

BOROUGH OF KETTERING

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Report Originator	Strategic Management Team	<i>Fwd Plan Ref No: A18/019</i>	
Wards Affected	All	19 th September 2018	
Title	DURABLE BUDGET REPORT		

Portfolio Holder: Councillor Lloyd Bunday

1 PURPOSE OF REPORT

The purpose of the report is to:

- a) Remind Members of the context / background to the council's budget and medium term financial strategy;
- b) Provide a revised medium term budget model illustrating the levels of savings that may be required over the coming years and highlight the significant financial challenges facing the Council;
- c) In accordance with the Council's Constitution this report seeks Executive's approval for a change to the HRA Capital Programme.
- d) Provide Members with a summary of the proposals contained in the 2019/20 Local Government Finance Settlement Technical Consultation and the Council's draft response to this consultation.
- e) Provide an update on Business Rates Pilots for 75% Business Rates Retention for 2019/20 and seek delegated authority for the Council to be part of a joint submission for a Countywide Northamptonshire Bid.

2. BACKGROUND

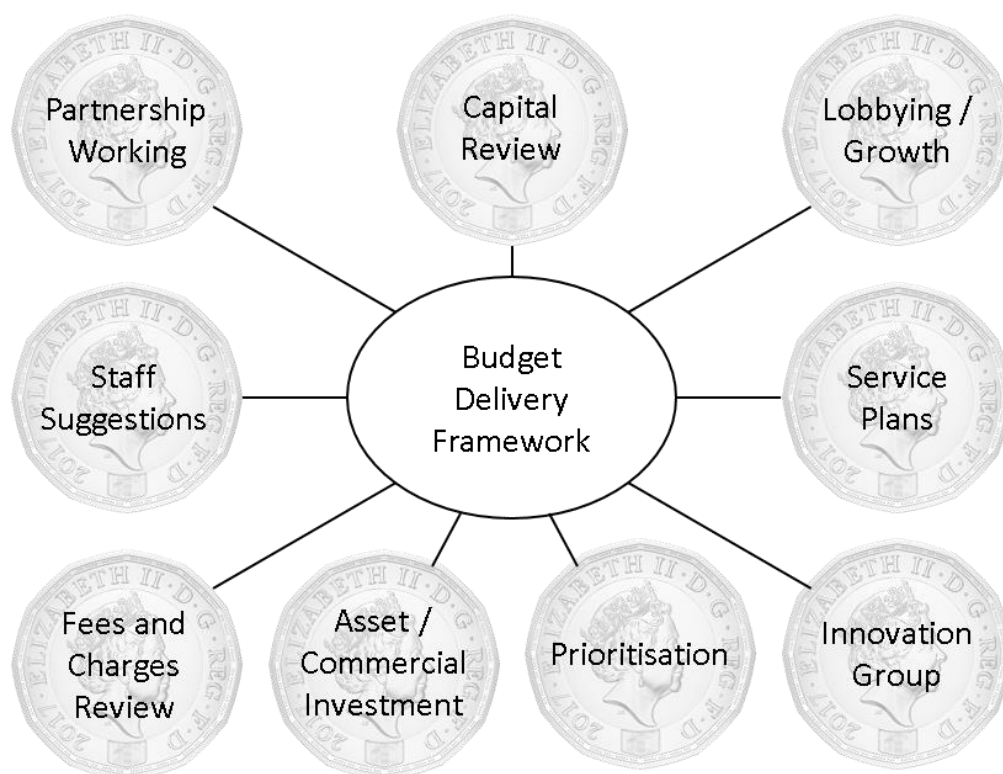
- 2.1. The Council's 2018/19 budget was approved by Council at its meeting on 28th February 2018. In terms of setting a balanced budget, the Council's strategy to date has been successful, although it has to be stressed that the budget setting process is a paper exercise and all the changes being proposed have to be realised and delivered over the next year if we are to avoid additional strain being placed on the following years' budgets. The budgets for 2018/19 will be closely monitored throughout the year and any variances will be reported to the Executive as part of the Durable Budget report.
- 2.2. Members will appreciate that the strategies the Council has adopted over the past few years have generally kept the authority in a good position from which to move forward. In Kettering, our approach ensured that the Council was able to pro-actively deal with the challenges faced through: -

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- ♦ Anticipating and trying to influence major 'Big Ticket' items;
- ♦ Having a well-motivated and flexible workforce that is pro-active in helping to deliver services.

2.3. The Council's success in delivering a balanced budget over the past number of years has come from the Budget Delivery Framework however savings of this magnitude are becoming increasingly difficult to maintain. For the Council to remain in the best possible shape in the medium term it will need to ensure that it 'delivers' on all aspects of its budget framework as outlined below:



2.4. The Council has already done an impressive job of delivering around £11.3m of 'efficiency savings' to date. The Council's financial 'golden rules' and the financial 'guiding principles' provide a strong basis for the Council's medium term financial strategy. Both of these are specifically for the Council's General Fund budgets (revenue and capital) – for ease of reference these are reproduced below:

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Financial Golden Rules;

- a. The General Fund Working Balance should not fall below £1m or 10% of net revenue expenditure (whichever is the greater);
- b. When setting the level of council tax, members should always consider the medium term outlook to ensure that a sustainable budget position is maintained;
- c. The Council must always ensure that adequate funding is provided to cover all of its statutory and regulatory responsibilities;
- d. Should the Council decide to allocate significant additional / new funding to a specific service – it should identify where the required funding is coming from (or compensating savings are to be made);
- e. When setting the Capital Programme, in addition to meeting statutory responsibilities, priority will be given to schemes that are beneficial to the council's overall revenue budget position;
- f. The council must ensure that it has an overall level of revenue reserves that are appropriate for the overall level of risks that the organisation faces – including potential national funding changes;
- g. In line with the council's investment strategy, the council will look to invest in schemes that will have a positive impact over the medium term on its budget position including taking out long-term debt financing (where there is an appropriate business case).

Financial Guiding Principles;

- i. When funding for a specific service is reduced / withdrawn (from national government or another provider) the council should not substitute itself as a provider or funder of the service – unless there are exceptional circumstances;
- ii. When considering the Capital Programme, due regard is given to ensure that existing council assets are properly maintained;
- iii. Where decisions are required about the priority of funding for services, the following is followed;

Priority 1 - Statutory Requirements

Priority 2 – Fit to Council Objectives of;

- ◆ Better Town Centres
- ◆ Better Jobs
- ◆ Better Education Offer

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- iv. Continue to seek strategic partnerships with other public sector providers to help protect services for our residents – especially those that help promote economies of ‘scope’ rather than ‘scale’;
- v. To maximise the resources that are available to the authority, the council will continue to actively lobby the Government on relevant issues.

Housing Revenue Account Guiding Principles

2.5. The HRA Golden Rules and Guiding Principles were approved by the Executive at the meeting on 23rd May for ease of reference they are reproduced below:

HRA Financial Golden Rules;

- a. *The Housing Revenue Account Working Balance should not fall below £300,000;*
- b. *When setting the level of rents, members should always consider the national policy position;*
- c. *The Council must always ensure that adequate funding is provided to cover all of its statutory and regulatory responsibilities;*
- d. *Should the Council decide to allocate significant additional / new funding to a specific service – it should identify where the required funding is coming from (or compensating savings are to be made);*
- e. *The council must ensure that it has an overall level of revenue reserves that are appropriate for the overall level of risks that the HRA faces – including potential national funding and policy changes.*

HRA Financial Guiding Principles;

- i. *When funding for a specific service is reduced / withdrawn (from national government or another provider) the council should not substitute itself as a provider or funder of the service – unless there are exceptional circumstances.*
- ii. *When setting the HRA budgets and considering the HRA Capital Programme, due regard is given to ensure that expenditure protects the long term viability of the Council’s housing stock by making sure the assets are properly maintained and have the ability to meet the Borough’s housing needs.*
- iii. *Where decisions are required about the priority of funding for services, the following is followed;*

Priority 1 - Statutory Requirements

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Priority 2 – Investment in Existing Housing Stock

Priority 3 – Fit to Housing Strategy of;

- ◆ *Increasing housing supply across all tenures*
 - ◆ *Ensuring safe and healthy homes, reducing the opportunity for crime and anti-social behavior*
 - ◆ *Helping people to live independently*
- iv. *Continue to seek strategic partnerships with other public sector providers to help protect services for our residents – especially those that help promote economies of ‘scope’ rather than ‘scale’;*
- v. *To maximise the resources that are available to the authority, the council will continue to actively lobby the Government on relevant issues.*

3. UPDATE OF KEY ISSUES AND BUDGET PROJECTIONS

- 3.1 The Council’s Medium Term Financial Strategy is reproduced in Table 1. The forecast has been updated to reflect the fact that we have ‘closed’ the 2017/18 financial year and now incorporates the financial year 2023/24 – notes to the Medium Term Financial Forecast are included at **Appendix A**.

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TABLE 1 - MEDIUM TERM FINANCIAL FORECAST							
		Zone of "Predictability"		Zone of "Unpredictability"			
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000	Forecast £000
1	Net Council Budget	10,893	10,900	9,933	10,294	10,082	10,185
2	Forecast Resources:						
	Government Grant						
2a	Revenue Support Grant	(171)	250	0	0	0	0
2b	Business Rates	(2,428)	(2,484)	(2,000)	(2,000)	(2,000)	(2,000)
	Total Government Grant	(2,599)	(2,234)	(2,000)	(2,000)	(2,000)	(2,000)
	Council Tax / Coll'n Fund	(300)	(250)	(100)	(100)	(100)	(100)
	Income From Council Tax	(6,521)	(6,620)	(6,718)	(6,819)	(6,922)	(7,026)
	Total Resources	(9,420)	(9,104)	(8,818)	(8,919)	(9,022)	(9,126)
3	Budget (Surplus) / Deficit	1,473	1,796	1,115	1,375	1,060	1,059
4	Efficiencies Identified	(1,473)	(383)	0	0	0	0
5	Efficiencies - To be Identified	0	(1,413)	(1,115)	(1,375)	(1,060)	(1,059)
6	Budget (Surplus) / Deficit	0	0	0	0	0	0
GENERAL FUND WORKING BALANCE							
		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		£000	£000	£000	£000	£000	£000
7	Estimated Opening Balance	1,415	1,375	1,335	1,295	1,295	1,295
8	Town Centre Initiatives	40	40	40	0	0	0
9	Estimated Closing Balance	1,375	1,335	1,295	1,295	1,295	1,295

The forecast comprises the following 'Zones'

- ♦ **Zone of Predictability** - covers the 2018/19 financial year - for which the level of government funding is known. The government funding for 2019/20 is based on indicative figures provided as part of the 2018/19 financial settlement which form part of the 'four year settlement' figures.
- ♦ **Zone of Unpredictability** – This covers the period from 2020/21 which is when it is anticipated that the fairer funding formula review and Business Rates will be reset.

3.2 As part of the 2019/20 budget process the key underlying assumptions have been updated and remodelled, the Medium Term Financial Strategy will continue to be reviewed as part of the budget process. Overall the level of savings required over the four year period 2019/20 – 2023/24 have increased by £1.725m as detailed in Table 2 below. The main changes in 2019/20 result from a number of significant pressures being experienced in 2018/19 – these are detailed in Table 5 and include the increase demand in homelessness and

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the challenging recycling market. Assumptions made from 2021/22 regarding government funding following proposed changes to the Business Rates Retention Scheme have been revised and this has resulted in the savings targets being increased by £400,000 in both 2021/22 and 2022/23.

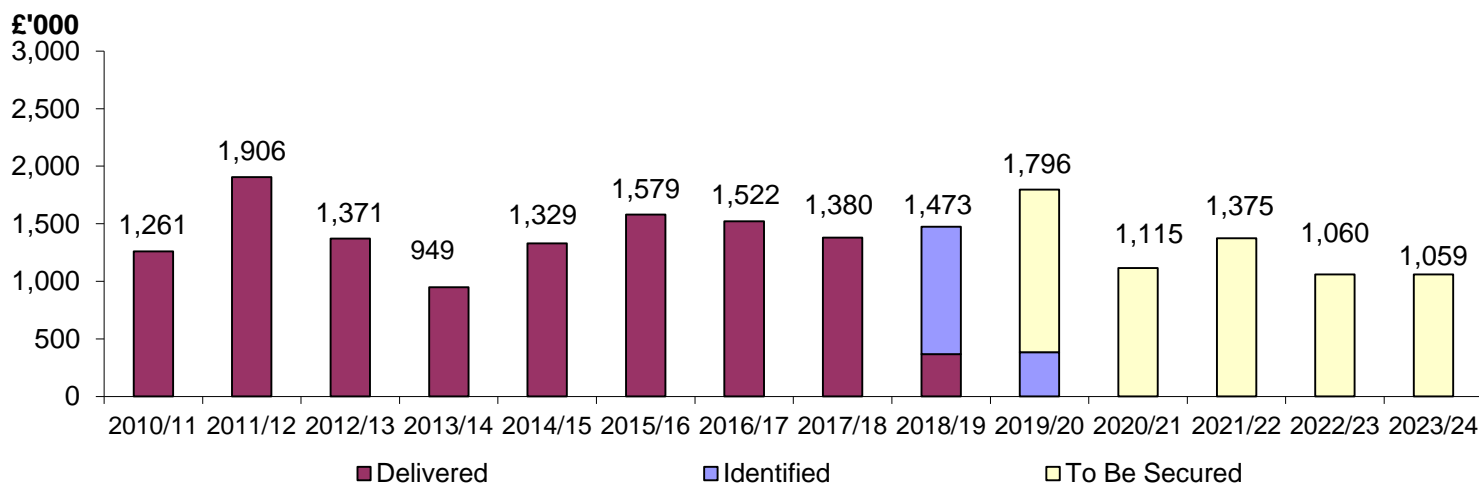
Table 2 – Medium Term Financial Savings	July Executive £000	Current MTFS £000	Difference £000
2019/20	1,021	1,796	775
2020/21	965	1,115	150
2021/22	975	1,375	400
2022/23	660	1,060	400
Total Efficiencies – to be secured	3,621	5,346	1,725

3.3 Whilst Table 2 illustrates that the projected efficiencies required over the four year period (2019/20 – 2022/23) are around £5.3m members are reminded that a further £1m is also required in 2023/24 taking the savings target over the next five years to around £6.4m.

3.4 As clearly outlined in previous budget reports considered by the Executive and Full Council, the best estimates of the ongoing efficiency savings targets going forward are at least of a similar scale to those already met, Chart 1 shows:

- Efficiencies of £11.3m have been identified and delivered between 2010/11 – 2017/18;
- Efficiencies of £1.473m have been identified and need to be delivered for 2018/19
- Efficiencies of around £6.4m need to be identified and delivered over the next five years (2019/20 – 2023/24).

**Chart 1
Annual Budget Efficiencies / Savings**

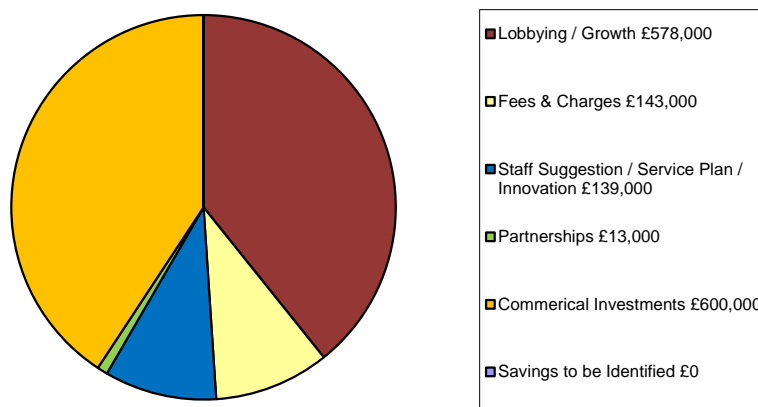


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3.5 When the 2018/19 budget was set, Members will recall that additional ongoing efficiency savings of £1,473,000 were required to set a balanced budget. Those 'efficiency savings' were identified before the budget was formally set and are summarised in Chart 2:

**Chart 2
Framework Efficiency Savings for the next Year
(2018/19)**



3.6 As explained in previous budget reports although we have traditionally referred to the term 'savings', in reality these are a combination of efficiency savings and additional income. Table 3 illustrates how the efficiency targets in 2018/19 are being delivered:

Table 3 – 2018/19 Budget Changes			
Framework	Additional Income £'000	Reduced Expenditure £'000	Total £'000
Lobbying / Growth	578	0	578
Fees & Charges	143	0	143
Staff Suggestion / Service Plan / Innovation	107	32	139
Partnerships	13	0	13
Commercial Investments	600	0	600
Total	1,441	32	1,473

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3.7 Table 4 provides a reminder of the composition of the 2018/19 Framework efficiency savings.

Table 4 – Composition of 2018/19 Budget Changes		
Framework	Saving	£'000
Commercial Investments	Income from Commercial Investments	600
Lobbying / Growth	New Homes Bonus Income	343
Lobbying / Growth	Increase in Planning Fees	135
Lobbying / Growth	Homelessness Grant	100
Staff / Innovation	Treasury Management Income	100
Staff / Innovation	Other schemes	39
Fees & Charges	Additional Income	77
Fees & Charges	Crematorium Income	66
Partnerships	Joint Working	13
Total		1,473

3.8 During each budget process, members are informed of a number of 'big ticket' items. These are typically items of large value that could have a disproportionate impact on the Council's budget if they moved in an adverse fashion. Consequently these are monitored very closely and members and officers may occasionally try to influence (through lobbying) any changes that may take place especially when such changes are triggered through changes in national policy. These items are included in the Councils Swing – o – meter as detailed at **Appendix B**.

3.9 The General Fund remains broadly on target to be delivered within budget for 2018/19 however there continues to be some key areas of volatility – the most significant of these are shown in Table 5.

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	Projected Variance	Reason
Business Rates	£400,000 (favourable)	This reflects the estimated retained growth from the Business Rates Retention Scheme.
Borrowing Costs	£300,000 (favourable)	The Council continues to use internal reserves as a means of borrowing and the variance reflects lower borrowing costs from using internal reserves rather than borrowing from external institutions. The Council does however use external borrowing for commercial investments.
Property Funds	£280,000 (favourable)	The additional income reflects changes in investing surplus cash in line with the Council's Treasury Management Strategy.
Homelessness	£600,000 (adverse)	There has been a significant increase in the number of homeless applications, which is reflective of the picture across the country. Locally, the Council's response has been to ensure we are best placed to take action to prevent homelessness and, secondly, to minimise expenditure on expensive nightly paid accommodation and bed & breakfast hotels. This has involved utilising HRA properties for temporary accommodation and acquiring a number of properties on the open market to use as temporary housing for homeless households.
Recycling	£300,000 (adverse)	Increased cost for the disposal of co-mingled waste arising from a temporary change in gate fees owing to operational changes with the current provider.
Other Items	£80,000 (adverse)	The General Fund budget consists of many budgets to which there is some degree of variation – overall current projections show this as an adverse variance.

3.10 These areas will be closely monitored and reviewed as part of the forthcoming budget process – some of these (such as homelessness) are essentially demand led and reflective of national economic issues.

GENERAL FUND – 2019/20

3.11 Members should be aware that the indicative savings levels for the period 2019/20 are subject to a number of high level assumptions as part of the 'four year settlement' indicative levels of grant funding were provided for 2019/20 and these are reflected in Table 1.

3.12 As well as monitoring framework savings identified for 2018/19 work continues on identifying savings for the following year – 2019/20. Members are reminded that the Medium Term Financial Forecast required an additional £1,021,000 of

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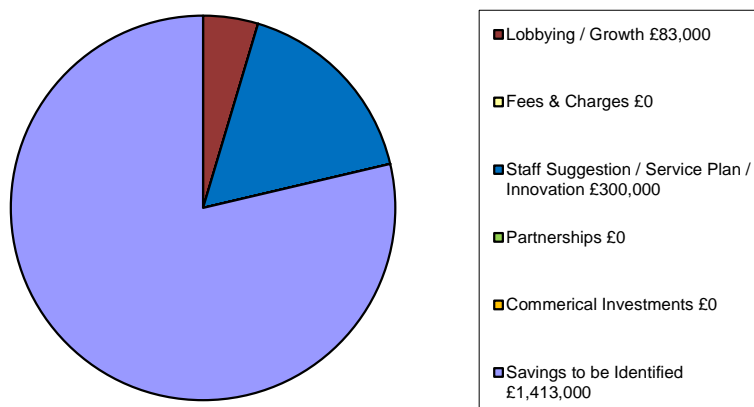
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ongoing savings to balance the budget in 2019/20 – the latest projections (which are reflected in Table 1) now assumes savings of £1,796,000 will be required to deliver a balanced budget in 2019/20.

3.13 Members are reminded that significant efficiency savings have been delivered in recent years as shown in Chart 1. It has been previously reported that savings of this magnitude are going to be difficult to maintain and this is emphasised by the 2019/20 budget process which will be more challenging than previous years.

3.14 It was previously reported to the July Executive that savings of £83,000 had been identified for 2019/20, further savings of £300,000 have been identified this relates to investment into Property Funds. Further savings of £1,413,000 are required in order to deliver a balanced budget for 2019/20. Chart 3 illustrates how the identified savings are to be delivered and the levels of savings that are required to deliver a balanced budget – to date around 21% of the savings have been identified.

Chart 3
Framework Savings for the next Year (2019/20)



3.15 It is important that the Council considers all frameworks and all income streams the Council continues to explore how efficiency savings of around £1.8m can be delivered to meet the estimated savings target for 2019/20. As further savings are identified and resilience tested these will be reported to future Executive meetings.

3.16 Members are reminded that it was agreed at the Full Council meeting in August that a maximum of £500,000 would be made available to progress works on the next steps of the Unitary proposal – resource planning is still ongoing and will continue over the coming months. The Council will fund any associated costs through the reorganisation reserve. Further updates on the Unitary will reported to future Executive meetings.

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GENERAL FUND – 2020/21 – 2023/24

3.17 Given the work that the Government are undertaking about the future of Local Government funding – it is more difficult to look this far ahead with any degree of certainty. The future levels of grant from 2020/21 are much more uncertain and are a best estimate. The scale of the financial challenges from this point onwards will be highly dependent on how the Business Rates Retention Scheme operates over the next five years, together with the national ‘fairer funding review’.

4 CAPITAL PROGRAMME 2018/19 CURRENT FINANCIAL YEAR

4.1 A summary of the projected Capital Programme outturn monitoring statement as at 31st August is shown in Table 6. The current budget reflects the carry forwards that were approved by the Executive at the July meeting and £2.250m for Housing and Homelessness Prevention that was approved by Council at the July meeting.

Table 6 - Capital	Current Budget	Projected Outturn	Variance
	£'000	£'000	£'000
Expenditure			
HRA Schemes	6,168	6,168	0
General Fund Schemes	38,750	38,750	0
	44,918	44,918	0
Financing			
Capital Receipts	979	979	0
Prudential Borrowing	39,975	39,975	0
Revenue Contribution	2,674	2,674	0
Grants and Contributions	1,290	1,290	0
	44,918	44,918	0
Net Expenditure	0	0	0

4.2 There are a number of pressures on the HRA Capital Programme these arise from an increase in void levels and the levels of expenditure required to bring long term void properties back in to use. The additional projected resources required are estimated to be £250,000 this can be funded by reducing both the Electrical Upgrades and the Kitchen and Bathroom renewal schemes.

4.3 To comply with financial regulations and the Councils constitution any change to the Capital Programme up to £250,000 can be approved by the Executive. The changes to the 2018/19 Capital Programme for which Executive approval is required is summarised in Table 7:

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Table 7 – Capital Virements			
	Current Budget 2018/19 £000	Changes to the 2018/19 Capital Programme £000	Proposed Budget 2018/19 £000
Electrical Upgrades	223	(100)	123
Kitchen and Bathroom Renewal	525	(150)	375
Voids	298	250	548

5. HOUSING REVENUE ACCOUNT 2018/19 – CURRENT FINANCIAL YEAR

- 5.1 A summary of Housing Revenue Account monitoring at 31st August 2018 is shown in Table 8. The HRA is projecting an overspend of £250,000. The main pressure relates to income being around £175,000 less than anticipated, this results from increased void levels, resulting in lower income levels.
- 5.2 The main expenditure pressures are a result of increased expenditure on repairs and maintenance owing to an increase in the number of void properties. The void pressures are being managed under the Reinvesting Repairs Service Improvement Programme the main objective of which is to reduce both the number of void properties and the turnaround time between lettings. This is an area of work that will continue to be closely monitored.

Table 8 - HRA	Current Budget	Projected Outturn	Variance
	£'000	£'000	£'000
Gross Expenditure	15,359	15,434	75
Gross Income	(15,359)	(15,184)	175
Net Expenditure	0	250	250

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6. CONSULTATIONS

6.1 The Ministry of Housing Communities and Local Government (MHCLG) issued a technical consultation paper on the 2019/20 financial settlement on 24 July 2018. The deadline for responses is 18th September 2018. The following key issues are summarised in this Section:

- Government Funding Levels 2019/20
- Negative Revenue Support Grants (RSG)
- New Homes Bonus Baselines
- Council Tax Limits

Government Funding Levels

6.2 Members will recall that this Council along with 97% of other authorities accepted the Government's offer of a four-year settlement which covered the period 2016/17 – 2019/20. For those authorities who did not accept the offer, there is a possibility that changes could be made to their funding from Government in 2019/20. For those that did accept the offer the figures are to remain unchanged this means that the Government Grant shown in the Council's Medium Term Financial Strategy (Table 1 – Line 2b) for 2019/20 remains unchanged.

Negative Revenue Support Grant

6.3 The Government are consulting on options for dealing with Negative RSG – Members will recall that this Council's RSG reduces to nil in 2019/20 and that the Government made a further adjustment in 2019/20 whereby the Council rather than receiving a grant is making a payment to the Government of £250,000 this is reflected in Council's Medium Term Financial Strategy (Table 1 – Line 2a).

6.4 In 2019/20 negative RSG nationally amounts to around £153m and affects 168 authorities – there has been strong representation from the local government sector around negative RSG and practices in previous years have resulted in negative RSG being removed – this is something that this Council would strongly support and could result in additional resources of £250,000. It is unlikely that any announcement regarding this would be made until later in the year as such the Council continues to model a negative RSG amount in its Medium Term Financial Strategy (Table 1 – Line 2a)

New Homes Bonus Baselines

6.5 The Council has previously stressed the importance that local authorities that have successfully delivered housing growth should receive the 'bonus' funding that was previously promised. Members will recall that a baseline was introduced from 2017/18 whereby housing growth below 0.4% would not

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receive any New Homes Bonus funding - the Government retained the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth, whilst this was left unchanged for 2018/19 the national baseline for New Home Bonus might be increased from 0.4% in 2019/20. Where the baseline is set in 2019/20 this will depend entirely on actual housing growth – further announcements on this are likely to be made on or around the provisional settlement in December 2018.

- 6.6 The impact from a baseline of 0.40% is a reduction in grant of around £250,000 which is split 80/20 between Kettering Borough Council (£200,000) and the County Council (£50,000). Any further increases to the baseline would reduce the funding authorities receive an increase of 0.1% to the baseline would reduce funding to Kettering Borough Council by around £50,000 and £10,000 to the County Council. The cumulative cash reductions in New Homes Bonus Funding following the introduction of the baseline is around £0.662m this is summarised in Table 9 below:

Year	Baseline	KBC	NCC	Total
2017/18	0.40%	£179,000	£45,000	£224,000
2018/19	0.40%	£189,000	£47,000	£236,000
2019/20 est	0.40%	£203,000	£51,000	£254,000
Total		£571,000	£143,000	£714,000

Council Tax

- 6.7 There are no changes proposed to the limits on council tax increases in 2019/20, although they are still subject to confirmation in the provisional settlement. Shire Districts may be able to increase their Band D by the higher of 3% or £5 – for this Council this means it could increase its Council Tax by 3% which is equivalent to an annual increase of £6.16 per annum for a Band D taxpayer and would result in an additional yield of around £200,000 for the Council.
- 6.8 The County Council’s threshold will be a maximum of 3% and the Government are proposing to continue with the adult social care precept of 2% which is subject to a 6% increase in the period 2017/18 to 2019/20. Northamptonshire County Council increased the adult care precept by 3% in 2017/18 and by 3% in 2018/19 –which means NCC cannot increase the adult care precept in 2019/20.
- 6.9 Police and Crime Commissioners will be allowed to increase their precept by up to £12 subject to certain conditions being met.
- 6.10 A draft response to this consultation is provided at Appendix C.

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7. **BUSINESS RATES UPDATE**

75% Business Rates Retention Scheme

- 7.1 The current Business Rates Retention Scheme took effect from 1 April 2013 and allowed authorities that experience a growth in business rates income (above treasury targets) to retain some of the money. The growth would be subject to a levy payment to the Government.
- 7.2 Members will recall that Kettering administers the Pool on behalf of the Northamptonshire authorities. The Northamptonshire pool has been successful in that it has allowed the pool members to retain more funding because the 'levy' that has to be paid to the Government (on business rates growth) is lower in such an aggregate pool position.
- 7.3 Over recent weeks officers across the County have been compiling a joint bid submission to become a Pilot in 2019/20 for 75% Business Rates Retention which will enable more of the growth to be retained locally. The bid has the agreement of all local authorities within the county area (Districts and the County Council).
- 7.4 There are potential significant financial benefits from being a Pilot authority as the additional growth in retained revenues under the pilot arrangement being the former national share will now be retained locally.
- 7.5 The Pilot bid requires authorities to:
- ◆ Accept a 'No Detriment' clause – meaning if the Pilot was financially worse off under 75% BRR compared to 50% BRR the Government would not fund the difference. Northamptonshire has and continues to experience significant growth all authorities are in agreement to accepting the 'no detriment' clause as part of their bid submission.
 - ◆ Propose a split for sharing additional growth
 - ◆ Applications must outline what pooling arrangements they wish to see if the Pilot bid were unsuccessful.
- 7.6 Part of the bid requires having an agreed position on what happens to any 'additional business rate growth income' – ie, who gets what and what can it be used for.
- 7.7 The distribution mechanism is likely to contain two distinct elements, firstly it is intended that Growth will be divided 80% to districts and 20% to Counties as it would have been had the pilot not come into being (as per the current local rate retention scheme).
- 7.8 Secondly discussions are ongoing with the other authorities regarding how the dividend of the additional 25% growth will be shared.

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- 7.9 A further requirement of the bid is that all applications must outline what pooling arrangements would be in place in 2019/20 should the bid be unsuccessful – if the bid were unsuccessful it would be the intention that the current pooling arrangements in 2018/19 continue in 2019/20.
- 7.10 Pilot bids need to be submitted by 25th September owing to the short time frame Members are asked to delegate authority to the Council's Section 151 Officer (in consultation with the Finance Portfolio Holder) to formalise KBC's sign-off of a Northamptonshire Pilot Bid for 75% Business Rates Retention for 2019/20.
- 7.11 Members are advised that the bids for Pilots is a competitive process, we would be surprised if there was not significant interest from two-tier areas to become pilots. It is likely that not all applications will be successful.
- 7.12 Given the original pooling decision was taken here at Executive it is appropriate to bring a report here regarding the Pilot submission bid and to clarify the pooling position for 2019/20 if the bid were unsuccessful.

8 CONSULTATION AND CUSTOMER IMPACT

- 8.1 As outlined in the report.

9 POLICY IMPLICATIONS

- 9.1 As outlined in the report.

10 USE OF RESOURCES

- 10.1 As outlined in the report.

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11. RECOMMENDATIONS

That the Executive;

11.1 Delegate authority to the Council's Section 151 Officer (in consultation with the Finance Portfolio Holder) to formalise KBC's sign-off of a Northamptonshire Pilot Bid for 75% Business Rates Retention for 2019/20.

11.2 Approve the virements to the Capital Programme as set out in Section 4.3 of the report.

11.3 Note the following:

- a) Note the Council's Medium Term Financial Strategy and associated guiding principles;
- b) The Council's updated Medium Term Financial Strategy and the estimated level of savings required in the medium term;
- c) Note the Council's draft response to the 2019/20 Local Government Finance Settlement.

Background Papers:

Title of Document: Estimate Working Papers

Contact Officers: M Dickenson

Previous Reports/Minutes:

Monthly Durable Budget Reports