or by e-mail at [capitalappraisals@northampton.gov.uk](mailto:capitalappraisals@northampton.gov.uk)

**- Annex G -**

**Key to Abbreviations and Acronyms**

AGM	Annual General Meeting
AMP	Asset Management Plan
BVPI	Best Value Performance Indicator
CAA	Comprehensive Area Assessment
CIPFA	Chartered Institute of Public Finance and Accountancy
CPA	Comprehensive Performance Assessment
CSR	Comprehensive Spending Review
DCLG	Department for Communities and Local Government
EMDA	East Midlands Development Agency
EP	English Partnerships
EU	European Union
GAAP	Generally Accepted Accounting Practice
GOEM	Government Office East Midlands
GF	General Fund
HCA	Homes & Communities Agency
IFRS	International Financial Reporting Standards
HRA	Housing Revenue Account
LAA	Local Area Agreement
LGA	Local Government Association
LPI	Local Performance Indicator
LSP	Local Strategic Partnership
MKSM	Milton Keynes & South Midlands
MRA	Major Repairs Allowance
MRR	Major Repairs Reserve
NEL	Northamptonshire Enterprise Ltd

NBC	Northampton Borough Council
NI	National Indicators
ODPM	Office of the Deputy Prime Minister
ONS	Office of National Statistics
PI	Performance Indicator
RIAG	Repairs & Investment Action Group
SORP	Statement Of Recommended Practice
The Code	The Code of Practice for Local Authority Accounting in the United Kingdom
WNDC	West Northamptonshire Development Corporation



## **- Annex H -**

### **Glossary of Terms**

#### ***Asset Management Plan (AMP)***

A plan maintained by the authority of the condition and suitability of its buildings, updated regularly and utilised to assess future capital investment needs. An AMP may be corporate or service specific.

#### ***Best Value***

The duty which local authorities owe to their stakeholders to provide relevant, cost effective services.

#### ***Best Value Performance Plan***

An annual statement published by the authority setting out the improvements that it plans to make in the performance of its services and how it intends to do so (now superseded by the Corporate Plan).

#### ***Capital Expenditure***

Expenditure on the acquisition of fixed assets (such as land, buildings, and major items of plant, vehicles or equipment), or expenditure that extends the life or value of an existing fixed asset.

#### ***Capital Programme***

The authority's plan of capital works for the current and future years, including details on the funding of the programme.

#### ***Capital Receipts***

Income from the sale of fixed assets. These can only be used to finance other capital expenditure or to repay outstanding debt on assets financed by loan.

#### ***Capital Reserve***

An internal fund set up to finance capital expenditure in future years.

#### ***Capital Strategy***

A corporate document providing clear strategic guidance about the Council's objectives, priorities and spending plans, demonstrating the link to key corporate and service objectives.

#### ***Community Strategy***

A document developed by a partnership of local agencies and organisations, including the Council, which sets out:

- A framework for the way the different stakeholders can work in partnership
- A set of clear actions against which progress can be constantly monitored
- The basis for making good and effective decisions to achieve a growing and sustainable environment.

- Identified priorities for action
- A framework for other public service planning
- An action plan to identify the action required to bring the strategy into being

### ***Comprehensive Performance Assessment (CPA)***

An annual government inspection rating all local authorities on how they perform. There are five ratings: no star (poor), 1 star (weak), 2 stars (fair), 3 stars (good) and 4 stars (excellent).

### ***Comprehensive Area Assessment (CAA)***

The replacement inspection scheme replacing the CPA.

### ***Comprehensive Spending Review***

The public expenditure planning process introduced by the government in 1997 to replace the system of annual public expenditure surveys. Each CSR covers a three-year period.

### ***Corporate Plan***

An annual statement published by the authority setting out the improvements that it plans to make in the performance of its services and how it intends to do so.

### ***Cross Cutting***

Issues or actions which concern or impact across a number of different areas such as demographic groups, geographic localities, services or service providers. These require co-ordination across departments and with other statutory and non statutory partners.

### ***Debt Financing Budget***

A budget to cover the repayment of principal and interest charges on the debt incurred through the building or purchase of the long term assets used in the provision of services.

### ***Disability Discrimination Act 1995***

Government legislation that places a statutory obligation on local authorities to make their services accessible to disabled people.

### ***Fixed Assets***

Tangible assets that yield benefits to the authority for a period of more than one year. This includes land, buildings, and major items of plant, vehicles or equipment.

Intangible fixed assets consist mainly of purchased software licences and custom built software prepared for use for a period of at least one year.

### ***Local Strategic Partnership***

A high level local partnership to bring together a wide range of public private, voluntary and community interests with the aim of promoting the sustainable, social, economic and environmental well being of the people of Northamptonshire.

***Medium Term Plan***

The Council's prioritised service and financial plans for the next three years.

***Performance Measures***

The process of taking aspects of performance for measurement and comparison.

***Performance Indicators***

Any numerical data or ratios collected and used for the purpose of evaluating performance against targets.

***Procurement***

The purchase of goods and services, with a strategy being developed to assist with the definition of quality standards and securing provision of the best possible services for local people for a given price.

***Prudential Borrowing***

All borrowing undertaken by the Local Authority for its capital programme must be prudent, affordable and sustainable.

***Prudential Code***

The code of practice drawn up by the Chartered Institute of Public Finance and Accountancy (CIPFA) to underpin the requirements of the Local Government Act 2003 in respect of an authority's duty to determine the affordability, prudence and sustainability of its capital investment plans.

***Prudential Indicators***

Required by the Prudential Code, these take the form of limits, estimates or actual figures used to support the local decision making process for capital investment.

***Ring Fenced Funding***

Funding that is for specific projects and therefore cannot be allocated to other general projects.

***Section 151 Officer***

The local authority's chief finance officer as defined and required by statute (Section 151 of the Local Government Act 1972).

***Service Plans***

Part of the business planning processes for service departments, ensuring that their objectives meet the overall priorities of the Council, and that targets are set for improvements in service delivery.

### ***Supported Borrowing***

Funding source for capital expenditure where the revenue costs of borrowing (repayments of principal and interest) are recognised by central government, through the Local Government Finance Settlement. Includes Single Capital Pot element and Separate Programme element. Referred to as “supported borrowing”.

### ***The Code***

The Code of Practice for Local Authority Accounting in the United Kingdom, provides the interpretation of some IFRS accounting standards for Local Government. The code replaces the SORP, which interprets some UK GAAP accounting standards for Local Authorities. The Code has legal force through the Local Government Act 2003, and where the Code is silent on any point the relevant international standard applies unless UK statute overrides.

### ***Unsupported Borrowing***

Funding source for capital expenditure where the revenue costs of borrowing (repayments of principal and interest) do not come from central government, but have to be met by the local authority from its own revenue resources.

### ***Useful Life***

The period over which the local authority will derive benefits from the use of a fixed asset.

### ***Whole Life Costs***

The costs of acquiring or creating an asset, operating it, maintaining it over its useful life, and finally the costs of disposal (i.e. the total cost of ownership).

**- Annex I -**

**Feedback Form**

. Did you find out what you wanted to know about the Council's Capital Strategy?

If you have any comments on the format or content of this document we would be pleased to hear from you.

Please email comments to:

capitalappraisals@northampton.gov.uk

or write your comments in the box below and return to:

Finance Manager - Capital and Treasury  
Finance Department  
Northampton Borough Council  
Cliftonville House  
Bedford Road  
Northampton



## **CABINET REPORT**

Report Title	Performance Monitoring Report
--------------	-------------------------------

<b>Cabinet Meeting Date:</b>	16 December 2009
<b>Key Decision:</b>	NO
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Portfolio:</b>	Performance & Support
<b>Accountable Cabinet Member:</b>	Councillor Brian Markham
<b>Ward(s)</b>	N/A

### **1. Purpose**

- 1.1 To inform Cabinet of the Council's performance for the monthly performance indicators for October 2009.

### **2. Recommendations**

- 2.1 That Cabinet note the contents of the report.

### **3. Issues and Choices**

#### **3.1 Report Background**

- 3.1.1. Performance data is collected across a range of locally developed indicators and National Indicators (NIs). Most indicators are collected monthly, with others collected either quarterly or annually. The reporting of NIs, together with a small number of locally determined indicators forms the basis of our performance monitoring process.
- 3.1.2. Performance data is available by the 20<sup>th</sup> of the following month; this allows for data to be transferred onto our database and quality assured to ensure that data quality standards are met. This report summarises monthly performance data for October 2009.

- 3.1.3 In June data for all of the performance measures detailed in service plans began to be collated by Performance Plus for the first time. Systems and processes are being tested and in the meantime the Cabinet report format will remain unchanged. Once testing has been satisfactorily completed, future reporting will focus on showing progress against the Council's priorities as set out in the Corporate Plan.

## **3.2 Issues - Overall Performance**

### **3.2.1 Monthly Indicators**

- 54.8% of indicators have 'green' status and have achieved target, compared to 50% last month
- 19.4% of indicators have 'amber' status and have performed just below target, compared to 18.8% last month
- 22.6% of indicators have 'red' status and have not achieved target compared to 28.1% last month
- 32.3% of all monthly indicators show improved performance against the same time last month, compared to 34.4% last month
- 35.5% of all monthly indicators show improved performance against the same time last year, compared to 31.3% last month

**Notable performance trends across all monthly performance data for October 2009 include:**

### **3.2.2 Performance Improvement**

#### **Neighbourhood Environmental Services**

- 80% (4 of 5) of indicators have 'green' status and are achieving target (NI 191, LI 105, LI 784, LI 785)
- Performance improved compared to last month for Number of missed refuse collections per 734,350 collections made. This was due to a reduction in both vehicle breakdowns and staff shortages compared to September (LI 784)

#### **Revenues & Benefits**

- 33% (3 of 9) of indicators have 'green' status and are achieving target (NI 180, BV 10, BV 76d)
- There has been a significant improvement in performance over the last three months for the number of housing benefit fraud investigations, which has resulted in a return to amber status for the first time since April. Continued performance at this level would result in the target being met by December (BV 76c)

#### **Housing Needs & Support**

- 100% (3 of 3) of indicators have 'green' status and are achieving target (NI 156, HI 6, HI 15)
- The last three months has seen a continued trend of improvement for Number of households living in temporary accommodation (NI 156)

### **3.2.3 Performance Deterioration**

#### **Revenues**

- 50% (1 of 2) of indicators have 'red' or status performing below target (BV 9)
- Performance for percentage of council tax received in the year has decreased this month, with year to date performance below target. There has been an increase in the number of summonses being issued for non-payment, as compared to the same period last year. The postal strike may have had an impact on late payment of instalments, which will be reviewed at the end of November (BV 9)

#### **Benefits**

- 71% (5 of 7) of indicators have 'red' or 'amber' status performing below target (NI 181, BV 76c, BV 78a, BV 78b, LI 364)
- October performance for time taken to process housing benefit/council tax new claims and changes to claims and the percentage of cases from complete to determined within 14 days has deteriorated, compared to last month. This is due to an increase in work following legislative changes and the introduction and promotion of E-Benefits. This work has largely been dealt with and a reduction in processing times is expected next month. (NI181, BV78a, BV78b, LI364)

#### **Public Protection**

- 50% (2 of 4) indicators have not achieved their target (BV 126, BV 127a)
- The number of violent crimes per year, per 1,000-population figure has reduced since last month but despite this it is still not meeting the annual target, and performance has also deteriorated when compared to the same time last year. Further actions being taken include continued domestic abuse reassurance visits by the Police, significant increase in referrals to Care & Repair for target hardening to victims of domestic abuse, the continuation of planned police visits to identify problematic licensed premises and the experimental closure of Bridge Street (BV 127a)

#### **Planning**

- 100% (3 of 3) of comparable indicators have deteriorating performance compared to last month do to the upgrade of the Fast Planning System, which has impacted on figures. However, all of these indicators are exceeding the annual target for overall performance year to date (NI 157b, NI 157c, LI 541)

#### **Human Resources**

- Sickness absence has deteriorated in October due to an increase in viral infections. Although performance has improved when compared to the same time last year, it remains above target for overall performance to date and has done so for five of the seven months reported this year. Absence Management Trigger Reports have been re-launched together with absence management refresher training for all managers to support a reduction of absence due to sickness. (BV 12)

### **3.2.4 Data Quality**

The Council has processes in place to ensure that the data and information it provides to support management decision-making is as reliable as possible. The Council has a strategy to improve data quality and service areas are working to achieve the objectives within it. This is closely linked to the Council's risk assessment processes and is monitored monthly as part of the Council's Performance Management Framework.



### **3.2.5 Current Key Risks and Issues;**

None

### **3.3 Choices (Options)**

Cabinet are recommended to review the issues and actions highlighted in 3.2

## **4. Implications (including financial implications)**

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### **4.1 Policy**

A number of corporate measures are monitored on a monthly basis to track progress towards delivering our priorities, as detailed in the Council's Corporate Plan. Service areas annually develop objectives, measures and targets to ensure the delivery of the Corporate Plan through the service planning process. The monitoring of progress is through the Performance Management Framework.

### **4.2 Resources and Risk**

The service area Service Plans will underpin the delivery of the Corporate Plan priorities. All objectives, measures and actions within the Service Plans are risked assessed and challenged before final approval. The challenge process includes the agreement of targets and the capacity/ability to deliver the plans with appropriate resource set aside to do so.

### **4.3 Legal**

None

### **4.4 Equality**

The Corporate Plan sets out the Council's corporate priorities. Equality and diversity is an important theme that flows throughout the Corporate Plan and Service Plans and the issues arising from the Council's EIA processes are factored into the development of these plans. The Corporate Plan outlines the Council's commitment to equality and diversity under the priority outcome of delivering Equitable Services under priority five.

### **4.5 Consultees (Internal and External)**

Internal – Performance data is published across the Council on a monthly basis

External – The Lead Official; Audit Commission; partners; publication of performance data on our website.

### **4.6 How the Proposals deliver Priority Outcomes**

Corporate Plan – Performance management, including the monitoring of data, is critical in ensuring the Corporate Plan objectives are delivered.

### **4.7 Other Implications**










None

## **5. Background Papers**
































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### **5.1 Monthly Performance Report for October 2009**

**Dale Robertson, Head of Performance & Improvement**  
**Performance & Improvement - Ext 7110**

MONTHLY PERFORMANCE REPORT: OCTOBER 2009														KEY TO STATUS COLOURING KEY TO QUARTILE & TARGETED QUARTILE COLOURING				KEYS	
CURRENT STATUS (BV12r - rolling colour status not counted)														GREEN:				~	Interim figure, still to be validated
	17	54.8%		6	19.4%		7	22.6%	NO DATA OR N/A			1	3.2%	Overall performance on or exceeding target Top or Upper Median Quartile		BV12r - Rolling colour status not counted			
MONTH ON MONTH TREND														AMBER:					
	10	32.3%		3	9.7%		16	51.6%	NO DATA OR N/A			2	6.5%	Overall performance within range stated in "Target Tolerances" column Lower Median Quartile					
YEAR ON YEAR TREND														RED:					
	11	35.5%		1	3.2%		10	32.3%	NO DATA OR N/A			9	29.0%	Overall performance outside the stated "Target Tolerances" Bottom Quartile					

Please contact Dale Robertson Ext 7110, if you require further information or support

	ID	NAME	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	OVERALL PERFORMANCE TO DATE	ANNUAL TARGET	CURRENT PROFILED TARGET [if any]	TARGET TOLERANCES	PERFORMANCE AGAINST LAST MONTH	OVERALL PERFORMANCE AGAINST SAME TIME LAST YEAR	NBC 08/09 OUTTURN & QUARTILE POSTION	NBC 07/08 OUTTURN & QUARTILE POSTION
Neighbourhood Environmental Services [Simone Wade]								4		1		0	No data or n/a		0							
↓	NI 191	Number of kilograms of residual household waste collected per household	46	41	40	41	41	45	42						296kg	495kg	297kg	+15kg		New NI 2009/10 - No comparable data		
↑	NI 192	Percentage of household waste sent for reuse, recycling and composting	40.91	41.77	44.77	41.49	39.62	38.56	39.30						40.93%	40.00%	42.36%	5%		 42.11%	37.88%	38.74%
↑	LI 105 (previously ELPI 5)	Percentage of fly-tips removed in 2 working days	99.86	100	100	100	100	99.80	100						99.95%	97.00%		5%		 99.81%	99.82%	99.83%
↓	LI 784 (previously ELPI 6)	Number of missed refuse collections per 734,350 collections made	239	74	143	127	111	193	95						982	2,100	1,198	5%		Change in calculation methodology - No comparable data		
↑	LI 785 (previously ELPI 10)	Percentage of missed collections put right within 24 hours	100	100	100	100	100	100	100						100%	100%		2% points		 100%	100%	98.92%
Public Protection [Steve Eisey]								2		0		2	No data or n/a		0							
↓	BV 126	Domestic burglaries per year per 1,000 households in local authority area	1.7	1.8	1.2	1.5	1.1	1.2	1.2						9.8	15.0	8.8	5%		 11.1	20.7 Bottom	20.9 Bottom
↓	BV 127a	Violent crime per year, per 1,000 population	2.1	2.1	2.1	2.3	2.5	2.0	1.8						14.8	22.9	13.4	5%		 13.9	23.6 Bottom	26.8 Bottom
↓	BV 127b	Robberies per year, per 1,000 population	0.3	0.2	0.2	0.2	0.2	0.2	0.1						1.3	2.7	1.6	5%		 1.4	2.5 Bottom	2.7 Bottom
↓	BV 128	The number of vehicle crimes per year, per 1,000 population in the local authority area	1.0	1.1	1.0	0.9	0.9	1.0	1.3						7.2	14.8	8.7	5%		 9.1	13.9 Bottom	16.2 Bottom
Planning [Sue Bridge]								4		0		0	No data or n/a		1							
↑	NI 157a LM	Percentage of "large scale major" planning applications determined within 13 weeks	No applications	No applications	No applications	No applications	No applications	No applications	No applications						No applications	0%		5%	No comparable data	First full year of reporting - No comparable data	100%	No comparable data
↑	NI 157a SM	Percentage of "small scale major" planning applications determined within 13 weeks	100	No applications	No applications	No applications	100	No applications	No applications						100%	60.00%		5%	No comparable data	First full year of reporting - No comparable data	54.55%	No comparable data
↑	NI 157b (previously BV109b)	Percentage of "minor" planning applications determined within 8 weeks	100	100	94.74	88.89	86.67	100	65.00						89.29%	65.00%		2% points		 95.42%	92.19% Top	BV109b 87.42% Top
↑	NI 157c (previously BV 109c)	Percentage of "other" planning applications determined within 8 weeks	100	87.80	98.53	89.04	94.00	98.46	96.00						95.07%	80.00%		2% points		 95.12%	95.70% Top	BV109c 95.21% Top
↑	LI 541 (Previously PLI 188)	The number of decisions delegated to officers as a percentage of all decisions	100	100	96.55	97.80	100	97.47	92.86						97.69%	90.00%		2% points		 96.17%	96.07% Top	94.77% Top

MONTHLY PERFORMANCE REPORT: OCTOBER 2009														KEY TO STATUS COLOURING KEY TO QUARTILE & TARGETED QUARTILE COLOURING				KEYS	
CURRENT STATUS (BV12r - rolling colour status not counted)														GREEN:				~	Interim figure, still to be validated
	17	54.8%		6	19.4%		7	22.6%	NO DATA OR N/A			1	3.2%	Overall performance on or exceeding target Top or Upper Median Quartile		BV12r - Rolling colour status not counted			
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Please contact Dale Robertson Ext 7110, if you require further information or support

	ID	NAME	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	OVERALL PERFORMANCE TO DATE	ANNUAL TARGET	CURRENT PROFILED TARGET [if any]	TARGET TOLERANCES	PERFORMANCE AGAINST LAST MONTH	OVERALL PERFORMANCE AGAINST SAME TIME LAST YEAR	NBC 08/09 OUTTURN & QUARTILE POSTION	NBC 07/08 OUTTURN & QUARTILE POSTION	
Human Resources [Catherine Wilson]																							
BV12r - Rolling colour status not counted							<div>G</div>	0					<div>A</div>	0			<div>R</div>	1	No data or n/a		0		
↓	BV 12	The number of working days/shifts lost due to sickness absence	0.96	0.83	1.03	1.15	0.92	0.96	1.03						6.89 Days	11.00 Days	6.42 days	5%	↓	↑ 7.29 Days	12.86 Days Bottom	11.89 Days Bottom	
↓	BV 12r (Rolling 12 months)	The average number of working days/shifts lost due to sickness absence for rolling 12 month period	12.99	12.84	12.86	12.97	12.99	12.87	12.83						12.91 Days	11.00 Days		5%	↑	New measure with rolling cumulative figures - No comparable data			
Finance & Assets [Gavin Chambers]							<div>G</div>	0					<div>A</div>	1			<div>R</div>	0	No data or n/a		0		
↑	BV 8	The percentage of invoices for commercial goods and services paid by the authority within 30 days of being received	97.00	93.88	94.69	96.11	94.17	92.96	93.82						94.71%	95.00%		2% points	↑	↑ 94.48%	94.38% Lower Median	91.51% Lower Median	
Revenues & Benefits [Robin Bates]							<div>G</div>	3					<div>A</div>	4			<div>R</div>	2	No data or n/a		0		
↑	NI 180	Changes to Housing Benefit/Council Tax Benefit entitlements within year	290.0	469.9	109.5	90.5	96.0	102.1	80.0						1,204.4	940.5	548.6	5%	↓	New NI 2009/10 - No comparable data			
↓	NI 181	Time taken to process Housing Benefit/Council Tax new claims/changes	15.9	15.3	14.4	15.6	11.5	12.0	14.6						14.2 Days	14.0 Days		2.0 Days	↓	New NI 2009/10 - No comparable data			
↑	BV 9	Percentage of council tax received in the year	11.25	9.01	9.24	9.23	8.99	9.25	9.14						66.34%	97.50%	67.00%	0.5% points	↓	↓ 67.97%	96.94% Lower Median	97.95% Upper Median	
↑	BV 10	% of non domestic rates due for the year which were received by the authority	11.62	9.55	10.18	9.69	9.73	9.08	8.58						68.88%	99.50%	68.80%	2% points	↓	↓ 71.29%	99.12% Top	99.79% Top	
↑	BV 76c	Housing Benefit Security: the number of fraud investigations	76	52	71	57	96	99	95						546	950	565	5%	↓	↓ 618	949	847	
↑	BV 76d	Housing Benefit Security: the number of prosecutions and sanctions	10	7	10	7	8	8	10						60	87	51	5%	↑	↑ 50	91	74	
↓	BV 78a	Speed of Processing: Average time for processing new claims	23.5	21.8	18.9	19.4	15.9	16.7	18.4						19.4	19.0 Days		2.0 Days	↓	↓ 16.0 Days	16.1 Days Top	23.8 Days Upper Median	
↓	BV 78b	Speed of Processing: Average time for processing notifications of change in circumstances	11.8	12.1	12.2	13.7	9.5	10.3	13.1						11.8	8.0 Days		1.0 Day	↓	↓ 8.0 Days	8.0 Days Upper Median	10.9 Days Lower Median	
↑	LI 364 (Previously BEN LPI 1)	Percentage of cases from complete to determined within 14 days	84.10	84.71	90.62	92.67	95.13	97.12	88.50						90.18%	92.00%		2% points	↓	↓ 97.93%	96.82%	86.74%	
Customer Services & ICT [Marion Goodman]							<div>G</div>	1					<div>A</div>	0			<div>R</div>	0	No data or n/a		0		
↓	NI 14	The percentage of customer contact that was 'Avoidable'	16.7	12.2	19.0	11.5	13.9	11.7	16.3						15.2%	50.0%		10%	↓	New NI 2009/10 - No comparable data			

MONTHLY PERFORMANCE REPORT: OCTOBER 2009															KEY TO STATUS COLOURING KEY TO QUARTILE & TARGETED QUARTILE COLOURING				KEYS	
CURRENT STATUS (BV12r - rolling colour status not counted)															GREEN:				~	Interim figure, still to be validated
<div><div>G</div></div>	17	54.8%	<div><div>A</div></div>	6	19.4%	<div><div>R</div></div>	7	22.6%	NO DATA OR N/A	1	3.2%	Overall performance on or exceeding target Top or Upper Median Quartile					BV12r - Rolling colour status not counted			
MONTH ON MONTH TREND															AMBER:					
<div><div>↑</div></div>	10	32.3%	<div><div>↔</div></div>	3	9.7%	<div><div>↓</div></div>	16	51.6%	NO DATA OR N/A	2	6.5%	Overall performance within range stated in "Target Tolerances" column Lower Median Quartile								
YEAR ON YEAR TREND															RED:					
<div><div>↑</div></div>	11	35.5%	<div><div>↔</div></div>	1	3.2%	<div><div>↓</div></div>	10	32.3%	NO DATA OR N/A	9	29.0%	Overall performance outside the stated "Target Tolerances" Bottom Quartile								

Please contact Dale Robertson Ext 7110, if you require further information or support

	ID	NAME	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	OVERALL PERFORMANCE TO DATE	ANNUAL TARGET	CURRENT PROFILED TARGET [if any]	TARGET TOLERANCES	PERFORMANCE AGAINST LAST MONTH	OVERALL PERFORMANCE AGAINST SAME TIME LAST YEAR	NBC 08/09 OUTTURN & QUARTILE POSTION	NBC 07/08 OUTTURN & QUARTILE POSTION
Landlord Services [Christine Ansell]							<div><div>G</div></div>	0		<div><div>A</div></div>	0		<div><div>R</div></div>	2	No data or n/a		0					
↑	HI 1 (previously BV 66a)	Rent collected by the local authority as a proportion of rents owed on HRA dwellings	93.06	94.56	97.28	94.12	102.99	93.89	94.76						95.88%	97.50%		1% point	↑	↑ 95.24%	96.26% Bottom	96.76% Bottom
↓	HI 3 (previously BV 66d)	Number of tenants evicted as a result of rent arrears	0	8	6	1	3	3	2						23	36	21	1 per quarter	↑	↑ 34	55	26
Housing Needs & Support [Fran Rodgers]							<div><div>G</div></div>	3		<div><div>A</div></div>	0		<div><div>R</div></div>	0	No data or n/a		0					
↓	NI 156	Number of households living in Temporary Accomodation	25	22	17	12	6	5	8						8	25	28	5%	↓	New NI 2009/10 - No comparable data		
↓	HI 6 (previously BV 212)	Average time taken to re-let local authority homes	33	24	25	28	21	19	20						24 Days	25 Days	25 Days	5%	↓	↑ 30 Days	29 Days Upper Median	34 Days Lower Median
↓	HI 15 (previously LHPI 183a)	The average length of stay in bed and breakfast accommodation of households that are unintentionally homeless and in priority need (working days)	0	0	0	0	0	0	0						0 Days	5 Days	4.30 Days	20%	↔	Previously reported quarterly - No comparable data	1.68 weeks Upper Mediian	1 week Top

Appendices  
2



**NORTHAMPTON**  
BOROUGH COUNCIL

Item No.

**14B**

## CABINET REPORT

<b>Report Title</b>	<b>REVENUE BUDGET MONITORING 2009/10 – POSITION AS AT THE END OF OCTOBER 2009</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16 December 2009
<b>Key Decision:</b>	NO
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Finance and Support
<b>Accountable Cabinet Member:</b>	David Perkins
<b>Ward(s)</b>	Not Applicable

### 1. Purpose

- 1.1 This report identifies the projected outturn position for the current financial Year. Appendix 1 of the report provides further background information. The report also refers to management action being taken in response to the forecast and to minimise the impact on the Council's general fund reserves at the end of the financial year.

### 2. Recommendations

- 2.1 Cabinet to note the report and the forecast under spend of £473k net of management action.

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 The Council approved the General Fund Revenue Budget on 26th February 2009. The 2009/10 budget preparation process identified a substantial gap in funding. This was bridged by a combination of policy, efficiency and base budget savings to the value of £9.42m. These savings are in addition to the £6.2m of savings that were approved and achieved as part of the 2007/08 and 2008/09 budget setting processes.
- 3.1.2 It is important that the savings built into the budget are achieved to minimise the impact on both the Council's general reserves at the end of this financial year and the impact on future year budgets. It is intended that all policy, efficiency and base budget savings that were built into the approved budget will be monitored and reported separately this financial year together with the regular monitoring of the revenue budget. Should any of the savings be unachievable, management action will be taken to identify alternative savings or income.
- 3.1.3 The Authority was notified of a revised provisional allocation of LABGI funding for 2009/10 of £124,425 on 29 July 2009. The grant determination for this was issued by CLG on 25 September. This allocation was based on the revised CLG methodology.

#### **3.2 Issues**

- 3.2.1 Budget Managers, in conjunction with Finance, have undertaken a review of the progress being made towards achieving the savings contained within the budget. Work has also been undertaken to identify any other emerging issues that cannot be contained within the approved budget with appropriate management action.
- 3.2.2 Appendix 1 presents the identified variations from the approved budget that are giving rise to a forecast net under spend of £42k for services before management action and proposed use of reserves.

**3.2.3 Table 1: General Fund Provisional Outturn Summary (£,000)**

RAG	Directorate	2009/10 Original Budget	2009/10 Additional Budget	2009/10 Revised Budget*	Projected Outturn Actuals - End October 2009	Projected Outturn Variance to Revised Budget - End October 2009 pre actions	Proposed Application of Reserves & other Management Actions	Projected Outturn Variance to Revised Budget - End October 2009 post actions
		£,000	£,000	£,000	£,000	£,000	£,000	£,000
R	Environment and Culture	12,227	1	12,228	12,936	708	(431)	277
G	Finance and Support	17,133	(39)	17,094	16,580	(514)	0	(514)
G	Planning & Regeneration	2,831	85	2,916	2,923	7	0	7
G	Assistant Chief Executive*	4,043	256	4,299	4,278	(21)	0	(21)
G	Borough Solicitor	1,171	4	1,175	1,106	(69)	0	(69)
G	Housing (GF)	1,472	(51)	1,421	1,268	(153)	0	(153)
	<b>Total</b>	<b>38,877</b>	<b>256</b>	<b>39,133</b>	<b>39,091</b>	<b>(42)</b>	<b>(431)</b>	<b>(473)</b>

*Note small variations are due to roundings.*

3.2.4 £1,136k of the projected position relates to policy and efficiency savings that Budget Managers have indicated still require further work. Appendix 2 contains details of these savings and action being undertaken.

3.2.5 Included within the forecast is a projected under spend of £587k relating to employee budgets. This is the position net of the corporate vacancy target.

3.2.6 The remaining £591k under spend before action and funding virements relates to emerging issues identified by Budget Managers.

3.2.7 Overall these items give a forecast under spend of £42k before management action.

3.2.8 Management action to the value of £431k has been identified to partially mitigate the forecast over spend. These actions give rise to a net forecast under spend of £473k.

3.2.9 The under spend of £473k includes the monitoring of the vacancy saving target. The position in relation to the employee budget is shown in a specific column on appendix 1 for clarity.





## Environment and Culture Directorate

3.2.10 The RAG status for Directorate of Environment and Culture is Red as the Directorate is forecasting an over spend above £100k. The reasons for the variance are explained below.

Service Area	Forecast Variance before Action	Forecast Variance after Action	Narrative
	£,000	£,000	
Director of Environment and Culture	1	1	Various minor items below £50k
Head of Public Protection	23	23	£58k unachievable income due to a reduction in CCTV rentals is offset by various minor items below £50k
Head of Neighbourhood Environmental Services	567	265	See below
Head of Leisure and Culture	107	(22)	See below
Town Centre Management	10	10	See below
<b>Total</b>	<b>708</b>	<b>277</b>	

## Head of Neighbourhood Environmental Services

3.2.11 The service has indicated that it is unable to deliver savings to the value of £678k that were built in to the 2009/10 budget (see below and appendix 2).

3.2.12 Net employee variations show £22k under spend. The increased costs of £57k in the forecast is due to redundancy costs of £15k, construction services employee costs £19k and a £22k reduction in the staff replacement saving.

3.2.13 £90k under recovery of income relating to white/bulky goods.

3.2.14 In relation to recycling an over achievement of income £494k on green, plastic and metal waste has been partially offset by under achievement of income on paper and glass of £232k mainly due to price decreases in those markets.

3.2.15 A £50k saving on glass haulage costs due to fewer collections from bottle banks is offset by £245k overspend on additional haulage costs for green waste.

3.2.16 This is offset by various net savings under £50k totalling £112k.

3.2.17 As identified in Appendix two the following MTP options forecast an overspend at period 7 of £678k, part of an overall position on NES of £512k overspend after management action:

- Increase in Bulky Waste income
- Replace permanent staff with agency workers as and when they leave
- Reduce the level of service for grounds maintenance
- Introduction of wildflower areas
- Reduce frequency of mowing regime
- Re-provision of toilet facilities in the town centre utilising a Richmond type community facilities scheme involving local businesses.

3.2.18 In considering in detail the above MTP options, it is now clear that they are not achievable and that new savings plans need to be put in place to balance the budget for 2009/10 and bring about savings going forward in to future financial years. The following table gives the savings achieved to date against the above MTPs and the reasons for their reversal:

Description	Reversal Reason
Increased fee for bulky waste collection	This additional income of £90,000 will not be achieved due to a number of factors. First, the recession has impacted upon the number of new large goods that people are purchasing and therefore the number of lumbar items needing to be disposed of has reduced. Secondly, the retailers supplying white goods now provide a recycling service whereby they remove the old appliance upon delivery of the new one. During 2009/10 efficiencies have been identified through the rationalisation of this service and the consequent removal of a lumbar truck. It is anticipated that the current price increase may remain in place. Future savings plans include a sliding fees scale, however this requires further detailed financial modelling.
Replace staff with agency staff as and when they leave	<p>This MTP was to replace permanent staff with agency staff as they left the Council via natural wastage. A target of £300k was originally set. In addition MTP 40 &amp; 41 were amalgamated at a later date adding £85,254 to the total. MTP 40 &amp; 41 have now been achieved. In addition to the total savings target for this MTP (£385,254) there is a vacancy factor of £178K for the whole division of which £112,365 is the vacancy factor for the frontline. The vacancy factor can only be achieved through natural wastage due to the need to have all frontline staff in place. This equates to a total of £497,619 to be achieved through natural wastage.</p> <p>To date £326,619 has been achieved leaving £171k forecast as unachievable. This is due to the fact that people are now less likely to leave for new jobs due to the effects of the recession.</p> <p>There remains in place future plans to continue to replace leavers with agency staff however with a much reduced target that takes into account the vacancy factor of £112,365 for the division.</p>

Reduce level of service for grounds maintenance	This MTP was to make a number of changes to ground maintenance which included a reduction in grass cutting and a reduction of the operational staff by 7 posts. Also included was the removal of two Area Officer posts and a Recreation Officer. The total savings target was £332,533. The savings have all been achieved except for the removal of the two Area Officer and the Recreation Officer posts. This equates to £119k that will now not be achieved. This is because in considering the total impact that the removal of these posts would have on the service and the emerging plans for Neighbourhood Working etc, it was viewed that the removal of these posts in isolation to a review of the entire structure would be to the detriment of the total service.
Introduction of wild flower planting and reduction of mowing regime	<p>In order to achieve this savings target of £192k there would need to be a reduction in the number of frontline staff in grounds maintenance over and above the seven posts removed in the above savings plan. The removal of any further frontline staff at this time would be at the detriment of the service. Until the grounds maintenance schedules are realigned the service is currently running to capacity.</p> <p>In respect of the issue of the disparity between the number of cuts made to NCC land as apposed to the contracted number of cuts needs to be resolved. This will be by maintaining the verges to the contract specification as a result of the rescheduling of the service, or renegotiate/charge more for the service.</p>
Re-provision of toilet facilities in the town centre	Budget allocated allows for the toilets to be open for six months. Changes to shift working at Sheep Street has allowed the toilets to remain open for longer. The budget allocation has now run out and the toilets are due to be closed. Feasibility of the community toilet scheme will be given high priority to enable savings this financial year and going forward.

3.2.19 In addition the Head of Service is working in a number of areas to manage costs to deliver the service on budget overall. The Head of Service has identified the following actions, totalling £302k to address the overspend in 2009/10, subject to verification. Some of these items will be recurring savings in future years:

- Net Northgate Kendrick Ash savings, assuming that NKA agrees to profiling of their fee £117k.
- Additional cemeteries income and savings on materials £35k
- The Head of Service is to put in a bid for funding of £33k for the additional roll out of the glass recycling scheme
- Small tools saving in Parks £10k
- Sports Equipment savings £17k
- Saving on repairs and bailing wire costs at the MRF £50k
- Reduction in South Northamptonshire costs for glass £5k
- Saving on clothing costs for waste collection service £10k
- Savings on Training costs £15k.

## Head of Leisure and Culture

3.2.20 The £133k over spend in Leisure mainly due to £185k over spend on employees which is being offset by management action of (£129k). £19k overspend on supplies and services and £21k unachieved income. These are offset by savings of (£91k) for rate rebates and reduced utility costs

3.2.21 A further £78k saving on museums is enhanced by net saving on items below £50k of £77k.

## Town Centre Management

3.2.22 An overspend on rents payable in respect of change of contract on St Peters Way Car Park of £53k, which is offset by £107k additional daily ticket income.

3.2.23 An overspend of £91k on maintenance of the bus station due to a HSE report are offset by savings of (£148k) on Gas and Electric

3.2.24 These are offset by net over spend of £121k on items below £50k.

## Finance and Support Directorate

3.2.25 The RAG status for Finance and Support is Green as the Directorate is forecasting an under spend. The reasons for the variance are explained below.

Service Area	Forecast Variance before Action £,000	Forecast Variance after Action £,000	Narrative
Director of Finance and Support	(46)	(46)	Employee savings net of the corporate vacancy target.
Head of Finance and Assets	(620)	(620)	See below.
Head of Revenues and Benefits	250	250	See below.
Head of Customer Services and ICT	32	32	Various minor items below £50k
Head of Human Resources	(136)	(136)	Supplies and services savings £138k offset by various items below £50k
Head of Procurement	6	6	Various minor items below £50k
<b>Total</b>	<b>(514)</b>	<b>(514)</b>	

## Head of Finance and Assets

- 3.2.26 Employee savings net of vacancy target give a £205k forecast under spend.
- 3.2.27 Loss of external rent income £80k due to properties becoming vacant. This is offset by £40k additional income from rent reviews undertaken and £80k saving on business rate appeals.
- 3.2.28 £281k saving on Concessionary Fares due to reimbursement rate being lower than budgeted for and a decrease in trip activity.
- 3.2.29 There is a £111k under spend on property costs mainly due to a £89k saving from reduction in NNDR charges largely relating to a rebate on Thornton Park Depot and a £20k under spend on utility charges.
- 3.2.30 In addition there are net costs of £17k on various items below £50k.

## Head of Revenues and Benefits

- 3.2.31 An overspend of £250k has resulted from a significant increase in benefits caseload.

## Planning & Regeneration Directorate

- 3.2.32 The RAG status for People, Planning, and Regeneration is Green as the Directorate is reporting an over spend of less than £50k. The reasons for the variance are explained in the table below.

Service Area	Forecast Variance before Action	Forecast Variance after Action	Narrative
	£,000	£,000	
Director of Planning and Regeneration	(6)	(6)	Various minor items below £50k
Head of Planning	55	55	See below.
Head of Regeneration and Development	(42)	(42)	£71k employee savings net of corporate vacancy target offset by net over spend £29k on items below £50k.
<b>Total</b>	<b>7</b>	<b>7</b>	

## Head of Planning

- 3.2.33 Planning has a net saving on employees of £105k net of vacancy factor mainly relating to changes in retention payments and the 1% pay award settlement.
- 3.2.34 The credit crunch continues to have an adverse impact on planning income, with a £95k under achievement of building control income and £47k on Development Control income.
- 3.2.35 In addition there is a net over spend of £18k on various items below £50k.

### **Borough Solicitor**

3.2.36 The RAG status for the Borough Solicitor is Green as the Service is reporting an over spend of less than £50k. The reasons for the variance are explained in the table below.

<b>Service Area</b>	<b>Forecast Variance before Action*</b>	<b>Forecast Variance after Action*</b>	<b>Narrative</b>
	<b>£,000</b>	<b>£,000</b>	
Borough Solicitor	(69)	(69)	Net employee savings and income from recovery of court costs.
<b>Total</b>	<b>(69)</b>	<b>(69)</b>	

### **Assistant Chief Executive**

3.2.37 The RAG status for Directorate of Assistant Chief Executive is Green as the Directorate is forecasting an under spend. The reasons for the variance are explained below.

<b>Service Area</b>	<b>Forecast Variance before Action</b>	<b>Forecast Variance after Action</b>	<b>Narrative</b>
	<b>£,000</b>	<b>£,000</b>	
Assistant Chief Executives	(57)	(57)	Various minor items below £50k.
Head of Policy and Community Engagement	56	56	See below
Head of Performance and Improvement	(27)	(27)	Net employee savings.
Director of Local Strategic Partnership	1	1	Net employee over spend.
Chief Executives	6	6	Various minor items below £50k
<b>Total</b>	<b>(21)</b>	<b>(21)</b>	

### **Head of Policy and Community Engagement**

3.2.38 There is a £190k overspend due to unachievable savings targets. This relates to the efficiency saving for Community Centres.

3.2.39 Members' expenses are underspent by £78k, and Grants paid out is underspent by £74k. These savings are offset by an overspend of £79k on professional services.

3.2.40 In addition there is £156k over recovery of income. This is due to additional grants of £52k, room hire fees £60k, and £44k external rents and service charges.

3.2.41 These are offset by net costs of £95k on various items below £50k.

### **Housing Directorate (General Fund)**

3.2.42 The RAG status for the Directorate of Housing is Green as the Directorate is reporting an under spend. The reasons for the variance are explained in the table below.

<b>Service Area</b>	<b>Forecast Variance before Action*</b>	<b>Forecast Variance after Action*</b>	<b>Narrative</b>
	<b>£,000</b>	<b>£,000</b>	
Director of Housing	(6)	(6)	Various minor items below £50k
Head of Housing Strategy, Investment and Performance	(3)	(3)	Various minor items below £50k
Head of Landlord Services	0	0	N/A
Head of Housing Needs and Support	(144)	(144)	See Below
<b>Total</b>	<b>(153)</b>	<b>(153)</b>	

### **Head of Housing Needs and Support**

3.2.43 A saving of £113k has been made on employees net of Vacancy Factor and incorporating the 1% pay award.

3.2.44 £78k of savings have been achieved within Home Choice & Resettlement supplies and services. This is mainly due to increased costs of grants spent £344k being offset by savings of £441k on Private Sector Leasing

3.2.45 The over spend of £62k in Housing Options is mainly due to consultancy costs £22k, £10k advertising costs and £16k on the Rent Assistance scheme.

3.2.46 The remaining £15k relates to a net overspend on items less than £50k.

### **Other Areas for Information**

3.2.47 As indicated above, managers have already taken action to minimise the overall net impact on Council finances. This includes identifying where there is scope for efficiencies without detriment to public service delivery, seeking additional external funding and capitalisation of specific costs. Managers must continue to rigorously assess areas in which further efficiencies can be achieved. Particular attention should be given to management of the employee establishment.

### **Improvement Fund**

3.2.48 The opening balance on the Improvements Reserve for 2009/10 was £1m. In September 2009 approval was given in line with the Council resolution of 26 February 2009 to draw down £150k of this earmarked reserve for a Programme Manager for SBR and other key change projects.

### Corporate Initiatives (LABGI) Earmarked Reserve

3.2.49 The opening balance on the Corporate Initiatives Reserve for 2009/10 was £351k. The unearmarked element of this reserve has been ring fenced to Regeneration and Development by Council resolution of 26 February 2009.

	£,000
<b>LABGI Balance as at 01.04.2009</b>	<b>351</b>
Royal and Derngate Theatre Trust	-8
Market Square Lighting	-30
<b>Earmarked in 2008/09 B/fwd:</b>	
Market Square	-20
Car Parking Feasibility	-20
Fish Market	-26
Leisure Feasibility	-25
Leisure Feasibility – Conditional Element	-30
Links View Flood Investigation	-3
<b>Total estimated LABGI balance at 31.03.2009</b>	<b>189</b>

3.2.50 Aside from the earmarked items, a total amount of £38k has been drawn down from this Earmarked Reserve in line with the Council resolutions of 26 February 2009.

### General Fund Balances

3.2.51 Following the completion of the closure of the year-end accounts 2008/09 the forecast opening General Fund Balance for 2009/10 was revised to £2,006k.

3.2.52 At the meeting on 14 October 2009 Cabinet agreed to appropriate the unclaimed increase in members' allowances 2008/09 from reserves to CEFAP for investment in communities. This would have been part of the 2008/09 movement in balances, so will impact on the General Fund balance.

### Housing Revenue Account (HRA)

3.2.53 A separate report detailing the HRA position appears elsewhere on the agenda.

### 3.3 Choices (Options)

3.3.1 Cabinet is invited to note the report and the actions being taken to contain net expenditure to minimise the impact on the Council's reserves at the end of the financial year.

3.3.2 Consideration must be given as to whether further management action can be taken to achieve those savings that have been identified by Budget Managers as unachievable.

3.3.3 Options for further constraining expenditure without detriment to front line service delivery must be considered corporately to address the projected net overspend.

## 4. Implications (including financial implications)

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### 4.1 Policy

4.1.1 The table at 3.2.4 shows that the budget is forecast to be under spent by £473k after management action and proposed use of reserves.



## **4.2 Resources and Risk**

- 4.2.1 This report informs the Cabinet of the forecast revenue budget outturn as at the end of October 2009.
- 4.2.2 There will be an ongoing impact on future year budgets of not achieving savings contained within the 2009/10 budget.

## **4.3 Legal**

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

## **4.4 Equality**

- 4.4.1 There are no specific equalities implications arising from this report.

## **4.5 Consultees (Internal and External)**

- 4.5.1 Chief Executive, Directors, Heads of Service, and Budget Managers have been consulted.

## **4.6 How the Proposals deliver Priority Outcomes**

- 4.6.1 Monthly budget monitoring relates to improving the CAA Use of Resources score, which contributes to the priority of being a well-managed organisation that puts the customer at the heart of what we do.

## **4.7 Other Implications**

- 4.7.1 Not applicable

## **5. Background Papers**

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- 5.1 Council Report 26<sup>th</sup> February 2009 (General Fund Revenue Budget 2009/10 – 2011/12),
- 5.2 Cabinet Report 29<sup>th</sup> June 2009 (General Fund Budget Outturn 2008/09)
- 5.3 Cabinet Reports 5 August 2009 Revenue Budget Monitoring Position as at End of May 2009  
23 September 2009 Revenue Budget Monitoring Position as at End of June 2009  
14 October 2009 Revenue Budget Monitoring Position as at End of July 2009  
4 November 2009 Revenue Budget Monitoring Position as at End of August 2009  
25 November 2009 Revenue Budget Monitoring Position as at End of September 2009

**Rebecca Smith, Assistant Head of Finance, ext 8046**  
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## General Fund Controllable Service Revenue Budget - Forecast Outturn Variance 2009/2010 as at the end of October 2009

	2009/2010 Original Budget	2009/2010 Use of Reserves	2009/2010 Virements	2009/2010 Current Budget	Savings / Efficiency Target Included within 2009/10 Budget	Savings / Efficiencies Target (Over) / Under Achieved	Employees Forecast Net of Vacancy Factor	Other Emerging Issues	Forecast Outturn (Underspend) / Overspend before Mgmt Action	Management Action - Virement from Reserves	Management Action Plans in Place	Forecast Outturn following action plans & budget transfers
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>R Director of Environment and Culture</b>												
Director of Environment and Culture	207	0	36	243	0	0	-1	2	1	0	0	1
Head of Public Protection	2,113	22	-12	2,123	-460	20	7	-4	23	0	0	23
Head of Neighbourhood Environmental Services	9,293	0	-77	9,216	-2,685	678	-22	-89	567	0	-302	265
Head of Leisure and Culture	2,060	0	171	2,231	-890	131	169	-193	107	0	-129	-22
Town Centre Management	-1,446	0	-139	-1,585	-260	5	49	-44	10	0	0	10
	<b>12,227</b>	<b>22</b>	<b>-21</b>	<b>12,228</b>	<b>-4,295</b>	<b>834</b>	<b>202</b>	<b>-328</b>	<b>708</b>	<b>0</b>	<b>-431</b>	<b>277</b>
<b>G Director of Finance and Support</b>												
Director of Finance and Support	291	0	127	418	0	0	-48	2	-46	0	0	-46
Head of Finance and Assets	8,075	0	54	8,129	-856	0	-205	-415	-620	0	0	-620
Head of Revenues and Benefits	-133	0	75	-58	-851	59	-34	225	250	0	0	250
Head of Customer Services and ICT	6,738	0	-46	6,692	-702	27	-15	20	32	0	0	32
Head of Human Resources	1,972	0	-258	1,714	-418	10	28	-174	-136	0	0	-136
Head of Procurement	190	0	9	199	-20	0	9	-3	6	0	0	6
	<b>17,133</b>	<b>0</b>	<b>-39</b>	<b>17,094</b>	<b>-2,847</b>	<b>96</b>	<b>-265</b>	<b>-345</b>	<b>-514</b>	<b>0</b>	<b>0</b>	<b>-514</b>
<b>G Director of Planning and Regeneration</b>												
Director of Planning and Regeneration	201	0	44	245	0	0	-6	0	-6	0	0	-6
Head of Planning	1,869	0	-39	1,830	-462	13	-105	147	55	0	0	55
Head of Regeneration and Development	761	83	-3	841	-206	0	-70	28	-42	0	0	-42
	<b>2,831</b>	<b>83</b>	<b>2</b>	<b>2,916</b>	<b>-668</b>	<b>13</b>	<b>-181</b>	<b>175</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>7</b>
<b>G Assistant Chief Executive</b>												
Assistant Chief Executive	505	0	8	513	-89	0	-32	-25	-57	0	0	-57
Head of Policy and Community Engagement	3,016	0	-59	2,957	-345	190	30	-164	56	0	0	56
Head of Performance and Improvement	378	150	2	530	-45	0	-21	-6	-27	0	0	-27
Director of Northampton Local Strategic Partnership	40	0	4	44	0	0	1	0	1	0	0	1
Chief Executives	104	0	151	255	-195	0	-21	27	6	0	0	6
	<b>4,043</b>	<b>150</b>	<b>106</b>	<b>4,299</b>	<b>-674</b>	<b>190</b>	<b>-43</b>	<b>-168</b>	<b>-21</b>	<b>0</b>	<b>0</b>	<b>-21</b>
<b>G Borough Solicitor</b>	<b>1,171</b>	<b>0</b>	<b>4</b>	<b>1,175</b>	<b>-298</b>	<b>0</b>	<b>-40</b>	<b>-29</b>	<b>-69</b>	<b>0</b>	<b>0</b>	<b>-69</b>
<b>G Director of Housing</b>												
Director of Housing	172	0	10	182	0	0	-7	1	-6	0	0	-6
Head of Strategy, Investment and Performance	227	0	-1	226	-26	0	-140	137	-3	0	0	-3
Head of Landlord Services	0	0	0	0	0	0	0	0	0	0	0	0
Head of Housing Needs and Support	1,073	0	-60	1,013	-617	3	-113	-34	-144	0	0	-144
	<b>1,472</b>	<b>0</b>	<b>-51</b>	<b>1,421</b>	<b>-643</b>	<b>3</b>	<b>-260</b>	<b>104</b>	<b>-153</b>	<b>0</b>	<b>0</b>	<b>-153</b>
<b>Total General Fund Controllable Revenue Budget</b>	<b>38,877</b>	<b>255</b>	<b>1</b>	<b>39,133</b>	<b>-9,425</b>	<b>1,136</b>	<b>-587</b>	<b>-591</b>	<b>-42</b>	<b>0</b>	<b>-431</b>	<b>-473</b>

**Key**

A positive variance indicates a budget overspend and a negative variance indicates a budget underspend

Achievable savings are denoted in Green

Unachievable savings are denoted in red.

Portfolio Holder	Director	Directorate	Head of Service	Key Service Area	Saving Reference as per Report to Full Council	Detail	2009/10 Target	2009/10 Forecast Savings Shortfall / (Excess)	Progress Achieved to Date	Agreed Future Management Actions	Key Risks Identified - For Detailed Information Refer to the Council Risk Register
Paul Varnsvery	C Boden	Assistant Chief Executive	Head of Policy and Community Engagement	Community Developments	MTPS78	Community Centre efficiencies - Review management arrangements to balance income and expenditure	(190,000)	190,000	Consultation proceeding with centre managers. Detailed proposals on restructure of caretaking / cleaning functions underway. This will not be achieved in 2009/10 although an alternative MTP option has been submitted for future years.		
Cllr Church	D Bailey	Director of Planning and Regeneration	Head of Planning	Development Control	OI16	Charging for pre-planning and other planning fees	(15,000)	13,000	The income target will not be achieved to date approximately £600 has been generated. An option has been put forward as part of the budget setting process to reduce this budget.	Fees introduced 1st June as agreed at Cabinet. Continue to monitor project throughout financial year with monitoring report to Cabinet at the appropriate time	Risk that insufficient training can be given to ensure successful launch of the scheme will result in increased level of complaints. Risk that income will not be generated to insufficient take up of the service
Cllr Markham	I Procter	Director of Finance and Support	Head of Human Resources	Corporate Manager (Human Resources)	ESN63	With the implementation of Agresso 5.5, the external consultancy support will no longer be needed and will cease.	(8,000)	4,670	Further consultancy services are required by Human Resources following the upgrade of Agresso. The cost also includes the provision of training to new staff on the new system.	Manager does not anticipated further expenses and will cover part of the cost using the training budget (£3330).	
Cllr Markham	I Procter	Director of Finance and Support	Head of Human Resources	Corporate Manager (Human Resources)	MTPS116B	Delete relocation expenses	(17,480)	5,600	A shortfall in HR is related to the relocation allowance of the Head of Service. Allowance covered the period up to November 2009 and will not have pressure on future year's budget.	HR does not anticipated further expenses on relocation and shortfall is offset by the surplus on employee budget.	
Cllr Markham	I Procter	Director of Finance and Support	Head of Customer Services and ICT	Administrative Services	ESN137	Further savings in postal costs due to recently introducing the clean mail contract following the VFM exercise.	(5,000)	5,000	Budget manager advised that the cleaner electronic mail system was currently not being used due to problems which are being dealt with. Currently if the savings are met this would be due to less volume in postage rather than cheaper costs. New envelopes are currently being purchased with no logo's on so that electronic mail can be introduced.		
Cllr Markham	I Procter	Director of Finance and Support	Head of Customer Services and ICT	Customer Access	MTPS27/50/ 51	Closure of Weston Favell Housing Office	(53,312)	2,500	Face to face operation is due to relocated on 24th April. Other staff moves are took place in May. Office was evacuated end of Sept 09. There are now only ICT servers in the building. Arranged for 3 months relief on NNDR		Possible negative publicity due to the withdrawal of face to face access point in a socially deprived area of town.
Cllr Markham	I Procter	Director of Finance and Support	Head of Customer Services and ICT	Administrative Services	MTPS13	Implementation of E Benefits will lead to a reduction in process time and electronic vs. paper based system lead to staff savings of 2 fte on the basis that it is implemented by 31st March 2009.	(37,286)	19,286	This saving has been offset in part by DWP grant of £18K, the remainder is to be found within the facilities restructure. The savings have been mainly realised due to grant funding and restructure, however the vacancy factor will not be able to be met.	Restructure in Facilities team to offset the deficit	
Cllr Perkins	I Procter	Director of Finance and Support	Head of Revenues and Benefits	Benefits	ESN134	Housing Benefit & Council Tax Benefit to current level of Benefit/Subsidy	(296,372)	59,059	This forecast is based on calculations of budget to mid year estimates.		
Cllr Beardsworth	L Wearing	Director of Housing	Head of Housing Needs and Support	Call Care	EGR119	Savings on electricity for call care	(2,500)	2,500	This saving is unlikely to be achieved. This is due to increased utility costs. It is also due to the sheltered housing team relocating to Exeter Place and sharing services as part of the project to close Weston Favell District Office.	To ensure that all meters have accurate readings taken in a timely manner.	
Cllr Varnsvery	J Seddon	Director of Environment and Culture	Head of Leisure and Culture	Leisure	OI1	Increased income based business growth, Corporate DD's, On-line DDs and Swimming DDs.	(308,000)	31,000			
Cllr Varnsvery	J Seddon	Director of Environment and Culture	Head of Leisure and Culture	Leisure	MTPS204C	Improved management control of expenditure on waged staff in Leisure	(100,000)	100,000	Due to timing issues of recruiting Leisure Centre Managers employed to reduce overall wage bill.	Will be reviewed after 3 months, and then monthly thereafter.	
Cllr Crake	J Seddon	Director of Environment and Culture	Head of Neighbourhood Environmental Services	Domestic Refuse	OI4	Increase the bulky waste collection fee from £10 for 3 items to £25 for 3 items to cover the costs of delivering the service. This is in line with other councils.	(90,000)	90,000	Prices have been increased however Bulky Waste collection is reducing in comparison to the previous year. Many stores that sell white goods are now offering a service to take the old appliance away when the new one is delivered therefore impacting on the amount of NBC collections. The current economic climate may also be impacting on the purchase of new appliances to replace old ones. The increase in fees may also be a factor.	Monitoring of income and volumes collected against the predicted income stream. Other savings options are being looked into by the Head of Service.	Reduced income to the authority.

Portfolio Holder	Director	Directorate	Head of Service	Key Service Area	Saving Reference as per Report to Full Council	Detail	2009/10 Target	2009/10 Forecast Savings Shortfall / (Excess)	Progress Achieved to Date	Agreed Future Management Actions	Key Risks Identified - For Detailed Information Refer to the Council Risk Register
Cllr Crake	J Seddon	Director of Environment and Culture	Head of Neighbourhood Environmental Services	Public Conveniences	MTPS31/31b	Reprovision of toilet facilities utilising the Richmond scheme of using local businesses in the town.	(51,730)	37,000	Richmond type scheme to be incorporated into the Northampton Town Centre Neighbourhood working project. Currently no plans have been implemented and the head of service is looking to close toilets. This forecast may reduce if toilets are closed.	The project will be closely monitored in it's development and implementation. The Richmond type scheme to be in place before existing toilets close.	Current budget allocation allows for the toilets to be open for six months, the project will need to be in place before this. Other risks include customer dissatisfaction.
Cllr Crake	J Seddon	Director of Environment and Culture	Head of Neighbourhood Environmental Services	Domestic Refuse	MTPS211	Replacing permanent staff with temp staff as and when they leave	(385,254)	200,000	£185k has been achieved to date. The remaining £200k should be met through the replacement of vacant posts with agency staff however given the current economic climate staff turnover is low and it is unlikely the full saving can be met.	Monitoring the implementation by modelling the replacement of staff. Contingency plan to be put together in case the required level of leavers is not achieved. The Head of Service is currently looking into ways of achieving this efficiency saving.	The longer it takes to achieve the more staff we will need to replace.
Cllr Crake	J Seddon	Director of Environment and Culture	Head of Neighbourhood Environmental Services	Parks and Open Spaces	MTPS32	Reduce level of service for grounds maintenance i.e. grass cutting, less flowers, hanging baskets etc Proposed reduction of 7 vacant posts.	(332,533)	136,000	£195k has been achieved. £17k which is currently unachieved is due to overtime worked in parks during the weekend. This MTP was to reduce staffing levels in the parks and grounds maintenance however the overtime is now increasing the staffing levels back up and therefore effects this MTP option. £119k relates to a reduction in management that has not happened. The Head of Service looking into ways of achieving this efficiency saving. These include restructure of the service	The Head of Service is currently looking into ways of achieving this efficiency saving.	Any related costs to be found from within the service reducing the savings achieved.
Cllr Crake	J Seddon	Director of Environment and Culture	Head of Neighbourhood Environmental Services	Parks and Open Spaces	MTPS715	Introduction of wild flower areas as opposed to mowing regime	(23,000)	23,000	Currently unachieved but plans in place to meet the saving.	The Head of Service is currently looking into ways of achieving this efficiency saving.	Any related costs to be found from within the service reducing the savings achieved.
Cllr Crake	J Seddon	Director of Environment and Culture	Head of Neighbourhood Environmental Services	Parks and Open Spaces	MTPS716	Reduce frequency of mowing of grass on NCC land - i.e. verges- throughout the Borough, reducing the subsidy to NCC.	(192,000)	192,000	Currently unachieved.	The Head of Service is currently looking into ways of achieving this efficiency saving.	Any related costs to be found from within the service reducing the savings achieved.
Cllr Varnsvery	J Seddon	Director of Environment and Culture	Head of Public Protection	Community Safety	ESN45	Saving achieved by making a contracted post permanent at a lower cost with no adverse impact on current activities within Crime and Disorder Support Services	(4,862)	4,862	This will not be achieved as superseded by removal of CASPAR Officer post		
Cllr Varnsvery	J Seddon	Director of Environment and Culture	Head of Public Protection	Licensing	OI14	Increase in fees for driver, vehicle, operator and gambling licences	(29,580)	8,580	Report on change in fees has been approved by Cabinet and Council on 10 June after objections.	New fees advertised as required. New fees now to be collected from 29 June 2009 which has decreased income due to delay	
Cllr Varnsvery	J Seddon	Director of Environment and Culture	Head of Public Protection	Community Safety	OI10	Project bid led by Police with WNCD for GAF3 funding on CCTV Monitoring for Business area of Brackmills	(55,000)	4,800	Project start delayed until May 09 will bring 11/12ths of anticipated income. Savings will be confirmed when process complete	Will seek to find elsewhere	
Cllr Crake	J Seddon	Director of Environment and Culture	Head of Public Protection	Environmental Protection	MTPS208	Restructure public protection service to support the introduction of a geographic focus to service delivery at a neighbourhood level, in conjunction with Neighbourhood Environmental Services	(186,000)	2,700	Restructure has been completed but has not achieved the savings in total	Will seek to find elsewhere	Increase Public dissatisfaction /complaints about service to Council/Ombudsman etc
Cllr Crake	J Seddon	Director of Environment and Culture	Town Centre Management	Bus Station	ESP22	Prior Year Decision Adjustments - Bus Station Cleaning	(10,000)	5,000	Savings will not be achieved as a consequence of the HSE Action Plan works		
TOTAL								1,136,557			
Savings Achieved Total								(8,288,496) (9,425,053)	Saving MTPS706 Overachieved by £591		

**Appendices**

**2**



**NORTHAMPTON**  
BOROUGH COUNCIL

**Item No.**

**14C**

## CABINET REPORT

<b>Report Title</b>	<b>HOUSING REVENUE ACCOUNT BUDGET MONITORING 2009/10 – POSITION AS AT 31st OCTOBER 2009</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16 December 2009
<b>Key Decision:</b>	YES
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Finance and Support
<b>Accountable Cabinet Member:</b>	Cllr D Perkins
<b>Ward(s)</b>	Not Applicable

### 1. Purpose

- 1.1 This report identifies the projected outturn position for the current financial year for the Housing Revenue Account (HRA). Appendix 1 of the report provides further background information. The report also refers to management action being taken in response to the forecast and to minimise the impact on the Council's HRA working balances at the end of the financial year.

### 2. Recommendations

- 2.1 Cabinet to note the report and the forecast overspend of £160k on the Net Cost of Services.
- 2.2 Cabinet to approve the virement of £1m from the Contribution to Earmarked Reserves to the Property Maintenance Service, to support the current level of service being delivered to tenants.

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 The Council approved the 2009/10 HRA Budget on 19th February 2009. The 2009/10 budget preparation process delivered a balanced budget.

#### **3.2 Issues**

- 3.2.1 Budget Managers, in conjunction with Finance, have undertaken a review to identify any emerging issues that cannot be contained within the approved budget with appropriate management action. Appendix 1 presents the identified variations from the approved budget that are giving rise to a forecast net overspend of £160k for Net Cost of Services.
- 3.2.2 Working Balances - It should be noted that Working Balances carried forward from outturn are higher than the budget by £160k. This variance was detailed in the HRA Budget 2008/09 Outturn Report presented to Cabinet on 29th June 2009. There was an additional £2.493m moved into earmarked reserves.
- 3.2.3 Housing Restructure - A fundamental review of the staffing structure of the Housing Service has been undertaken. There has been no overall net increase in the cost of services.
- 3.2.4 HRA Subsidy & Dwelling Rent Income – net forecast underspend of £41k. The Current Budget figures reflect the Council's decision to reduce the approved rent increase (5.65% average) and implement a lower increase (approx' 2.82% average) from May 2009 in light of the Governments announcements post budget setting. The impact is lower than budgeted rental debits due of £910k, offset by a reduction in the amount of HRA negative subsidy payable to CLG £1,113k. The net difference is also due to Right to Buy sales dropping off and lower void loss than budgeted. The Dwelling Rent income and Void Loss monitoring is attached at Appendix 2 in graphical format.
- 3.2.5 Repairs and Maintenance – forecast overspend of £440k. This forecast assumes that the virement of £1m from the Contribution to Earmarked Reserves is approved. It reflects the trend of the current level of expenditure on void properties and responsive repairs to housing stock. This forecast will be subject to further ongoing scrutiny to determine the level of capitalisation of costs and any other factors that can mitigate the projected overspend. This issue is currently being considered as part of the future years budget process in order to determine an appropriate level of budget required to deliver the repairs and maintenance service.
- 3.2.6 General Management – forecast overspend of £15k. This represents an increase of £21k to the previously reported forecast underspend of £6k. This forecast includes the additional costs involved in the relocation of Housing staff and the savings that have resulted from vacant posts.
- 3.2.7 Special Services – forecast underspend of £305k. This forecast primarily relates to employee cost savings across the service that have occurred as a result of vacant posts and lower than expected pension contributions. In

addition, there has been a decrease in the running costs in relation to Community Rooms and Brer Court that corresponds to a reduction in the levels of usage.

- 3.2.8 Rents Rates Taxes & Other Charges – forecast overspend of £50k. This reflects the estimated increase in Council Tax due on empty properties, This is as a result of a change to the Council Tax rules that no longer allow relief to be claimed on properties that have been vacant for longer than six months.

### 3.3 Other Areas for Information

- 3.3.1 An emerging issue has been identified relating to the settlement of equal pay claims. Due to ongoing negotiations, no figures have yet been included in the budget forecasts for this issue.
- 3.3.2 As indicated above, managers are already taking action to minimise the overall net impact on HRA working balances. This includes identifying where there is scope for efficiencies without detriment to public service delivery, and capitalisation of specific costs. Managers must continue to rigorously assess areas in which further efficiencies can be achieved to manage forecast overspends within the overall budget. Particular attention should be given to Property Maintenance and the management of the employee establishment.
- 3.3.3 Management anticipate a reduction in the Contribution to Earmarked Reserves of £1m in order to maintain a balanced budget in the current year. However, it should be noted that this reduction may impact upon future years capital programmes and could potentially lead to an increase in borrowing to fund the ongoing HRA Capital Programme.

### 3.4 HRA Working Balances and Reserves

- 3.4.1 The HRA Working Balances and Reserves are summarised in Table 1 below.

**Table 1 – HRA Working Balances and Reserves**

<b>HRA Balances on Account</b>	<b>Balance 31.3.09 £'000</b>
HRA Working Balance	6,124
HRA Capital Programme Earmarked Reserve	7,000
HRA Leaseholders Earmarked Reserve	1,000
HRA PFI Reserve	175
<b>TOTAL HRA BALANCES</b>	<b>14,299</b>

- 3.4.2 **Capital Programme Reserve:** The opening balance for 2009/10 is £7m. The Reserve has been set aside to fund future Capital Programmes and is considered prudent in order to support the delivery of the outcomes of the HRA Asset Management Strategy and the HRA Business Plan. The Cabinet meeting of the 5<sup>th</sup> August 2009, (Report Item 13), approved a further £100k to

be made available from the HRA Capital Programme Earmarked Reserve to support the next stage of the PFI process. See 3.4.4 below.

- 3.4.3 **Leaseholder Capital Works Reserve:** The opening balance for 2009/10 is £1m. The Reserve was set up in 2007/08 (see Cabinet Report 26<sup>th</sup> June 2008), in anticipation of the requirement for a sinking fund or similar mechanism to account for changes made for capital works and the actual costs of Capital repairs. A Leaseholder charging review is being undertaken and will be subject to a separate report when complete.
- 3.4.4 **HRA PFI Reserve:** The opening balance for 2009/10 is £175k. The reserve was set-aside in 2008/09 to support the work towards the PFI bid to Government for PFI credits to enable transformational change to part of the HRA stock. This reserve has been increased to £275k, (see 3.4.2 above).
- 3.4.5 **HRA Working Balance:** The opening balance for 2009/10 is -£6,124k. The forecast Outturn for the year is -£6,250k, showing a net increase to the Working Balance of £126k. This represents an decrease of £160k from the budgeted increase of £286k (see Appendix 1). This is summarised in Table 2 below. The forecast Outturn position will be subject to continued and increasing scrutiny as the financial year progresses and more detailed analysis is possible.

**Table 2 HRA Working Balances**

	<b>Revised £000</b>	<b>Forecast £000</b>	<b>Variance £000</b>
Opening Balance	(6,124)	(6,124)	
Net Transfer (to)/from Working Bal'	(286)	(126)	160
<b>Working Balance C/Fwd</b>	<b>(6,410)</b>	<b>(6,250)</b>	<b>160</b>

### **3.5 Choices (Options)**

- 3.5.1 Cabinet is invited to note the report and the actions being taken to contain net expenditure to minimise the impact on the HRA's working balances at the end of the financial year.
- 3.5.2 Options for further constraining expenditure without detriment to front line service delivery must be considered corporately to address the projected net overspend.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

- 4.1.1 Appendix 1 shows that the controllable revenue budget for the HRA is forecast to be overspent by £160k.

### **4.2 Resources and Risk**

- 4.2.1 This report informs the Cabinet of the provisional HRA budget outturn as at the end of October 2009.
- 4.2.2 There will be an ongoing impact on future year budgets of not delivering services or overspending budgets.



### **4.3 Legal**

4.3.1 There are no specific legal implications arising from this report.

### **4.4 Equality**

4.4.1 Not applicable

### **4.5 Consultees (Internal and External)**

4.5.1 Chief Executive, Directors, Corporate Mgrs, and Budget Managers have been consulted.

### **4.6 How the Proposals deliver Priority Outcomes**

4.6.1 Monthly budget monitoring relates to improving the CPA Use of Resources score, which contributes to the priorities of continuing to improve our weakest services and continuing to strengthen our financial management.

### **4.7 Other Implications**

4.7.1 Not applicable

## **5. Background Papers**

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### **5.1 Cabinet Reports**

- 29 June 2009 HRA Budget Outturn Position 2008/09
- 05 Aug 2009 HRA Budget Monitoring 2009/10 – Position at 31<sup>st</sup> May 2009
- 23 Sep 2009 HRA Budget Monitoring 2009/10 – Position at 30<sup>th</sup> June 2009
- 14 Oct 2009 HRA Budget Monitoring 2009/10 – Position at 31<sup>st</sup> July 2009
- 04 Nov 2009 HRA Budget Monitoring 2009/10 – Position at 31<sup>st</sup> Aug 2009
- 25 Nov 2009 HRA Budget Monitoring 2009/10 – Position at 31<sup>st</sup> Oct 2009

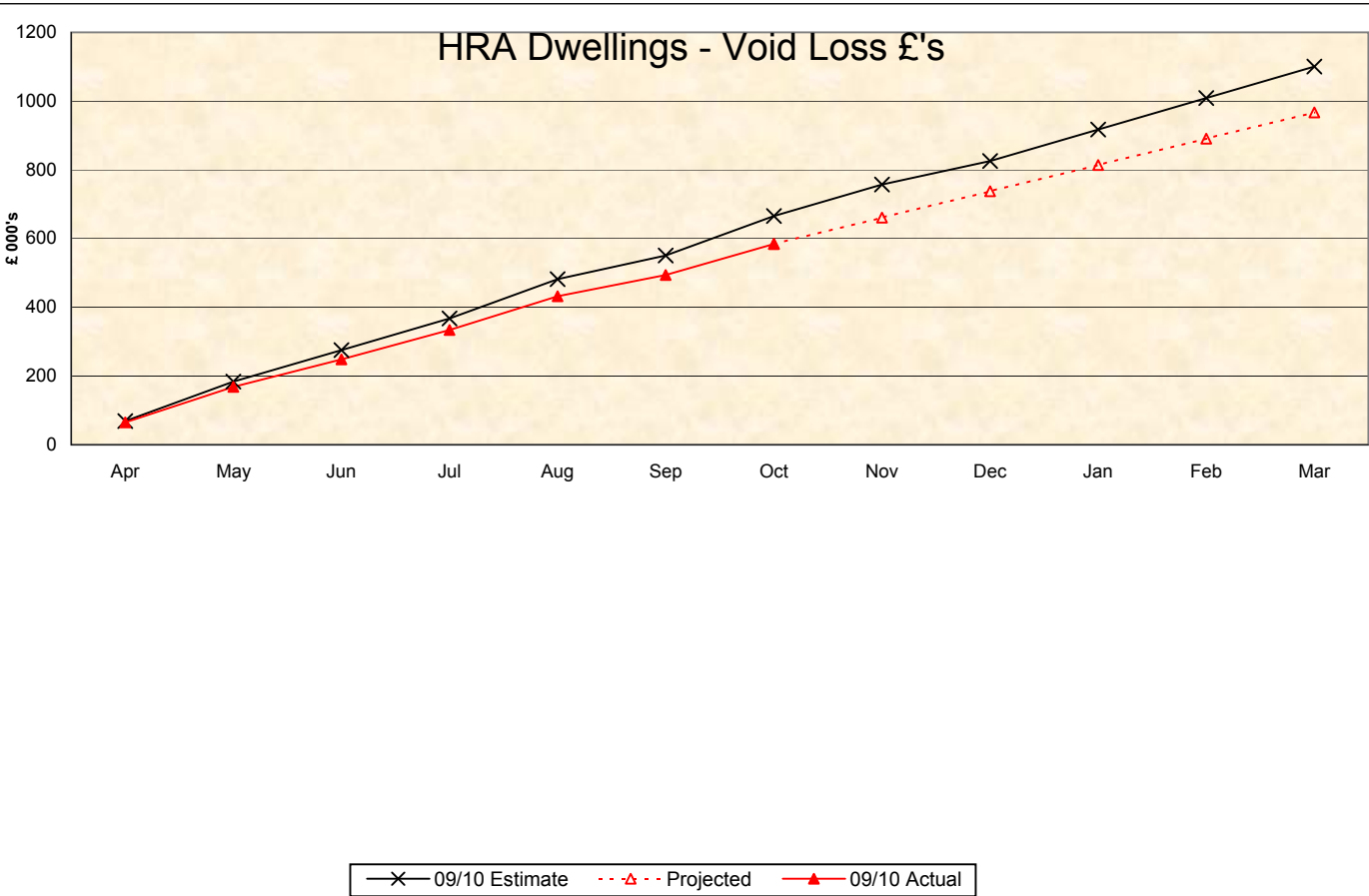
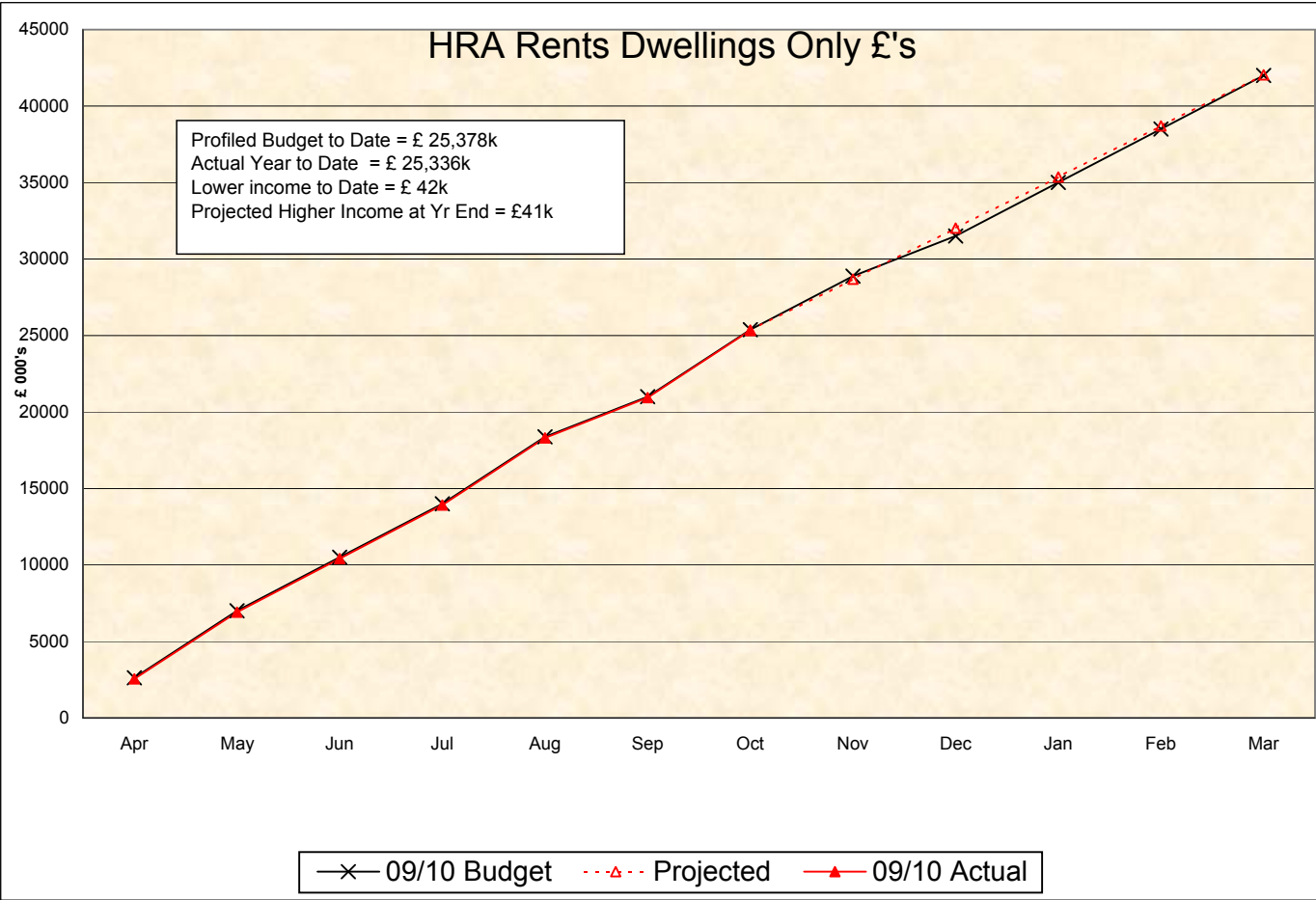
**Isabell Procter, Corporate Director, ext 8757**



# HOUSING REVENUE ACCOUNT FINANCIAL YEAR 2009/2010

For Period Ending: 31st October 2009

	2009/10 £,000's	2009/10 £,000's	2009/10 £,000's	2009/10 £,000's	2009/10 £,000's Variance Against Current Budget
	Base Budget	Current Budget	Actuals	Forecast Outturn	
<b>INCOME</b>					
Rents - Dwellings Only	-43,080	-42,170	-25,274	-42,211	-41
Rents - Non Dwellings Only	-1,157	-1,157	-696	-1,157	0
Service Charges	-1,471	-1,471	-911	-1,471	0
Other Income	-205	-205	-86	-205	0
<b>Total Income</b>	<b>-45,912</b>	<b>-45,002</b>	<b>-26,967</b>	<b>-45,043</b>	<b>-41</b>
<b>EXPENDITURE</b>					
Repairs and Maintenance	9,501	10,501	6,791	10,941	440
General Management	4,589	4,589	1,712	4,604	15
Special Services	3,467	3,467	1,376	3,162	-305
Rents, Rates, Taxes & Other Charges	45	45	52	95	50
Increase in Bad Debt Provision	400	400	233	400	0
Rent Rebate Subsidy Deductions	1,324	1,324	772	1,324	0
Housing Revenue Account Subsidy	10,683	9,570	5,583	9,570	0
<b>Total Expenditure</b>	<b>30,008</b>	<b>29,895</b>	<b>16,519</b>	<b>30,096</b>	<b>201</b>
<b>Net Cost of Services</b>	<b>-15,904</b>	<b>-15,107</b>	<b>-10,448</b>	<b>-14,947</b>	<b>160</b>
Net Recharges to the General Fund	5,392	5,392	3,145	5,392	0
Interest & Financing Costs	-28	-28	-16	-28	0
Depreciation/MRA	7,957	7,957	4,642	7,957	0
Contribution to Earmarked Reserves	2,500	1,500	1,458	1,500	0
<b>Net Transfer From/(To) Working Balance</b>	<b>-83</b>	<b>-286</b>	<b>-1,219</b>	<b>-126</b>	<b>160</b>
Working Balance b/f	-5,964	-6,124	-6,124	-6,124	0
<b>Working Balance Outturn</b>	<b>-6,047</b>	<b>-6,410</b>	<b>-7,343</b>	<b>-6,250</b>	<b>160</b>



Appendices  
6



**NORTHAMPTON**  
BOROUGH COUNCIL

Item No.

**14D**

## CABINET REPORT

<b>Report Title</b>	<b>CAPITAL PROGRAMME 2009-10 – POSITION AS AT END OF OCTOBER 2009</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	16 December 2009
<b>Key Decision:</b>	YES
<b>Listed on Forward Plan:</b>	YES
<b>Within Policy:</b>	YES
<b>Policy Document:</b>	NO
<b>Directorate:</b>	Finance & Support
<b>Accountable Cabinet Member:</b>	David Perkins
<b>Ward(s)</b>	Not Applicable

### 1. Purpose

1.1 The purpose of the report is to:

- Request approval for a capital scheme to be added to the Council's capital programme for 2009-10
- Request approval for variations to capital schemes in the Council's capital programme for 2009-10
- Advise Cabinet on the latest 2009-10 capital programme monitoring position, including forecast outturns and slippage into 2010-11.
- Advise Cabinet as to how the 2009-10 capital programme will be funded

## 2. Recommendations

2.1 That Cabinet approve the following scheme to be added to the capital programme for 2009-10.

Scheme Reference, Description & Directorate	Narrative	2009-10 £	Future Years £	Funding Source
2009-10/HRA018 Capital Improvement Works  Housing HRA	Adhoc capital improvements to properties, that are not included in the schedule of work for other HRA projects, but where work is required within the financial year to meet the decent homes standard. Examples of work will include replacing windows, heating systems, roofs, kitchens and bathrooms.	300,000	-	MRA

Further details of this appraisal can be seen at Annex A of this report.

2.2 That Cabinet approve the following variations to schemes in the capital programme for 2009-10.

Scheme Reference, Description & Directorate	Narrative	2009-10 £	Future Years £	Funding Source
<b>Budget Increases</b>				
*2007-08 /CS0026 V04 IBS Housing Management System  Housing HRA	Following restructure of the housing service, the implementation of outstanding IBS modules was put on hold pending an independent review. The review, which has recently concluded, confirms that IBS is a fit for purpose industry standard solution, and made a key recommendation that all outstanding business critical modules should be rescheduled for implementation.  This represents an additional sum of £186K over and above the current budget.	61,135	125,250	HRA Earmarked Reserve

2008-09/GF074 V01 Playbuilder – Eastfield Park  Environment & Culture	NBC were awarded £50k from DSCF in 2008-09 for the Playbuilder in Eastfield Park scheme. The funding received was £50,500 and NCC have advised to spend the additional £500 and the underspend from 2008-09 on the scheme in 2009-10, as opposed to returning it.	500	-	DSCF
<b>Budget Reductions</b>				
2006-07 Slip V17 Urban Enhancement  Planning & Regeneration	A revised proposal due to site conditions has reduced the expenditure required, as has the fact that County Council is now paying for the installation of the town signs. This reduction in budget therefore represents a saving.	(4,670)	-	Prudential Borrowing
2008-09/GF078 V01 DPPO Signage  Environment & Culture	NBC was awarded a grant from the Home Office in 2008-09 for DPPO signage. £10k of this was allocated to capital, however not all of this was required. The terms and conditions of the grant outline that the funding can be spent on either capital or revenue items, therefore it is proposed to move this remaining funding to the revenue cost centre for DPPO signage to enable it to be utilised.	(380)	-	Home Office
2007-08/CS029 V01 Abington Museum Upgrade  Environment & Culture	NBC resources are required to support an application to the Heritage Lottery Fund for funding to upgrade Abington museum. The change in the museum's opening times has made it less likely that the application, for such a large amount, will be successful. Therefore a decision has been made to not proceed with the application and the project is to be withdrawn from the capital programme.	(987,575)	-	£900k Heritage Lottery Fund, £87,575 Prudential Borrowing
<b>Neutral Budget Impact</b>				
2007-08/GI0010 V03 One Stop Shop, CRM  Finance & Support	To purchase a corporate solution for authentication of secure on-line transactions that will initially support recovery and e-benefits but provide increased on line capability in terms of providing secure authentication for all other services such as Housing Repairs.	6,000	-	£4k Prudential Borrowing, £2k Revenue Financing

2008-09/GF043 V05 E-Benefits Application  Finance & Support	Take up for E-Benefits application is now being linked to the 24 Claim Guarantee scheme and will be extended to all new E Benefits claims in the future. A smaller take up budget is thus required against this project in 2009-10. This saving is to be moved to assist in the funding of additional software within the One Stop Shop CRM capital project to enable customer self serve options to be expanded.	(4,000)	-	Prudential Borrowing
2008-09/GF080 V01 EDT Workflow  Finance & Support	The funding reserve for additional consultancy has proved not to be required. These funds will be moved to support the wider agenda of the One Stop Shop CRM capital project, to introduce self-serve options for our customers.	(2,000)	-	Revenue Financing
2008-09/GF081 V01 Lings Forum Wetside Changing Rooms  Environment & Culture	Due to unforeseen work this project has overspent by £1,845. This will be funded by a reduction to the Fire Door Improvements project.	1,845	-	Prudential Borrowing
2008-09/GF067B V02 Fire Door Improvements  Finance & Support	This budget will be reduced to accommodate the overspend on the Lings Wetside Changing Rooms project.	(1,845)	-	Prudential Borrowing
<b>Movement Between Years</b>				
2008-09 /HRA007 V03 Complete Roofs  Housing HRA	There are several roofing projects running at the moment, most of which work will be complete this year. However each project has an annual retention based on the defects liability periods, which will not be payable until 2010-11. Therefore it is proposed to move the budget to 2010-11 to reflect this.	(145,000)	145,000	HRA Revenue Financing

<p>2009-10 /HRA002 V01 Cooper Street Replacement – Phase 2</p> <p>Housing HRA</p>	<p>There are two elements to this project: 1) installing thermostatic controls to flats 2) the potential replacement of the combined heat and power unit (CHP), which is an additional facility to the district boilers that generates additional heat and electricity. There are two budget adjustments to be made: the first is to slip the CHP element of £250k into 2010-11. The second is to reduce the budget by £300k to fund the project outlined in 2.1 above. This reduction is possible due to the phase 2 heating works being tendered at much lower costs than anticipated.</p>	(550,000)	250,000	HRA Revenue Financing
<p>2009-10 /HRA004 V03 Decent Homes &amp; Poor Condition</p> <p>Housing HRA</p>	<p>The first phase decent homes project is on site, however this was later than anticipated due to some local issues concerning contractor selection and tender evaluation, works will therefore extend beyond the end of the financial year. The funds committed to the contract must be slipped into the next financial year to cover these contractual obligations.</p>	(1,739,651)	1,739,651	HRA Revenue Financing
<p>2009-10 /HRA015 V02 Lifts Refurbishment</p> <p>Housing HRA</p>	<p>Two of the three lift projects at Alliston Gardens and Eleonore House have been subject to the housing strategy review, which has delayed the project inception. Section 20 leasehold consultations are required on the work to two lifts at Cooper Street. The lead in time on lift projects is traditionally very long, with most of the build and technical work being completed off site, therefore the majority of the programme expenditure will not occur until 2010-11. The budget is to be moved to 2010-11 to reflect this.</p>	(554,480)	554,480	HRA Revenue Financing



2009-10/GF060 V01 Places of Change  Housing GF	The section 106 funding for this project is to contribute towards the build costs. Work is not expected to be on site now until April 2010, therefore the budget for this needs to be moved to 2010-11 (£150k). Additional CLG grant of £26k is now required in 2009-10 following updated costs from Midland Heart. There is no overall impact on the budget for this project; it is simply a re-alignment of expenditure and funding.	(123,709)	123,709	Section 106 & CLG
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Further details of these variations can be seen at Annex B of this report.

\* Included on the agenda for this meeting is a separate Cabinet report covering this item.

### 2.3 That Cabinet note:

- a) The capital programme monitoring position as at end of October 2009, including forecast outturns, revenue expenditure funded by capital and slippage into 2010-11, as set out at Annex C, D and E.
- b) The funding arrangements for the 2009-10 capital programme as set out at Annex F.

## 3. Issues and Choices

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### 3.1 Report Background

- 3.1.1 The latest approved capital programme for 2009-10 was approved by Cabinet on 25 November 2009.

### 3.2 Issues

#### Approval of Capital Projects and Project Variations

- 3.2.1 Approval is sought to add a scheme to the Council's capital programme for 2009-10, as set out at paragraph 2.1 above.
- 3.2.2 Approval is sought for variations to schemes that are already in the Councils capital programme for 2009-10, as set out at paragraph 2.2 above.
- 3.2.3 All proposals put forward for approval with this report have been submitted on capital variation forms, which have been signed off by, amongst others, the relevant Director, the Section 151 Officer and the appropriate Cabinet Portfolio Holder. Copies of the capital project appraisals and variation forms, which are listed as background papers, are available on request.

3.2.4 The funding implications of proposed programme changes are discussed in the capital programme funding section of this report at paragraphs 3.2.14 to 3.2.29 below.

### **Capital Programme position as at end of October 2009**

3.2.5 In line with best practice and with CAA requirements, capital programme monitoring information is brought to Cabinet on a monthly basis. The information in this report relates to the period to the end of October 2009.

3.2.6 Annex C shows the position at summary level as at the end of October 2009. The information includes

- Latest proposed capital programme, incorporating the original programme for 2009-10, slippage from 2008-09, other agreed changes, and the further amendments and additions proposed in this report.
- Actual expenditure to the end of October 2009
- Planned expenditure to the end of the year
- Forecast outturn for the year
- Forecast slippage to 2010-11

3.2.7 Annex D provides a summarised narrative of project variances at service level.

3.2.8 The forecast outturn position and forecast slippage position on each project have been put together from information supplied by budget managers, who are each responsible for financial control of their projects.

3.2.9 Actual capital programme expenditure to the end of October 2009 is £6.973m. This represents 26.58% of the latest approved budget of £26.230m, and 30.65% of the forecast outturn figure of £22.748m

3.2.10 Capital schemes naturally take time to get up and running due to the need, for example, for contract tendering and consultation; and invoices are not due for payment until goods are received or works are complete, or part complete in the case of staged payments. Therefore the percentage of spend is reasonable for this time of year, however it remains important to closely monitor the forecast outturn position to ensure that forecasts remain accurate. Each capital programme scheme will continue to be monitored through regular meetings with budget managers and the forecasts will be challenged where they do not appear realistic.

3.2.11 Of the total capital programme forecast underspend of £3.488m at year-end

- £3.744m underspend will be covered through the approval of project variations brought to this Cabinet
- There is a forecast overspend of £52k on the Choice Based Lettings Sub-Regional scheme. DCLG have provided funding towards the cost of this project with the remaining being funded by Northampton Borough Council and Daventry District Council. A project variation will be brought to Cabinet once the scoping exercise is complete.

- There is a forecast overspend of £510k on the Upton Country Park Pedestrian and Cycle Bridge. The revised cost is currently being challenged and the budget holder is investigating the section 106 funds available for this project. A project variation will be brought to Cabinet once these issues have been resolved.
- There is a forecast underspend of £208k on the IT Network Replacement Programme. The budget for this project was originally profiled over two financial years, however due to slippage from 2008-09 the total budget is now in 2009-10. Once the phasing of this project is complete this figure will be revised and a variation will be brought to Cabinet.

3.2.12 Included in the above figures are schemes that are now classed under accounting regulations as revenue expenditure funded by capital. The expenditure on these schemes to the end of October is £1.844m, the latest approved budget is £5.634m and the forecast outturn for these schemes is £6.143m. Further details of these schemes can be seen at Annex E of this report.

### Capital Programme Funding

3.2.13 All schemes in the capital programme, whether included in the original programme, arising from slippage, or added to the programme during the year, are fully funded, either from borrowing, internal resources or from external funding arrangements.

3.2.14 The financing of the programme for 2009-10 is set out at Annex F.

3.2.15 Increases or reductions in overall financing requirements resulting from the appraisal and variations brought to Cabinet with this report, excluding self balancing items are as follows:

<b>Scheme</b>	<b>2009-10 Value</b>	<b>Future Years Value</b>	<b>Funding Impact</b>
	<b>£</b>	<b>£</b>	
Playbuilder – Eastfield Park	500	-	DSCF
Urban Enhancement	(4,670)	-	Prudential Borrowing
DPPO Signage	(380)	-	Home Office.
Abington Museum Upgrade	(987,575)	-	£900k Heritage Lottery Fund, £87,575 Prudential Borrowing

3.2.16 The prudential borrowing reduction associated with the removal of the Abington Museum Upgrade project and the saving from the Urban Enhancement project will be used to reduce the amount of additional prudential borrowing that has been agreed since the beginning of the year. The additional prudential borrowing required is now £235k.

- 3.2.17 The additional funding required for the IBS Housing Management System project will be from the HRA earmarked carry-forward reserve. Therefore there will be no increase to the overall financing requirement, however the amount available to be carried forward to fund future year projects will be reduced.
- 3.2.18 The movement of budget from 2009-10 to 2010-11 for the HRA projects will have no impact on the overall financing requirement, as it will increase the revenue reserve to be carried forward to 2010-11.
- 3.2.19 The value of useable RTB capital receipts received to the middle of November is £140k. These will be placed in a capital reserve and used in the future to support the HRA programme.
- 3.2.20 The value of non-RTB capital receipts received to the middle of November is £210k. £100k will be placed in a capital reserve, in line with the capital strategy, as agreed by Council 26 February 2009. £110k will be earmarked to support next year's capital programme.
- 3.2.21 Changes from the previously reported financing position are summarised in the table below.

<b>Capital Programme 2009-10</b>			
	<b>Programme</b>	<b>Financing</b>	<b>In Year Financing Variance Excess/ (Shortfall)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Latest approved programme (25 <sup>th</sup> November Cabinet)	<b>26,230</b>	<b>35,134</b>	<b>8,904</b>
Variations brought to this Cabinet (2009-10 impact only)	(3,744)	(966)	2,778
RTB Capital Receipts Received	-	71	71
Reduction of HRA Earmarked Reserve	-	(1,000)	(1,000)
<b>Latest proposed programme</b>	<b>22,486</b>	<b>33,239</b>	<b>10,753</b>

3.2.22 The in year funding variance shown above can be broken down as follows:

<b>2009-10 Capital Financing Variance</b>			
	<b>GF</b>	<b>HRA</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Earmarked pending project appraisals 2009-10</b>			
Budgeted Prudential borrowing	30		
Grants and Contributions	62		
Revenue Financing	64		
<b>Capital Reserve</b>			
Non RTB Capital Receipts	100		
<b>Earmarked carry forward to 2010-11</b>			
Budgeted Prudential Borrowing	1,700		
Revenue Reserve		8,208	
Grants & Contributions	150	188	
RTB Capital Receipts		140	
Non RTB Capital Receipts	110		
Rounding	1		
<b>Total</b>	<b>2,217</b>	<b>8,536</b>	<b>10,753</b>

3.2.24 Changes to the carbon management projects have resulted in £125k of unallocated funding. This is the excess of the projects that have been removed from the capital programme and those put forward for inclusion. This money is ring fenced for the carbon management scheme and will be required for future projects to meet the terms and conditions of the external funding. The £125k is made up from the following: £30k prudential borrowing, £31k Salix funding and £64k revenue contribution.

3.2.25 Grant funding of £31k for the Choice Based Lettings sub-regional scheme remains unallocated pending the completion of the scoping exercise, and subject to agreement from Daventry DC could be used to part off set the overspend previously discussed in this report.

3.2.26 The re-profiling of the Grosvenor Centre Car Park project, over two financial years, has resulted in £1.7m of prudential borrowing not being required until 2010-11.

- 3.2.27 Detailed work on the cashflow for the Woodside Way project has highlighted that £188k of the HCA grant funding will not be required until next financial year.
- 3.2.28 There is no overall impact to the Places of Change budget, however the expenditure and funding for this project has been re-aligned. An additional £26k of CLG funding is required in 2009-10 and the £150k section 106 is now not required until 2010-11.
- 3.2.29 The amount of £8.208m shown above for the carried forward HRA revenue ear-marked reserve, is needed to fund continuations of the existing HRA programme in future years. This has been changed to reflect the variations included in this report and there has also been a reduction of £1m to the in year contribution from the housing revenue account. The reduction in contribution to reserve is to compensate for the forecast overspend on the HRA, which is reported to this cabinet as part of the HRA monitoring report.

### **3.3 Choices (Options)**

- 3.3.1 Cabinet are asked to approve the inclusion of the capital scheme at paragraph 2.1 into the Council's capital programme and to approve the variations to the agreed capital programme set out at paragraph 2.2.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

- 4.1.1 All schemes within the capital programme are within existing policy

### **4.2 Resources and Risk**

- 4.2.1 All schemes included in the capital programme, or put forward for approval, are fully funded, either through borrowing, internal resources or external funding arrangements. The financing of the programme is set out at Annex F.
- 4.2.2 Schemes funded by prudential borrowing have an impact on the revenue budget arising from the repayment of debt principal and interest. Recent changes to regulations and guidance on the repayment of debt principal in the accounts – known as 'minimum revenue provision' or MRP, mean that the annual revenue cost of repayment of debt principal now varies according to the nature of the expenditure, as it is fixed according to the life of the asset. Thus, debt relating to short life assets may have to be paid back over as little as three years, whereas for long life assets it may be over fifty or sixty years. The interest charge is approximately 4% to 4.5% per annum (on current borrowing rates).
- 4.2.3 The revenue costs of all prudential borrowing in the approved capital programme are built into the Council's draft revenue budget for 2010-11 and medium term plans for future years
- 4.2.4 All other revenue budget implications related to the capital projects are set

out in the capital project appraisals, and fed into revenue budget planning as appropriate (i.e. through revenue budget monitoring, budget build or medium term financial planning).

- 4.2.5 Financial and non-financial risks related to the capital projects are addressed in the capital project appraisals.

### **4.3 Legal**

- 4.3.1 Legal implications related to the capital projects are addressed in the capital project appraisals.
- 4.3.2 There are no specific legal implications arising from this report.

### **4.4 Equality**

- 4.4.1 Equalities implications related to the capital projects are addressed in the capital project appraisals. Many of the schemes in the programme are specifically targeted at addressing equalities issues. Project managers are responsible for ensuring that Equality Impact Assessments (EIAs) are completed for their schemes, and that any equalities issues associated with the project are correctly addressed.

### **4.5 Consultees (Internal and External)**

- 4.5.1 Each capital project appraisal and project variation for schemes in the programme has been put together by the Project Manager, in consultation with other officers and the Cabinet Portfolio Holder.

In respect of consultation with stakeholders on individual schemes, details are contained within the capital project appraisals

### **4.6 How the Proposals deliver Priority Outcomes**

- 4.6.1 The extent to which each project meets the Council's objectives and priorities is described within the individual capital project appraisals.
- 4.6.2 The use of capital project appraisals to determine and agree capital schemes in accordance with the objectives and priorities of the authority, and the effective monitoring and reporting of capital programme activity both contribute to improving the CAA Use of Resources score. This supports the Council's priority to be a well-managed organisation that puts our customers at the heart of what we do.

### **4.7 Other Implications**

- 4.7.1 There are no other specific implications arising from this report.

## **5. Background Papers**

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- 5.1 Cabinet & Council Reports – 2009-10 Capital Programme (Cabinet unless stated)

- 19 February 2009 - Capital Programme 2009-10 to 2011
- 26 February 2009 (Council) - Capital Programme 2009-10 to 2011
- 25<sup>th</sup> February 2009 – Capital Programme 2008-09 Position as at end of December 2008.
- 18<sup>th</sup> March 2009 – Capital Programme 2008-09 Position as at end of January 2009.
- 7<sup>th</sup> April 2009 – Capital Appraisal
- 20<sup>th</sup> May 2009 – Capital Appraisal
- 29<sup>th</sup> June 2009 – Capital Programme 2008-09 – Outturn Position.
- 5<sup>th</sup> August 2009 – Capital Programme 2009-10 Position as at end of May 2009.
- 5<sup>th</sup> August 2009 – Market Square Water Feature Project Appraisal.
- 23<sup>rd</sup> September 2009 – Capital Programme 2009-10 Position as at end of June 2009
- 14<sup>th</sup> October 2009 – Capital Programme 2009 – Position as at end of July 2009.
- 4<sup>th</sup> November 2009 –Capital Programme 2009 – Position as at end of August 2009
- 25<sup>th</sup> November 2009 – Capital Programme 2009 – Position as at end of September 2009.

## 5.2 Capital Project Appraisals

- 2009-10/HRA018 Capital Improvement Works

## 5.3 Capital Project Variations

- 2007-08/CS0026 V04 IBS Housing Management System
- 2008-09/GF074 V01 Playbuilder Eastfield Park
- 2006-07 Slip V17 Urban Enhancement
- 2008-09/GF078 V01 DPPO Signage
- 2007-08/CS029 V01 Abington Museum Upgrade
- 2007-08/GI0010 V03 One Stop Shop, CRM
- 2008-09/GF043 V05 E-Benefits Application
- 2008-09/GF080 V01 EDT Workflow
- 2008-09/GF081 V01 Lings Forum Wetside Changing Rooms
- 2008-09/GF067B V02 Fire Door Improvements
- 2008-09/HRA007 V01 Complete Roofs
- 2009-10/HRA002 V01 Cooper Street Replacement – Phase 2
- 2009-10/HRA004 V03 Decent Homes & Poor Condition
- 2009-10/HRA015 V02 Lifts Refurbishment
- 2009-10/GF060 V01 Places of Change

**Bev Dixon, Finance Manager – Capital & Treasury, ext 7401**



## Project Appraisals put forward for Cabinet Approval

A1

<b>1</b>	<b>Project Title</b>	<b>Capital Improvement Works</b>					
<b>2</b>	<b>Appraisal Reference</b>	2009-10/HRA018					
<b>3</b>	<b>Directorate</b>	Housing HRA					
<b>4</b>	<b>Service Block</b>	Housing Revenue Account					
<b>5</b>	<b>Outline description (including specific works)</b>						
	<p>Adhoc capital improvements to properties, that are not included in the schedule of work for other HRA projects, but where work is required within the financial year to meet the decent homes standard. Examples of work will include replacing windows, heating systems, roofs, kitchens and bathrooms.</p>						
<b>6</b>	<b>Consequences of not undertaking the project and impact on the community or employees</b>						
	<p>Council dwellings will continue to deteriorate and will cost more to improve in the future. Tenants will not be satisfied which could lead to a negative image of the Council.</p>						
<b>7</b>	<b>Project budget</b>	<b>2009/10 £</b>	<b>2010/11 £</b>	<b>2011/12 £</b>	<b>2012/13 £</b>	<b>2013/14 £</b>	<b>Total £</b>
	Capital costs	300,000	0	0	0	0	<b>300,000</b>
	Revenue consequences	0	0	0	0	0	<b>0</b>
<b>8</b>	<b>Source of capital funding</b>	<b>SCE (R) Single Capital Pot  £</b>	<b>Prudential Borrowing  £</b>	<b>Major Repairs Reserve  £</b>	<b>Grant &amp; 3rd Party Contribs  £</b>	<b>Other  £</b>	<b>Total  £</b>
		0	0	300,000	0	0	<b>300,000</b>
	Funded from major repairs allowance - from savings arising from receiving lower than expected contract prices on the Cooper Street project.						

## Project Variations put forward for Cabinet Approval

B1

<b>1</b>	<b>Project Title</b>	<b>IBS Housing Management System (BA742)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2007-08 CS0026					
<b>3</b>	<b>Variation Ref Number</b>	2007-08 CS0026 V04					
<b>4</b>	<b>Directorate</b>	Housing HRA					
<b>5</b>	<b>Service Block</b>	Housing Revenue Account					
<b>6</b>	<b>Reason for variation</b>						
	<p>Following restructure of the Housing Service, the implementation of outstanding IBS modules was put on hold pending an independent review. The review which has recently concluded confirms that IBS is a fit for purpose industry standard solution, and made a key recommendation that all outstanding business critical modules should be rescheduled for implementation.</p> <p>Due to the proposed rescheduling of go-live dates and further work being needed to implement all remaining business critical modules, including Open Contractor, consultancy costs of £201K, software purchase of £76K, project salary costs of £61K, mobile device costs of £55K and associated interface costs of £32K will be incurred. This represents an additional sum of £186K over and above the current years budget.</p>						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		61,135	125,250	0	0	0	<b>186,385</b>
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		61,135	125,250	0	0	0	<b>186,385</b>
III	Funding source						
	All HRA revenue contribution.(earmarked reserve)						

## Project Variations put forward for Cabinet Approval

B2

<b>1</b>	<b>Project Title</b>	<b>Playbuilder - Eastfield Park (BA372)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2008-09/GF074					
<b>3</b>	<b>Variation Ref Number</b>	2008-09/GF074 V01					
<b>4</b>	<b>Directorate</b>	Environment & Culture					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	<p>NBC were awarded £50k from DSCF in 2008-09 for the Playbuilder in Eastfield Park scheme. The funding received was £50,500 and NCC have advised to spend the additional £500 and the underspend from 2008-09 on the scheme in 2009-10, as opposed to returning it.</p>						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		500	0	0	0	0	<b>500</b>
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		500	0	0	0	0	<b>500</b>
III	Funding source						
	DSCF						

## Project Variations put forward for Cabinet Approval

B3

<b>1</b>	<b>Project Title</b>	Urban Enhancement (BA628)					
<b>2</b>	<b>Original Appraisal Ref</b>	N/A 2006-07 Slippage					
<b>3</b>	<b>Variation Ref Number</b>	2006-07 Slip V17					
<b>4</b>	<b>Directorate</b>	Planning & Regeneration					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	<p>A revised proposal due to site conditions has reduced the expenditure required, as has the fact that County Council is now paying for the installation of the town signs. This reduction in budget therefore represents a saving against the project.</p>						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(4,670)	0	0	0	0	(4,670)
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(4,670)	0	0	0	0	(4,670)
III	Funding source						
	Prudential Borrowing						

## Project Variations put forward for Cabinet Approval

B4

<b>1</b>	<b>Project Title</b>	<b>DPPO Signage (BA880)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2008-09/GF078					
<b>3</b>	<b>Variation Ref Number</b>	2008-09/GF078 V01					
<b>4</b>	<b>Directorate</b>	Environment & Culture					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	<p>NBC was awarded a grant from the Home Office in 2008-09 for DPPO signage. £10k of this was allocated to capital, however only £9,540 was spent. £380 was slipped into 2009-10 for window clings and £80 is unallocated. It has since been identified that the window clings were paid from revenue in 2008-09 and therefore there is no further expenditure required on the capital side. The terms and conditions of the grant outlined that the funding could be spent on either capital or revenue items, therefore it is proposed to move this funding to the revenue cost centre for DPPO signage to enable it to be utilised.</p>						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(380)	0	0	0	0	(380)
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(380)	0	0	0	0	(380)
III	Funding source						
	Home Office						

## Project Variations put forward for Cabinet Approval

B5

<b>1</b>	<b>Project Title</b>	<b>Abington Museum Upgrade (BA359)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2007-08/CS029					
<b>3</b>	<b>Variation Ref Number</b>	2007-08/CS029 V01					
<b>4</b>	<b>Directorate</b>	Environment & Culture					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	<p>NBC resources are required to support an application to the Heritage Lottery Fund for funding to upgrade Abington museum. The change in the museum's opening times has made it less likely that the application, for such a large amount, will be successful. Therefore a decision has been made to not proceed with the application and the project is to be withdrawn from the capital programme.</p>						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(987,575)	0	0	0	0	(987,575)
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(987,575)	0	0	0	0	(987,575)
III	Funding source						
	£900k Heritage Lottery Fund, £87,575 Prudential Borrowing						

## Project Variations put forward for Cabinet Approval

B6

<b>1</b>	<b>Project Title</b>	<b>One Stop Shop, CRM (BA764)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2007-08/GI0010					
<b>3</b>	<b>Variation Ref Number</b>	2007-08/GI0010 V03					
<b>4</b>	<b>Directorate</b>	Finance & Support					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	<p>To purchase a corporate solution for authentication of secure on-line transactions - that will initially support Recovery and E-Benefits but provide increased on line capability in terms of providing secure authentication for all other services such as Housing Repairs. The increase in budget will be funded by a reduction to the E-Benefits Application project (£4k) and the EDT Workflow project (£2k). Separate project variations have been submitted for these.</p>						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		6,000	0	0	0	0	<b>6,000</b>
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		6,000	0	0	0	0	<b>6,000</b>
III	<b>Funding source</b> £4k prudential borrowing from E-Benefits Application project, £2k revenue contribution from savings identified in 2008-09 for EDT Workflow project.						

## Project Variations put forward for Cabinet Approval

B7

<b>1</b>	<b>Project Title</b>	<b>E-Benefits Application (BA861)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2008-09/GF043					
<b>3</b>	<b>Variation Ref Number</b>	2008-09/GF043 V05					
<b>4</b>	<b>Directorate</b>	Finance & Support					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	Reduction in the amount of take up activity. Take up is now being linked to 24 Claim Guarantee scheme and this is generating sufficient take up and will be extended to all new claims in the future. A smaller take up budget is thus required in 09-10. This saving in funding is being moved to assist in the funding of additional software within the CRM (BA764) project to enable customer self serve options to be expanded.						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(4,000)	0	0	0	0	(4,000)
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(4,000)	0	0	0	0	(4,000)
III	Funding source						
	Prudential borrowing						



## Project Variations put forward for Cabinet Approval

B8

<b>1</b>	<b>Project Title</b>	ETD Workflow (BA881)					
<b>2</b>	<b>Original Appraisal Ref</b>	2008-09/GF080					
<b>3</b>	<b>Variation Ref Number</b>	2008-09/GF080 V01					
<b>4</b>	<b>Directorate</b>	Finance & Support					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	<p>Movement of funds to support the wider agenda of CRM (BA764) to introduce self serve options for our customers. The funding reserve for additional consultancy has proved not to be required. This closes this project.</p>						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(2,000)	0	0	0	0	(2,000)
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(2,000)	0	0	0	0	(2,000)
III	Funding source						
	Revenue Financing						

## Project Variations put forward for Cabinet Approval

B9

<b>1</b>	<b>Project Title</b>	<b>Lings Forum Wetside Changing Rooms (BA882)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2008-09/GF081					
<b>3</b>	<b>Variation Ref Number</b>	2008-09/GF081 V01					
<b>4</b>	<b>Directorate</b>	Environment & Culture					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	Due to unforeseen work this project has overspent by £1,845. This will be funded by a reduction to the Fire Door Improvements project. A separate project variation has been submitted for this.						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		1,845	0	0	0	0	<b>1,845</b>
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		1,845	0	0	0	0	<b>1,845</b>
III	Funding source						
	Prudential borrowing (from fire door improvements project)						

## Project Variations put forward for Cabinet Approval

B10

<b>1</b>	<b>Project Title</b>	Fire Door Improvements (BA873)					
<b>2</b>	<b>Original Appraisal Ref</b>	2008-09/GF067B					
<b>3</b>	<b>Variation Ref Number</b>	2008-09/GF067B V02					
<b>4</b>	<b>Directorate</b>	Finance & Support					
<b>5</b>	<b>Service Block</b>	Environmental, Protective and Cultural Services					
<b>6</b>	<b>Reason for variation</b>						
	This budget will be reduced to accommodate the overspend on the Lings Wetside Changing Rooms project. A separate project variation has been submitted for this overspend.						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(1,845)	0	0	0	0	(1,845)
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(1,845)	0	0	0	0	(1,845)
III	Funding source						
	Prudential Borrowing						

## Project Variations put forward for Cabinet Approval

B11

<b>1</b>	<b>Project Title</b>	Complete Roofs (BH304)					
<b>2</b>	<b>Original Appraisal Ref</b>	2008-09/HRA007					
<b>3</b>	<b>Variation Ref Number</b>	2008-09/HRA007 V03					
<b>4</b>	<b>Directorate</b>	Housing HRA					
<b>5</b>	<b>Service Block</b>	Housing Revenue Account					
<b>6</b>	<b>Reason for variation</b>						
	<p>There are several roofing projects running at the moment, most of which work will be complete this year. However each project has an annual retention based on the defects liability periods, which will not be payable until 2010-11. Therefore it is proposed to move the budget to 2010-11 to reflect this.</p>						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(145,000)	145,000	0	0	0	0
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(145,000)	145,000	0	0	0	0
III	Funding source						
	HRA Revenue Financing						

1	Project Title	Cooper Street Replacement - Phase 2 (BH336)					
2	Original Appraisal Ref	2009-10/HRA002					
3	Variation Ref Number	2009-10/HRA002 V01					
4	Directorate	Housing HRA					
5	Service Block	Housing Revenue Account					
6	Reason for variation						
	There are two elements to this project: 1) installing thermostatic controls to flats 2) the potential replacement of the combined heat and power unit (CHP), which is an additional facility to the district boilers that generates additional heat and electricity. There are two budget adjustments to be made. The first is to slip the CHP element of £250k into 2010-11, at which time an option appraisal will have been completed on CHP provision to allow this to be reported as a separate project. The second adjustment is due to the phase 2 heating works being tendered at much lower costs than anticipated, so that a saving of £300k can be diverted to other essential capital projects. These two adjustments result in an overall reduction of this budget of £550k in 2009-10.						
7	Summary of Budget Increases/(Decreases)						
I	Project budget	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £	Total £
		(550,000)	250,000	0	0	0	(300,000)
II	Project funding	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £	Total £
		(550,000)	250,000	0	0	0	(300,000)
III	Funding source						
	HRA Revenue Financing						

<b>1</b>	<b>Project Title</b>	<b>Decent Homes &amp; Poor Condition (BH317)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2009-10/HRA004					
<b>3</b>	<b>Variation Ref Number</b>	2009-10/HRA004 V03					
<b>4</b>	<b>Directorate</b>	Housing HRA					
<b>5</b>	<b>Service Block</b>	Housing Revenue Account					
<b>6</b>	<b>Reason for variation</b>						
	The first phase decent homes project is on site, however this was later than anticipated due to some local issues concerning contractor selection and tender evaluation, works will therefore extend beyond the end of the financial year. The funds committed to the contract must be slipped into the next financial year to cover these contractual obligations.						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(1,739,651)	1,739,651	0	0	0	0
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(1,739,651)	1,739,651	0	0	0	0
III	Funding source						
	HRA Revenue Financing						

1	Project Title	Lifts Refurbishment (BH354)					
2	Original Appraisal Ref	2009-10/HRA015					
3	Variation Ref Number	2009-10/HRA015 V02					
4	Directorate	Housing HRA					
5	Service Block	Housing Revenue Account					
6	Reason for variation						
	Two of the three lift projects at Alliston Gardens and Eleonore House have been subject to the housing strategy review, which has delayed the project inception. Section 20 leasehold consultations are required on the work on two lifts at Cooper Street. The lead in time on lift projects is traditionally very long, with most of the build and technical work being completed off site, therefore the majority of the programme expenditure will not occur until 2010-11. The budget is to be moved to 2010-11 to reflect this.						
7	Summary of Budget Increases/(Decreases)						
I	Project budget	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £	Total £
		(554,480)	554,480	0	0	0	0
II	Project funding	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £	Total £
		(554,480)	554,480	0	0	0	0
III	Funding source						
	HRA Revenue Financing						

<b>1</b>	<b>Project Title</b>	<b>Places of Change (BK011)</b>					
<b>2</b>	<b>Original Appraisal Ref</b>	2009-10/GF060					
<b>3</b>	<b>Variation Ref Number</b>	2009-10/GF060 V01					
<b>4</b>	<b>Directorate</b>	Housing GF					
<b>5</b>	<b>Service Block</b>	Housing General Fund					
<b>6</b>	<b>Reason for variation</b>						
	The section 106 funding for this project is to contribute towards the build costs. Work is not expected to be on site now until April 2010, therefore the budget for this needs to be moved to 2010-11 (£150k). Additional CLG grant of £26k is now required in 2009-10 following updated costs from Midland Heart. There is no overall impact on the budget for this project, it is simply a re-alignment of expenditure and funding.						
<b>7</b>	<b>Summary of Budget Increases/(Decreases)</b>						
I	Project budget	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(123,709)	123,709	0	0	0	0
II	Project funding	<b>2009/10</b> £	<b>2010/11</b> £	<b>2011/12</b> £	<b>2012/13</b> £	<b>2013/14</b> £	<b>Total</b> £
		(123,709)	123,709	0	0	0	0
III	Funding source						
	£149,971.17 section 106 funding not required until 2010-11, £26,262.17 CLG grant now required in 2009-10.						



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# Annex C

## Capital Monitoring Programme 2009-10

Period 7

Division/Service	Approved Budgets				Proposed Budgets		Actuals			Forecasts			Slippage
	Original Approved Budget (19.02.2009)	Slippage	Approved Changes	Latest Approved Budget	Proposed Changes	Latest Proposed Budget	Exp to End of Prev Month	Exp Current Month	Exp to End of Current Month	Forecast Exp to End of Year	Total Forecast for Year	Forecast (Unspent Budget)/ Budget Overspends	Forecast Slippage
	£	£	£	£	£	£	Mth 1 to 6 £	Mth 7 £	Mths 1 to 7 £	Mths 8 to 12 £	Mths 1 to 12 £	£	£
<b>General Fund</b>													
<b>Finance &amp; Support</b>													
Human Resources	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance & Assets	126,800	282,247	374,709	783,756	(1,845)	781,911	127,465	17,036	144,501	641,512	786,013	2,257	0
Revenue & Benefits	68,100	3,000	5,000	76,100	(6,000)	70,100	64,923	0	64,923	5,177	70,100	(6,000)	0
Northampton Area Procurement	0	0	0	0	0	0	0	0	0	0	0	0	0
Consumer Services & ICT	639,200	78,380	443,180	1,160,760	6,000	1,166,760	138,220	21,223	159,443	733,967	893,410	(273,350)	273,350
<b>Total Finance &amp; Support</b>	<b>834,100</b>	<b>363,627</b>	<b>822,889</b>	<b>2,020,616</b>	<b>(1,845)</b>	<b>2,018,771</b>	<b>330,607</b>	<b>38,259</b>	<b>368,866</b>	<b>1,380,657</b>	<b>1,749,523</b>	<b>(277,093)</b>	<b>273,350</b>
<b>Environment &amp; Culture</b>													
Public Protection	128,179	51,605	(55,757)	124,027	(380)	123,647	30,500	141	30,642	50,092	80,733	(43,294)	0
Neighbourhood & Environmental Services	100,000	47,750	147,297	295,047	0	295,047	55,111	145,659	200,770	94,277	295,047	0	0
Culture & Leisure	49,667	1,056,431	162,500	1,268,598	(985,230)	283,368	69,129	0	69,129	224,931	294,060	(974,538)	7,308
Town Centre Operations	0	0	30,000	30,000	0	30,000	0	0	0	30,000	30,000	0	0
<b>Total Environment &amp; Culture</b>	<b>277,846</b>	<b>1,155,786</b>	<b>284,040</b>	<b>1,717,672</b>	<b>(985,610)</b>	<b>732,062</b>	<b>154,740</b>	<b>145,800</b>	<b>300,540</b>	<b>399,300</b>	<b>699,840</b>	<b>(1,017,832)</b>	<b>7,308</b>
<b>Planning &amp; Regeneration</b>													
Planning	200,000	31,759	0	231,759	(4,670)	227,089	26,974	110	27,084	200,005	227,089	(4,670)	0
Regeneration & Development	977,915	2,006	409,930	1,389,852	0	1,389,852	71,172	16,013	87,185	1,812,667	1,899,852	510,000	0
<b>Total Planning &amp; Regeneration</b>	<b>1,177,915</b>	<b>33,765</b>	<b>409,930</b>	<b>1,621,610</b>	<b>(4,670)</b>	<b>1,616,940</b>	<b>98,146</b>	<b>16,123</b>	<b>114,269</b>	<b>2,012,672</b>	<b>2,126,940</b>	<b>505,330</b>	<b>0</b>
<b>Assistant Chief Executive</b>													
Policy & Community Engagement	46,657	82,288	49,000	177,945	0	177,945	70,831	500	71,331	106,614	177,945	0	0
Communications & Consultation	0	0	0	0	0	0	0	0	0	0	0	0	0
Performance & Improvement	0	0	0	0	0	0	0	0	0	0	0	0	0
Northampton Local Strategic Partnership	3,100	494	88,212	91,806	0	91,806	61,500	2,464	63,964	29,173	93,137	1,331	(0)
<b>Total Assistant Chief Executive</b>	<b>49,757</b>	<b>82,782</b>	<b>137,212</b>	<b>269,751</b>	<b>0</b>	<b>269,751</b>	<b>132,331</b>	<b>2,964</b>	<b>135,295</b>	<b>135,787</b>	<b>271,082</b>	<b>1,331</b>	<b>(0)</b>
<b>Borough Solicitor</b>	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Borough Solicitor</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing GF</b>													
Strategy, Investment & Performance	0	0	873,155	873,155	(123,709)	749,446	0	30,000	30,000	719,446	749,446	(123,709)	123,709
Landlord Services	0	47,305	322,000	369,305	0	369,305	405	0	405	368,900	369,305	0	0
Needs & Support	1,494,317	2,165,491	962,100	4,621,908	0	4,621,908	1,593,458	223,605	1,817,063	2,856,441	4,673,504	51,596	0
<b>Total Housing GF</b>	<b>1,494,317</b>	<b>2,212,796</b>	<b>2,157,255</b>	<b>5,864,368</b>	<b>(123,709)</b>	<b>5,740,659</b>	<b>1,593,863</b>	<b>253,605</b>	<b>1,847,468</b>	<b>3,944,788</b>	<b>5,792,255</b>	<b>(72,113)</b>	<b>123,709</b>



## Annex C

### Capital Monitoring Programme 2009-10

Period 7

Division/Service	Approved Budgets				Proposed Budgets		Actuals			Forecasts			Slippage
	Original Approved Budget (19.02.2009)	Slippage	Approved Changes	Latest Approved Budget	Proposed Changes	Latest Proposed Budget	Exp to End of Prev Month	Exp Current Month	Exp to End of Current Month	Forecast Exp to End of Year	Total Forecast for Year	Forecast (Unspent Budget)/ Budget Overspends	Forecast Slippage
	£	£	£	£	£	£	Mth 1 to 6 £	Mth 7 £	Mths 1 to 7 £	Mths 8 to 12 £	Mths 1 to 12 £	£	£
<b>TOTAL General Fund</b>	<b>3,833,935</b>	<b>3,848,757</b>	<b>3,811,326</b>	<b>11,494,018</b>	<b>(1,115,834)</b>	<b>10,378,184</b>	<b>2,309,687</b>	<b>456,750</b>	<b>2,766,437</b>	<b>7,873,204</b>	<b>10,639,641</b>	<b>(860,376)</b>	<b>404,367</b>
<b>HRA</b>													
<b>Housing HRA</b>													
Strategy, Investment & Performance	12,129,192	1,885,782	(147,430)	13,867,544	(2,627,996)	11,239,548	3,036,863	376,936	3,413,800	7,825,748	11,239,548	(2,627,996)	2,689,131
Landlord Services	0	0	0	0	0	0	0	0	0	0	0	0	0
Needs & Support	300,000	268,593	300,000	868,593	0	868,593	703,220	89,075	792,295	76,298	868,593	0	0
<b>Total Housing HRA</b>	<b>12,429,192</b>	<b>2,154,375</b>	<b>152,570</b>	<b>14,736,137</b>	<b>(2,627,996)</b>	<b>12,108,141</b>	<b>3,740,084</b>	<b>466,011</b>	<b>4,206,094</b>	<b>7,902,046</b>	<b>12,108,141</b>	<b>(2,627,996)</b>	<b>2,689,131</b>
<b>TOTAL HRA</b>	<b>12,429,192</b>	<b>2,154,375</b>	<b>152,570</b>	<b>14,736,137</b>	<b>(2,627,996)</b>	<b>12,108,141</b>	<b>3,740,084</b>	<b>466,011</b>	<b>4,206,094</b>	<b>7,902,046</b>	<b>12,108,141</b>	<b>(2,627,996)</b>	<b>2,689,131</b>
<b>Total Capital Programme</b>	<b>16,263,127</b>	<b>6,003,132</b>	<b>3,963,896</b>	<b>26,230,155</b>	<b>(3,743,830)</b>	<b>22,486,325</b>	<b>6,049,770</b>	<b>922,761</b>	<b>6,972,531</b>	<b>15,775,251</b>	<b>22,747,782</b>	<b>(3,488,373)</b>	<b>3,093,498</b>

Note :- Figures include Revenue Expenditure funded from Capital

Division/Service	Latest Approved Budget	Actuals to Period 7	Total Forecast for Year	Forecast (Unspent) / Overspend	Forecast Slippage	Detail
£	£	£	£	£	£	
<b>General Fund</b>						
<b>Finance &amp; Support</b>						
Human Resources	0	0	0	0	0	There are no capital schemes in this division.
Finance & Assets	783,756	144,501	786,013	2,257	0	There is a forecast underspend of £1,845 on the Fire Door Improvements project, this is to cover the overspend on the Lings Forum Wetside Changing Rooms project (Environment & Culture division). A project variation has been submitted with this report for this. There is an overspend of £4,102 on the E-Payments, Chip and Pin project due to residual work. Confirmation is being sought on how this should be funded. £4k of this underspend relates to the E-Benefits Application project and £2k to the EDT Workflow project. Both of these amounts are being moved to the One Stop Shop, CRM project in the Customer Services & ICT division, as a contribution towards Gandlake software. Project variations have been submitted for these movements.
Revenue & Benefits	76,100	64,923	70,100	(6,000)	0	
Northampton Area Procurement	0	0	0	0	0	There are no capital schemes in this division.
Consumer Services & ICT	1,160,760	159,443	893,410	(273,350)	273,350	There is a forecast underspend and slippage of £65k on the One Stop Shop, CRM project. The impact of the Cliftonville office move will inevitably slow down the progress of this project and implementation of Middleware will not be able to start until after the move is completed - due to limited resources in ICT. £208k of the forecast underspend and slippage figure relates to the IT Network Replacement project. The phasing of this project was originally over 2 financial years but due to slippage from 2008-09 all of the budget is now in 2009-10. The forecast expenditure and slippage is an estimate, this will be confirmed once the phasing is complete.
<b>Total Finance &amp; Support</b>	<b>2,020,616</b>	<b>368,866</b>	<b>1,749,523</b>	<b>(277,093)</b>	<b>273,350</b>	

Division/Service	Latest Approved Budget	Actuals to Period 7	Total Forecast for Year	Forecast (Unspent) / Overspend	Forecast Slippage	Detail
	£	£	£	£	£	
<b><u>Environment &amp; Culture</u></b>						
Public Protection	124,027	30,642	80,733	(43,294)	0	The forecast underspend on this division relates to the carbon management projects. Costs on these projects can change until the point that they are commissioned, therefore project variations will be submitted to Cabinet once the final costs are known. Any underspends will have to be invested in other carbon management projects, that are Salix compliant, to meet the terms and conditions of the external funding.
Neighbourhood & Environmental Services	295,047	200,770	295,047	0	0	All projects in this division are forecast to be fully spent.
Culture & Leisure	1,268,598	69,129	294,060	(974,538)	7,308	There is a forecast underspend and forecast slippage of £7,308 for three projects that are funded by the Big Lottery. This is in line with the terms and conditions of the funding as the funding timescales are from September to August. There is a forecast overspend of £18k on the Big Lottery Improving Access project. This will be funded by next year's funding, a project variation will be submitted once confirmation has been received from The Big Lottery that they agree to this. There is a forecast overspend of £500 on the Playbuilder - Eastfield Park project, this is due to more funding being received from Northamptonshire County Council (NCC) than what was in the agreement. NCC have advised for this to be spent on the project rather than returned. The Lings Forum Wetside Changing Rooms will overspend by £1,845, this is due to additional unavoidable work being required which only became apparent once the work had started. The overspend will be covered by an underspend on the Fire Door Improvements project - see Finance & Assets division.
Town Centre Operations	30,000	0	30,000	0	0	A project variation has been submitted with this report for both of these. The Abington Museum Upgrade project is being removed from the capital programme. This will result in a prudential borrowing reduction of £87,575 and the application to the Heritage Lottery Fund for funding of £900k will no longer proceed.
<b>Total Environment &amp; Culture</b>	<b>1,717,672</b>	<b>300,540</b>	<b>699,840</b>	<b>(1,017,832)</b>	<b>7,308</b>	<b>0</b> All projects in this division are forecast to be fully spent.

Division/Service	Latest Approved Budget £	Actuals to Period 7 £	Total Forecast for Year £	Forecast (Unspent) / Overspend £	Forecast Slippage £	Detail
<b><u>Planning &amp; Regeneration</u></b>						
Planning	231,759	27,084	227,089	(4,670)	0	The forecast underspend in this division relates to the Urban Enhancement project. This represents a saving and a project variation has been submitted with this report for this.
Regeneration & Development	1,389,852	87,185	1,899,852	510,000	0	The forecast overspend on this division relates to the Upton Country Park Pedestrian and Cycle Bridge project. The start date on this project was delayed, however work can now go ahead but lost time cannot be recovered. A revised cost has been received however this is being challenged by the budget holder and it is being investigated whether there is enough section 106 funding to support this. Also, confirmation is required on what will be delivered this financial year.
<b>Total Planning &amp; Regeneration</b>	<b>1,621,610</b>	<b>114,269</b>	<b>2,126,940</b>	<b>505,330</b>	<b>0</b>	
<b><u>Assistant Chief Executive</u></b>						
Policy & Community Engagement	177,945	71,331	177,945	0	0	All projects in this division are forecast to be fully spent.
Communications & Consultation	0	0	0	0	0	There are no capital projects in this division.
Performance & Improvement	0	0	0	0	0	There are no capital projects in this division.
Northampton Local Strategic Partnership	91,806	63,964	93,137	1,331	(0)	The overspend on this division relates to a retention payment on an old project (New Recreational Facilities), which has no budget remaining. The total overspend on this project is £2.5k but there is a slight underspend on the Spring Lane Victorian Annex project that will contribute towards this overspend. The remaining overspend is unfunded.
<b>Total Assistant Chief Executive</b>	<b>269,751</b>	<b>135,295</b>	<b>271,082</b>	<b>1,331</b>	<b>(0)</b>	
<b><u>Borough Solicitor</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	There are no capital projects in this directorate.
<b>Total Borough Solicitor</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Division/Service	Latest Approved Budget	Actuals to Period 7	Total Forecast for Year	Forecast (Unspent) / Overspend	Forecast Slippage	Detail
	£	£	£	£	£	
<b>Housing GF</b>						
Strategy, Investment & Performance	873,155	30,000	749,446	(123,709)	123,709	All projects in this division are forecast to be fully spent.
Landlord Services	369,305	405	369,305	0	0	All projects in this division are forecast to be fully spent.
Needs & Support	4,621,908	1,817,063	4,673,504	51,596	0	There is a forecast overspend of £52k on the Choice Based Lettings Scheme. DCLG have provided funding towards the cost of this project with the remaining being funded by Northampton Borough Council and Daventry District Council. A project variation will be brought to Cabinet once the scoping exercise is complete. We currently hold £31k unallocated resources from DCLG earmarked for CBL development, with the agreement of Daventry DC this could be used to fund the expenditure. Included in this division are the Disabled Facilities Grants and Provision of Decent Homes projects for private sector housing. Both of these projects have budgets of £1.7m and are forecast to be fully spent. To the end of October approximately 80% of both of these budgets have been committed, however with these grants there can be a time lapse of up to 12 months from when the grants are approved to when they are physically paid.
<b>Total Housing GF</b>	<b>5,864,368</b>	<b>1,847,468</b>	<b>5,792,255</b>	<b>(72,113)</b>	<b>123,709</b>	
<b>Total General Fund</b>	<b>11,494,018</b>	<b>2,766,437</b>	<b>10,639,641</b>	<b>(860,376)</b>	<b>404,367</b>	

Division/Service	Latest Approved Budget £	Actuals to Period 7 £	Total Forecast for Year £	Forecast (Unspent) / Overspend £	Forecast Slippage £	Detail
<b><u>HRA</u></b>						
<b><u>Housing HRA</u></b>						
Strategy, Investment & Performance	13,867,544	3,413,800	11,239,548	(2,627,996)	2,689,131	Following a review of the IBS Housing system there is a forecast overspend on this project of 186k, £61k this financial year and £125k in 2010-11. A project variation has been submitted with this report for this. £1.740m of this underspend and slippage relates to the Decent Homes project, £554k to the Lift Refurbishment project, £250k to the Cooper Street Heating project and £145k to the Complete Roofs projects. Variations have been submitted with this report for all of these to move the budget into 2010-11.
Landlord Services	0	0	0	0	0	There are no capital schemes in this division.
Needs & Support	868,593	792,295	868,593	0	0	An additional £173k has been committed on the Disabled Adaptations - Council Stock project. However due to the time lapse between when grants are approved and when the work is completed the expenditure is unlikely to occur in 2009-10, therefore this will be covered by the 2010-11 budget. It is extremely difficult to forecast cashflow for grants due to the time lapse between grants being approved and the physical work being completed.
<b>Total Housing HRA</b>	<b>14,736,137</b>	<b>4,206,094</b>	<b>12,108,141</b>	<b>(2,627,996)</b>	<b>2,689,131</b>	
<b>Total HRA</b>	<b>14,736,137</b>	<b>4,206,094</b>	<b>12,108,141</b>	<b>(2,627,996)</b>	<b>2,689,131</b>	
<b>Total Capital Programme</b>	<b>26,230,155</b>	<b>6,972,531</b>	<b>22,747,782</b>	<b>(3,488,373)</b>	<b>3,093,498</b>	

## Revenue Expenditure Funded by Capital Under Statute (REFCUS)

As at the end of October 2009

Scheme Title	Budgets			Actuals Exp to End of October 2009	Forecasts			Slippage Forecast Slippage
	Latest Approved Budget	Proposed Changes	Latest Proposed Budget		Forecast Exp to End of Year	Total Forecast for Year	Forecast (Unspent Budget)/ Budget Overspends	
Midsummer Meadow Bridge	41,043		41,043	0	41,043	41,043	0	0
Capitalisation Directive October 2009	300,000		300,000	0	300,000	300,000	0	0
Upton Country Park Pedestrian & Cycle Bridge	740,000		740,000	31,370	1,218,630	1,250,000	510,000	0
Environmental & Recreational Impr - Spring Lane Victorian School Annex	3,100		3,100	0	1,967	1,967	(1,133)	0
Disabled Facilities Grant (Private Sector)	1,713,679		1,713,679	910,691	802,988	1,713,679	0	0
GOEM Projects (Decent Homes)	1,978,057		1,978,057	891,187	1,086,870	1,978,057	0	0
Renovation Grants	95,997		95,997	3,905	92,092	95,997	0	0
Hot Property	9,509		9,509	6,033	3,476	9,509	0	0
Heat Streets	2,350		2,350	1,926	424	2,350	0	0
GOEM Warm Front Top Up	0		0	(27)	27	0	0	0
GOEM Falls on Level	0		0	(665)	665	0	0	0
Countywide Climate Friendly Communities	750,000		750,000	0	750,000	750,000	0	0
<b>Total</b>	<b>5,633,735</b>	<b>0</b>	<b>5,633,735</b>	<b>1,844,420</b>	<b>4,298,182</b>	<b>6,142,602</b>	<b>508,867</b>	<b>0</b>

Note: These schemes are included in the figures for the capital programme.

## Annex F

## Capital Programme Financing 2009-10

As at the end of October 2009

	GF Finance & Support £	GF Environment & Culture £	GF Planning & Regeneration £	GF Assistant Chief Executive £	GF Borough Solicitor £	GF Housing £	HRA Housing £	Unallocated £	Total £
<b>Programme</b>									
Latest Approved Budget	2,020,616	1,717,672	1,621,610	269,751		5,864,368	14,736,137		26,230,155
Proposed Budget Changes	(1,845)	(985,610)	(4,670)			(123,709)	(2,627,996)		(3,743,830)
<b>Latest Proposed Budget</b>	<b>2,018,771</b>	<b>732,062</b>	<b>1,616,940</b>	<b>269,751</b>	<b>0</b>	<b>5,740,659</b>	<b>12,108,141</b>	<b>0</b>	<b>22,486,325</b>
<b>Funding</b>									
Prudential Borrowing	3,367,211	188,271	330	3,100		1,729,689			5,288,600
Supported Borrowing							500,000		500,000
Capital Receipts	63,200	100,000				33,800	337,451	210,000	744,451
MRA							11,068,543		11,068,543
Grants		270,637	838,559	266,651		3,930,503	225,957		5,532,306
Third Party Financing	141,043	89,615	778,052			155,322			1,164,032
Revenue Financing	147,317	209,269				72,317	8,512,000		8,940,903
<b>Total Funding</b>	<b>3,718,771</b>	<b>857,791</b>	<b>1,616,940</b>	<b>269,751</b>		<b>5,921,631</b>	<b>20,643,951</b>	<b>210,000</b>	<b>33,238,836</b>
<b>Unallocated Funding</b>	<b>1,700,000</b>	<b>125,730</b>				<b>180,971</b>	<b>8,535,810</b>	<b>210,000</b>	<b>10,752,511</b>

## Breakdown of unallocated funding

**General Fund***Earmarked funding pending project appraisals*

Prudential borrowing		30,232							30,232
Grant		31,099				31,000			62,099
Revenue contribution		64,399							64,399

*Earmarked carryforward to 2010-11*

Prudential borrowing	1,700,000								1,700,000
GF Capital Receipt								110,000	110,000
Section 106						149,971			149,971

**Capital Reserve**

GF Capital Receipt								100,000	100,000
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**HRA***Earmarked carryforward to 2010-11*

Earmarked Reserve							8,207,915		8,207,915
RTB Capital Receipts							139,509		139,509
Grant							188,387		188,387

<b>Unallocated Funding</b>	<b>1,700,000</b>	<b>125,730</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>180,971</b>	<b>8,535,810</b>	<b>210,000</b>	<b>10,752,511</b>
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