

Executive Committee

Date:	19th February 2020	a g e n d a
Time:	6.30 pm	
Venue:	Committee Room - Kettering Borough Council	
Committee Administrator:	☎ Anne Ireson 01536 534398 ☎ anneireson@kettering.gov.uk	
HEADLINE ITEM: Domestic Abuse Policy		
MEETINGS AT THE MUNICIPAL OFFICES		
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Members of the Executive Committee:-

Councillor Russell Roberts (Chair), Councillor Lesley Thurland (Deputy Chair), Councillor Lloyd Bunday, Councillor Mark Dearing, Councillor Scott Edwards, Councillor David Howes, Councillor Ian Jelley and Councillor Mark Rowley

Working with and on behalf of local people

Executive Committee Order of Business

Item	Item/ Report Title
1.	Apologies
2.	Declarations of Interest <i>(Members are asked to make any declarations of financial or other interests they may have in relation to items on this agenda. Members are reminded to make a declaration at any stage throughout the meeting if it becomes apparent that this may be required when a particular item or issue is considered.)</i> (a) Disclosable Pecuniary Interests (b) Personal Interests
3.	The minutes of the meeting of the Executive Committee held on 15 th January 2020 to be approved as a correct record and signed by the Chair
4.	Any matters of urgency the Chair of the Committee decides should be considered
5.	The Chair to ask members of the public present if they want to speak on any public items on the agenda
6.	<u>Issues referred from Scrutiny Committees</u> Two items were referred from the Research and Development Committee <ul style="list-style-type: none"> - Domestic Abuse (Item 12 on the Agenda) - Pets Policy (Item 13 on the Agenda)
7.	<u>Issues referred from Forums</u> None.
8.	<u>Issues referred from Council</u> None.
9.	<u>The Council's Draft Work Programme</u> <i>This plan gives at least 28 days' notice of any key decisions to be made. It also contains information on any meeting, or part of a meeting, that is likely to be held in private at least 28 days before the meeting is due to take place.</i>

Item	Key	Work Prog Reference Number	Report Title	Officer Presenting Report
10.		A19/033	Draft Budget Proposals 2020/21: General Fund, Capital Programme and Housing Revenue Account	Mark Dickenson
11.		A19/034	Treasury Management Strategy 2020/21	Mark Dickenson
12.		A19/035	Capital Strategy 2020/21	Mark Dickenson
13.		A19/039	Kettering Town Centre Task & Finish Group – Timeline	Rochelle Mathieson
14.		A19/036	Kettering Town Centre Footfall and Dwell Time Improvement	Rochelle Mathieson
15.		A19/037	Domestic Abuse Policy	Leona Mantle
16.		A19/038	Pet Policy	Leona Mantle

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1. Apologies

	<p>* MERGEFORMAT</p>
2.	<p>Declarations of Interest * MERGEFORMAT</p> <p><i>(Members are asked to make any declarations of financial or other interests they may have in relation to items on this agenda. Members are reminded to make a declaration at any stage throughout the meeting if it becomes apparent that this may be required when a particular item or issue is considered.)</i></p> <p>(a) Disclosable Pecuniary Interests (b) Personal Interests</p>
3.	<p>Minutes of the previous meeting to be approved as a correct record and signed by the Chair * MERGEFORMAT</p>
4.	<p>Any matters of urgency the chair of the committee decides should be considered * MERGEFORMAT</p>
5.	<p>The chair to ask members of the public present if they want to speak on any public items on the agenda * MERGEFORMAT</p>
6.	<p>Issues referred from Scrutiny Committees * MERGEFORMAT</p> <p>Two items were referred from the Research and Development Committee</p> <ul style="list-style-type: none"> • Domestic Abuse Policy – Item 15 • Pets Policy – Item 16
7.	<p>Issues referred from Forums * MERGEFORMAT</p>
8.	<p>Issues referred from Council * MERGEFORMAT</p>
9.	<p>The Council's Draft Work Programme * MERGEFORMAT</p> <p><i>This plan gives at least 28 days' notice of any key decisions to be made. It also contains information on any meeting, or part of a meeting, that is likely to be held in private at least 28 days before the meeting is due to take place.</i></p>

10.	Draft Budget Proposals 2020/21: General Fund, Capital Programme and Housing Revenue Account * MERGEFORMAT	7 - 42
11.	Treasury Management Strategy 2020/21 * MERGEFORMAT	43 - 66
12.	Capital Strategy 2020/21 * MERGEFORMAT	67 - 88
13.	Kettering Town Centre Task & Finish Group - Timeline * MERGEFORMAT	89 - 100
14.	Kettering Town Centre Footfall and Dwell Time Improvement * MERGEFORMAT	101 - 110
15.	Domestic Abuse Policy * MERGEFORMAT	111 - 150
16.	Pet Policy * MERGEFORMAT	151 - 164

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Report Originator	Strategic Management Team	<i>Fwd Plan Ref No: A19/033</i>	
Wards Affected	All	19th February 2020	
Title	Draft Budget Proposals 2020/21: General Fund, Capital Programme and Housing Revenue Account		

Portfolio Holder: Cllr Lloyd Bunday

1 PURPOSE OF REPORT

The purpose of this report is two-fold – firstly to provide any updates to the budget that have occurred since the last meeting, and secondly to report back comments that have been submitted during the budget consultation period (to date) to enable the Executive to: -

- a) reconsider the main budget issues and drivers and consider their impact on the medium term;
- b) make budget recommendations to full Council, including the recommended level of council tax for 2020/21;
- c) Formally approve the level of council house rents that will be charged for 2020/21;
- d) Recommend two debts for write off in accordance with the Council's constitution.

2. BACKGROUND

- 2.1. The Executive considered a comprehensive report on its initial budget proposals at its meeting of 15th January 2020. The report considered the draft proposals for the General Fund, Housing Revenue Account and Capital Programme. Members are recommended to refer back to that report for the detailed background to this budget report – although the key budget issues are again referred to in this report, the detail of the budget is not.
- 2.2. Members are also reminded of the current situation about the potential local government reorganisation in the County, whilst it is not necessary to repeat the background to this issue in this report, it is important that members understand what their statutory duties are in relation to the current budget setting process.
- 2.3. At the time of considering the draft budget proposals contained within this report, members of this council must consider the financial projections for 2020/21 (and the subsequent medium-term projections) when making budget decisions.

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- 2.4. The Northamptonshire Structural Changes Order 2019 (SCO) – which sets out how the two new unitary authorities will be formed to replace the existing eight councils on 1 April 2021 – was laid before Parliament on 28th October 2019. The draft Order was not ‘made’ into legislation before the dissolution of Parliament on Wednesday 6 November. However, before Parliament was dissolved, the Order was considered by the House of Lords Secondary Legislation Scrutiny Committee and it was noted as an ‘instrument of interest’. This meant it would lay dormant until after the General Election and it would then be considered by the new Government.
- 2.5. The SCO is now continuing its passage through Parliament. It is anticipated that the SCO will complete its legislative process early in the new year and that new arrangements will be in place by 1st April 2021. All the principle local authorities in the county still have to set their individual budgets for 2020/21 this is likely to be the final year of their existence. Clearly, members of all local authorities in the county need to be aware of this major impending decision when considering their council’s budget, however it doesn’t alter their statutory duties when setting the 2020/21 budgets.
- 2.6. The Council’s formal budget consultation period has been running since 15th January 2020 and will end on the 26th February 2020 (when the Council formally sets the budgets).
- 2.7. Since the January Executive Committee, the draft budget proposals have been discussed at a number of meetings including the formal Budget Consultation event on 23rd January 2020.
- 2.8. Without repeating all of the detail previously reported in the January report, the ‘key issues’ section of that report is reproduced at **Appendix A** for context and ease of reference.

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3. **BUDGET CONSULTATION - COMMENTS**

- 3.1 The budget consultation period runs until the 26th February 2020 - when a meeting of Full Council will consider and set the budgets and the level of Council Tax for 2020/21.
- 3.2 A summary of the main comments that have been made through the main consultation meetings are summarised in **Appendix B**, as detailed below;

Appendix B	Comments From
1	Statutory Budget Consultation Meeting (23/01)
2	Kettering Town Forum (27/01)
3	Research and Development (28/01)
4	A6 Towns Forum (29/01)
5	Rural Forum (30/01)
6	Monitoring and Audit Committee (04/02)
7	Tenants Forum (06/02)
8	Any Other Comments

4. **GOVERNMENT GRANT SETTLEMENT 2020/21**

- 4.1 Members will recall that three years ago the Council (along with 97% of other authorities) agreed a four-year grant settlement with the Government and 2019/20 was the final year of this agreement.
- 4.2 The ability to plan with greater certainty can be better met when there are multi-year settlements – whilst the four year settlements agreed back in 2016/17 provided better foundations for medium term planning – the ability to plan for the medium term diminishes as we get closer to the end of the four year period. Medium Term planning was made more difficult as the financial landscape was much more uncertain from 2020/21.
- 4.3 It is expected that over the coming months that the Government will issue three major consultation papers that will have significant implications on how local authority funding operates from 2021 onwards.
- 4.4 The three main consultation papers are on the following:

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- **Fair Funding Review**

This is about how the quantum of local authority funding will be allocated between different tiers of local government. In effect, the review will allocate priority spending (based upon things like population, need etc.) alongside government spending priorities.

It is widely anticipated in local government that this review is likely to allocate more funding towards national priority areas such as adult social care, and children’s services rather than be beneficial to the services that borough and district councils provide.

Accordingly, this review poses a major funding risk to local authorities in the medium term.

- **Business Rates Retention**

Following on from the above, the way that the business rate retention scheme operates in the future will have major financial implications for the Council.

As a local authority, we have benefitted well under the present system due to the above average increase in our business base in the borough. This has significantly benefited the Council’s revenue budget over the past few years.

The system will be re-based in 2021 (alongside a number of other reforms). This could run a significant risk for local authorities such as Kettering who have been managing to help facilitate significant business growth over the past number of years. It could result in a significant proportion of our increased business rates funding being taken away and effectively re-allocated to other areas as part of this (and the Fair Funding Review). This is a very significant funding risk for the medium term, one that should not be under-estimated.

- **New Home Bonus**

New Homes Bonus (NHB) is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas.

Whilst there is no change in the operation of the NHB scheme in 2020/21 and Councils will continue to receive four years-worth of payments there are significant changes in 2021/22 where NHB will only be paid for 2 years (2018/19 and 2019/20) and in 2022/23 NHB will only be paid for one year (2019/20).

The government clearly intends to consider alternative options for incentivising housing growth going forward.

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4.5 The Provisional Local Government Finance Settlement for 2020/21 was announced on 20th December. Table 1 summarises the levels of core funding that were announced in the Provisional Settlement in 2020/21 and the actual funding levels in 2019/20. The government published the final local government finance settlement for 2020/21 on 6 February 2020 via a written statement. The debate on the final settlement will take place on Wednesday 12th February 2020. There were no changes between the provisional and final settlements.

Table 1 – Local Government Core Funding			
Funding	2019/20 £'000	2020/21 Provisional Settlement £'000	Change £'000
Business Rates	(2,484)	(2,524)	(40)
RSG	0	0	(0)
Total	(2,484)	(2,524)	(40)

It should be noted that the national funding reductions shown in Table 1 are in addition to those experienced before 2019/20. Over recent years the reductions in Government Grant total around £5m.

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5. UPDATE OF KEY ISSUES AND BUDGET PROJECTIONS

5.1 The budget figures have continued to be resilience tested during the budget period and have remained the same as those presented in the January report. There is a separate report on the agenda this evening which considers footfall and dwell time in Kettering Town Centre – the decision taken on this item could result in changes to the Council’s draft budget proposals if there are any changes these will be included in the report to the Full Council meeting on 26th February. The budget model (prior to the consideration of any change in council tax) is reproduced in Table 2. Notes to the MTFs are provided at **Appendix C**.

TABLE 2 - MEDIUM TERM FINANCIAL FORECAST							
		Current Spending Round		Future Spending Review Period			
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
		£000	£000	£000	£000	£000	£000
1	Net Council Budget	11,118	11,148	10,883	10,942	11,062	10,692
2	Forecast Resources:						
	Government Grant						
2a	Revenue Support Grant	0	0	0	0	0	0
2b	Business Rates	(2,484)	(2,524)	(2,524)	(2,524)	(2,524)	(2,524)
	Total Government Grant	(2,484)	(2,524)	(2,524)	(2,524)	(2,524)	(2,524)
	Council Tax / Coll'n Fund	(350)	(100)	(100)	(100)	(100)	(100)
	Income From Council Tax	(6,722)	(6,790)	(6,893)	(6,996)	(7,100)	(7,207)
	Total Resources	(9,556)	(9,414)	(9,517)	(9,620)	(9,724)	(9,831)
3	Budget (Surplus) / Deficit	1,562	1,734	1,366	1,322	1,338	861
4	'efficiencies' Identified	(1,562)	(1,734)	0	0	0	0
5	'efficiencies' - To be Identified	0	0	(1,366)	(1,322)	(1,338)	(861)
6	Budget (Surplus) / Deficit	0	0	0	0	0	0
GENERAL FUND WORKING BALANCE							
		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
		£000	£000	£000	£000	£000	£000
7	Estimated Opening Balance	1,415	1,415	1,375	1,375	1,375	1,375
8	Town Centre Initiatives	0	40	0	0	0	0
9	Estimated Closing Balance	1,415	1,375	1,375	1,375	1,375	1,375

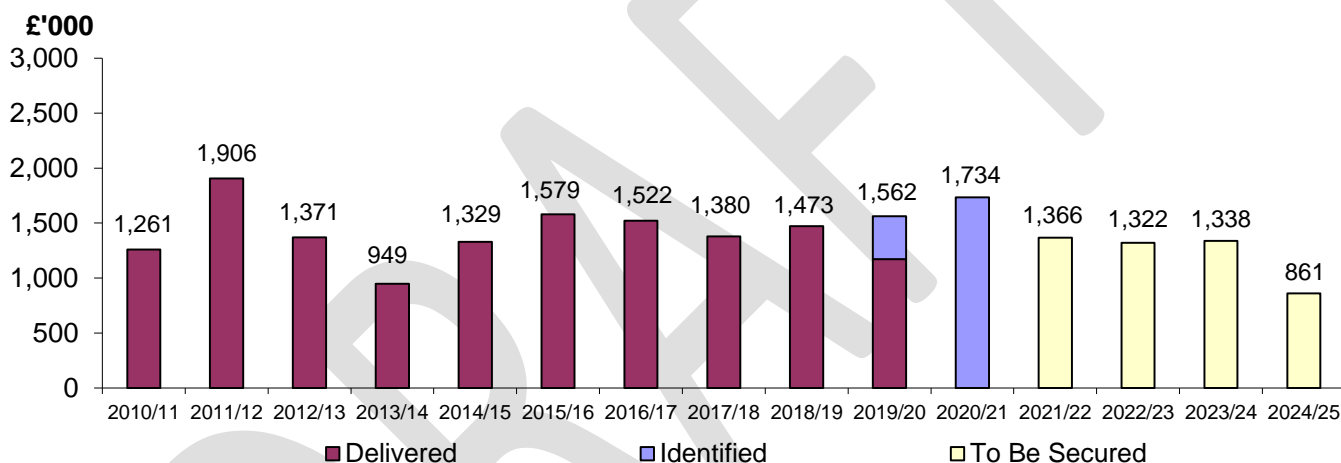
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5.2 As clearly outlined in previous budget reports considered by the Executive and Full Council, the best estimates of the ongoing efficiency savings targets going forward are at least of a similar scale to those already met, Chart 1 shows:

- Efficiencies of £14.3m have been identified and delivered between 2010/11 – 2019/20;
- Efficiencies of £1.734m have been identified and need to be delivered for 2020/21;
- Efficiencies of around £4.9m need to be identified and delivered over the next four years (2021/22 – 2024/25).

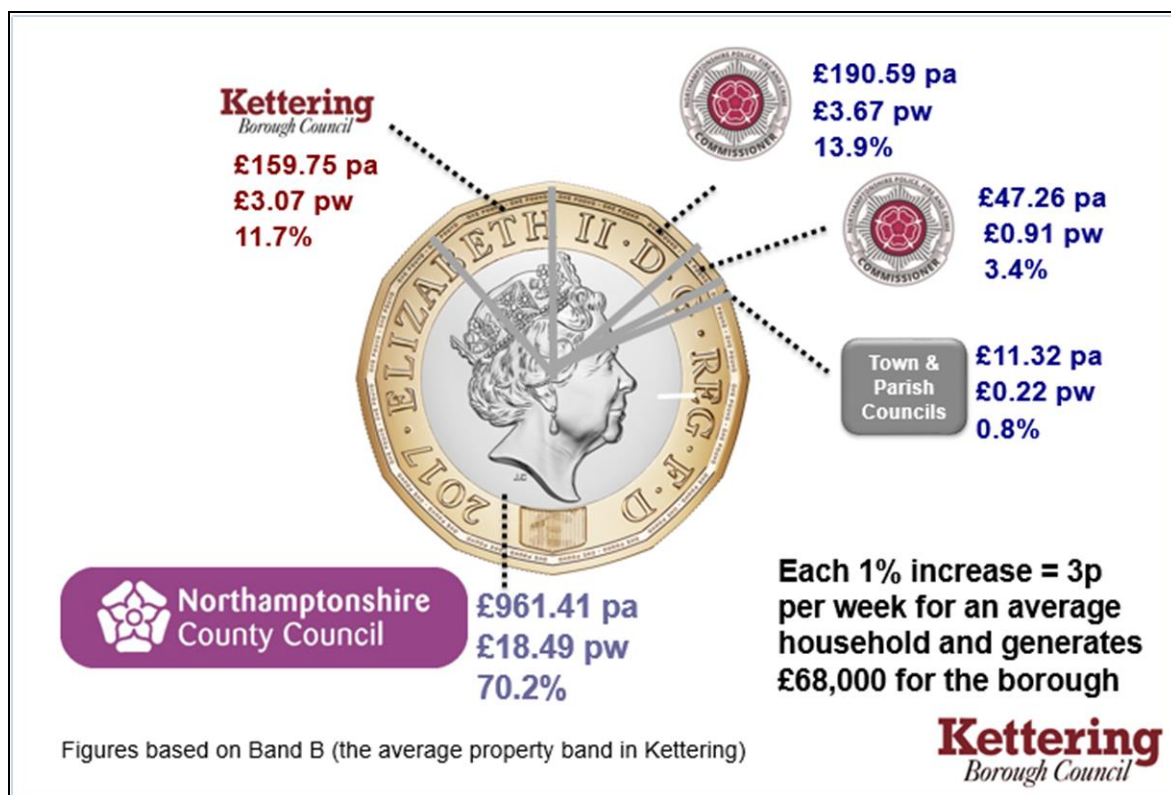
Chart 1
Efficiencies / Savings / Income Generation



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6. COUNCIL TAX SETTING

6.1 The following illustration serves to remind members of the relative size of the council tax figures that are under consideration.



6.2 At this meeting of the Executive Committee, members are required to recommend a level of council tax for 2020/21 to full Council for consideration.

6.3 When doing so, members must have regard to: -

- a. The medium-term financial projections for the council's General Fund budget (statutory requirement)
- b. The advice of its professional officers.
- c. The financial (and business) risks that face the authority in the medium term.

6.4 Based upon the figures in the budget model (Table 2), the level of budget savings over the four-year period (2021/22 – 2024/25) are around £4.9m. The Council's record in identifying and delivering efficiency savings over the past nine years, including the year under consideration (2020/21), are around **£16m** - as illustrated in Table 3.

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Table 3 – ‘Efficiency’ Savings	£000
2010/11	1,260
2011/12	1,910
2012/13	1,330
<i>2013/14</i>	950
2014/15	1,330
2015/16	1,580
2016/17	1,520
2017/18	1,380
2018/19	1,473
2019/20	1,562
Total	14,295
<i>2020/21</i>	<i>1,734</i>
Total	16,029

- 6.5 Between 2010 and 2016 the Government heavily encouraged local authorities to freeze their Council Tax each year. This resulted in the introduction of an annual referendum threshold (generally 2%) together with annual Council Tax Freeze grants as an incentive for those Councils that did not increase their Council Tax.
- 6.6 However, the 2016/17 grant settlement signalled a major policy change by the Government in relation to Council Tax levels – where there was no longer an emphasis (or indeed any incentives) to freeze Council Tax from 2016/17. The same has been true for the years thereafter.
- 6.7 The council tax level for 2020/21 will be considered by the Executive in February but can only be set by full Council at its meeting on 26th February 2020, once the budget consultation has been completed and the officers’ report has been fully and properly considered.
- 6.8 Kettering Borough Council has kept the level of its council tax at the same amount for the past 9 years (since 2011/12). The current levels are shown in Table 4;

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Table 4 – Council Tax Levels for the past 9 years (since 2011/12)								
Band	A	B	C	D	E	F	G	H
Annual Council Tax	£136.93	£159.75	£182.57	£205.39	£251.03	£296.67	£342.32	£410.78
Weekly Council Tax	£2.63	£3.07	£3.51	£3.95	£4.83	£5.70	£6.58	£7.90

- 6.9 In 2019/20 the referendum limit for Districts and Boroughs was the higher of a 3% increase or £5 for a Band D property. When announcing the Local Government Finance Settlement for 2020/21 the referendum limit for Districts and Boroughs was announced as being the higher of a 2% increase or £5 for a Band D property.
- 6.10 For Kettering Borough Council this means the referendum limit is an increase of £5 (2.4%) as 2% would represent an annual increase of £4.11 per Band D property. A £5 increase is equivalent to an increase of 10p per week for a Band D property. The average Band in Kettering Borough is a Band B and this would represent an increase of 8p per week – and would generate additional council tax income of around £168,000 during 2020/21.
- 6.11 Following the established practice of previous years, the Council's Medium-Term Financial Strategy (shown in Table 2) is shown prior to the consideration of any council tax increases. Members will need to consider the advice of Officers, the medium-term financial projections, the resultant savings that are required each year and the overall level of uncertainty regarding levels of Government funding and service risks when considering council tax levels for 2020/21 (and subsequent years). The stronger the council tax yield – the greater the flexibility to deal with the future.
- 6.12 Although the draft budget figures for 2020/21 currently show a balanced budget (at the same level of council tax), the increasing medium-term pressures / risks clearly indicate that a continuation of the council's previous council tax freeze 'policy' is no longer sustainable.
- 6.13 The Council has seen significant changes to how the New Homes Bonus scheme operates and there are likely to be further significant changes to how Government Grant is distributed from 2021/22 following the Fair Funding Review. The Business Rates Retention scheme is to be reset from 2021/22 and the government clearly intends to consider alternative options for incentivising housing growth, these could all have an adverse impact on the Council's budget in the medium term.
- 6.14 Table 5 summarises the real terms impact of the Council's Council Tax freeze since 2011/12. If the current rate of inflation is used as a reference point, in

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effect local residents have experienced a real terms reduction in their local council tax for Kettering Borough Council of around 18.4% for the 9 year period.

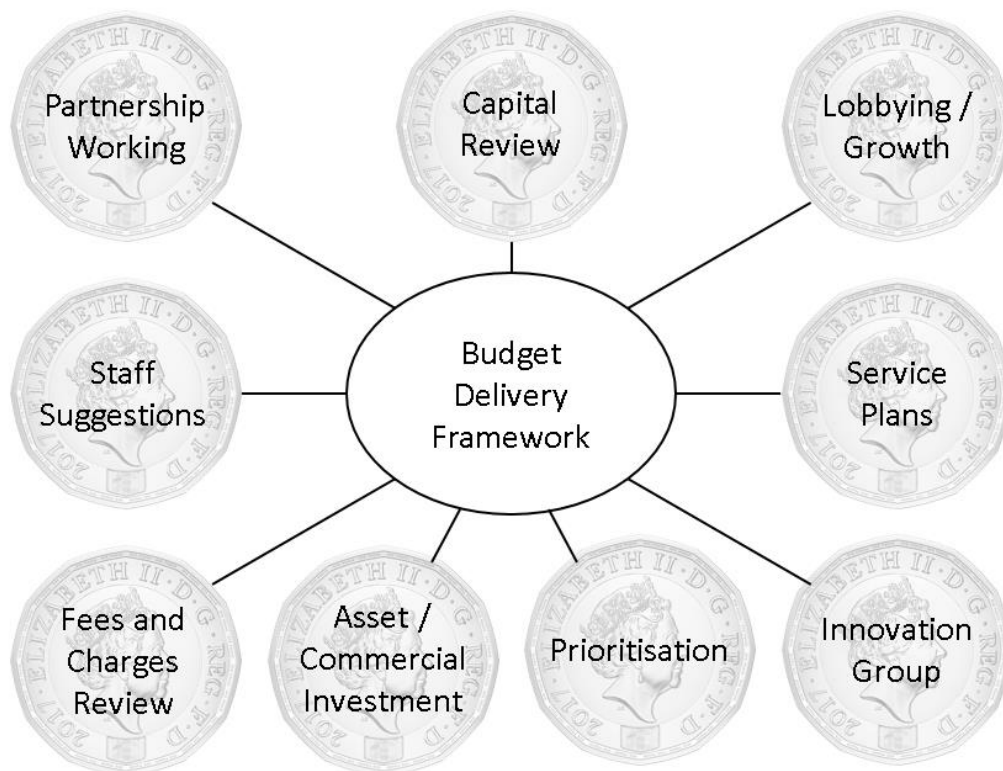
Table 5	Actual / Estimated Inflation Rate	Council Tax Increase	Cumulative Real Terms Reduction
2011/12	4.80%	0.00%	4.80%
2012/13	2.70%	0.00%	7.50%
2013/14	2.10%	0.00%	9.60%
2014/15	1.00%	0.00%	10.60%
2015/16	0.10%	0.00%	10.70%
2016/17	1.50%	0.00%	12.20%
2017/18	2.80%	0.00%	15.00%
2018/19	2.10%	0.00%	17.10%
2019/20	1.30%	0.00%	18.40%

- 6.15 The overall scale of budget reduction continues to be very significant. Collectively the Council has coped well by delivering a balanced budget despite having no council tax increase, no cuts to front line services, and no reduction to overall funding for the voluntary sector since 2011/12. This has only been achievable by following the budget guiding principles and making sure that other income sources, such as fees and charges, are harvested in line with their previously agreed guiding principles – this will remain important moving forward, especially in relation to income generation where around 86% of the efficiency savings for 2020/21 are being delivered through additional income.
- 6.16 Whilst the draft budget for 2020/21 includes additional income of £1.5m it is important that Members are aware that the only budgeted increase in fees and charges relates to the rental of garages. This increase is estimated to yield an additional £10,000 and the 2020/21 draft budget also includes an additional £10,000 for the maintenance of Garages.
- 6.17 Although through this budget process members will only be setting a level of council tax for 2020/21, this should be done by reference to the medium term and the risks faced.
- 6.18 The clear advice from the professional officers of the Council is that members should consider increasing the level of council tax for 2020/21 by the threshold limit amount (i.e. £5).
- 6.19 The Executive Committee are required to make a formal Council Tax recommendation to full Council for consideration at the meeting on 26th February 2020. Although through this budget process members will only be setting a level of council tax for 2020/21, this must be done by reference to the medium term and the risks faced.

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6.20 As outlined at the Council's recent budget consultation meeting, 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. The Council's budget framework is reproduced below:



6.21 The Council has already done a good job of delivering around £14.3m of 'efficiency savings' to date. To have a realistic chance of continuing to balance its budget into the medium term, all of the above frameworks must continue to make a positive contribution. One of these sources alone will not provide the mechanism to set a balanced budget in the medium term, all of them must contribute.

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7 DRAFT HOUSING REVENUE ACCOUNT (2020/21)

7.1 The draft HRA budget was reported to the previous meeting of this committee and is reproduced Table 6 below;

Table 6 - Housing Revenue Account	Draft Budget 2020/21
	£'000
Gross Expenditure	15,438
Gross Income	(15,438)
Net Expenditure	0

7.2 In accordance with the Council's Constitution, although the Executive will be recommending the HRA budget for 2020/21 to full Council for approval, this meeting of the Executive will formally approve the level of Council housing rents for 2020/21.

7.3 The Government announced in summer 2013 that from 2016/17 social rents would rise by CPI plus 1% each year for ten years, previously social rents were rising by RPI plus 0.5% plus £2. Members will recall that in the Chancellor's Budget Statement on 8 July 2015 it was announced that social rents would reduce by 1% a year for the next four years which was clearly at odds with the ten- year rent setting formula.

7.4 The differential impact on the rental income in the Council's Medium-Term Financial Strategy on the previous formula (CPI + 1%) vs a reduction of 1% for four years is in the order of **£65m** (cash) over the life of the 30 Year Business Plan.

7.5 The impact in the first year (2016/17) was in the order of £500,000 (cash) in the second year (2017/18) the impact will be in the order of £1.5m (cash) in the third year (2018/19) the impact will be in the order of £3m (cash) and in 2019/20 the cash impact is in the order of £5m. The rental income in the 2020/21 draft budget for the Housing Revenue Account reflects the 2.7% rent increase (this is the income assumed in the income figure in Appendix A Section 2). Whilst authorities can charge more or less than the guidelines issued by central government. They have previously been constrained by the limit rent which was the maximum that can be charged based on the formula prescribed by central government – this is being replaced from April 2020 however rent increases above the guidelines will still result in some of the additional revenue being repaid back to central government.

7.6 The Government are allowing councils and housing associations to raise rents by CPI (based on September's CPI) plus 1% for five years from 2020 meaning a rent increase of 2.7% for 2020/21. It is however expected to take until around 2022/23 to get back to rent levels that were being charged in 2015/16 which is a direct result of the 1% rent reduction.

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- 7.7 The overall increase in rental income in 2020/21 is around £103,000 – the composition of this increase is summarised in Table 7.

Table 7 – Changes in Rent Levels	
Description	£'000
Rent Increase (2.7% - 1% plus 1.7% Sept CPI)	(402)
Additional 7 Properties (Montrose House)	(22)
Reduction in Void Levels from 2% to 1.9%	(15)
Loss of 1 Weeks Rent (53 Week Year in 2019/20)	286
RTB Sales	50
Total Reduction in Rent from 2019/20 to 2020/21	(103)

- 7.8 The draft budget included an average rent increase of 2.70% (September's CPI 1.7% + 1% - equivalent to £2.11 per week). The average rent per week in 2020/21 being £80.96.
- 7.9 The rent levels for 2020/21 were discussed at the Tenants Forum at its meeting on 6th February 2020. The recommendation from the Tenants Forum was for the average rent to increase by 2.70% for 2020/21 in line with the draft budget proposals.

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8 DRAFT CAPITAL PROGRAMME (2020/21 – 2024/25)

8.1 The draft Capital Programme was reported to the Executive as part of the initial budget proposals in January and has since been the subject of consultation and further review. The programme is summarised in Table 8.

Table 8 - Capital Programme	Draft Budget 2020/21	Indicative Estimate 2021/22	Indicative Estimate 2022/23	Indicative Estimate 2023/24	Indicative Estimate 2024/25
	£'000	£'000	£'000	£'000	£'000
Expenditure					
HRA Schemes	8,719	4,244	4,333	4,113	4,198
General Fund Schemes	30,471	26,442	27,832	24,942	23,182
	39,190	30,686	32,165	29,055	27,380
Financing					
Capital Receipts	2,857	1,689	1,698	1,396	1,396
Prudential Borrowing	27,891	25,742	26,942	24,292	21,792
Revenue Contribution	5,131	2,755	3,025	2,867	3,692
Grants and Contributions	3,311	500	500	500	500
	39,190	30,686	32,165	29,055	27,380

8.2 The Prudential Code introduced a requirement for local authorities to produce an annual capital strategy this Strategy is also being considered at this meeting of the Executive (see report 12 on this agenda)

8.3 The financing estimate for borrowing for 2020/21 is £27.9m. The main contributor to the borrowing costs is the commercial investment budget. The additional revenue from these investments is shown net of MRP and borrowing costs. To finance such investments the Council will need to borrow externally in accordance with the Council's Treasury Management Strategy (see report 11 on this agenda).

8.4 All the commercial investments that have been done to date have been done in accordance with the requirements of (1) the Council Constitution and (2) the Council's Property Investment Strategy. Work is ongoing on further commercial investments to ensure that the Council remains ahead of the curve in this regard.

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9 DEBT WRITE-OFFS

9.1 In accordance with good practice and to ensure the Council's Balance Sheet accurately reflects monies due at the end of the financial year the Council reviews debts outstanding over £20,000. Where it is unlikely that these debts will be settled due to either the companies being in liquidation or the companies have been dissolved they are submitted to the Executive for write off in accordance with the Council's Financial Regulations (which requires the Executive to approve all write offs in excess of £20,000).

9.2 The following debts detailed below are submitted for approval to the Executive Committee these relate to Business Rates. The companies are insolvent and have no assets meaning the debts are irrecoverable. The Council makes a provision for bad debts on an annual basis and these debts would be charged against this provision. This is an accounting adjustment and forms part of the Final Accounts process as the Council prepares the annual Statement of Accounts.

Reference	Amount
101211484	£20,589.10
101111513	£34,961.37

9.3 The Council collects around £32m in Business Rates on an annual basis and these debts represent around 0.17% of the total debt – the Council's collection rate for Business Rates is currently around 99%.

10. STATUTORY OFFICERS COMMENTS

10.1 To comply with best practice, the Council's Statutory Officers have a responsibility to provide a commentary on the budget (and the underlying assumptions) in the report that is considered by full Council on 26th February 2020.

10.2 Members are reminded that the Council has identified and delivered efficiency measures of £14.3m over the ten-year period 2010/11 – 2019/20, and further efficiency measures of £1.734m have been identified for 2020/21. The total over the past ten years amounts to around £16m.

10.3 Based on the assumptions applied to the Council's Medium Term Financial Strategy, in the years after 2020/21 the Council will on average need to deliver **additional annual on-going savings in the region of £1,250,000** – this adds up to around £5m over the medium term which is on top of the £16m ongoing savings achieved since 2010. This is a very significant challenge. The Council will need to ensure that progress is made on all elements of its budget framework if a balanced budget is to be achievable into the medium term.

10.4 If the Council is to deliver a balanced budget in the medium term, in addition to continuing to make progress on 'commercial investments' it will need to seriously

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consider its main sources of income (Council Tax, Fees and Charges) at the same time as starting to consider its priorities for services (and levels of services).

- 10.5 Members' attention is specifically drawn to the comments made in Section 6 in this report, in relation to Council Tax levels and considerations. Whilst decisions about the level of Council Tax are ultimately a political choice – such decisions need to be made in full appreciation of the medium-term financial projections and associated risks. The Council Tax has been frozen for the past nine years – it is difficult to see how this can continue throughout the medium term without other elements of the budget having to give.
- 10.6 The Governments impending consultation on the Fair Funding Formula will look at what factors should initially drive the allocation of government core funding to each local authority – principally looking at factors which drive 'need'. This will be a very important review for all sectors of local government and will be the basis for determining the levels of Government Grant for authorities from 2021/22.
- 10.7 It is widely anticipated in local government that this review is likely to allocate more funding towards national priority areas such as adult social care, and children's services rather than be beneficial to the services that borough and district councils provide
- 10.8 A 75% Business Rates Retention Scheme is due to be implemented from April 2021 – whereby the local share for Business rate retention is to increase from 50% to 75%. The Government have indicated that there will be a full reset of the Business Rates Baseline (the point from which growth is measured). This is likely to have a significant impact on authorities such as Kettering who have delivered significant Business Rates growth in their areas as they are unlikely to receive future benefits for the levels of growth already delivered through the Business Rates Retention Scheme. The Council has a Business Rates Retention Reserve – this smoothing reserve will be required to support the General Fund budget when the scheme is reset in 2021/22.
- 10.9 Rather than see the benefits of growth authorities are likely to find they will have a higher Business Rate Baseline and in effect this will mean they are penalised financially for delivering growth. The extent nationally of having a full reset in 2021/22 could see growth of around £2.4bn being removed from the system and distributed based through the Fair Funding Review as outlined in 10.7 this may not benefit the Districts and Boroughs.
- 10.10 Whilst there are no changes in the operation of the New Homes scheme in 2020/21 and Councils will continue to receive four years-worth of payments there are significant changes in 2021/22 where NHB will only be paid for 2 years (2018/19 and 2019/20) and in 2022/23 NHB will only be paid for one year (2019/20). The government clearly intends to consider alternative options for incentivising housing growth going forward.

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- 10.11 The potential ramifications of changes to the Fair Funding Review, Business Rates Retention Scheme and the New Homes Bonus should not be understated – there have been very few (if any) major changes in funding mechanisms over recent years that have actually resulted in local authorities particularly Districts and Boroughs being better off financially in the medium term. It would be prudent to assume the same in relation to, the Fair Funding Review, Business Rates Retention and New Homes Bonus.
- 10.12 The stronger the Council Tax yield – the greater the flexibility to deal with the budget pressures in the medium term (and the associated risks).
- 10.13 Members should be aware that the indicative savings levels for the period 2021/22 onwards are subject to a number of high-level assumptions – these include assumptions about the future level of Government Grant, Retention of Business Rates, income from the New Homes Bonus Scheme and Commercial Investments.
- 10.14 It is important to note that, although members have a statutory duty to consider the medium term when setting the 2020/21 budget and council tax, they will only be setting the budget and council tax for 2020/21 at this point. Levels of council tax for future years cannot be set in advance by the council. Each future year's decision can only be taken at the appropriate time, once all of the financial and business risks have been analysed, understood and discussed.
- 10.15 The clear advice from the professional officers of the Council is that members should consider increasing the level of council tax for 2020/21 by the threshold limit amount (i.e. £5).

11 CONSULTATION AND CUSTOMER IMPACT

- 11.1 The formal budget consultation period is from 15th January 2020 (where the Executive received the draft budgets) to 26th February 2020 when the Council sets its Council Tax for 2020/21. Comments from this consultation process are attached at Appendix B.

12 POLICY IMPLICATIONS

- 12.1 As outlined in the report.

13 USE OF RESOURCES

- 13.1 As outlined in the report.

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14 CLIMATE CHANGE

14.1 In effect, this budget report costs all the Councils activities and services and combines the individual budgets so that the Council can meet its statutory responsibilities in relation to setting a budget and council tax level. The Council's commitment to climate change actions have been the detail of a report to a recent Executive meeting and the actions and policies that are relevant to the Council have been included within the budget workings (where applicable).

15. RECOMMENDATIONS

15.1 That the Executive

- a) Approve the debt write off (as detailed in section 9.2).

15.2 That the Executive agrees to: -

- a) Receives the comments received from the consultation process (to date) as detailed at Appendix B;
- b) Approve that the average weekly council house rent be increased by 2.7% to £80.96 (on a 52 week year) for 2020/21 (effective from 6th April 2020).

15.3 That the Executive recommends to Council: -

- a) The Revised General Fund Budget (2019/20) and Draft General Fund Budget for (2020/21) – as detailed at Appendix A – Section 1*;
- b) The following Council Tax levels for 2020/21 in relation to Kettering Borough Council and the associated Medium-Term Financial Forecast;

Band	A	B*	C	D	E	F	G	H
Annual	£136.93	£159.75	£182.57	£205.39	£251.03	£296.67	£342.32	£410.78
Weekly	£2.63	£3.07	£3.51	£3.95	£4.83	£5.70	£6.58	£7.90
Increase per week (pence)	0p	0p	0p	0p	0p	0p	0p	0p
Increase	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Represents the average level of the household bill within the District

- c) The Housing Revenue Account Estimates for 2020/21 – as detailed at Appendix A - Section 2*.
- d) The Capital Programme (2019 - 2025) – as detailed at Appendix A - Section 3*

** Please note that these references to Appendix A refer to the 'Draft Budget Booklet – 2020/21) that was circulated as Appendix A to the January Budget report to the Executive Committee on 15 January 2020. A copy of these papers can be found at https://www.kettering.gov.uk/meetings/meeting/1804/executive_committee*

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Background Papers:

Contact Officers: M Dickenson

Previous Reports/Minutes:

Monthly Durable Budget Reports
Budget Consultation (Jan 20)
Geographic Forums (Jan 20)
Research and Development (Jan 20)
Monitoring and Audit (Feb 20)

DRAFT

Key Issues Summary

2019/20

- ◆ The Council has continued to successfully use the 'budget delivery framework' for the delivery of efficiencies.
- ◆ Since 2010, the Council will have delivered a total of £14.3m of efficiencies by the end of March 2020

2020/21

- ◆ Taken in isolation, at this stage most of the **main issues** are 'known' for 2020/21. The Council's Provisional Financial Settlement for 2020/21 is £2,524,000 which is £40,000 higher than in 2019/20.
- ◆ Prior to the consideration of any council tax increase, it is estimated that **£1,734,000 of 'efficiencies' will be required**. We will start 2020/21 in a similar position to 2019/20 because of the continued use of the Council's successful budget delivery framework which has resulted in the Council already having secured some of the on-going savings required for 2020/21. The remaining 'savings' have also been identified the Council will need to remain focused and stick to its Financial Golden Rules and Financial Guiding Principles if these are to be successfully delivered.
- ◆ The Council's strong and controlled budgetary position is a direct result of the adherence to the guiding principles that have been diligently followed over recent years. It remains important that the guiding principles are followed if the Council is to remain in a relatively good financial position. This financial discipline is a pre-requisite of any future financial strategy.
- ◆ The Council will need to ensure that it continues to look for ways of generating additional income, whilst ensuring that services continue to be delivered efficiently.
- ◆ Members will need to consider the medium-term projections and associated risks when deciding a level of council tax for 2020/21. In light of these, officer advice is to consider a council tax increase to the threshold level of £5 for 2020/21 – this would yield an additional £165,000 and would help contribute to the challenging medium terms savings target.
- ◆ **A capital programme of around £39m** is a significant commitment and clearly demonstrates the Council's continued strategy regarding commercial investments.
- ◆ The Council uses the budget "**swingometer**" (as detailed at Appendix A – Section 1) to highlight and assess the sensitivity of the most volatile and material budgets.

10. Appendix A

The Medium Term

2021/22 and Beyond

- ◆ The levels of uncertainty and reductions in government funding in the medium term are very significant and should not be understated.
- ◆ It is fair to say that the local government as a Sector has not seen such volatility and uncertainty in funding levels from the Government in recent times. The scale of these changes could see cash reductions for this Council of up to £5m over the next few years.
- ◆ Both the resetting of the Business Rates Baseline and the review of the funding formula could have a significant impact on the Council's Medium-Term Financial Strategy.

Other Considerations

- ◆ The projections in all years rest on the Executive's adherence to the "*Financial Golden Rules and Financial Guiding Principles* (para 4.6 and 4.7).
- ◆ The assumptions within the Council's Medium-Term Financial Strategy will continue to be reviewed and amended where necessary. What will actually happen will only become clearer as time progresses.

Appendix B

10. Appendix B

SUMMARY OF MAIN COMMENTS MADE ON THE DRAFT BUDGET PROPOSALS

1) STATUTORY BUDGET CONSULTATION MEETING – 23rd JANUARY 2020

Item / Issue	Summary of Response Given
<p>I understand the High Street Action Zone will be funded by the government and the Council. Does the Council get anything back? What is the position regarding ownership of flats above properties?</p> <p>(Cllr Andrew Dutton)</p>	<p><i>Part of the scheme is match funded. Historic England and land/property owners in the zone would also make a contribution.</i></p> <p><i>Table 18 of the Executive report gives a summary of the funding position.</i></p> <p>(Cllr Lloyd Bunday) (Officer Response)</p>
<p>Where can we send budget responses? No email address is given on the Council's website.</p> <p>(Cllr Anne Lee)</p>	<p><i>Comments to be sent to markdickenson@kettering.gov.uk. Comments will form part of the report to the Executive on 19th February</i></p> <p>(Officer Response)</p>

2) KETTERING TOWN FORUM – 27th JANUARY 2020

Item / Issue	Summary of Response Given
<p>At last year's budget proposals for a reduction in parking charges were rejected due to the fact it would result in a loss of income for the council. Car parking usage has decreased significantly over the last year so the question is, will the council review its assumptions around car parking charges and car parking income?</p> <p>(Cllr Mick Scrimshaw)</p>	<p>Parking charges have been a pressure in 2019/20 where we have seen a reduction in fees. This reduction has been reflected in the 2020/21 draft budget.</p> <p>(Officer Response)</p> <p>Two years ago, the Executive agreed not to alter or change the car parking charges for a period of two years. Currently there is a review taking place in which proposals for a new pilot scheme will be presented to members of the Executive Committee in February.</p> <p>(Cllr Response)</p>
<p>The number of Cremations has reduced, are we likely to see figures continue to fall in 2020/21?</p> <p>(Cllr James Burton – Deputy Mayor)</p>	<p>A number of new and similarly functioning facilities have opened in the area which naturally has had an effect on business, but we are expecting this to level out. A reduction has been reflected in both the revised and draft budgets.</p> <p>(Officer Response)</p>

10. Appendix B

Item / Issue	Summary of Response Given
<p>Are the Houses of Multiple Occupation Fees on Page 38 paid annually?</p> <p>(Cllr James Burton – Deputy Mayor)</p>	<p>The Houses of Multiple Occupation fees are set by the Central Licensing Unit and are paid every five years.</p> <p>(Officer Response)</p>

3) RESEARCH AND DEVELOPMENT – 28th JANUARY 2020

Item / Issue	Summary of Response Given
<p>Will the Fair Funding Review impact on 2020/21 budgets, or is it a more “medium-term” consideration?</p> <p>(Cllr Mick Scrimshaw)</p>	<p><i>The Fair Funding Review will not impact the 2020/2021 budget, it is envisaged this will take effect from 2021/2022</i></p> <p>(Officer Response)</p>
<p>What is happening regarding public consultation on the budget? Are there any leaflets available, a page on website or a way people can send in their comments?</p> <p>(Cllr Mick Scrimshaw)</p>	<p><i>The public were invited to attend the Budget Consultation meeting held on 23rd January. There is reference to that meeting on the Council’s website and if anyone wishes to submit comments they can be emailed through to the Head of Resources.</i></p> <p>(Officer Response)</p>
<p>In relation to the decriminalised parking element of the budget, is it possible to have further information on the breakdown of that budgetary line so we can be confident that decriminalised parking enforcement will pay for itself?</p> <p>(Cllr Mick Scrimshaw)</p>	<p><i>A breakdown of those figures were provided. To arrive at those figures KBC were required to submit a business plan to the county council and then to the Department of Transport to illustrate that it could technically fulfil the legislative requirements and that the service would not operate as a money-making exercise or as one expecting to make a loss. The business case included county council experiences regarding fee income. We will take a structured approach, but until the service begins, we will not know exact income levels. However, over a period of years it is intended to balance itself.</i></p> <p>(Officer Response)</p>
<p>Is there an element or reserve of the budget to top up any dip in revenue from parking tickets?</p> <p>(Cllr Jim Hakewill)</p>	<p><i>Should any deficit arise we would look to mitigate this from other existing budgets. There is a contingency budget of £150,000 and if the deficit could not be funded through this we would look to use reserves.</i></p> <p>(Officer Response)</p>

10. Appendix B

Item / Issue	Summary of Response Given
<p>The other three authorities that will form part of the North Northants Unitary Authority operate the county council parking enforcement system. What will happen in April 2021 if the three other authorities like their existing system? Have we purchased software systems to issue parking tickets or are we utilising the county council system?</p> <p>(Cllr Jim Hakewill)</p>	<p><i>There is no definitive answer regarding disaggregation of parking enforcement yet, those conversations are due to take place. Essentially, the North Northants Unitary Authority will have two systems in place and will have the opportunity to decide which is the more effective over time</i></p> <p><i>We have adopted new software that is linked into the county council's back office providing a certain level of coherence for the unitary authorities after 2021.</i></p> <p>(Officer Response)</p>
<p>Does the budget as presented tonight provide for the salaries of the complete number of 17 traffic wardens given that at the 1st April, they will not all be in post?</p> <p>(Cllr Jim Hakewill)</p>	<p><i>Yes, the budget being proposed is for all 17 members of staff. We will go into the start of the financial year a little light on numbers but expect to be fully staffed during April.</i></p> <p>(Officer Response)</p>
<p>Budgetary line PS7/PS8 and income of £1.15m for fees and charges, with £514,000 of that now expected from car park income. We have learned that the Executive Committee will be conducting a review of car parking charges. How has that £514,000 figure been calculated in relation to any possible changes as a result of that review?</p> <p>(Cllr Mick Scrimshaw)</p>	<p><i>In terms of arriving at the figure of £514,000, the budget for 2019/20 was £614,000 with in year pressures of £100,000 identified. We have extrapolated those figures forward assuming the same levels of income for 2020/21 as for 2019/20.</i></p> <p><i>The budget does not allow for parking income changes at this stage.</i></p> <p>(Officer Response)</p>
<p>Page 45 of the Capital Programme; there is a revised budget of £310,000 for land acquisition and pre-contract works at Stamford Road. However, there does not seem to be an amount of money allocated to provide the housing we were looking to build at that location.</p> <p>(Cllr Mike Tebbutt)</p>	<p><i>That is correct, we need to go through the viability stage for that site and then bring that scheme back through a separate approval process to bring it into the budget.</i></p> <p>(Officer Response)</p>
<p>Page 46 of the Capital Programme has a CCTV element of £50,000. The quality of the imaging collected by our cameras is not usually of evidential quality and does not make use of Auto Number Plate Recognition (ANPR). Will this budget of £50,000 correct some of that?</p> <p>(Cllr Mike Tebbutt)</p>	<p><i>The £50,000 in the budget is to improve the current CCTV system. It will not have ANPR functionality but will improve the image quality.</i></p> <p>(Officer Response)</p>

10. Appendix B

Item / Issue	Summary of Response Given
<p>The replacement IT System with an original £90,000 budget for the current year now shows as £0 for the revised 2019/20 budget. Has the work been completed or is it no longer required?</p> <p>(Cllr Mike Tebbutt)</p>	<p><i>The system was planned for Development Services; however, a decision was taken to defer this system.</i></p> <p>(Officer Response)</p>
<p>Page 27, budgetary line DL1 in relation to elections, does the cost of a General Election get reimbursed from central government? In 2021 there is £229,000 budgeted for elections. Is this for the PFCC election and how can the budget be so low if it is a Borough-wide election?</p> <p>(Cllr Jim Hakewill)</p>	<p><i>The 2019/20 figures reflect the costs associated with a general election and the European elections. General, European and Police and Crime Commissioner elections are funded from Electoral Commission.</i></p> <p>(Officer Response)</p>
<p>Page 19, in relation to Development Control, the original budget for 2019/20 was £529,000, revised to £431,000 and for 2020/21 is set at £496,000. These are quite large variances?</p> <p>(Cllr Jim Hakewill)</p>	<p><i>This is in relation to income levels as a demand-led service. The original budget had predicted income of £788,000 which is now projected to be £887,000 at the end of this financial year. We have not included all of this income in the 2020/21 budget due to the service being demand-led, but have allowed for a further £30,000 income in 2020/21.</i></p> <p>(Officer Response)</p>
<p>At what point would the Council's auditors say we are not levying a suitable amount of Council Tax because for the last three years officers have made increase recommendations to the Council leadership?</p> <p>(Cllr Jim Hakewill)</p>	<p><i>The auditors issue a Value for Money opinion, but in terms of giving advice and telling the Council it had to raise Council Tax rates, this is not something they would do. This is a political decision.</i></p> <p>(Officer Response)</p>
<p>Use of the term efficiencies as part of the budget is misleading as income generation is not an efficiency.</p> <p>(Cllr Jim Hakewill)</p>	<p><i>We always tried to identify and clearly present a composition that provides a scale of additional income or a reduction in expenditure. We can, in future, have separate headings that specifically state additional income and reductions in expenditure.</i></p> <p>(Officer Response)</p>

10. Appendix B

Item / Issue	Summary of Response Given
Where is the budget for buying properties to progress homelessness issues? (Cllr Mick Scrimshaw)	<i>It is detailed on Page 46 as Housing and homelessness prevention.</i> (Officer Response)
The Commercial Investment Strategy has a budget of £20.160 million, that is a very specific figure, are there already investments lined up? (Cllr Mick Scrimshaw)	<i>The £20 million budget relates to acquisition of new commercial investments, the additional £160,000 is for capital investment at Haylock House following its acquisition.</i> (Officer Response)
The £150,000 Contingency Fund referred to earlier, will that be different for our final year? (Cllr Mick Scrimshaw)	<i>There is no difference between the years.</i> (Officer Response)

4) A6 TOWNS FORUM – 29th JANUARY 2020

Item / Issue	Summary of Response Given
<p>I have three questions on pages 3, 4 and 8.</p> <p>On page 3 the business rates prediction is the same for 5 years. Are we expecting some resurrection in high streets? Is there no impact on High Street business rates?</p> <p>Is there a presumption that premises will be retained in the unitary authority in relation to the depreciation adjustment on page 4?</p> <p>In relation to the costs of running parking services on Page 4 and the income from them, with the running down of the High Street it seems as if parking costs are preventing people coming into the town centre.</p> <p>Are there any increases in parking fees planned?</p> <p>(Cllr Allan Matthews)</p>	<p><i>That section on the MTFs relates to the 'Future Spending Review Period'. At this moment we have no further information on the finance settlement for future years, hence the Business Rates figure has remained as per the current year. We are awaiting the fair funding review which will impact on the settlement we get from the government.</i></p> <p><i>The depreciation adjustment relates to KBC only. We have had to set the budget on the basis Kettering Borough Council will remain a sovereign council. The budget does not take into account what premises may or may not be used in the unitary authority.</i></p> <p><i>The increase is as a result of the appointment of additional parking wardens plus other associated costs for civil parking enforcement.</i></p> <p><i>No, the increase in income relates to Civil Parking enforcement not pay and display fees.</i></p> <p>(Officer Response)</p>

10. Appendix B

Item / Issue	Summary of Response Given
<p>The tax freeze policy is no longer sustainable and Kettering Borough Council should increase the council tax. From 2013, the County Council increased council tax to the maximum permissible by the government. It is unsustainable to retain at zero. This causes KBC a problem. With advent of unitary authorities we will have to harmonise council tax. This will mean a significant shock to the taxpayers of Kettering.</p> <p>New Homes Bonus was for six years, now four years and will be going down to two years. After 2022/23 New Homes Bonus expires. There is a significant risk in not increasing the council tax.</p> <p>The £1.734m in efficiencies made is more than the total revenue of the Council. Commercial investment is not an efficiency, although staff savings are. The use of the term is misleading.</p> <p>I am pleased to see that in the medium term financial plan – efficiencies is in inverted commas. I have made this point for several years. The budget should show additional funding or revenue and a smaller amount for efficiencies. This does not make sense.</p> <p>(Cllr Jim Hakewill)</p>	<p><i>Comment Noted</i></p>
<p>I have looked at the figures in the context of the organisation. Northamptonshire County Council has difficulty funding adult social care, children's services and highways maintenance. Reorganisation is an attempt to strengthen local government in the county. It is not just a question of wording, the total income that comes from the unitary authority must make up for things not being done properly at the moment. The County Council is not doing its job properly, and we will have to contribute to adult social care and children's services, libraries and highways in the future.</p> <p>I am pleased to hear Kettering going to have a town council. The only buoyancy in the system is in parish and town councils, which can increase precepts without limit. Burton Latimer is having to increase its precept</p>	<p><i>Council tax harmonisation is part of the unitary process and will need to be considered by the shadow authority.</i></p> <p><i>We have not been made aware of any capping of parish precepts from the government.</i></p> <p><i>(Officer response)</i></p>

10. Appendix B

Item / Issue	Summary of Response Given
<p>considerably to compensate for what the County Council is not doing.</p> <p>How will the rate be set and will the government put a limit on the council tax rate for the unitary, or will it take the same view as this year and put a cap on it?</p> <p>Has there been any signal that the government is considering capping town and parish councils?</p> <p>(Cllr Christopher Groome)</p>	

5) RURAL FORUM – 30th JANUARY 2020

Item / Issue	Summary of Response Given
<p>The report suggests that increasing Council Tax to the threshold level would generate £163,000 of income. Has that already been included in the budget, as there is an increase in Council Tax income in the figures?</p> <p>(Cllr Paul Gooding)</p>	<p><i>An increase in council tax rates has not been reflected in the budget, the increase in the figures in the report relates to an increase in the council tax base not an increase in the council tax rates.</i></p> <p>(Officer response)</p> <p><i>Raising Council Tax to the £5 threshold would yield £168,000. Several years ago the Council embarked on a Commercial Strategy which is reflected in the Capital Programme. This Strategy currently contributes £1.385m and in 2020/21 increases by a further £500,000 to £1.885m – this is far in excess of the Council Tax yield and follows the Conservative strategy of not taxing residents for the sake of taxing.</i></p> <p>(Cllr Response)</p>

6) MONITORING & AUDIT – 4th FEBRUARY 2020

Item / Issue	Summary of Response Given
<p>In relation to the proposed rent increase of 2.7%, has any assessment taken place as to whether an increase may cause financial difficulties for our tenants?</p> <p>(Cllr Cliff Moreton)</p>	<p><i>The Tenants' Forum represents Council tenants and the proposed 2.7% increase was discussed at the November meeting of the forum. The representatives of the forum were receptive to the 2.7% increase.</i></p> <p>(Officer Response)</p>

10. Appendix B

Item / Issue	Summary of Response Given
<p>Our level of Council Tax support is one of the lowest in the country. For two years we have decided to the keep Council Tax support at the same level, but there is no mention of it in this budget.</p> <p>(Cllr Anne Lee)</p>	<p><i>Council Tax Support was reported to the Executive Committee in September. The Committee was asked whether it wished to proceed with a formal consultation exercise however it decided not to in favour of freezing Council Tax support at the current rate.</i></p> <p>(Officer Response)</p>
<p>There are a lot of vacant posts and given the costs of employing agency staff have we been actively recruiting to fill those posts?</p> <p>(Cllr Anne Lee)</p>	<p><i>There are certain services areas where we would look to use agency staff, for example the Refuse Service. We make a conscious choice to use agency staff at times; it may be difficult to recruit to certain posts or specific knowledge is needed at a certain point. Salaries across the organisation are being delivered within budget.</i></p> <p>(Officer Response)</p>
<p>Where is the budget for fighting climate change? Where are the figures for the amount spent last year and what is the figure for next year?</p> <p>(Cllr Anne Lee)</p>	<p><i>The figures for this are embedded in service area budgets across the organisation.</i></p> <p>(Officer Response)</p> <p><i>Through our Climate Change Champions there is an ongoing process of costings around climate change implications.</i></p> <p>(Portfolio Holder for Strategic Delivery & the Environment Response)</p>

7) TENANTS FORUM – 6th FEBRUARY 2020

Item / Issue	Summary of Response Given
<p>Will rents be looked at across the North and West for Harmonisation?</p> <p>(Tenant Question)</p>	<p><i>The harmonisation of Rents and Council Tax will be considered as part of one of the Unitary Working Groups. Ultimately this will be a decision for the Shadow Authorities.</i></p> <p>(Officer Response)</p>
<p>It would have been helpful to have seen a comparison with the 2019/20 budget.</p> <p>(Cllr Maggie Don)</p>	<p><i>We have shown the changes from the 2019/20 to the 2020/21 budget on the slides presented. The detail of the 2019/20 budget is contained within the detailed budget papers in the January Executive Report.</i></p> <p>(Officer Response)</p>

8) PUBLIC RESPONSES

Comments
<p>I give below my main priorities.</p> <ol style="list-style-type: none"> 1. A park and ride feasibility study. If this went ahead it would stop the traffic jams in Kettering and also help the environment. 2. Stop giving planning permission for out of town shopping centres. 3. Local social housing to rent this would help with the homeless crisis. 4. Extra policing to prevent crime. <p>I hope you will consider the points I have raised.</p> <p><i>(Member of Public email)</i></p> <p><i>These comments will be presented to the Executive</i></p> <p><i>(Officer response)</i></p>
<p>Dear Cllr Roberts,</p> <p>Please can I submit the following on behalf of Brightkidz social enterprise in relation to the Budget Consultation Process on 23 January.</p> <p>I have looked through the Draft Budget Booklet to see what funding is being allocated to enable Kettering Borough Council to address climate change. It's complicated of course as I realise the potential actions are varied and fall within different departments. However it is essential we ensure climate change actions get the funding needed.</p> <p>Our specific interest regarding climate change is around transport - reducing car dependency and increasing the amount of safe, active, sustainable travel in the area. As you know, transport is the greatest source of CO2 emissions in the UK and is also the fastest growing. It is also something everyone can influence and latest government travel survey data shows most people would like to reduce their car use and over 70% of people would like to cycle.</p> <p>Kettering Borough Council has already expressed its willingness to promote walking and cycling which is excellent. This will not only help reduce CO2 emissions but has other benefits such as improvements in health and air quality and access to work/training. It can also help Kettering reduce the number of road casualties - our town has the highest growth in KSIs (killed or seriously injured) in the county, source: NCC Adopted Road Safety Strategy.</p> <p>We would therefore suggest the budget includes funding to cover the following:</p> <p>1. Development and delivery of a town centre travel plan, estimate £5000 - £10,000 (if delivered by Brightkidz).</p>

A travel plan is different from a transport plan (which KBC already have although due to update and which is more about the engineering measures with links to the Public Realm strategy).

A travel plan is more about 'soft measures' eg behaviour change, promoting what is already out there, bringing relevant partners together for bigger impact, changing attitudes, identifying and addressing barriers to active travel etc. It would involve a site audit, various mode of travel surveys and working with the community as partners to identify existing actions and future actions. It would lead to accreditation under the DfT-backed Modeshift STARs (Sustainable Travel Accredited and Recognised) scheme which is also an excellent framework for measuring impact.

I would estimate it would cost **£5,000- £10,000** for Brightkidz to do this plan and carry out some of the behaviour change initiatives which would involve the wider town centre community. The plan itself may help leverage more funding for related initiatives if the council could kick it off, eg police funding for bike security campaign.

This is the sort of thing which could strengthen a second bid for Future High Streets funding as it would prove excellent community engagement. (There is due to be a second round for FHSF; no date announcement made yet, but Kettering needs to be ready... but that's another subject).

2 Grant scheme to promote active travel in the Borough

My second suggestion is to introduce a grant scheme for local organisations eg businesses, schools, community organisations to get funding to encourage and enable cycling to work/school etc. This could be used for capital costs eg secure/covered cycle storage, showers, lockers etc. It could even require 25% match funding by the organisation to prove their commitment and draw more funding in. It needs to be easy to apply for and maybe even time-limited so they try hard to get it ASAP (so the impact is quicker). You can call it a trial to justify the time limit! Or there could be a fixed total amount in the 'pot' which would encourage people to apply quickly. I don't know how much you would budget for this- maybe **£50,000**? Alternatively you could offer this cycle support grant as a reward for any organisation completing its own accredited travel plan so it can implement planned actions such as installing cycle storage.

3. Cycle training and cycle confidence training within the Borough

We were shocked to find out around 50% of pupils of all ages at a local primary school cannot cycle... even some pupils at local secondaries cannot cycle! This means they cannot take part in the government's part-funded Bikeability training. We also know many adults learnt to cycle as children but need confidence to get back on their bikes. Therefore some funding to support cycle training would have a great impact on the town. Schools are so strapped for cash but adults could match fund theirs I think. I would suggest an initial **£15,000** funding pot eg to enable us to deliver this in partnership with Youthworks.

4. Kettering borough active travel communications campaign

It would be good to offer something visible Borough-wide (as the travel plan would initially be just for Kettering town centre). This could be led by the KBC Comms team or outsourced - but should be in partnership with the local community. Is there any **internal budget** to cover this and any other climate change communications campaigns?

5. Local Cycling and Walking Infrastructure Plan (LCWIP)

With the growth in East Kettering, it is essential that the costly infrastructure changes are well managed and coordinated as part of a whole-town plan. I would suggest budgeting for a sustainable transport specialist to develop a Local Cycling and Walking Infrastructure Plan (LCWIP). This will help prove Kettering has a vision too despite the constraints of the move to unitary. I know a reputable consultant who would charge **£6k to £15k** for this depending on depth of plan. A town centre travel plan would complement this.

6. Existing Plans

I know Lisa Hyde has mentioned having secure, covered cycle storage installed in the town centre and possibly a workplace travel plan for KBC staff. I'm not sure if there is already budget set aside for these but would presume so.

7. Internal Budgets for 'Climate Change' Adaptations

I know many KBC staff will care about climate change and be keen to implement measures within their work. I also understand you have a strong culture of staff being able to put forward their own ideas... so there may be ideas which have not come up yet. If staff are organising events or campaigns it would be good for them to have the resources to embed climate actions within those projects. For example the next Health and Wellbeing festival is due to be held at Boughton House - an amazing venue - but unless a shuttle bus service is laid on and well publicised it will only be accessible to those who drive and so there will be lots of car journeys. A 'climate change' fund could cover the cost of this and enable the whole event to be much more sustainable (and accessible).

Thank you for considering this submission. Please let me know if you need any further information. We look forward to hearing how these ideas are received.

Best wishes

(Brightkidz email)

A Climate Change Policy has been adopted by the Council. Whilst there is no specific budget heading, climate change considerations are embedded in service area budgets across the organisation.

With reference to the specific items raised, the Council follows relevant procurement legislation and the Councils Constitution when procuring goods and services.

(Officer response)

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APPENDIX C

Notes to Medium Term Financial Forecast

- 1** ***Net Council Budget** – This represents the net expenditure prior to the Budget Framework.*
- 2** ***Forecast Resources** – These are the Council's main funding streams (excluding fees and charges which are incorporated into Line 1). This illustrates the significant reduction in Central Government funding. To enable the total resources required to balance the budget to be identified, no assumptions have been made regarding future council tax increases. The small increase in revenue each year reflects anticipated housing growth in the borough.*

The level of government grant are known for 2019/20 and 2020/21.
- 2a / 2b** ***Revenue Support Grant / Business Rates** - Following the introduction of the Business Rates Retention Scheme the local share of business rates will be uplifted by RPI each year until the system is reset in 2021 this is shown in line 2b. The Revenue Support Grant, which is detailed in Line 2a remains at nil in 2020/21.*
- 3** ***Budget (Surplus) / Deficit** – This illustrates the gap between the budget and the total resources available before identifying budget framework savings.*
- 5** ***Savings to be identified** – This identifies the total resources that are required to balance the budget in future years after 2020/21.*
- 8** ***Town Centre Initiatives** – This relates to parking incentives and / or other town centre related items. Due to the short-term nature this is being funded from the General Fund working balance rather than forming part of the base budget.*

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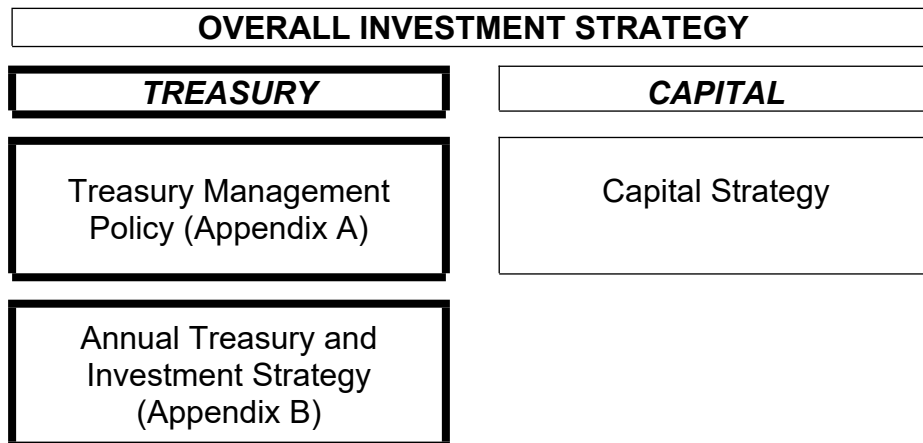
Committee	EXECUTIVE	Item 11	Page 1
Report Originator	Mark Dickenson Head of Resources	Fwd Plan Ref: A19/034	
Wards Affected	All	19 th February 2020	
Title	TREASURY MANAGEMENT STRATEGY 2020/21		

Portfolio Holder: Cllr Lloyd Bunday

<p>1. <u>PURPOSE OF REPORT</u></p> <p>1.1 To report the Treasury Management Strategy for 2020/21 for approval.</p>

2. TREASURY MANAGEMENT BACKGROUND

2.1. The Council has a number of strategies and policies that when considered together comprise the Overall Investment Strategy (see diagram below). This report considers the strategic 'Treasury' elements, the Capital strategy is also being considered at this meeting.



- 2.2. The Treasury Management Policy Statement is a high level document, which defines the Council's policies and objectives of its Treasury Management activities. It remains fairly constant each year and is attached at **Appendix A**.
- 2.3. To comply with the requirements of best practice, the Treasury Management Strategy is reported to members in advance of the forthcoming financial year.
- 2.4. The Executive Committee are responsible for approving the Treasury Management Policy and Strategy - the Council are required to formally set the associated 'prudential indicators' that form part of the strategy. The indicators form part of the strategy statement that is attached at **Appendix B**.

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- 2.5. The indicators are a technical accounting requirement and are based upon a range of different external borrowing scenarios that may happen during the medium term. These are reviewed and updated annually by the Council. The Council's budget model makes provision for the cost of estimated debt charges (associated with borrowing).
- 2.6. The Council continues to make use of credit ratings to help inform any investment decisions. The Council monitors credit ratings daily in conjunction with our external treasury advisers.
- 2.7. The proposed strategy for 2020/21 has been developed with Link Asset Services Ltd, the Council's appointed treasury advisors.
- 2.8. An information sheet is detailed at **Appendix C** to provide additional information on the Prudential and Treasury Indicators, together with reasons why changes have been made to the Indicators.
- 2.9. The Prudential Indicators and Borrowing Limits are primarily technical calculations, which are derived from the numbers contained in the Council's draft budgets and resulting capital financing requirement.
- 2.10. It is important to note that should the Council identify investment opportunities that are in excess of the budgets included in the Capital Programme – these will be considered upon their own merits and may require the Council to formally amend the Capital Programme (and associated Prudential Indicators and Borrowing Limits) as appropriate – Full Council has the power to do this at any point during the year therefore the strategy and associated indicators are capable of amendment (if required).

3 CONSULTATION AND CUSTOMER IMPACT

- 3.1 None as a direct result of this report – the report is about the treasury management activities at this stage.

4 POLICY IMPLICATIONS

- 4.1 The policy implications are discussed throughout this report.

5 USE OF RESOURCES

- 5.1 The implications on the Council's resources are considered throughout the report.

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6 CLIMATE CHANGE

- 6.1 In effect, this report provides the framework for Capital Investment in order to support all the Council's activities and services. The Council's commitment to climate change actions have been the detail of a report to a recent Executive meeting and the actions and policies will be considered separately through the delivery of each capital scheme.

7. RECOMMENDATIONS

That the Executive:

- 7.1 Approve the Treasury Management Policy Statement as detailed in Appendix A;
- 7.2 Approve the Annual Treasury Management Strategy as detailed in Appendix B;
- 7.3 Recommends the Prudential & Treasury Indicators to Council for approval as detailed in Appendix B.

Previous Reports/Minutes:

Title of Document:

Date:

Contact Officer:

Ref:

Date:

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TREASURY MANAGEMENT POLICY STATEMENT

Kettering Borough Council's Treasury Management Policy is embraced by the following three principles;

1. This Authority defines its treasury management activities as: *“The management of the authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”*.
2. This Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Authority.
3. This Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of *“achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.”*

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TREASURY MANAGEMENT STRATEGY 2020/21

Introduction

1 Background

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

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "
- 1.6 Revised reporting was required for the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a Capital Strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is the subject of a separate report.

Reporting Requirements

Capital Strategy

1.7 The CIPFA revised 2017 Prudential and Treasury Management Codes require all local authorities to prepare an additional report, a Capital Strategy report, which will provide the following:

- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability

The aim of the Capital Strategy is to ensure that elected members on the full council understand the long term policy objectives and resulting capital requirements, governance procedures and risk appetite of the Council.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

Treasury Management Reporting

1.8 The following reports are made during the year:

- a. Before the start of the financial year – Capital plans (including prudential indicators), a minimum revenue provision policy, a Treasury Management Strategy including treasury Indicators and an investment strategy.
- b. During the year – any updates that are required will be reported through the Durable Budget Reports (incl. a mid year position report)
- c. At the end of the year – the actual prudential and treasury indicators will be reported as part of the Councils' out-turn reports.

The above reports are reported to the Executive, whose role is to recommend these reports to Council.

Treasury Management Consultants:

1.9 The Council uses Link Asset Services Treasury solutions as its external treasury management advisors.

1.10 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

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

2 Treasury Management Strategy for 2020/21

2.1 The strategy for 2020/21 covers two main areas (in line with the requirements of recommended best practice);

Capital:

- Section A Capital Plans and Prudential Indicators 2020/21 – 2024/25;
- Section B Minimum Revenue Provision Strategy and Policy Statement 2020/21;

Treasury Management:

- Section C Affordability Indicators;
- Section D Current Treasury Position;
- Section E Treasury Indicators 2020/21 – 2024/25;
- Section F Prospects for Interest Rates;
- Section G Borrowing Strategy;
- Section H Policy on Borrowing in Advance of Need;
- Section I Debt Rescheduling;
- Section J Municipal Bonds Agency;
- Section K Investment Strategy;
- Section L Creditworthiness Policy;
- Section M Cash Flow Investment Strategy;
- Section N Policy on use of External Service Providers;
- Section O Investments that are not part of treasury management activity.

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

CAPITAL

Section A - The Capital Plans and Prudential Indicators 2020/21 – 2024/25

2.3 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.4 *Capital Expenditure* - this Prudential Indicator is a summary of the Council's capital expenditure plans (as currently contained in the Councils draft budgets);

TABLE 1	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Capital Expenditure	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Town Centre Delivery Plan	171	870	3,809	20	20	20	20
Community Facilities	135	892	1,392	742	442	292	292
Supporting Service Delivery	4,374	4,580	4,310	4,880	6,570	3,830	2,070
Commercial Strategy	11,310	41,149	20,160	20,000	20,000	20,000	20,000
Private Sector Housing Improvement	722	773	500	500	500	500	500
Contingency	-	300	300	300	300	300	300
HRA	3,677	3,944	8,719	4,244	4,333	4,113	4,198
Total Capital Programme	20,389	52,508	39,190	30,686	32,165	29,055	27,380
Leases	2,427	0	3,700	90	0	0	90
Total Capital Expenditure	22,816	52,508	42,890	30,776	32,165	29,055	27,470

TABLE 2	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Capital Expenditure / Financing	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non – HRA	5,402	7,415	10,311	6,442	7,832	4,942	3,182
Commercial activities	11,310	41,149	20,160	20,000	20,000	20,000	20,000
HRA	3,677	3,944	8,719	4,244	4,333	4,113	4,198
Total Capital Programme	20,389	52,508	39,190	30,686	32,165	29,055	27,380
Leases	2,427	0	3,700	90	0	0	90
Total Capital Expenditure	22,816	52,508	42,890	30,776	32,165	29,055	27,470
Financed By							
Capital Grants	792	1,470	3,311	500	500	500	500
Capital Receipts	1,244	1,333	2,857	1,689	1,698	1,396	1,396
Revenue Contribution	2,589	2,738	5,131	2,755	3,025	2867	3,692
Net financing need for the year	18,191	46,967	31,591	25,832	26,942	24,292	21,882

2.5 The Capital Financing Requirement (CFR) is used to measure the Council's borrowing need. The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

2.6 The general fund CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset life, and so charges the economic consumption of capital assets as they are used. There is no requirement to make an MRP charge to the HRA however, there is a requirement to charge depreciation.

2.7 The Authority has opted to charge the HRA a Voluntary Revenue Provision (VRP) on an annual basis to make provision for the repayment of its debt liability.

TABLE 3	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Capital Financing Requirement As at 31 March	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-HRA	66,516	110,828	135,171	157,698	180,858	200,890	218,500
HRA	57,926	54,749	55,633	52,633	49,633	46,133	42,730
TOTAL	124,442	165,577	190,804	210,331	230,491	247,023	261,230
Movement In CFR	13,569	41,135	25,227	19,527	20,160	16,532	14,207

TABLE 4	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Movement in CFR represented by	actual	Latest estimate	estimate	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net financing need for the year	18,191	46,967	31,591	25,832	26,942	24,292	21,882
Less MRP and other financing movements	4,622	5,832	6,364	6,305	6,782	7,760	7,675
Movement In CFR	13,569	41,135	25,227	19,527	20,160	16,532	14,207

2.8 A key aspect of the regulatory and professional guidance is that the size and scope of commercial activity is shown in relation to the authority's overall capital expenditure plans. The capital expenditure figures shown in 2.4 and the details above demonstrate the scope of this activity and considers the scale proportionate to the authority's remaining activity. These figures are detailed in Tables 1 and 4.

2.9 *The Use of the Council's Resources and the Investment Position* - The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources. Detailed in Table 5 are estimates of the year end balances for each resource and anticipated day

to day cash flow balances. The table reflects the under/over borrowing position of the Council, this is reflected in the internal borrowing line. This explained further in Table 9.

TABLE 5	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Year End Resources	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances	2,265	2,265	2,225	2,225	2,225	2,225	2,225
Reserves	28,299	29,630	24,867	23,134	21,559	20,123	18,327
Capital receipts	4,749	4,211	4,461	4,500	4,530	4,862	5,164
Total core funds	35,313	36,106	31,553	29,859	28,314	27,210	25,716
Working capital	5,578	5,578	5,578	5,578	5,578	5,578	5,578
Less: Internal Borrowing	12,913	2,422	231	55	397	757	100
Expected investments	27,978	39,262	36,900	35,382	33,495	32,031	31,194

Section B - Minimum Revenue Provision Strategy and Policy Statement 2020/21

2.10 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the Minimum Revenue Provision - MRP) and can also make additional voluntary payments (Voluntary Revenue Provision - VRP).

2.11 MHCLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year – the following strategy is a continuation of the successful strategy used in 2019/20:

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- *Existing practice* - MRP will follow the existing practice outlined in former MHCLG regulations (option 1). This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including finance leases) the MRP policy will be:

- *Asset Life Method* – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3). This option provides for a reduction in the borrowing need over approximately the asset's life.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

2.12 **MRP Overpayments** – A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision (VRP) or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. The Council has taken the view to make VRP on it's HRA CFR which matches the HRA business plan. At 31/03/2019 the Council has made £20m of VRP Repayment.

2.13 **MRP Holiday** - The Council may incur expenditure that does not involve the creation of an asset on the Council's balance sheet, but instead may be in the form of a long-term debtor arising from loans or other types of capital expenditure made by the Council. Under such arrangements, there will be no Minimum Revenue Provision made, as the Council will earmark subsequent repayments as capital receipts and set these sums aside to reduce the overall debt liability (Capital Financing Requirement) of the Council. Any such schemes will be reviewed on a case by case basis to ensure that the Council continues to meet its requirement to make a prudent provision each year.

2.14 Repayments included in annual finance leases are applied as MRP.

Section C - Affordability Prudential Indicators 2020/21 – 2024/25

2.15 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

2.16 *Actual and estimates of the ratio of financing costs to net revenue stream* - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

TABLE 6	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Ratio of financing cost to net Revenue stream	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
Non-HRA	17.04%	36.16%	54.61%	69.18%	84.84%	99.13%	106.73%
HRA	11.37%	11.19%	11.08%	10.91%	10.20%	9.39%	8.61%

2.17 *HRA Ratios* - The table below shows the ratio of HRA debt to HRA revenues. HRA revenues are based on the HRA Business Plan.

TABLE 7	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Ratio of HRA Debt to HRA Revenues	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
	£m	£m	£m	£m	£m	£m	£m
HRA debt	58	55	56	53	50	46	43
HRA revenues	15	15	15	15	16	16	16
Ratio of debt to revenues %	383%	368%	371%	346%	320%	291%	264%

2.18 The table below shows the ratio of HRA debt to the number of HRA dwellings. The number of HRA dwellings in 2019/20 is based on the latest projections for the year while from 2020/21 onwards is based on the HRA MTFS.

TABLE 8	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Ratio of HRA Debt to Number of dwellings	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
HRA debt £m	58	55	56	53	50	46	43
Number of HRA dwellings	3,654	3,624	3,622	3,592	3,562	3,532	3,502
Debt per dwelling £'000	15.85	15.11	15.36	14.65	13.93	13.06	12.20

TREASURY MANAGEMENT

2.19 The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Section D - Current Treasury Position

2.20 The overall treasury management portfolio as at 31 March 2019 and at 31 December 2019 are shown below for both borrowing and investments.

Treasury Portfolio				
	actual 31.3.19	actual 31.3.19	current 31.12.19	Current 31.12.19
	£000	%	£000	%
Treasury investments				
Banks	10,594	40	49,184	72
Building Societies	0	0	2,500	4
Local authorities	3,000	11	0	0
Total managed in house	13,594	51	51,684	76
Property funds	13,073	49	16,816	24
Total managed externally	13,073	49	16,816	24
Total treasury investments	26,667	100	68,500	100
Treasury external borrowing				
Local authorities	3,500	3	3,500	3
PWLB	102,103	97	131,424	97
Total external borrowing	105,603	100	134,924	100
Net treasury investments / (borrowing)	(78,936)	0	(66,424)	0

2.21 During 2019 the Council took advantage of market conditions and externalised a significant proportion of its internal borrowing. This means that the Council's reserves are largely cash backed. The cash position has enabled the Council to increase the value of treasury investments.

2.22 The net financing need for the year illustrates that based upon the latest estimates for 2019/20 borrowing of £47m will be required to finance the programme. This is in accordance with the Council's guiding principles. Although in the past the Council has not had to borrow from external sources for this funding, it has in effect borrowed the money 'from itself' from other cash holdings that the Council has. Council currently has long term HRA debt which was required to enact the self-financing transaction and has used long term loans as a means of financing its Capital Strategy. Any borrowing is undertaken in line with the prudential indicators and the borrowing strategy outlined in Section G.

2.23 The Council's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement – CFR), highlighting any over or under borrowing.

TABLE 9	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
External Debt							
Debt at 1 April	100,393	109,330	161,066	188,589	210,891	234,303	254,565
Expected change in Debt	8,937	51,736	27,523	19,802	17,412	10,262	4,949
Debt at 31 March	109,330	161,066	188,589	208,391	228,303	244,565	259,514
Other long term liabilities (OLTL) 1 April	729	2,199	2,089	1,984	1,885	1,791	1,701
Expected change in other OLTL	1,470	(110)	(105)	(99)	(94)	(90)	(85)
Other long term liabilities (OLTL) 31 March	2,199	2,089	1,984	1,885	1,791	1,701	1,616
Actual Gross Debt at 31 March	111,529	163,155	190,573	210,276	230,094	246,266	261,130
The Capital Financing Requirement	124,442	165,577	190,804	210,331	230,491	247,023	261,230
Under / (over) borrowing	12,913	2,422	231	55	397	757	100
Total Investments at 31 March							
Expected Investments	27,978	39,262	36,900	35,282	33,495	32,031	31,194
Net Debt	83,551	123,893	153,673	174,894	196,599	214,235	229,936

2.24 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and the following two financial years. This allows some flexibility for limited early borrowing for future years but, ensures that borrowing is not undertaken for revenue purposes. The Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the Council's budget reports that are currently under consideration.

Section E - Treasury Indicators for 2020/21 to 2024/25

2.25 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales, the authorised limit represents the legislative limit specified in Section 3 of the Local Government Act 2003.

2.26 The following indicators are relevant for the purposes of setting an integrated Treasury Management Strategy. These are technical calculations, which are required to be set to comply with statute. The figures are a product of the Council's budget for 2020/21 and are created by applying a number of statutory calculations.

2.27 *The Operational Boundary* - this is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

TABLE 10	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Operational Boundary for external Debt	actual	latest estimate	estimate	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	151,250	210,000	235,000	250,000	265,000	270,000	275,000

2.28 *The Authorised Limit for external debt* - a further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

TABLE 11	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Authorised limit for external Debt	Actual	latest estimate	estimate	estimate	estimate	estimate	estimate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	156,250	215,000	240,000	255,000	270,000	275,000	280,000

Section F - Prospects for Interest Rates

2.29 The Council has appointed Link Asset Services as the treasury advisor to the Council and part of their service is to assist the Council to formulate a view on interest rates.

Link Bank Rate forecast for financial year ends (March)

- 2019 / 2020 0.75%
- 2020 / 2021 0.75%
- 2021 / 2022 1.00%
- 2022 / 2023 1.25%

2.30 The overall balance of risks to economic growth in the UK is probably relatively even due to the weight of all the uncertainties over post-Brexit trade arrangements and the impact of an expansionary government spending policy (as expected in the Budget on 11th March). The balance of risks to increases or decreases in Bank Rate and shorter term PWLB rates are also broadly even.

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

- Post Brexit trade negotiations – if it were to cause significant economic disruption and a major downturn in the rate of growth
- The Bank of England takes action too quickly, or too far, over the next three years to raise Interest Rates and causes UK economic growth, and increases in inflation, to be weaker than currently anticipated.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Political uncertainty, due to vulnerable minority governments, in Germany and other Eurozone governments, such as Belgium and Spain, could pose major challenges to the overall leadership and direction of the EU as a whole and of the individual respective countries.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

2.32 The potential for global upside risks to current forecasts for UK gilt yields and PWLB rates, include:

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

Section G - Borrowing Strategy

2.33 *Borrowing rates* - The latest monthly Link forecast for the Public Works Loan Board (PWLB) new borrowing rate is as follows: -

(Link Interest rate forecast – February 2020)

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Mar-22
Bank Rate	0.75%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%
5yr PWLB Rate	2.30%	2.30%	2.40%	2.40%	2.50%	2.60%	2.90%
25yr PWLB Rate	3.00%	3.00%	3.10%	3.20%	3.30%	3.40%	3.70%
50yr PWLB Rate	2.90%	2.90%	3.00%	3.10%	3.20%	3.30%	3.60%

2.34 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with external loans.

2.35 Against this background and the risks within the economic forecast, caution will be adopted with the 2020/2021 treasury operations. Interest rates will be closely monitored and a pragmatic approach will be adopted to any changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates, then long term borrowings will be considered, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than projected levels in the next few years.

2.36 *Treasury Management Limits on Activity* - there are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive, they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing and are required for upper and lower limits.

Section H - Policy on Borrowing in Advance of Need

2.37 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

2.38 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Section I – Debt Rescheduling

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

2.40 The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

2.41 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short-term rates on investments are likely to be lower than rates paid on current debt.

2.42 All rescheduling will be reported to the Council, at the earliest meeting following its action.

Section J – Municipal Bond Agency

2.43 It is possible that the Municipal Bond Agency (MBA) will be offering further loans to local authorities in the future. The MBA is aiming to have lower borrowing rates in the medium term when compared to the Public Works Loan Board (PWLB). This Authority will consider whether to make use of this alternative source of borrowing as and when appropriate.

Annual Investment Strategy

Section K - Investment Policy: management of risk

- 2.44 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).
- 2.45 The Council’s investment policy has regard to the MHCLG’s Guidance on Local Government Investments, the CIPFA Treasury Management in Public Services Code of Practice and Cross Sector Guidance Notes 2017 and CIPFA Treasury Management Guidance Notes 2018. The Council’s overall investment priorities are:
- Security: the creditworthiness of the counterparty and;
 - Liquidity: how readily available cash is; the term of the investment.
- 2.46 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- 2.47 In accordance with guidance from MHCLG and CIPFA, and in order to minimise the risk to investments, the Council has clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list (Table 13). The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what the ratings reflect in the eyes of each agency. Using the Link ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
- 2.48 The Council recognises that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain and monitor on market pricing such as “Credit Default Swaps” (CDS) and overlay that information on top of the credit ratings. This is encapsulated within the credit methodology provided by the advisors, Link Asset Services in producing its colour codings which show the varying degrees of suggested creditworthiness.
- 2.49 Other information sources used will include the financial press, and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 2.50 As a result of the change in accounting standards for 2019/20 under IFRS 9 Financial Instruments (which covers classification and measurement for financial instruments and impairment of financial assets including Property Funds), this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local

authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1 April 2018.)

2.51 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk. The Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Section L - Creditworthiness Policy

2.52 This Council uses the creditworthiness service provided by Link Asset Services. This service employs modelling utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays: -

- credit watches and credit outlooks from credit rating agencies;
- Credit Default Swap (CDS) spreads that may give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

2.53 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Dark Pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light Pink 5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour not to be used

2.54 The Link Asset Services creditworthiness service uses a wider array of information other than just primary ratings and by using a risk weighted scoring system minimises exposure to just one agency's ratings.

2.55 Typically the Council will use a Short term rating (Fitch or equivalent) of F1 (strong capacity to meet financial commitments) and a Long term rating of A- (high credit quality) for its minimum credit ratings criteria. Consideration is given to the whole range of ratings available and other topical market information.

2.56 All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of Credit Ratings the Council will be advised of information in movements in CDS against the iTraxx benchmark (A set of CDS indices) and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list.

2.57 Sole reliance will not be placed on the use of this external service. In addition, the Council will also use market data and market information, information on any external support for banks to help support its decision making process.

2.58 Time and monetary limits applying to investments. The Council will only use UK institutions. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both Specified and Non-Specified Investments):

TABLE 12	Minimum credit criteria / colour band	Max % of total investments	Max. maturity period
DMADF – UK Government	N/A	100%	6 months
UK Government gilts	AAA	100%	5 years
UK Government Treasury blis	AAA	100%	5 years
Bonds issued by multilateral development banks	AAA	100%	6 months
Money market funds	AAA	100%	Liquid
Local authorities	N/A	100%	10 years
Term deposits with banks and building societies	Yellow Dark Pink Light Pink Purple Blue Orange Red Green No Colour	100%	Up to 5 years Up to 5 years (USDBF 1.25) Up to 5 years (USDBF 1.5) Up to 2 years Up to 1 year Up to 1 year Up to 6 Months Up to 100 days Not for use
CDs or corporate bonds with banks and building societies	Yellow Purple Blue Orange Red Green No Colour	100%	Up to 5 years Up to 2 years Up to 1 year Up to 1 year Up to 6 Months Up to 3 months Not for use
Gilt funds	AAA	100%	
Property funds		£25m	
Multi Asset Funds		£5m	

Property funds and Multi Asset Funds are a longer-term investment tool, generally with an investment period of greater than 5 years and 3 years respectively. Balances available for investment will be based on the projected level of reserves and balances available for longer-term investment and appropriate due diligence will be undertaken before investing in these Funds. Following a full property fund selection, the Authority has invested in Lothbury, Rockspring and Hermes Property Funds.

Section M – Cash Flow Investment Strategy

2.59 The Council's funds are mainly cash-flow derived. The Council will seek to utilise its notice and call accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest. Investments will be made with reference to cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

2.60 The suggested benchmark investment earnings rates for returns on investments placed for periods up to three months during each financial year for the next four years are as follows:

- 2019 / 2020 0.75%
- 2020 / 2021 0.75%
- 2021 / 2022 1.00%
- 2022 / 2023 1.25%
- 2023 / 2024 1.50%

2.61 Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

TABLE 13	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000
Principal sums invested for longer than 365 days	13,073	20,000	25,000	25,000	25,000	25,000	25,000

Section N - Policy on the use of External Service Providers

2.61 The Council continues to use Link Asset Services, as its external treasury management advisors for 2020/21.

2.62 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information including, but not solely, our treasury advisers.

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

Section O – Investments that are not part of treasury management activity

2.64 The Council recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment in property. The Council will ensure that all the organisation's investments are covered in the capital strategy, and will set out, where relevant, the organisation's risk appetite and specific policies and arrangements for non-treasury investments. The risk appetite for these activities may differ from that for treasury management.

Note: All indicators have been reviewed by our external treasury advisors Link Treasury Services.

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Information Sheet - Overview

Treasury Management Policy Statement (Appendix A)

Unchanged

Annual Treasury and Investment Strategy 2020/21 (Appendix B)

Changes to Prudential Indicators

The following indicators will change year on year and are as a direct consequence of changes to the Capital programme, for this purpose comparative figures are not detailed.

Capital Expenditure (Table 1)

Capital Expenditure Financing (Table 2)

Capital Financing Requirement (Table 3)

Movement in Capital Financing Requirement (Table 4)

Year End Resources (Table 5)

Council's Treasury Position (Table 9)

Indicator – Ratio of Financing Costs to Net Revenue Stream (Table 6)

Calculation is undertaken by taking the budgeted level of borrowing and estimating the level of revenue resources required to service the debt. This is shown as a percentage of the Net General Fund Revenue Stream and for the HRA the net HRA revenue stream.

Indicator - Ratio of Financing Costs to Net Revenue Stream - General Fund	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	%	%	%	%	%	%	%
February 20 Report	17.04	36.16	54.61	69.18	84.84	99.13	106.73
February 19 Report	22.29	41.52	57.02	72.95	86.54	98.07	n/a

Indicator - Ratio of Financing Costs to Net Revenue Stream - HRA	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	%	%	%	%	%	%	%
February 20 Report	11.37	11.19	11.08	10.91	10.20	9.39	8.61
February 19 Report	10.59	10.25	10.24	10.02	9.58	9.05	n/a

Indicator – Ratio of HRA Debt to HRA Revenues (Table 7)

The table below shows the ratio of HRA debt to HRA revenues. HRA revenues are based on the HRA Business Plan. The change in 2020/21 reflects new borrowing in the Capital Programme.

Indicator - Ratio of HRA Debt To HRA Revenues	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	%	%	%	%	%	%	%
February 20 Report	383	368	371	346	320	291	264
February 19 Report	378	356	334	315	297	259	n/a

Indicator – Ratio of HRA Debt to Number of Dwellings (Table 8)

The table below shows the ratio of HRA debt to the number of HRA dwellings. The number of HRA dwellings in 2019/20 is based on the latest projections for the year while from 2020/21 onwards it is based on the HRA MTFs.

Indicator - Ratio of HRA Debt To Number of Dwellings	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
February 20 Report	15.85	15.11	15.36	14.65	13.93	13.06	12.20
February 19 Report	16.54	15.59	14.76	14.04	13.32	12.44	n/a

Indicator – Operational Boundary (Table 10)

The Operational Boundary identifies the probable level of borrowing comparisons to those reported in February 2019, to those now being reported are detailed in the table below:

Indicator – Operational Boundary	2018/19 £ 000's	2019/20 £ 000's	2020/21 £ 000's	2021/22 £ 000's	2022/23 £ 000's	2023/24 £ 000's	2024/25 £ 000's
February 20 Report	151,250	210,000	235,000	250,000	265,000	270,000	275,000
February 19 Report	151,250	170,000	190,000	210,000	230,000	245,000	n/a

Indicator – Authorised Limit (Table 11)

The Authorised Limit is set higher than the Operational Boundary. This ensures that there is scope for the Council to borrow short term if the Council were experiencing Cash flow difficulties. This is something the Council does not envisage requiring, however, there is a statutory requirement to set these limits and level of the Operational Boundary is considered a prudent level.

The Authorised Limit sets out to identify the maximum level of possible borrowing. Comparisons to those reported in February 2019, to those now being reported are detailed in the table below:

Indicator - Authorised Limit	2018/19 £ 000's	2019/20 £ 000's	2020/21 £ 000's	2021/22 £ 000's	2022/23 £ 000's	2023/24 £ 000's	2024/25 £ 000's
February 20 Report	156,250	215,000	240,000	255,000	270,000	275,000	280,000
February 19 Report	156,250	175,000	195,000	215,000	235,000	250,000	n/a

Indicator – Time and monetary limits applying to investments (Table 12)

Unchanged

Indicator – Principal Sums Invested for Periods Longer than 365 Days (Table 13)

Unchanged

Investment Policy – Creditworthiness

Unchanged

Committee	EXECUTIVE COMMITTEE	Item 12	Page 1
Report Originator	Mark Dickenson Head of Resources	Fwd Plan Ref: A19/035	
Wards Affected	All	19 th February 2020	
Title	CAPITAL STRATEGY 2020/21		

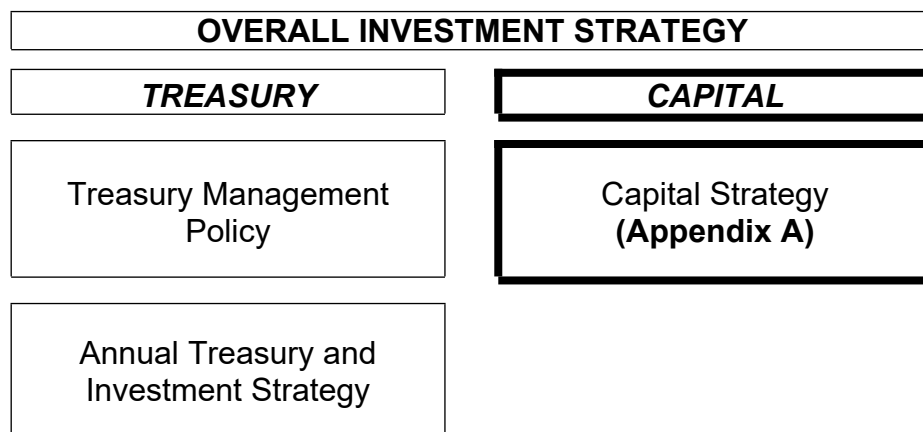
Portfolio Holder: Cllr Lloyd Bunday

1. PURPOSE OF REPORT

1.1 To recommend the Capital Strategy for 2020/21 to Council for approval.

2. BACKGROUND

2.1. The Council has a number of strategies and policies that when considered together comprise the Overall Investment Strategy (see diagram below). This report considers the Capital Strategy. The Treasury Management Strategy is also being considered at this meeting.



2.2. The Prudential Code introduced a requirement for all local authorities to produce an annual Capital Strategy to outline the Council’s approach to Non-Treasury investment decisions. Non-Treasury Investments are defined as investments in non-financial assets held primarily for financial benefit rather than for service outcomes.

2.3. The Capital Strategy is the policy framework that sets out the principles and procedures to be used in making capital investment decisions to support the priorities set out in the Corporate Plan. These investment decisions are normally made outside of normal treasury management activity and form part of an authorities Capital Programme.

2.4 In advance of any national requirement for an overarching capital strategy the Executive of Kettering Borough Council had already approved a Commercial Property Investment Strategy, to provide a framework against which individual property

BOROUGH OF KETTERING

Committee	EXECUTIVE COMMITTEE	Item 12	Page 2
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investment opportunities would be assessed. Whilst this does not meet the total requirements of the Capital Strategy it is an integral part of it.

- 2.4. To comply with the requirements of best practice, the Capital Strategy is reported to members in advance of the forthcoming financial year alongside the Treasury Management Strategy and the Prudential Indicators. The proposed strategy for 2020/21 has been developed with Link asset Services Ltd, the Council's appointed treasury advisors.
- 2.5. The Executive Committee are responsible for reviewing the Capital Strategy and Council are required to formally approve the Capital Strategy, this will be subject to a report to Council on 26th February 2020.

3 CONSULTATION AND CUSTOMER IMPACT

- 3.1 None as a direct result of this report.

4 POLICY IMPLICATIONS

- 4.1 The policy implications are discussed throughout this report.

5 USE OF RESOURCES

- 5.1 The implications on the Council's resources are considered throughout the report.

6 CLIMATE CHANGE

- 6.1 In effect, this report provides the framework for Capital Investment in order to support all the Council's activities and services. The Council's commitment to climate change actions have been the detail of a report to a recent Executive meeting and the actions and policies will be considered separately through the delivery of each capital scheme.

7. RECOMMENDATIONS

That the Executive:

- 7.1 Recommend the Capital Strategy, as detailed in Appendix A to Council for approval.

Previous Reports/Minutes:

Title of Document:

Date:

Contact Officer:

Ref:

Date:



Capital Strategy 2020/21

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Capital Strategy 2020/21 – 2045/46

1. Introduction

1.1 The Capital Strategy is the policy framework that sets out the principles and procedures to be used to guide the allocation of capital investment across all the Council's services, and inform decisions on capital spending to help achieve the priorities set out in the Council's Corporate Plan. The corporate priorities are detailed in Appendix 1. The three high level objectives are:

- Delivering sustainable growth
- Developing stronger, safer, cleaner and healthier neighbourhoods
- Providing modern public services

1.2 The Capital Strategy links to a number of Strategy Documents, these are detailed in section 4 of the strategy and are summarised in the table below.

Strategy	Website Link
The Corporate Plan	https://www.kettering.gov.uk/meetings/meeting/1659/council
The Treasury Management Strategy	https://www.kettering.gov.uk/meetings/meeting/1713/council
The Medium Term Financial Strategy	https://www.kettering.gov.uk/meetings/meeting/1804/executive_committee
The Commercial Property Investment Strategy	https://www.kettering.gov.uk/downloads/file/18521/commercial_property_investment_strategy_2017_-_2022

1.3 Although this document focuses on the Council's management of its own investment in assets, the influence of wider investment throughout the Borough by both the public and private sectors, such as through the Local Enterprise Partnership, government legislation or the proposed local government reorganisation in Northamptonshire could also have a significant impact on meeting the Council's aims and objectives. The Capital Strategy covers in detail the five year period from 2020/21 to 2024/25, this is aligned with the Medium Term Financial Strategy. The figures for the remaining 20 years up to 2045/46 are estimated based on the capital programme for 2024/25. The strategy will be reviewed annually in line with the Capital Programme.

1.4 Whilst there is a close link between the Capital Strategy and the Treasury Management Strategy, this document does not consider either the treasury management policy or strategy. The Treasury Management Strategy contains Capital Plans and Prudential Indicators for a five year period together with a Minimum Revenue Provision (MRP) Strategy and Policy Statement for the forthcoming year.

2 Background

2.1 The Local Government Act 2003 requires the Council to have regard to the CIPFA Prudential Code for Capital Finance in Local Government when carrying out capital and treasury

management activities. The Prudential Code is based on principles rather than prescription. This places the responsibility for the success of the system on the professional judgement of practitioners themselves. Local authorities need to ensure that they have effective governance processes in place.

- 2.2 In February 2018 the Government issued revisions to its guidance on Local Authority Investments. In addition, both the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were last updated in December 2017. These changes were effective from 1st April 2018 but included a transition period up to April 2019, owing to the requirement not being published until February 2019.
- 2.3 The objectives of the Prudential Code are to ensure that capital investment plans are affordable, prudent and sustainable.
- 2.4 Following on from the consultation on the Government updated its Investment Guidance to local government, which came into effect from April 2018. Under this revised guidance local authorities must annually produce a Capital Strategy to be approved by full council. The objective in updating the guidance was to reflect changes in patterns of local authority behaviour.
- 2.5 The Capital Strategy has been prepared based on Kettering Borough Council being a separate entity for the duration of time that the strategy covers. The proposed local government reorganisation in Northamptonshire will impact on this strategy and this will be a decision for the new Unitary Council, but this will provide a basis for looking at the Borough's long term requirements as part of a wider North Northamptonshire Council.

3 Purpose

- 3.1 The Capital Strategy is a high level summary of the Council's approach to capital expenditure. It sets out the long term context in which both capital acquisition and maintenance expenditure and investment decisions are made and gives due consideration to both risk and reward, and the achievement of priority outcomes.
- 3.2 In broad terms the Capital Strategy will provide a framework within which the Council will:
 - Apply a long-term approach to capital expenditure and investment, and to ongoing asset management.
 - Take into account external influences such as the South East Midlands Local Enterprise Partnership, local government reorganisation in Northamptonshire and joint working with other authorities etc.
 - Make explicit the links to, and integration with, other strategies such as the Corporate Plan and the Commercial Property Investment Strategy.
 - Set out the Council's commercial ambition and activity.
 - Determine the implications of long-term investments, particularly non-financial investments.
 - Take account of links between the Corporate Plan and the Capital Programme.
 - Examine the available capital resources along with the Council's capacity to deliver projects.
 - Assess affordability against aspirations.
 - Identify capital financing principles.

- Prepare a long-term capital investment plan with actions, timescale, outputs and outcomes.
- Assess risk and mitigating factors.
- Outline governance arrangements and identify any training requirements necessary to ensure that this is effective.
- Put in place monitoring and reporting arrangements.
- Undertake post-implementation reviews for major schemes.

4 Strategic Context

4.1 The Capital Strategy is driven by the Corporate Plan which sets out the Council's long term priorities. It is these priorities that capital expenditure and investments are either directly or indirectly seeking to achieve. The Capital Strategy covers a twenty five year period and looks in detail at the first five years but takes a much broader view over the remaining twenty year period.

4.2 The Capital Investment Strategy links with the following corporate strategies:

- Treasury Management Strategy which defines the Council's policies and objectives in the financial administration of its assets and holdings in order to optimise liquidity.
- Medium Term Financial Strategy which ensures that all revenue resources are directed towards the delivery of the corporate objectives.
- Corporate Asset Management Plan which seeks to align the Council's asset portfolio with its needs.
- Minimum Revenue policy which determines how much the Council will set aside each year for the repayment of debt.
- Other non-financial strategies (Housing Strategy, Waste Management Strategy, Sustainable Community Strategy, Economic Development Strategy, Community Safety Partnership Strategy, Town Centre Delivery plan). The investment requirements of these documents will feed through to the Capital Investment Strategy via the capital appraisal process

4.3 The diagram **at Appendix 2** illustrates the links between the Corporate Plan and other strategies. As and when any strategy is reviewed or renewed, consideration will be given to any capital investment implications that may arise and these will be reviewed annually as part of the overall service and financial planning framework.

5 The Council's Fixed Asset Base

5.1 The Council owns and operates a variety of assets ranging from individual dwellings, shops, industrial units and leisure centres to playing fields and community centres. The balance sheet value of these fixed assets at 31/03/2019 was £304 million (excluding intangible assets which amount to around £1m) but the cost of rebuilding or replacing all of these assets could be considerably higher. Council dwellings are valued at Existing Use Social Housing (EUV-SH) which values these properties at around 42% of their market value.

5.2 The split between the major classes of fixed assets as at 31/03/2019 is shown in the table below.

Class	Value (£m)
Property Plant and Equipment	256
Investment Property	42
Heritage Assets	6
Total Assets	304

5.3 Expenditure on the acquisition, creation or enhancement of property plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an assets potential to deliver future economic benefits or service potential is charged as an expense when it is incurred. Furthermore, expenditure needs to be in excess of the Council's de minimis limit of £5,000 before it can be recognised as capital spend. Items below this level are charged to revenue.

5.4 A full description of the types of assets, their valuation and accounting treatment is contained in the Accounting Policies section of the Council's annual Statement of Accounts. In summary these are as follows:

- **Property, Plant and Equipment** is a generic term used to cover a range of different assets. These are listed below
 - **Council Dwellings** – Houses owned by the Council in the Housing Revenue Account, These are valued annually at Existing Use Value – Social Housing
 - **Other land and Buildings** – These are operational properties owned by the Council, 20% are valued each financial year along with a market review which values all assets in excess of £500,000. These assets are held at Existing Use Value
 - **Vehicles and Plant** – Contains the Vehicles and plant owned or leased by the Council, these assets are held at Depreciated Historic Cost.
 - **Infrastructure** – (inalienable assets, expenditure on which is only recoverable by continued use of the asset created, ie there is no prospect of sale or alternative use; examples include footpaths and bridges. These assets are held at Depreciated Historic Cost.
 - **Community Assets** - assets that an authority intends to hold in perpetuity, that. have no determinable useful life. These assets are valued at Depreciated Historic Cost.
 - **Assets under Construction** – Assets that have not yet become operational. These assets are valued at Historic Cost.
 - **Assets Held for Sale** – Assets the Council is holding for sale. These assets are valued at Fair Value and are valued annually.

- **Investment properties** are those that are used solely to earn rental and / or capital appreciation. The definition of an investment property is not met if the property is used in any way to facilitate the delivery of services, the production of goods or is held for sale. These are held at Fair Value and valued annually.

- **Heritage assets** are those that are held with the primary objective of increasing knowledge, understanding and appreciation of the history of the local area. These are valued by undertaking an insurance valuation.
- **Intangible assets** are primarily software licences. These assets are valued at Depreciated Historic Cost.

- 5.5 Details of each of the Council's individual assets are contained in the Asset Register. Assets that have reached the end of their useful life, or which are no longer required for the provision of services, are subject to disposal. The proceeds from sale are treated as capital receipts and are usually available to fund Capital Expenditure.
- 5.6 As part of the Capital Strategy the Council needs to review its asset base and has recently completed a stock condition survey. The stock condition survey provides the Council with an assessment of the condition of the Council's corporate property portfolio, this information has been used to inform future years Capital and Revenue budgets and is reflected in future years capital programmes and within the Council's MTFS.
- 5.7 The survey provided details for works to corporate properties over and above health and safety and compliance works, consideration will be given to these in due course although the Council will need to review the investment need against the option of disposing of the assets and receiving capital receipts.

6 Capital Expenditure

- 6.1 The Government's definition of capital expenditure is that expenditure which falls to be capitalised in accordance with proper practices (Local Government Act 2003). In support of this, the CIPFA Code of Practice on Local Authority Accounting and the CIPFA Guidance for Practitioners on Capital Finance, provides additional guidance on what constitutes capital expenditure. Officers of the Council must have regard to these sources of guidance and legislation when considering whether expenditure incurred by the Council can be capitalised.
- 6.2 Briefly, there are three routes by which expenditure can qualify as capital under the accounting framework for local authorities, namely:
- The expenditure results in the acquisition of, or the construction of, or the addition of subsequent costs to non-current assets (tangible e.g. buildings and intangible e.g. software);
 - The expenditure meets one of the definitions specified in regulations made under the Capital Financing Regulations (England) 2003 – These relate to:
 - expenditure incurred on the acquisition or preparation of a computer program, including expenditure on the acquisition of a right to use the program, if the authority acquire or prepare the program for use for a period of at least one year for any purpose relevant to its functions;
 - the giving of a loan, grant or other financial assistance to any person, whether for use by that person or by a third party, towards expenditure which would, if incurred by the authority, be capital expenditure;
 - the repayment of any grant or other financial assistance given to the local authority for the purposes of expenditure which is capital expenditure;

- the acquisition of share capital or loan capital in any body corporate; and
- expenditure incurred on works to any land or building in which the local authority does not have an interest, which would be capital expenditure if the local authority had an interest in that land or building;
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure (this is sometimes permitted for non-recurring costs associated with organisational changes).

6.3 Examples of capital expenditure include expenditure on the acquisition, reclamation or enhancement of assets (e.g. buildings, land, plant and machinery). It can include grants to third parties, and incidental costs involved in a capital project (e.g. officers' salaries and professional fees). Costs will also be ineligible to the extent that they relate to activity that takes place prior to the intention to acquire or construct a fixed asset. Examples of this include the cost of option appraisals and feasibility studies that do not contribute to the scoping of the asset ultimately acquired/constructed.

7 Capital Resources

7.1 The principle underlying the Council's application of capital resources is that they are utilised to achieve the Council's corporate priorities, this forms part of the capital appraisal process. Most capital resources can be used at the Council's discretion and therefore it is able to use them to address its own priorities rather than a nationally driven agenda.

7.2 The development of the Capital Investment Strategy will involve:

- Continuing to work with partners to maximise the effect of capital investment in the borough in order to achieve agreed objectives and targets.
- Seeking to maximise investment in the borough through pump priming and contributions to larger scale schemes in partnership with other stakeholders.
- Seeking to maximise investment in the borough through bids for appropriate external funding when the opportunities arise.

7.3 The total level of capital resources estimated for the period 2020/21 to 2024/25 are outlined in **Appendix 3**. The main sources of funding for financing capital expenditure are: -

7.3.1 **Government Grants and Non-Government Contributions** - Capital resources from Central Government can be split into two categories:

Non-ring-fenced – resources which are delivered through grant that can be utilised on any project (albeit that there may be an expectation of use for a specific purpose). This now encompasses the vast majority of Government funding

Ring-fenced – resources which are ring-fenced to particular areas and therefore have restricted uses.

7.3.2 **Borrowing** - Borrowing decisions take into account the revenue implications of projects, both the benefits arising from efficiency savings, and the cost of interest payment and repayment of principal. The Council's ability to borrow is determined by the revenue

budgets capacity to pay borrowing costs. Borrowing is therefore likely to be more viable where the schemes will generate savings or additional income streams. However, there may be occasions borrowing is required to maintain service delivery. The Prudential Code requires the Council to annually set a number of statutory prudential indicators that set potential borrowing parameters and provide an estimate of the impact of these on the level of Council Tax. The indicators are a technical accounting requirement and are based upon a range of different external borrowing scenarios. These are reported to the Executive and Council as part of the budget setting process on an annual basis. There are currently two limits approved each year. The first is the Operational Boundary for External Debt which is the limit beyond which external debt is not normally expected to exceed. The second is the Authorised Limit for External Debt. This represents the limit beyond which external debt is prohibited and can only be set or revised by the full Council.

7.3.3 Capital Receipts

- Section 9 (1) of the Local Government Act 2003 defines a capital receipt as *a sum received by the authority in respect of the disposal by it of an interest in a capital asset.*
- Section 9 (2) of the Act defines a capital asset as *if, at the time of the disposal, expenditure on the acquisition of the asset would be capital expenditure.*

Capital receipts are usually restricted to use for:

- Financing new capital investment.
- Reducing borrowing under the Prudential Framework.
- Paying a premium charged in relation to any amounts borrowed.
- Meeting any liability in respect of credit arrangements.
- Meeting disposal costs.

Following the 2015 Spending Review, in March 2016 MHCLG published statutory guidance on the flexible use of capital receipts for a three year period covering 2016/17 to 2018/19. This guidance allows local authorities to use capital receipts to offset the revenue costs of transformational projects which are expected to deliver future ongoing savings. As part of the 2018/19 Local Government Finance Settlement an extension of this flexibility was permitted for the three years until 2021/22. To date the Council have not had to make use of this provision.

7.3.4 Capital receipts arising from the disposal of housing assets and for which account is made in the Housing Revenue Account (HRA), are governed by the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003).

- Right to Buy (and similar) sales may be retained to cover the cost of transacting the sales and to cover the debt on the properties sold, but a proportion of the remainder must be surrendered to Central Government;
- As part of the Government's announcement in April 2012 to increase the RTB discounts they also announced the introduction of a scheme referred to as 1-4-1 whereby every additional home sold under the new RTB scheme was to be replaced by a new home for affordable rent.

- The new homes for affordable rent will be financed from receipts from sales, after stipulated deductions, retained by the LA under signed agreement with the Government, limited to funding up to 30% of the cost of the replacement home.
- A time limit of 3 years is given for the replacement homes after which the receipts will have to be paid back to MHCLG at 4% above base rate from the date the receipts arose.
- All other disposals may be retained in full.

7.3.5 Where the sale of an asset leads to a requirement to repay grant, the capital receipt will be utilised for this purpose. Once this liability has been established and repaid any remaining capital receipts can be used as per 7.1.3.

7.3.6 The level of capital receipts is dependent upon market conditions. The property market impacts on the:

- Ability of the Council to sell assets and the
- Level of receipts from the asset sale.

7.4 Revenue Contribution

7.4.1 The Council's MTFs shows significant savings are required over the next 4 years. The General Fund Medium Term Financial Strategy does not assume that there will be any further revenue contributions to fund small scale capital schemes, it does however include an annual provision of £150,000 to fund works following the Stock Condition Survey.

7.4.2 The Housing Revenue Accounts (HRA) minimum revenue contribution to capital is equivalent to the level of depreciation being charged in year. The Government recognised that some authorities' revenue contribution to capital was less than the amount of depreciation being charged to the Housing Revenue Account, this was not the case for Kettering Borough Council. However, for authorities in this situation the government provided a transitional period of 5 years between 2012/13 and 2016/17 whereby the revenue contribution and the Major Repairs Allowance as a minimum must equal depreciation. The two key variables in determining depreciation are the value of the property and the percentage that is applied when determining the EUV-SH (Set by MHCLG). Therefore, movements in property values impact directly on the revenue resources required to fund the HRA capital programme.

7.5 Leasing

Some of the assets used by the Council are financed by a lease arrangement, the most significant being the vehicle fleet. There may however be other instances where leasing could offer value for money and it will remain a consideration when options are being appraised.

7.6 Section 106 Agreements

In considering an application for planning permission, the Council may seek to secure benefits to an area or restrict uses or activities related to a proposed development through

the negotiation of a 'planning obligation' with the developer. Such obligations, authorised by Section 106 of the Town and Country Planning Act 1990, generally either improve the quality of the development, or overcome difficulties which would otherwise result in planning permission being refused.

7.6.1 As such, therefore, the Council may in some instances receive funds to enable it to undertake works arising from these planning obligations. Examples of the use of planning obligations are the:

- Provision of affordable housing.
- Improvement to community facilities - Public open space/play areas, educational facilities.
- Improved transport facilities
- Public art.
- Renewable energy measures.
- Specific measures to mitigate impact on a local area - parking restrictions, landscaping or noise insulation.

7.7 Disposal of Assets

7.7.1 Historically the Council's main source of capital receipts has been from the sale of Council dwellings.

7.8 External Investment

7.8.1 The Council's Capital Programme is mainly funded through capital receipts, revenue contributions and borrowing. Capital receipts are increasingly difficult to realise and the revenue position of the Council is such that there is a restricted scope for revenue contributions or to meet the future costs of borrowing.

This lack of internally generated finance emphasises the need to look more widely at ways of bringing capital funding into the Borough. Where feasible the Council will look to access and optimise external funding streams. The Council's Commercial Strategy incorporates external funding.

8 External Influences

8.1 In view of the resources available to the Council, it continues to work in partnership with other organisations to lever in capital investment to the Borough.

8.2 In recent years the Council has worked with the following partners on capital schemes:

- Arts Council – improvements to the Museum Gallery,
- Housing and Community Agency and Westleigh Homes – affordable homes.
- WREN – Play area equipment,
- Kettering Town Harriers – Leisure facilities.
- England Athletics – leisure facilities.
- Football Foundation – leisure facilities.
- Joint commercial investment with Corby Borough Council
- Historic England – Ongoing Development of Historic High Street

8.3 The proposed local government reorganisation in Northamptonshire, highlighted in Section 2.5 of this strategy could have a significant impact on the how this capital strategy is delivered in the future but nonetheless sets out the levels of capital investment required by the Council.

9 Commercial Property Investment Strategy

9.1 In 2017 the Council recognised that with ever increasing pressure on its resources and the continued reduction in Central Government financial support it needed to move towards a more commercial way of operating and developed its Commercial Property Investment Strategy. The Council has an Asset Management Board and they developed a matrix for individual investment opportunities, this was approved by the Executive in April 2017.

9.2 The Commercial Property Investment Strategy has been developed with the following key objectives:

- Acquire properties that provide long term investment in accordance with the Council's corporate and financial objectives.
- Maximise return whilst minimising risk through the management processes outlined in the strategy.
- Prioritise properties that yield optimal rental growth and stable income.
- Develop a governance framework that enables the Council to move at a timely pace in line with the market.
- Build a balanced property investment portfolio.

This Strategy can be viewed at :

https://www.kettering.gov.uk/downloads/file/18521/commercial_property_investment_strategy_2017_-_2022

10 Revenue Budget

10.1 One of the requirements of the Capital Strategy is that it sets out the long term context in which both capital expenditure and investment decisions are taken and when individual capital schemes or investments are approved members are aware of any longer term budgetary implications. Capital schemes can have revenue consequences beyond the completion of the scheme and the capital funding.

10.2 The capital business case should include an estimate of the revenue implications associated with capital expenditure to ensure that it is affordable, and that these are aligned to the various Council strategies as outlined in **Appendix 2**. The revenue consequences of capital schemes are linked to the Medium Term Financial Strategy. The scheme appraisal process should also set out any expected revenue savings or operational efficiencies.

11 Capital Planning

11.1 Business cases are required for capital proposals. One of the purposes of the Capital Strategy is to ensure that the capital schemes are in line with the Council's corporate priorities as set out in its Corporate Plan.

11.2 The Corporate Plan includes the following three high level objectives:

- Delivering sustainable growth
- Developing stronger, safer, cleaner and healthier neighbourhoods
- Providing modern public services

The Corporate Plan can be viewed at :

<https://www.kettering.gov.uk/meetings/meeting/1659/council>

11.3 In order to select schemes for inclusion in the Capital Programme the Council's Corporate Management Team (CMT) will submit proposals and where relevant Service Heads will prepare Business Plans that incorporate and identify the Corporate Priorities that the scheme helps to meet. Whole life revenue costs are also required. The schemes are considered by the Strategic Management Team with the selected schemes being approved by the Executive and Council (where required).

11.4 Individual Schemes are considered within the wider strategic context ensuring the revenue implications, organisational capacity to deliver, funding envelope and wider capital programme implications are understood.

11.5 The culmination of the capital appraisal process is the presentation of a draft Capital Programme to members as part of the annual budget process. This includes capital or revenue implications for future years.

11.6 **Appendix 4** shows the draft forecast capital programme for the years 2020/21 to 2024/25.

12 Governance

12.1 It is important given the risks surrounding capital schemes and investments that the appropriate governance framework is in place for monitoring and review. The Capital Strategy itself will be presented to the Executive annually alongside the Medium Term Financial Strategy and Treasury Management Strategy. All schemes are subject to approval by the Executive and Council (where required) with due diligence paid to the availability of capital resources and the associated risks.

12.2 Members will also be kept fully apprised of progress on schemes and investments as part of the durable budget report to the Executive.

12.3 Full details of the Council's governance arrangements are contained in the Annual Governance Statement that is updated annually and is published alongside the Council's Statement of Accounts. Seven key principles underpin the Council's governance arrangements:

1. Behaving with integrity demonstrating strong commitment to ethical values and respecting the rule of law.
2. Ensuring openness and comprehensive stakeholder engagement.
3. Defining outcomes in terms of sustainable economic, social and environmental benefits.

4. Determining the intervention necessary to optimise the achievement of the intended outcomes.
5. Developing the Council's capacity, including the capacity of its leadership and the individuals within it.
6. Managing risks and performance through robust internal control and showing public financial management.
7. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

13 Procurement

13.1 The Council has an established procurement process which includes user clear guidance notes to guide the user through the process. The guidance is based on the Council's Financial Procedure Rules and Contract Standing Orders. The procurement process embedded within the constitution establishes a framework governing the procedure and principles for awarding contracts which;

- Ensures that contracts are awarded fairly, transparently and without discrimination
- Treats all bidders equally
- Provides protection to the Council and its staff
- Mitigates any legal challenge or complaints
- Establishes accountability

13.2 The capital appraisal process provides a mechanism for identifying and reviewing a procurement route for individual schemes. It should also identify the resources required to comply with existing procurement legislation particularly those that require Official Journal of the European Union (OJEU) notifications as a result of the tendering exercise.

13.3 During the Council's capital appraisal process the Council identifies the relevant skills and knowledge required to deliver specific capital projects, where the Council does not currently possess these then external support may be sought.

13.4 The Council's Financial Procedure Rules and Contract Standing Orders provide the frameworks and detail against which goods and services are procured including reference to the relevant legislation and guidance. The Council's procurement policy is updated to provide specific references to legislation and best practice as appropriate.

14 Risks and Risk Management

14.1 Whilst every effort is made to ensure that estimates of capital expenditure are accurate, members should be aware that there is a risk from both internal and external factors that may have an impact on the Council's ability to deliver the capital programme. To minimise and control this the Council constitution provides a framework for financial and contract procedure rules.

14.2 Any overspend on projects within the capital programme may affect the delivery of other schemes, which may have to be delayed until a future date.

14.3 Capital receipts are dependent upon the Council's ability to sell surplus assets and should sales not proceed or receipts fall short of the expected sale price this will have an adverse impact on the Council's ability to finance schemes.

- 14.4 Any new borrowing to finance capital schemes increases the Council's overall liabilities that will need to be repaid in the future. This is a greater risk as the volume of borrowing increases. The Council's Treasury Management Strategy and Commercial Property investment strategy ensures that due regard is paid to the identification, monitoring and control of risk.
- 14.5 The Council reviews the amount of exempt VAT input tax associated with capital schemes to ensure that overall the Council does not exceed the 5% de minimis limit which would impact on the revenue budget.
- 14.6 With commercial investments undertaken to provide revenue income there are additional risks connected to the commercial nature of the arrangement, such as bad debts, tenants business failure, failure to attract suitable tenants, and unexpected landlord obligations for repairs.
- 14.7 The Commercial Property Investment Strategy contains a location hierarchy and ethical aspects of each potential acquisition. In addition there is a comprehensive risk and return matrix that assesses each acquisition as potentially excellent, very good, good, acceptable or marginal based on the criteria of location, covenant, lot size, lease length, tenure, repairing obligations and net yield. The council considers that this adequately meets the comments on risk appetite. All these risks are considered as part of the acquisition through the Commercial Property Investment Matrix and the due diligence process, prior to acquisition.

15 Monitoring and Measurement

- 15.1 Each capital scheme has a budget holder assigned who is responsible for the successful delivery of the project. Larger schemes may also have a project sponsor from the Strategic Management Team. The Council has a strong system of performance management across all projects, budgets and approved performance indicators. Every month capital projects that fall within the remit of a service unit are reported as part of a performance clinic to the Strategic Management Team.
- 15.2 Each scheme is required to be delivered on time and within budget. The specific milestones and targets set for schemes are used to monitor progress. These targets include:
- The percentage of the scheme delivered within the time parameters set out in the project plan.
 - The percentage of spend compared to the estimate.
- 15.3 The Council ensures that the implementation of significant capital schemes are subsequently reviewed in order to inform the implementation of future capital schemes. An important part of this review is to assess the extent to which the outcomes identified in the capital appraisal process have actually been met. The reviews generally include officers who have not been directly responsible for the initial implementation

16 Capital Requirements - The Next Twenty Five years

- 16.1 The Council produces a Medium Term Financial Strategy which projects forward the annual revenue budget for a 5 year period. The Capital Strategy has a far more long term focus as

it seeks to project the capital expenditure requirements over a 25 year period and also consider how these requirements might be financed.

- 16.2 In the current financial climate there is considerable uncertainty even in projecting forward over the 5 years of the Medium Term Financial Strategy. A 25 year projection therefore comes with caveats. Despite this it is good practice for long term planning that these projections are made, however a number of assumptions have been made in projecting the capital requirements over a 25 year period.
- 16.3 During the period 2011 – 2018 the population of Kettering grew at a rate of 7.9%, faster than that of England as a whole (5.4%). The Office for National Statistics projection for England for the period 2016 – 2041 is an increase of 11.1%. However, the projection for the Borough for 2041 is a population of 116,100 which would be an increase of nearly 15% over the current level, significantly greater than the national average, which will clearly present growth pressures on service provision.
- 16.4 Kettering has outline planning permission for a Sustainable Urban Extension at Hanwood Park (East Kettering). Work started on site in 2014 and it is envisaged that by 2030 up to 5,500 new homes will have been built. The development also comprises a new secondary school and 4 new primary schools, businesses of mixed use including shops and community buildings, a health centre, parks and open spaces, and a hotel and leisure facilities.
- 16.5 The developments at Hanwood Park will increase the housing stock of the Borough by 12%. This could have a major impact on the provision of Council services, particularly the following:
- Leisure, recreation and open spaces
 - Street cleansing
 - Waste collection
 - Highways and roads
 - Fleet management
 - Development and building control
- 16.6 In addition, it will also impact indirectly on a large number of other Council services such as community safety, crime reduction, trade waste, community development, pest control, pollution reduction, council tax administration and local elections.
- 16.7 The commercial and economic development at Cransley Business Park is partly completed and occupied and Segro Business Park is in progress although no buildings are yet completed. Further developments will take place at North Kettering Business Park and Kettering Energy Park. All these developments will require the construction of roads and other infrastructure assets. The infrastructure across the new developments will be funded by the developers.
- 16.8 Most of the increased cost of providing these services will fall on the revenue budgets, but there is potentially some capital investment that the Council will have to fund. **Appendix 5 projects** forward an estimate of the likely capital investment requirements over the period 2020 – 2045. This totals £706 million, although £500 million of this relates to the Commercial Property Investment Strategy which will only be undertaken if the three elements of prevailing interest rates, property prices and rental yields are favourable.

17 Capital Resources - The Next Twenty Five Years

- 17.1 As with the capital requirements, the available resources over such a long time period is difficult to predict.
- 17.2 The infrastructure on new developments will be undertaken by the developers, who will also contribute money through Section 106 agreements for community facilities. However, ongoing revenue costs, such as waste collection and street cleansing, will have to be met by the Council. The additional houses will increase the amount of revenue that the Council can raise through council tax, while the industrial and commercial premises will increase the non-domestic rates yield, some of this may be retained by the Council should Business Rates Retention continue.
- 17.3 **Appendix 6** projects forward an estimate of the capital resources that may be available over the period 2020 – 2045.

18 Proposed Action Plan

- 18.1 The Capital Strategy requires updating annually as the environment in which the Council is operating is continually changing and the Council needs to react to revised priorities resulting from Government legislation and the needs of the residents of the Borough.
- 18.2 The 2019/20 Capital Strategy highlighted a number of areas where the Capital Strategy could be enhanced. During 2019/20 the Council has made progress on a number of these areas, these are highlighted in the table below.

Proposed Action Plan	Progress
Develop and enhance the proposed action plan.	The Capital Strategy Continues to be developed throughout the year
Ensuring that the Capital Strategy is seen as a corporate responsibility	The following action will be taken: <ul style="list-style-type: none"> • Include references to the Capital Investment Strategy in the Annual Governance Statement declarations • Build the Capital Investment Strategy into the terms of reference for the Corporate and Strategic Management Teams
Undertake a Stock Condition Survey and review the Council’s asset base	Stock condition Survey has been completed, this information is being used to inform the Councils Capital Programme

Proposed Action Plan	Progress
Expanding the substantive Capital Programme over a longer time period and develop further the Capital Investment ambition of the Authority.	As local government reorganisation is likely to be effective from April 2021 the extension of the substantive programme over a longer time period will be undertaken when the unitary authority prepares its own Capital Strategy.
The external influences on the Council's investment requirements and funding	A comprehensive list will be compiled
The capital appraisal process particularly making the links with Corporate Priorities more evident	The Unitary authority will need to ensure the links from the corporate priorities through to the Capital Strategy are clear and transparent.
Strengthening the links between the Capital strategy and other relevant corporate strategies	The wording of other relevant documents will be amended to ensure that the requirements of the Capital Investment Strategy are fully considered.
Include a capital specific risk register as an appendix to the Risks and Risk Management Section.	This is currently being developed.

Appendices: -

Appendix 1 – Corporate Plan priorities

Appendix 2 – The Link between the Corporate Plan and Other Strategies

Appendix 3 – Capital Resources for the Period 2020/21 to 2024/25

Appendix 4 – Capital Programme 2020/21 to 2024/25

Appendix 5 – Draft Capital Requirements for the Period 2020/21 to 2044/45

Appendix 6 – Draft Capital Resources Available for the Period 2020/21 to 2044/45

12. Appendix 1 – Corporate Priorities

The Council focuses on three high level objectives:

- Delivering sustainable growth
- Developing stronger, safer, cleaner and healthier neighbourhoods
- Providing modern public services

Sustainable Growth

Delivering sustainable growth is key to achieving our vision for the area. Kettering Borough is part of the North Northamptonshire Growth Area. This area is part of one of the fastest growing regions of the country. This growth, if managed responsibly, has the ability to provide the right combination of homes, jobs, skills, education, healthcare, retail, leisure, play, greenspace and transport infrastructure to maintain a prosperous and thriving area for generations to come.

Reference	Priority	Description
A1	Local Plan and related policies	Effectively prepare a Part 2 Local Plan for the Borough of Kettering that will provide detailed planning policies to compliment the Part 1 North Northamptonshire Joint Core Strategy
A2	East Kettering Sustainable Urban Extension	Continue to support the delivery of the East Kettering (Hanwood Park) development ensuring the provision of 5,500 new homes, employment sites, schools, retail leisure and health facilities.
A3	Kettering Town Centre Delivery Plan	Implement the Delivery Plan to ensure continued investment is maintained in Kettering town centre to improve the area for residents, businesses, visitors and shoppers.
A4	Burton Latimer Section 106 delivery	Ensure the effective delivery of the Town Centre Improvement Scheme at Churchill Way public car park and the Paddocks play area. Provide enhanced community and leisure facilities within the town, potentially developing the Community Centre at the King George V recreation ground on Pioneer Avenue.
A5	New infrastructure to support future growth	Secure investment from Government, partners and business to ensure the provision of new infrastructure such as road links, schools and health facilities to support housing and business growth.
A6	Housing and growth deal with the Government	Seek to negotiate a deal with Government that secures financial investment and planning flexibilities to ensure that economic growth and new housing can be delivered in a sustainable manner.
A7	New build council housing	Undertake an ambitious programme of council house building following the creation of 5 new homes at Laburnum Crescent and starting a further 27 new homes to be built at Scott Road and Albert Street subject to obtaining planning permission.
A8	Social Housing Green Paper	The Government is planning to publish a green paper during 2018 which will aim to address the major issues facing the social housing sector. The Council stands ready to meet the challenges and embrace the opportunities arising from the green paper.

Stronger, Safer, Cleaner and Healthier Neighbourhoods

Ensuring that the area is a safe, clean and healthy place to live and that the local communities are strong and working together for a common purpose is fundamental to our vision for the future.

Kettering Borough Council provides a wide range of services focussed on delivering this strategic objective. Innovative partnership arrangements with police, health and neighbouring councils are already delivering tangible results on the ground. The Local Strategic Partnership, Health and Wellbeing Forum and Kettering Futures Partnership continue to build strong links between service providers to harness resources and effort to tackle shared problems such as health inequalities, social inclusion, welfare and money management, environmental crime and anti-social behaviour. Progress has been good but there is still much to do.

Reference	Priority	Description
B1	Partnership for street scene services with Corby Borough Council	Ensure that the new shared street scene service not only saves money but delivers tangible improvements to the service provided by customers as well as the standard of cleanliness and environmental protection of the area served.
B2	Homelessness Reduction Act 2017	Implement the requirements of the Homelessness Reduction Act by taking a more preventative approach to tackling homelessness across the Borough.
B3	Welfare reform implementation	Continuing to effectively implement the requirements of Welfare Reform whilst ensuring adequate assistance and advice is available to all customers needing support across the Borough.
B4	Parking management	Provide good value, well run, safe and fit for purpose parking facilities for the Borough to support work, rest and play.
B5	Provision of acceptable sites for the traveller community	Seek to identify and bring forward suitable sites across the Borough that will make adequate provision for the needs of the gypsy and traveller community.
B6	Working with the Police to tackle crime and anti-social behaviour	Continue to develop partnership working with the Police, particularly in areas such as anti-social behaviour, County Lines, the enforcement of the Public Spaces Protection Order and the Safer Communities Team.
B7	Improving health and wellbeing in the Borough	Ensure that our policies and activities across the Council support the improvement in health and wellbeing across the Borough.

Modern Public Services

The demand for public services and customer expectations continue to increase. At the same time the resources available are scarcer and under increasing pressure. To help balance this equation, the Council is continuously working to be more efficient, economic and effective.

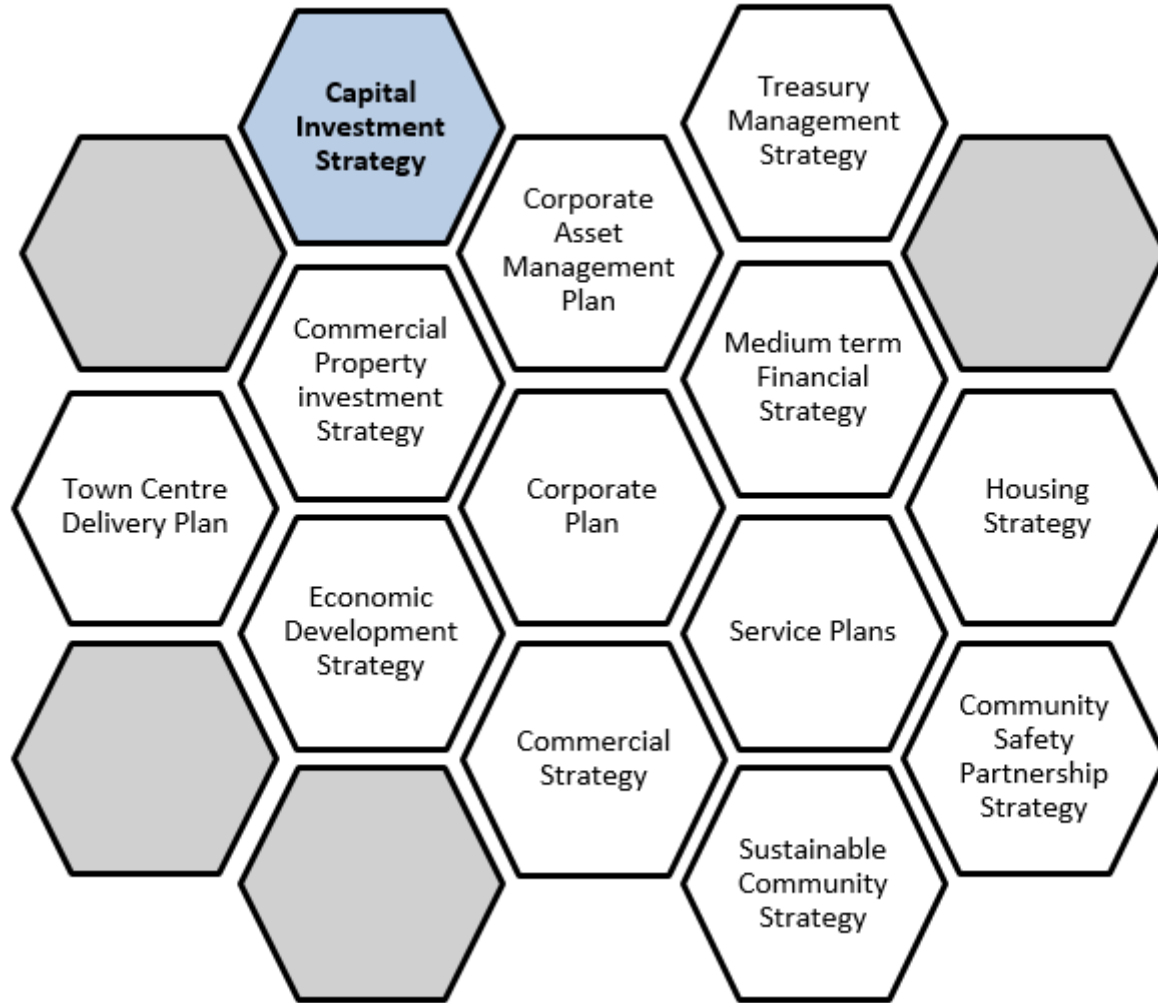
The Council has a long track record of innovation in public services and has set best practice standards in a lot of what it does. However, as the challenges the Council face increase, so does the need for finding new ways of working.

To meet our objectives for providing modern public services, we will focus on the following priority areas

Reference	Priority	Description
C1	Doing the day job well	Ensure services provided by the Council meet the standards promised to our customers.
C2	Public service reform	Working collectively with our partners and other public service providers to help facilitate the required public sector reform for the area.
C3	Customer service excellence	Further elevate the standard of service provided to customers across services provided by the Council.
C4	Value for money and efficient ways of working	Find, implement and embed better, more efficient and effective ways of achieving required outcomes such as improved online service provision and streamlining processes.
C5	Shared service arrangements	Further build on the foundations in place with existing partnership arrangements and develop new ones, the principal project in 2018/19 being the delivery of the shared street scene partnership with Corby BC. Ensure that partnership arrangements expand where appropriate and deliver shared benefits of cost recovery, service continuity and greater added value.
C6	Resource management and commercialism	Ensure we are ambitious in our approach to diversifying and increasing income by: getting the best return from the assets and resources we have and look to acquire; maximise the monetary and social value return to public services; and develop a financially more sustainable approach to delivering high quality services.
C7	Reinventing repairs	A service improvement programme to create a housing repairs service that is professional, customer-focused and cost effective.

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12. Appendix 2 - The Link Between the Corporate Plan and Other Council Strategies



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12. Appendix 3 - Capital Resources for the Period 2020/21 - 2024/25

	2020/21 Proposed £000	2021/22 Indicative Estimate £000	2022/23 Indicative Estimate £000	2023/24 Indicative Estimate £000	2024/25 Indicative Estimate £'000
HRA					
Capital Programme	4,244	4,333	4,113	4,198	4,198
Capital Receipts	1,589	1,598	1,296	1,296	1,296
External Borrowing	-	-	-	-	-
Revenue Contribution	2,655	2,735	2,817	2,902	2,902
Grants and Contributions	-	-	-	-	-
Funding Sources - Closing Balances					
HRA Capital Receipts - Attributable Debt	1,586	1,625	1,655	1,987	2,319
141 Reciepts	1,802	1,780	1,758	1,736	1,714
Earmarked Reserves	499	499	499	499	499
Total Additional HRA Resources Available	3,887	3,904	3,912	4,222	4,532
General Fund					
Capital Programme	30,471	26,442	27,832	24,942	23,182
Capital Receipts	100	100	100	100	100
External Borrowing	23,507	25,742	26,942	24,292	21,792
Revenue Contribution	2,553	100	290	50	790
Grants and Contributions	3,311	500	500	500	500
Funding Sources - Closing Balances					
Capital Reciepts	482	482	482	482	482
Grants and Contributions	35	35	35	35	35
Earmarked reserves	1,162	1,162	1,162	1,162	1,162
Section 106	1,216	1,216	1,216	1,216	1,216
Total Additional GF Resources Available	2,895	2,895	2,895	2,895	2,895

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Scheme	2020/21	2021/22	2022/23	2023/24	2024/25
	Draft budget	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate
	£000	£000	£000	£000	£000
HOUSING REVENUE ACCOUNT					
New Build / Major Refurbishment					
New Build					
Scott Road	2,658	0	0	0	0
Albert Street	779	0	0	0	0
Housing Association Grant	332	985	985	985	985
Homes for the Future					
Montrose House	250	0	0	0	0
Desborough and Rothwell	1,000	889	0	0	0
Future Schemes	0	0	928	758	843
Sub Total	5,019	1,874	1,913	1,743	1,828
Pre-Planned Stock Investment					
Decent Homes - Kitchen and Bathroom Renewal	700	400	400	400	400
Window Renewal	0	50	100	100	100
Central Heating Renewal	550	500	500	500	500
Decent Homes - Electrical Upgrades	500	400	400	400	400
External Door Replacements	50	50	50	50	50
Roof Renewals	400	100	100	100	100
External Insulation	100	100	100	100	100
Sub Total	2,300	1,600	1,650	1,650	1,650
Adaptations					
Improving Access for Disabled People	500	200	200	200	200
Hidden Homes	150	0	0	0	0
Sub Total	650	200	200	200	200
Health, Safety and Compliance					
Door Entry Systems	100	0	0	0	0
Decent Homes - Fire Precautions	200	20	20	20	20
Sub Total	300	20	20	20	20
Enhancements					
Environmental Improvements	0	100	100	100	100
Sheltered Housing - Sparkle Programme	50	50	50	50	50
Sub Total	50	150	150	150	150
Reactive Stock Investment					
Voids Repairs and Improvements	400	400	400	350	350
Sub Total	400	400	400	350	350
TOTAL HOUSING REVENUE ACCOUNT	8,719	4,244	4,333	4,113	4,198

Scheme	2020/21	2021/22	2022/23	2023/24	2024/25
	Draft budget	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate
	£000	£000	£000	£000	£000
GENERAL FUND					
Town Centres Delivery Plan					
GLaM	100	0	0	0	0
Town Centre Improvements and Regeneration	55	0	0	0	0
Electric Vehicle Charging Points	30	0	0	0	0
Car Parking	20	20	20	20	20
Residential Zones / CPE	20	0	0	0	0
High Street Heritage Action Zone	3,484	0	0	0	0
London Road Site Development - Pre Contract Wo	50	0	0	0	0
CCTV	50	0	0	0	0
Sub Total	3,809	20	20	20	20
Community Facilities					
Parkwood Leisure Renewal	30	30	30	30	30
Community Fund	40	40	40	40	40
Desborough / Rothwell Chapel	60	0	0	0	0
Health and Safety Improvements	40	40	40	40	40
Grants Village Halls	32	32	32	32	32
Churchill Public Realm	200	0	0	0	0
Burton Latimer Community Centre	800	0	0	0	0
Community Centre Schemes	20	0	0	0	0
Warren Hill Works	0	150	150	0	0
Warren Hill Music and Database	20	0	0	0	0
Rockingham Road Pavillion	0	300	0	0	0
Small Capital Works	150	150	150	150	150
Sub Total	1,392	742	442	292	292
Supporting Service Delivery					
Borough Wide Recycling Project	100	100	100	100	100
Municipal Offices Works	250	0	0	0	0
Infrastructure - Flexi and Remote Working	220	220	220	220	220
New Depot	0	2,000	1,500	0	0
Recycling Project / Facility	0	500	2,500	2,500	0
Grounds Fleet	20	0	0	0	0
Stock Improvement and Compliance	720	60	250	10	750
Housing and Homelessness Prevention	3,000	2,000	2,000	1,000	1,000
Sub Total	4,310	4,880	6,570	3,830	2,070
Commercial Strategy					
Commercial Properties	20,000	20,000	20,000	20,000	20,000
Haylock House	160	0	0	0	0
Sub Total	20,160	20,000	20,000	20,000	20,000
Private Sector Improvements					
Disabled Facilities Grants	500	500	500	500	500
Sub Total	500	500	500	500	500
Contingency	300	300	300	300	300
TOTAL GENERAL FUND	30,471	26,442	27,832	24,942	23,182
CAPITAL PROGRAMME TOTAL	39,190	30,686	32,165	29,055	27,380

12. Appendix 5 - Draft Capital Requirements for the Period 2020/21 to 2044/45

In the table below Members have already approved in outline the figures covered in the Council's Medium Term Financial Strategy for the period 2020/21 to 2024/25.

Scheme	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	CF £'000
Housing Revenue Account														
New Build and Major Refurbishment	5,019	1,874	1,913	1,743	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	27,001
Pre-Planned Stock Investment	2,300	1,600	1,650	1,650	1,650	1,736	1,826	1,917	2,012	2,109	2,209	2,312	2,419	25,391
Adaptations	650	200	200	200	200	200	200	200	200	200	200	200	200	3,050
Health Safety and Compliance	300	20	20	20	20	21	21	22	23	23	24	25	25	563
Enhancements	50	150	150	150	150	150	150	150	150	150	150	150	150	1,850
Reactive Stock Investment	400	400	400	350	350	350	350	350	350	350	350	350	350	4,700
Total HRA	8,719	4,244	4,333	4,113	4,198	4,285	4,375	4,467	4,562	4,660	4,761	4,865	4,972	62,555
General Fund														
Town Centres Delivery Plan	3,809	20	20	20	20	20	20	20	20	20	20	20	20	4,049
Community Facilities	1,392	742	442	292	292	292	292	292	292	292	292	292	292	5,496
Supporting Service Delivery	4,310	4,880	6,570	3,830	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	38,220
Commercial Strategy	20,160	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	260,160
Private Sector Improvements	500	500	500	500	500	500	500	500	500	500	500	500	500	6,500
Contingency	300	300	300	300	300	300	300	300	300	300	300	300	300	3,900
Total GF	30,471	26,442	27,832	24,942	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	318,325
Total Capital Requirement	39,190	30,686	32,165	29,055	27,380	27,467	27,557	27,649	27,744	27,842	27,943	28,047	28,154	380,880

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Scheme	BF £'000	2033/34 £'000	2034/35 £'000	2035/36 £'000	2036/37 £'000	2037/38 £'000	2038/39 £'000	2039/40 £'000	2040/41 £'000	2041/42 £'000	2042/43 £'000	2043/44 £'000	2044/45 £'000	Total £'000
Housing Revenue Account														
New Build and Major Refurbishment	27,001	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	1,828	48,937
Pre-Planned Stock Investment	25,391	2,528	2,641	2,757	2,877	3,000	3,127	3,258	3,393	3,532	3,674	3,822	3,973	63,974
Adaptations	3,050	200	200	200	200	200	200	200	200	200	200	200	200	5,450
Health Safety and Compliance	563	26	27	28	29	29	30	31	32	33	34	35	36	934
Enhancements	1,850	150	150	150	150	150	150	150	150	150	150	150	150	3,650
Reactive Stock Investment	4,700	350	350	350	350	350	350	350	350	350	350	350	350	8,900
Total HRA	62,555	5,082	5,196	5,313	5,434	5,558	5,686	5,817	5,953	6,093	6,236	6,385	6,537	131,844
General Fund														
Town Centres Delivery Plan	4,049	20	20	20	20	20	20	20	20	20	20	20	20	4,289
Community Facilities	5,496	292	292	292	292	292	292	292	292	292	292	292	292	9,000
Supporting Service Delivery	38,220	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	63,060
Commercial Strategy	260,160	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	500,160
Private Sector Improvements	6,500	500	500	500	500	500	500	500	500	500	500	500	500	12,500
Contingency	3,900	300	300	300	300	300	300	300	300	300	300	300	300	7,500
Total GF	318,325	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	596,509
Total Capital Requirement	380,880	28,264	28,378	28,495	28,616	28,740	28,868	28,999	29,135	29,275	29,418	29,567	29,719	728,353

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12. Appendix 6 - Capital Resources Available for the Period 2020/21 to 2044/45

The Council's options for capital finance are becoming more limited. With the continuing pressures on the revenue budget revenue contributions towards capital expenditure are becoming more difficult to make. The scope for using capital receipts is limited by the available for sale assets. There are still receipts available to the Housing Revenue Account through the sale of council houses, but the level of General Fund capital receipts is low and are likely to be in the foreseeable future. The Council will continue to pursue capital grants as a source of funding but these are usually earmarked for specific acquisitions. Section 106 agreements with developers continue to provide funding for community assets in specific geographic areas although their continued use depends upon the suitability of planning applications. In recent years market conditions have favoured external borrowing, and the Council's Commercial Property Investment Strategy has been based on the availability of these loans. However, their continuation depends upon the Council's ability to have a surplus from the revenue generated by the commercial property after the repayment of loan charges. Increasingly the revenue from the commercial investments will be required to support other Council services.

For the years beyond the Medium Term Financial Strategy the level of resources available are difficult to predict with any certainty and the figures in the table below be treated as indicative.

Resource	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000	2032/33 £'000	CF £'000
Housing Revenue Account														
Capital Receipts	1,757	1,589	1,598	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	17,904
Prudential Borrowing	4,384	-	-	-	-	-	-	-	-	-	-	-	-	4,384
Revenue Contribution	2,578	2,655	2,735	2,817	2,902	2,989	3,079	3,171	3,266	3,364	3,465	3,569	3,676	40,267
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total HRA	8,719	4,244	4,333	4,113	4,198	4,285	4,375	4,467	4,562	4,660	4,761	4,865	4,972	62,555
General Fund														
Capital Receipts	1,100	100	100	100	100	100	100	100	100	100	100	100	100	2,300
Prudential Borrowing	23,507	25,742	26,942	24,292	21,792	21,792	21,792	21,792	21,792	21,792	21,792	21,792	21,792	296,611
Revenue Contribution	2,553	100	290	50	790	790	790	790	790	790	790	790	790	10,103
Grants and Contributions	3,311	500	500	500	500	500	500	500	500	500	500	500	500	9,311
Total GF	30,471	26,442	27,832	24,942	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	318,325
Total	39,190	30,686	32,165	29,055	27,380	27,467	27,557	27,649	27,744	27,842	27,943	28,047	28,154	380,880

Resource	BF £'000	2033/34 £'000	2034/35 £'000	2035/36 £'000	2036/37 £'000	2037/38 £'000	2038/39 £'000	2039/40 £'000	2040/41 £'000	2041/42 £'000	2042/43 £'000	2043/44 £'000	2044/45 £'000	Total £'000
Housing Revenue Account														
Capital Receipts	17,904	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	1,296	33,456
Prudential Borrowing	4,384	-	-	-	-	-	-	-	-	-	-	-	-	4,384
Revenue Contribution	40,267	3,786	3,900	4,017	4,138	4,262	4,390	4,521	4,657	4,797	4,940	5,089	5,241	94,004
Grants and Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total HRA	62,555	5,082	5,196	5,313	5,434	5,558	5,686	5,817	5,953	6,093	6,236	6,385	6,537	131,844
General Fund														
Capital Receipts	2,300	100	100	100	100	100	100	100	100	100	100	100	100	3,500
Prudential Borrowing	296,611	21,792	21,792	21,792	21,792	21,792	21,792	21,792	21,792	21,792	21,792	21,792	21,792	558,115
Revenue Contribution	10,103	790	790	790	790	790	790	790	790	790	790	790	790	19,583
Grants and Contributions	9,311	500	500	500	500	500	500	500	500	500	500	500	500	15,311
Total GF	318,325	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	23,182	596,509
Total	380,880	28,264	28,378	28,495	28,616	28,740	28,868	28,999	29,135	29,275	29,418	29,567	29,719	728,353

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Report Originator	Rochelle Mathieson	<i>Fwd Plan Ref No:</i> A19/039	
Wards Affected	All	19th February 2020	
Title	KETTERING TOWN CENTRE TASK & FINISH GROUP – TIMELINE		

Portfolio Holder: Cllr Mark Dearing

1. PURPOSE OF REPORT

- 1.1 The Executive Committee of the 13th November approved the recommendations of the Research & Development Committee Task & Finish Group and requested a timeline be brought to a future Executive meeting.
- 1.2 Following review and comment by the Research & Development Committee on 28 January 2020 this report sets out the timeline, update and associated Research & Development Committee comment for the Executives consideration

2. INFORMATION

- 2.1 On 13th November the Executive Committee approved the recommendations made by the Town Centre Task and Finish Group and resolved a timeline for the implementation of the recommendations to be brought back to Committee. Table 1 below sets out the approved recommendations, implementation timeline and update on progress.

Table 1. Approved recommendations and associated timeline

	Recommendation	Timeline and Update
	A. Built & Physical Environment (aesthetics, signage, cleanliness)	
A.1	Significantly improved signage across the town centre and out of town	A review of the wayfinding system - finalised in December 2019 . Delivery - Incorporated with the new public realm and street scene improvements anticipated within the town centre from April 2020 . Currently assessing the opportunities for Brown Signage
A.2	Make use of NCC electronic highways signage at the gateways to the town	As per NCC guidance; The use of these is restricted for the purpose of notifying motorist of potential highway disruption. Where events / activities are likely to have an impact NCC

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		Highways will be notified, eg, Christmas Light Switch On - Ongoing
A.3	Launch a shop frontage improvement scheme, with the town centre Council owned properties acting as an exemplar	Proposed capital scheme within 2020/21 to be determined. Shop frontage grant scheme will launch in July 2020 as part of HSHAZ – ongoing to 2024.
A.4	Utilise the Council's capital to assist in town centre schemes and initiatives	Match funding committed for HSHAZ by Full Council on 13th January 2020
A.5	Whilst the realisation of Town Centre residential development was positively received, it should not be to the detriment of commercial and leisure activities, balance should be created between the two	Supplementary Planning Document / Article 4's - Spring 2020 Results of Retail Study January 2021
A.6	Review the Town Centre Area Action Plan to ensure it is relevant to the changing town centre environment	Commence review January 2021
A.7	Consideration should be given to replacing plastic flower planters with a planter more in-keeping with the heritage appearance of the town. The Group are however pleased with the current state and appearance of flowers in the town centre.	This will be incorporated within the Street Scene Improvement project as part of the HSHAZ programme from - Spring 2020
B. Business support (for independents)		
B.1	'Seats on streets' as articulated within the Town Centre Delivery Plan 2018-2025 should be actively encouraged and supported	Ongoing
B.2	Take a more proactive approach in attracting independent start-up businesses with a methodology introduced to assist with finances in year one with rent or assist with the application of nationally available Business Rate reliefs in accordance with local discretionary criteria	In October 2019 the Commons Select Committee submitted a report to government calling on a review of Business Rates. The council is watching this brief closely to understand potential impact and opportunity. The Economic Development and Business Rate Teams work proactively together to support businesses to access nationally available reliefs. – Ongoing

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B.3	Be more actively involved with retailers, traders and landlords and encourage them to work proactively together by being the catalyst for engagement, including; but not limited to, influencing and encouraging 'meanwhile use' of vacant units.	This will be picked up in HSHAZ engagement with businesses at the Town Centre Conference in February 2020 . A programme of engagement and fact finding will be set out within the emerging Commercial and Economic Development Service Plan to include direct liaison with town centre landlords and regular attendance at Kettering Town Centre Partnership meetings.
B.4	Engagement and review of format with retailers for Christmas events and late-night shopping.	Event planning for 2020 to begin Jan/Feb 2020 Programme will be shared with local businesses and opportunities to collaborate explored via the Kettering Town Centre Partnership on a regular basis.
C. Leisure and Events		
C.1	Reinforce and recognise the popularity and success of events in the town centre	Continued and ongoing promotion of all events within town centre. Preparations for promoting the Easter event are underway which is next on the programme
C.2	The provision of a facility to allow the public to put on their own events in the town centre should be considered with practical help and support provided	Provision of a support page with practical guidance and information on available event venues / spaces will be launched on the 'ThisisKettering' website by the end of April 2020 .
C.3	Additional evening events at the museum and art gallery should be considered alongside collaborative work with cultural offerings across the town and with other towns	Event planning for 2020 to begin Jan/Feb 2020 New Cultural Programme being launched by Historic England in late 2020 . It will be assessed in terms of opportunity to support the implementation of this recommendation
C.4	Consideration to be given to developing a long-term vision for improving and maximising the sport and leisure offer within the town centre, with the aim of increasing footfall and dwell time	See B.4 This forms part of the event preparations being developed for 2020

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D. Marketing / branding / tourism		
D.1	Significantly improve the promotion of “good news” stories and celebrate the abundant history of the Town	This forms part of the business as usual activity and is Ongoing
D.2	Kettering’s heritage offer needs to be well developed and promoted, with the aim that Kettering becomes a tourist destination, and the Civic Society and public should be involved in its promotion	This will form an integral part of the HSHAZ programme from April 2020-2024
D.3	Additional promotion of events is required, with an increase in social media use, banners and noticeboards in the town centre advertising these, including the promotion of non-Council led activities, initiatives and events	Marketing and promotional channels being considered and heavily promoting council activities throughout the year. Noticeboards – Spring 2020
D.4	A map of the town (civic/business) should be incorporate into an interactive noticeboard in the town centre and produced in hard copy	Wayfinding project - see A1 Delivery aligned to HSHAZ from April 2020
E. Transportation and Connectivity (incl. parking)		
E.1	Review parking fee structure with the aim of increasing dwell time	Factfinding and information gathering ongoing
E.2	Periods of free parking could also be considered after 4pm in Council owned car parks to encourage twilight shopping and footfall following school hours	Factfinding and information gathering ongoing
E.3	There was strong evidence to show the popularity of “Pop and Shop” parking, this initiative could be extended to additional locations.	Factfinding and information gathering ongoing
E.4	Install Town Centre secure cycle storage to encourage the active use of cycling as a means of transport.	Factfinding and costing underway. Consultation with local cycling groups/stakeholders to take place by Summer 2020
E.5	Proactively engage with key stakeholders including; Network Rail, East Midlands Railway,	This forms part of the Town Centre Delivery Plan and is linked within specific projects, including Station Quarter and pan-

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	<p>Northamptonshire County Council (Highways / Transport planning) and local public transport operatives to seek, and where suitable implement, sustainable public transport plans between Kettering Railway Station, Town Centre, Wicksteed Park, Kettering Conference Centre and rural communities.</p>	<p>Northamptonshire OPE programme - Ongoing</p>
F. Shopping / Markets		
F.1	<p>In collaboration with the Kettering Town Centre Partnership and local stakeholders produce an electronic Business Map ensuring it is kept up to date</p>	See D3
F.2	<p>The Group strongly suggest that consideration be given for the Research & Development Committee to look at the issue of how to improve the Market offer, including rebranding to reinvigorate and attract new traders and customers. As well as, exploring the possibility of an indoor market in the town. It should however be noted the positive progress in terms of planned stall improvements and NABMA recommendations conducted earlier in 2019.</p>	To add to R&D work programme for 2020
G. Public safety		
G.1	<p>Increase use of warden patrols to demonstrate and support public safety</p>	<p>Recruitment of wardens is underway in order to deliver Civil Parking Enforcement scheme. Compliance to delivery target patrol hours will be in place, this will lead to a more visible warden staff across the borough. Continuation of joint working with the Police on Town Centre patrols – by Summer 2020</p>
G.2	<p>Review the CCTV set up within the town to ensure cameras are positioned in the most appropriate locations or could be increased in number to boost public safety. In addition, radio links between</p>	<p>CCTV review – post unitary to ensure continuity and effectiveness across North Northamptonshire Proposed capital scheme within 2020/21 to be determined for improvements to system – By summer 2020</p>

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	retailers / night-time economy could be beneficial	
H. Footfall		
H.1	Footfall counters should be utilised in the town centre to provide vital data that could assist in providing better understanding of movements	Procurement process has been completed and the footfall counting system is expected to be installed by March 2020
H.2	The Council to use their own discretion in terms of restricting charity and commercial collections which could be considered as a deterrent for footfall within the town centre	Completed. Team follows a set of guiding principles to determine suitability of all 'commercial bookings' within the town centre. This criteria and related questions form part of the booking process and restrict bookings of charity and commercial to those organisations which 'add value' to the residents of Kettering. The purpose is to ensure bookings within the town centre do not discourage footfall and are of the benefit of residents.
I. Town Centre monitoring		
I.1	Annual report on the health of the Town Centre to the Monitoring and Audit Committee	Oct/Nov 2020
I.2	Retailers should be encouraged to use the Kettering Town Centre Partnership network as a voice to represent their views to the Kettering Town Forum	Economic Development Team have ongoing engagement with the KTCP and support to advertise and promote their offering. - Ongoing

2.2 A timeline representing the above recommendations has been set out within
Appendix A – Town Centre Task & Finish Group Recommendation Timeline

3. CONSULTATION AND CUSTOMER IMPACT

- 3.1 As evidenced in the background information, a thorough consultation process has been delivered to ensure the views of local stakeholders and town centre users were fully captured in the development of the recommendations set out within the report.
- 3.2 The Research and Development Committee have reviewed and commented on the timeline and updates, and have made the following observations;

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Table 2

Reference	Recommendation	R&D Committee Comment
B2	Take a more proactive approach in attracting independent start-up businesses with a methodology introduced to assist with finances in year one with rent or assist with the application of nationally available Business Rate reliefs in accordance with local discretionary criteria	The update provided in the report was national-focussed. The Task & Finish Group had taken the view that there may be a need to utilise the Council's funding for assisting independent start-up businesses.
C4	Consideration to be given to developing a long-term vision for improving and maximising the sport and leisure offer within the town centre, with the aim of increasing footfall and dwell time	The update provided did not consider a sport and leisure facility offer in the town centre, focussing as it did more on events.
D1	Significantly improve the promotion of "good news" stories and celebrate the abundant history of the Town	The response provided was disappointing; the T&F had expected KBC to do more to improve promotion of "good news" stories and to celebrate Kettering's history.
H1	Footfall counters should be utilised in the town centre to provide vital data that could assist in providing better understanding of movements	Installation of a footfall counter system by March 2020 reflected the T&F's request and thanks were offered for this update.
General		<p>It was agreed by the Committee that an additional recommendation be added to the resolution of the item as follows:</p> <p><i>"The Committee seeks Executive recognition that there are other towns and villages in the borough that could benefit from a similar review."</i></p>

4. POLICY AND RESOURCE IMPLICATIONS

- 4.1 Any investment in the initiatives recommended within 2.1 Table 1, will align within the implementation of the Town Centre Delivery 2018-2025, and will relate and be delivered in accordance to the Local Area Action Plan and Town Centre Area Appraisal.

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5. FINANCIAL RESOURCE IMPLICATIONS

- 5.1 Financial implications have and will be assessed in accordance to internal governance procedures as required for individual recommendations. Where recommendations are aligned to a larger programme of activity they have been aligned accordingly.

6. HUMAN RESOURCE IMPLICATIONS

- 6.1 Officer time would be required to oversee any procurement and delivery of approved recommendations and should be considered within the financial implications, as well as the capacity impact required. The HAZ programme is likely to bring forward additional resource within the Council which is considered to support, by its nature, some of the related themes highlighted within this report.

7. LEGAL IMPLICATIONS

- 7.1 Any works procured would need to be done in accordance with the Council's Standing Orders.

8. CLIMATE CHANGE IMPLICATIONS

- 8.1 All initiatives will need to be considered in more depth in relation to climate change implications, where individual recommendations are aligned to wider work programmes they will be considered in accordance to operational activity.

9. RECOMMENDATION

That the Executive Committee;

- 9.1 Approve the timeline update report as set out in section 2.1 Table 1;
- 9.2 Consider and note the observations outlined within section 3.2 Table 2; and
- 9.3 Recognise that there are other towns and villages in the borough that could benefit from a similar review

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Background Papers:

Title Research and Development Committee - **Kettering Town Centre Task & Finish Group Recommendations**

Date 30 October 2019

Contact Officer Kettering Town Centre Task & Finish Group
Linked Officer – Rochelle Mathieson

Background Papers:	
Title	Executive Committee - Kettering Town Centre Task & Finish Group
Date	13 November 2019
Contact Officer	Kettering Town Centre Task & Finish Group Linked Officer – Rochelle Mathieson
Background Papers:	
Title	Research and Development Committee - Kettering Town Centre Task & Finish Group - Timeline
Date	28 January 2020
Contact Officer	Kettering Town Centre Task & Finish Group Linked Officer – Rochelle Mathieson

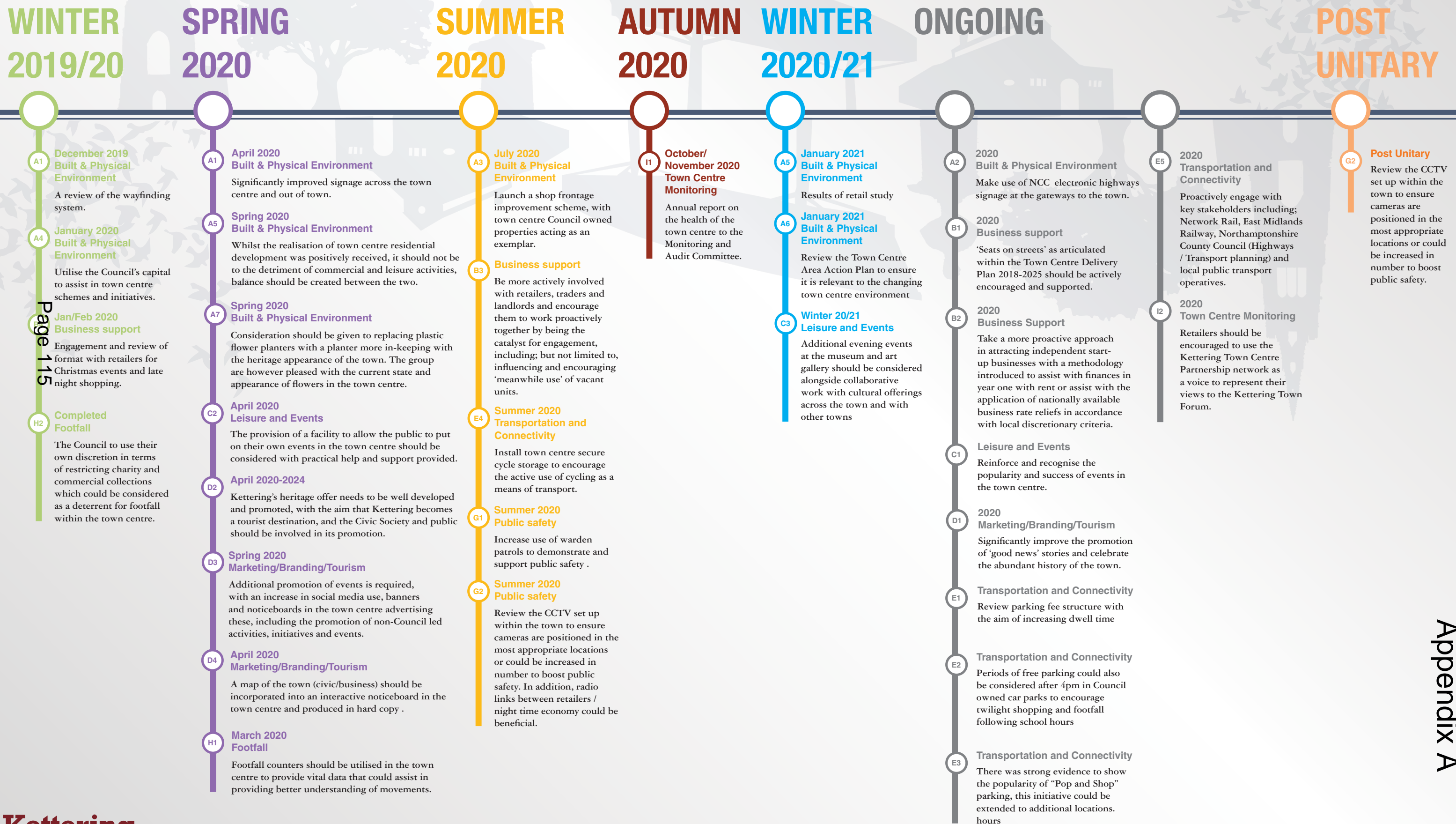
Previous Minutes/Reports:

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Date:

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Kettering Town Centre

Task & Finish Group Recommendation Timeline (Jan 2020)



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Report Originator	Rochelle Mathieson	<i>Fwd Plan Ref No:</i> A19/036	
Wards Affected	ALL	19 th February 2020	
Title	KETTERING TOWN CENTRE FOOTFALL AND DWELL TIME IMPROVEMENT		

Portfolio Holder: Cllr Mark Dearing and Cllr Lloyd Bunday

1. PURPOSE OF REPORT

- 1.1 To provide Members with information to enable them to consider options which could help to contribute to an increase in footfall and visitor dwell time within Kettering town centre.

2. BACKGROUND

- 2.1 Nationally town centres are changing and Kettering is no exception, like other towns there has been a rapid shift, with large national retailers closing high street stores in favour of out of town retail units, as well as closing completely and a behavioural shift whereby more people are choosing to shop online. This has had a noticeable impact on footfall. In recent years Kettering alone has lost significant national retailers including; Top Shop, Marks & Spencer, Body Shop, New Look, Bonmarche and Burtons. This is a national trend, however with the opening of Rushden Lakes it could be argued that it has only accelerated the decline of shops and footfall within Kettering Town Centre.
- 2.2 Footfall within Kettering Town Centre has consistently declined year on year. In 2019 footfall figures were 9.3% lower than the previous year.
- 2.3 Having said this, by units becoming vacant it has paved the way for an increase in independent retailers looking to secure smaller retail units and we have seen the market respond to this by property owners opting to divide larger units. This is evidenced by the opening of the *Bean Hive* as well as *One Horse Market*, and a recent planning application in respect of the unit previously occupied by New Look which could see it being split into two smaller units. Additionally, Kettering was also selected as an Open Doors pilot which utilises an empty unit on a temporary short-term basis for ‘meanwhile use’ until such time as it can be brought back into commercial use – this is a trend we anticipate will increase and be encouraged nationally which helps to keep town centres vibrant.
- 2.4 In Kettering we have also seen the café, restaurant and night economy thrive. This is a fantastic example of how the market is responding to transitioning town centres and offering a wider more diverse range of cultural and leisure opportunities.

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Inward investment within our eatery and night time economy is strong with recent investments including; Delightful Desserts opening on Eskdaill Street, Yardies transitioned from being a Market Trader to opening up on Market Street selling Caribbean food, renovation and reopening of the Market Tavern, Billionaires (formally the Cherry Tree public house) had a revamp and the arrival of Jurassic Grill on Market Place, are amongst just a few.

- 2.5 Towns are required to change and transition into places where people not only shop but live, and access health services, entertainment and leisure activities. The Council's ability to directly affect and enact change is limited due to its relatively small land holding, for town centres to be successful it requires a whole market response. However, as a community leader, it is important that we support, and where possible, lead this transition.
- 2.6 In 2018 the Council launched the Town Centre Delivery Plan 2018-2025 which sets out a number of short, medium and long-term initiatives. The Plan recognised and referenced the issues impacting the health of the town centre which included the changing shopping habits of our residents.
- 2.7 In the last few years, the council has;
- Supported and promoted changes to the highway network to improve access and facilities, for example replacing the Newland Street bus shelters, the opening of Eskdaill Street to two-way traffic and – previously – improvements to junctions at Sheep Street and Northfield Avenue
 - Made financial investments within the town centre for example;
 - Meadow Road Park has seen significant investment with the park being revamped, this is a critical green space within the urban town centre,
 - planning to invest over £4m in partnership with Historic England for the High Street Heritage Action Zone project. A significant proportion of this funding will be dedicated to improving a section of public realm within the High Street which will reinvigorate two key gateways, as well as deliver street scene improvements throughout the High Street to bring about consistency.
 - Signed up to the climate change emergency, and agreed a suite of interventions which affect the town centre, including commitments to improve cycling and pedestrian access, and electric vehicle charging points in car parks
 - In November 2019 the Executive Committee agreed to deliver on the recommendations made by the Town Centre Task & Finish Group
 - Implemented civil parking enforcement from February 2020
 - Implemented positive interventions focused on improving community safety including; working closely with the night-time economy on securing and retaining the Purple Flag award and working closely with partners including the Police and voluntary sector to support some of the most vulnerable within our communities.

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2.8 This is an extremely exciting time for Kettering and we anticipate that by delivering the Town Centre Delivery Plan it will act as a catalyst for change.

3. FOOTFALL AND DWELL TIME

3.1 In Summer 2019 a public survey was conducted by the Town Centre Task & Finish group, the purpose of this survey was to understand how people were using the Town Centre, as well as what they believed to be both the barriers and opportunities being faced which impacted the town centre. The survey was completed by over 760 people. Key findings which have been considered in the development of this report are;

3.1.1 Over 56% of those surveyed are visiting the town less often than a year ago

3.1.2 Almost 60% travel to the town centre by car

3.1.3 Top three reasons for visiting the Town Centre were; Shopping, professional services and café/restaurants

3.1.4 Over 90% of people said they spend up to two hours per visit

3.1.5 When asked why people choose to go elsewhere the following reasons were specified (ranked in order with 1st being the most recognised reason);

1st. Variety & quality of shopping,

2nd. Attractive & well maintained,

3rd. Wider offering (shopping, entertainment, leisure)

4th. Car parking

3.1.6 In terms of challenges facing the Town Centre the following were noted (ranked in order with 1st being the most recognised challenge);

1st. Lack of shops / services and offering

2nd. Cost of running a business (rates and rents)

3rd. Cost of parking

4th. Online shopping

3.1.7 When asked what people thought were the key opportunities for the town to evolve the following responses were noted (ranked in order with 1st being the most recognised opportunity);

1st. Support new business start-ups with business rates discounts

2nd. Review of car parking fees

3rd. Variety of businesses

4th. Leisure and entertainment facilities

3.2 Taking into consideration the other activities that have been or are being implemented; as set out within 2.7 of this report, as well as the approved Town Centre Task and Finish group Recommendations which were approved by Committee on 13th November, all of which support the public surveys key findings, The remaining area of activity that the Council can influence is through its parking provision.

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3.2 As part of the Task & Finish Group's work they also conducted engagement with external stakeholders, in relation to car parking the following key points were raised;

3.2.1 The charging structure was raised as a potential barrier and possible impact on dwell time

3.2.2 The need to move towards more sustainable methods of transport to reduce car usage

3.3 Subsequently the following recommendations relating to car parking were made to the Executive Committee at the meeting on 13th November 2019

E.1 Review parking fee structure with the aim of increasing dwell time
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E.2 Periods of free parking could also be considered after 4pm in Council owned car parks to encourage twilight shopping and footfall following school hours
--

E.3 There was strong evidence to show the popularity of "Pop and Shop" parking, this initiative could be extended to additional locations.
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The Executive Committee report relating to the Task & Finish Group and the results from the public survey are outlined within *Background Papers*

4. TOWN CENTRE CAR PARKING

4.1 The Council provides 650 Pay and Display parking spaces in Kettering Town Centre. There are a further 2,000 spaces provided by private operators (Newlands, Sainsburys and Morrisons amongst others).

4.2 The Council offers selected free parking over the course of the year. These include; during the lead up to Christmas, Kettfest, and Kettering by the Sea. Bank Holidays remain free as does parking on a Sunday. In addition, Blue Badge holders can park for free in the marked bays.

4.3 Late last year, the Town Centre Task and Finish group recommended a review of aspects of the current charging policy and the Executive Committee agreed that this was now an opportune time to reconsider parking charges within Kettering town centre, this is set out in Section 3.3.

4.4 The objectives for implementing any new car parking scheme should focus on;

- i. Encouraging an increase in footfall during quieter periods of the day
- ii. Increasing dwell time of visitors
- iii. Positively impact both the day and night-time economy
- iv. Encourage and provide opportunity for businesses across both the day and night-time economy to work together to maximise and support an increase in footfall
- v. Act as a catalyst to aid local led events

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- vi. Enable more people to access and benefit from the town centre offer including leisure facilities

4.5 The footfall within the town tends to decline in the late afternoon and there is generally a lull between the late afternoon to evening economy, within this time shops are closing for the day and the evening economy is beginning. This can be evidenced by the footfall figures produced by the Newlands Centre which are shared with the Council on a monthly basis.

- 4.5.1 Footfall figures evidence a consistent and gradual tailing off from around 2pm.
- 4.5.2 This drop is much sharper on Saturdays and Sundays; however it should be noted that Saturday remains the most popular shopping day therefore this decline is from a much larger base of people.
- 4.5.3 Saturday, being the busiest day, accounts for around 20% of average weekly footfall.

It should be noted that footfall figures are currently available for the Gold Street and Newland Street area but do not include footfall around the Restaurant Quarter.

4.6 It is hard to anticipate how implementing a new car parking scheme will impact on footfall and dwell time because public behavioural changes are difficult to predict. Therefore, providing a period of time to conduct a pilot scheme for a suggested one year with an interim report at nine months, would be an opportunity to examine if a specific scheme works and yet stills provides the flexibility to review, develop or alter the pilot scheme in future if it is not meeting the objectives.

4.7 The proposed three options to be considered are;

Option A - Do nothing.

Option B - Saturday Free Parking – It could be considered that this option would reach a wider demographic and could support and encourage working families to access the town. It could support and encourage an increase in dwell time by providing free parking. There could be however a negative impact by which we see people parking and utilising other out of town shopping destinations accessed by rail (such as London, Bedford, Leicester)

Option C - Free after 3pm Mon-Thurs - It could be considered that this option would encourage greater footfall within the noted quieter period of the day (late afternoon / early evening). It may encourage dwell time of those visiting the town post lunch time. It may encourage families to access the town post school pick up to take advantage of shops, eateries, as well as leisure. There could however be a shift in behaviours which simply shift those currently visiting the town earlier in the day to instead come later in the day.

4.8 During the pilot period, the Council will use footfall data from the new footfall counters which are due to be implemented in March 2020, together with existing

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data collected by the Newlands centre to monitor footfall levels, as well as how they are distributed across the day. We will also be able to understand how external factors such as weather, seasons and events impact on footfall within the Town Centre.

- 4.9 It is also important that during the pilot we consider, monitor and evidence any negative impact this scheme may create or exacerbate, these are for example;
- i. **Market footfall** - Nationally we are seeing a decline in footfall within Markets, Kettering is no exception. Any impacts on Markets will remain under review.
 - ii. **General footfall behaviour change** - This could simply shift visitors and not increase or attract new visitors to the Town Centre.

5. CONSULTATION AND CUSTOMER IMPACT

- 5.1 Statutory consultation will be undertaken as required for the traffic order amendments.
- 5.2 Any car parking pilot scheme will monitor specific pre-agreed indicators. This will include the production of baseline data and a nine-month review.
- 5.3 Feedback from users and local businesses will be used to inform any decision on whether the pilot is taken forward and will be the subject of a future report.

6. POLICY IMPLICATIONS

- 6.1 Reviewing the car parks reflects the Council's ongoing commitment to supporting a thriving and dynamic town centre.
- 6.2 As stated within the Constitution (*Part 3 Responsibility for Functions, Page C5*), the Executive Committee have the responsibility of decision;

"To set the level of fees and charges for council housing and car parking."

7. FINANCIAL RESOURCE IMPLICATIONS

- 7.1 The report considers three potential options, the potential estimated budget impact of each of these options is considered in Table 1, together with the reduction in the number of weekly chargeable hours.

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Table 1 – Parking Options			
	Option A Do Nothing	Option B Saturday (Weekend Free)	Option C Mon - Thurs Free after 3pm
Reduction in Income	£0	£120,000	£85,000
One off Costs	£0	£5,000	£5,000
Budget Impact 2020/21	£0	£125,000	£90,000
Reduction in Chargeable Hours per week	0	9	12

- 7.2 Table 1 does not take account of any behavioural changes as it is not possible to predict what the impact of implementing new charging periods will have on the usage of car parks during chargeable periods.
- 7.3 Providing a period of time to conduct a pilot scheme for a suggested one year with an interim report at nine months, would be an opportunity to examine if a specific scheme works and yet provides the flexibility to review, develop or alter the pilot scheme in future years.
- 7.4 As this is a pilot the estimated reduction in income could be financed through the reserves for 2020/21. If the pilot scheme is deemed to be successful, and were to be made permanent, this would need to be funded from on-going resources and these would need to be identified as part of the following years budget process, ongoing decisions would therefore rest with the new authority.
- 7.5 In order to make the necessary changes to the car parking machines there will be a number of one-off costs, these are likely to be in the region of £5,000. These include the cost of changes and advertising of the traffic order, configuration of the parking machines, changes to the signage and associated officer time. Should the pilot not be taken forward a similar level of costs would be incurred to reverse the changes.

8. HUMAN RESOURCE IMPLICATIONS

- 8.1 Environment and Parking Wardens regularly patrol the car parks during the relevant hours to ensure compliance with the current fee schedule. Should the chargeable hours change the duties of the team may need to be reviewed.
- 8.2 The Executive should be aware that due to the volume of national requests being made to the parking contractors there remains a risk that the necessary changes

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to the parking machines and Pay by Phone system may not be implemented by 1st April 2020.

9. LEGAL IMPLICATIONS

- 9.1 Any change would need to go through the appropriate legal process. The schedule of the Traffic Order will need to be amended appropriately with associated advertising undertaken.

10. CLIMATE CHANGE IMPLICATIONS

- 10.1 There is a risk that the provision of free parking periods could encourage more car journeys, however it could also encourage more local use of shops and retail outlets thereby resulting in a behaviour shift that reduces the number of longer journeys to out of town retail parks.

11. RECOMMENDATION

That the Executive Committee:

- 11.1 Note the findings from the consultation conducted to date with members of the public and local stakeholders
- 11.2 Determine their preferred option from,
Option A – No Charges **or**;
Option B – No Charges on Saturday **or**;
Option C – No Charges after 3pm Monday – Thursday
- 11.3 To implement that preferred option within the Council owned car parks for a pilot period of one year, with a review report considered after nine months.
- 11.4 Use reserves to fund the preferred option as outlined in Paragraph 7, Table 1 of this report

Contact Officer: Rochelle Mathieson

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Background

Papers:

Title

Kettering Town Centre Task and Finish Group Recommendations
https://www.kettering.gov.uk/meetings/meeting/1787/executive_committee

Date

13 November 2019

Contact Officer

Kettering Town Centre Task & Finish Group
Linked Officer – Rochelle Mathieson

Background

Papers:

Title

Kettering Town Centre Delivery Plan 2018-25
https://www.kettering.gov.uk/downloads/download/13782/kettering_town_centre_delivery_plan

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Committee	EXECUTIVE COMMITTEE	Item 15	Page 1 of 2
Report Originator	Leona Mantle Tenancy Services Manager	<i>Fwd Plan Ref No:</i>	
Wards Affected	All	19 th February 2020	
Title	DOMESTIC ABUSE POLICY		

1. PURPOSE OF REPORT

To seek Executive Committee approval to adopt the new policy on responding to Domestic Abuse within Kettering Borough Council tenancies.

2. INFORMATION

2.1 Kettering Borough Council has signed up to the Chartered Institute of Housing's 'Make a Stand' campaign, aimed at raising awareness and responding appropriately to victims of domestic abuse. We have pledged to publish our policy on dealing with domestic abuse within our tenancies.

2.2 The Domestic Abuse Policy can be seen in full as an appendix (**Appendix A**) to this report; the main aims being:

- To provide an appropriate and effective response to victims
- To enable staff to confidently support victims by taking a victim-centred approach
- To take effective action against perpetrators using legal remedies where appropriate
- To work closely with partner agencies to source effective solutions
- To raise awareness of domestic abuse.

2.3 The policy formalises existing processes and working methods already embedded within housing services.

2.4. The Executive Committee has also, at its meeting In October 2019, adopted the countywide strategy on Domestic Abuse and Sexual Violence, which seeks to prioritise the way in which public agencies in the county prevent, respond to and co-ordinate their activities in regard to this crime category. The strategy is attached as **Appendix B**.

3. CONSULTATION AND CUSTOMER IMPACT

3.1 As this impacts council tenants, the Tenants Forum have been consulted and support the policy. Housing staff and the Sunflower Centre have also been involved in the consultation process.

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3.2 The policy impacts on all Kettering Borough Council tenants.

4. POLICY IMPLICATIONS

4.1 This policy will support all other policies within Housing where the tenant is a victim of domestic abuse.

4.2 The policy supports and complements the Countywide Domestic Abuse and Sexual Violence Strategy 2019-2022.

5. FINANCE and HR RESOURCE IMPLICATIONS

5.1 There are no additional resourcing implications to this policy.

6. LEGAL IMPLICATIONS

6.1 The policy sets out our response and ethos to dealing with domestic abuse within our tenancies and does not impact on statutory rights or responsibilities of tenants.

7. CLIMATE CHANGE IMPLICATIONS

7.1 None as a direct result of this report

8. RECOMMENDATION

The Committee is asked to adopt the new Domestic Abuse Policy.

Background Papers:

Previous Reports/Minutes:

**Policy on Responding to Domestic Abuse within Kettering Borough
Council Tenanted Properties**

Version	1
Date	13.06.2019
Sponsor	John Conway, Head of Housing
Lead Officer	Leona Mantle, Tenancy Services Manager
Executive Committee Approval	
Tenant Forum Consultation	13.06.2019
Equality Impact Assessment completed	Tbc
Review date	Annually

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1 Introduction

- 1.1 This policy applies to tenants and their families living in Kettering Borough Council properties.
- 1.2 Kettering Borough Council takes a zero-tolerance approach to domestic abuse. We will treat all reports with the upmost sensitivity and take a victim-centred approach to all cases, with the aim of reducing the risk to the victims.
- 1.3 We will work closely with partner agencies in both the public and voluntary sectors in order to respond appropriately to domestic abuse.
- 1.4 We support the Chartered Institute of Housing's 'Make a Stand' campaign which aims to ensure that all social housing providers are fully committed to tackling domestic abuse in our homes.
- 1.5 This policy supports and complements the Countywide Domestic Abuse and Sexual Violence Strategy 2019-2022.

2 Aims

- 2.1 The key aims of this policy are:
 - a) To provide an appropriate and effective response to victims of domestic abuse
 - b) To enable staff to confidently support victims by taking a victim-centred approach
 - c) To take effective action against perpetrators using legal remedies where appropriate
 - d) To work closely with partner agencies to source effective solutions and also to raise awareness of domestic abuse.

3 Definitions

- 3.1 The government defines domestic abuse as:

'any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners, or family members regardless of gender or sexuality. The abuse can encompass, but is not limited to:

- Psychological
- Physical
- Sexual
- Financial
- Emotional

We have adopted the same definition in this policy.

3.2 Controlling behaviour is a range of acts designed to make a person subordinate and/or dependent by isolating them from sources of support, exploiting their resources and capacities for personal gain, depriving them of the means needed for independence or other abuse that is used to harm, punish, or frighten their victim.

3.3 Coercive behaviour is an act or a pattern of acts of assault, threats, humiliation and intimidation or other abuse that is used to harm, punish, or frighten their victim.

3.4 Domestic abuse is rarely a one-off event and is often used systematically to gain power and control over the victim, with the violence and abuse increasing in frequency and severity over time. Domestic abuse relates to abuse of a victim over the age of 16, while abuse of a person under the age of 16 is defined as a child safeguarding matter.

3.5 Who can experience Domestic Abuse?

Any person can experience domestic abuse, regardless of age, culture, race, ethnicity, gender, sexuality, religion, tenure or any other characteristics.

Domestic abuse occurs in intimate partner relationships, but also includes abuse between family members.

Domestic abuse also includes 'honour' based violence, forced marriage and female genital mutilation.

3.6 Examples of behaviour:

- Physical abuse e.g. slapping, pushing, kicking, punching, stabbing, attempted murder or murder
- Sexual abuse e.g. rape and sexual assault
- Emotional or psychological abuse e.g. intimidation, bullying, isolation, verbal abuse, humiliation, degradation, not allowing visitors
- Destruction of belongings, threat of legal sanctions e.g. deportation, custody of children, financial abuse, restriction of personal freedom
- Using coercion and intimidation to control someone

4. Supporting Victims

4.1 We will take a victim-centred approach when responding to reports of domestic abuse.

4.2 We will take action against perpetrators using legal remedies where appropriate

4.3 We will work closely with partner agencies, both statutory and voluntary, to source effective solutions and support for victims of domestic abuse.

5. Responding to reports of domestic abuse

We will:

- a) Meet with the victim within one working day, or at a time that is safe and convenient for them.
- b) Offer a meeting with a member of staff of the same gender as the victim
- c) Treat all complaints seriously
- d) Give priority to the safety of victims and their household members
- e) Ensure confidentiality at all times
- f) Work with specialist partner agencies
- g) Take or support legal action against perpetrators where appropriate

With consent, victims may be referred to partner agencies that provide action and/or support including:

- Police
- Domestic abuse support agencies
- National domestic violence helplines
- Independent legal advice

- Child or Adult services
- Community Mental Health Teams

6. Actions and Solutions

Options include:

- a) Supporting victims to stay in their tenancy and home (depending upon tenancy rights)
- b) Provide emergency temporary accommodation
- c) Assist with application to move to alternative accommodation
- d) Signpost to independent legal advice service for specialist remedies

We understand that some victims want to stay in their home, with additional protections.

6.1 For Sole KBC tenants, we can take actions to assist victims by:

- a) repairing damage caused by the perpetrator
- b) offer additional target hardening to make the home more secure
- c) signpost to independent legal advice services for legal advice on specialist remedies (such as civil solutions).
- d) make a referral to a victim support service or domestic abuse support service

6.2 For Joint KBC tenants, we will always advise independent legal advice as we cannot determine the tenancy. Options include:

- a) Seeking an occupation order
- b) Application for a court order to transfer the tenancy into their sole name.

We also understand that some victims are not able to remain within the family home.

6.3 In cases where there is evidence that it is not safe for the victim to remain within their home, but it is safe for them to move elsewhere in the Borough, solutions may include:

- a) Assistance to make a Keyways application.
- b) Consideration of a direct let to alternative accommodation, upon the approval of the Allocations Manager.

- 6.4 Where it is not safe for the victim or their family to remain in the home, emergency temporary accommodation may be provided.
- 6.5 In some cases, a move outside of the Borough is the safest option for the victim and advice will be given on rights to make a homeless application in another local authority area.

7. Action against Perpetrators

- 7.1 We will advise and support victims to take their own legal action against perpetrators of domestic abuse by signposting to local support services. Possible remedies include non-molestation orders, occupation orders or restraining orders.
- 7.2 Where the perpetrator is a Kettering Borough Council tenant, we will take legal action in accordance with our Anti-Social Behaviour Policy.
- 7.3 Decisions upon actions will be taken in consultation with the victim and partner agencies.
- 7.4 Examples of legal actions against tenants who are perpetrators of domestic abuse include:
- i) possession proceedings
 - ii) injunctions.

8. Partnership Working

- 8.1 We will liaise with Police, statutory and voluntary agencies.
- 8.2 We will actively participate in Multi Agency Risk Assessment Conferences (MARAC) to support and protect victims and follow all reasonable recommendations made.

9. Confidentiality and Information Sharing

- 9.1 All staff will respect confidentiality when dealing with reports of domestic abuse and record and store sensitive data in accordance with GDPR guidelines.
- 9.2 There are circumstances where we are required by law to disclose information (for example where we are made aware of a child or vulnerable adult safeguarding

concern, or for the purposes of preventing or detecting crime). We will advise that we need to disclose information where appropriate.

9.3 We will share information with partner agencies according to agreed information sharing protocols.

10. Equality and Diversity

10.1 We will ensure that this policy is applied fairly and consistency.

10.2 We will act sensitively towards the diverse needs of individuals and communities.

11. Consultation

11.1 We welcome any comments or queries about this policy. Any such matters should be referred in writing to:

Tenancy Services Manager
Kettering Borough Council
Municipal Offices
Bowling Green Road
Kettering
Northants, NN15 7QX

11.2 All comments, complaints and concerns regarding the Domestic Abuse Policy will be logged by the Lead Officer and monitored against equality and diversity issues.

12. Review

12.1 The policy will be reviewed annually, unless changes in legislation requires an earlier review.

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DRAFT Northamptonshire Domestic Abuse and Sexual Violence Strategy 2019-2022

Working Together to Make Northamptonshire Safer



Who is this document for?

Reducing domestic abuse and sexual violence is everyone's business.

This strategy sets out our shared ambitions for Northamptonshire and our commitment to doing everything we can to prevent, tackle and reduce domestic abuse and sexual violence and the impact it has on the children, adults and families in our county.

Developed at the request of Northamptonshire's Community Safety Board, this Strategy reflects the Board's priorities of improving support to vulnerable people and ensuring that, wherever possible, people receive early help and support in order to prevent any escalation of harm.

This Strategy is designed to improve the co-ordination of local services that prevent and respond to domestic abuse and sexual violence, to enable everyone to understand the contribution that they can make as individuals and organisations, and improve how we work together to keep people safe and improve the life chances of children, young people and adults who are affected by domestic abuse and sexual violence.

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DRAFT

1. Foreword

Domestic Abuse and Sexual Violence are some of society's most despicable crimes. They alter the course of lives and bring with them a trauma which is hard to comprehend.

This Northamptonshire Domestic Abuse and Sexual Violence strategy will set out the vision we have in Northamptonshire for ensuring that everyone has the chance to live safely without the fear of being harmed by domestic or sexual violence.

The strategy will bring together the efforts of statutory, non-statutory and specialist agencies in the county under one framework enabling access to specialist support, greater accountability and the opportunity to join together efforts to educate and support Northamptonshire residents to be free of fear.

It will look to enable the delivery of the new powers set out in the draft Domestic Abuse Bill published in January 2019, designed to offer greater support to victims and their families and deal more swiftly with offenders.

With much media coverage in the last few years around historical sexual abuse and the #MeToo movement it is right that this strategy also provides a strategic home for sexual violence and coercive behaviours to be tackled.

The nature and complexity of domestic abuse and sexual violence mean that much is still hidden or unknown about victims in Northamptonshire. However by enabling our collective efforts to be overseen in partnership through this strategy we will create a strong basis for robustly tackling them in the most effective ways possible.

Martin Hammond

Chair of the Community Safety Board.

Our ambition for Northamptonshire is that everyone can live safely and experience healthy relationships without the threat of domestic abuse or sexual violence.

2. What do we mean by ‘domestic abuse’ and ‘sexual violence’?

Domestic abuse

People often associate domestic abuse with physical assault – a black eye, bruises, pulled hair or physical injury – and yet, in many abusive relationships, controlling behaviour and emotional abuse are a prominent feature. Survivors describe it as being like “walking on eggshells”.

Domestic abuse is “Any incident or pattern of incidents of controlling, coercive, threatening behaviour, violence or abuse between those aged 16 or over who are, or have been, intimate partners or family members regardless of gender or sexuality”. The abuse may be psychological, physical, sexual, financial or emotional and can happen alongside physical attacks or in isolation and can go on for years.

Controlling behaviour is a range of acts designed to make a person subordinate and/or dependent by isolating them from sources of support, exploiting their resources and capacities for personal gain, depriving them of the means needed for independence, resistance and escape and regulating their everyday behaviour.

Whilst the government definition of domestic violence applies to young people aged 16 and above, it is critical to acknowledge that domestic abuse can have far reaching impacts on children and young people under 16 who are often caught up in abuse carried out in the household.

Sexual violence

Sexual violence is “Any behaviour (physical, psychological, verbal, virtual or online) that is perceived to be of a sexual nature which is controlling, coercive, exploitative, harmful, or unwanted that is inflicted on anyone (irrespective of age, ethnicity, religion, gender, gender identity, sexual orientation or any form of disability)”.

Sexual violence is any unwanted sexual act or activity. There are many different kinds, including: rape, sexual abuse (including in childhood), sexual assault, sexual harassment, forced marriage, so-called honour-based violence, female genital mutilation (FGM), trafficking, sexual exploitation (including child sexual exploitation).

Sexual violence can be perpetrated by a stranger, or by someone known and even trusted, like a friend, colleague, family member, partner or ex-partner. Sexual violence can happen to anyone and no one ever deserves or asks for it to happen.

Sexual violence is often talked about in relation to an individual’s ability to consent. Consent is defined in section 74 of the Sexual Offences Act 2003 as someone engaging in sexual activity if they agree by choice and they have the freedom and capacity to make that choice.

Consent to sexual activity may be given to one sort of sexual activity but not another, e.g. vaginal but not anal sex or penetration with conditions, such as wearing a condom. Consent can be withdrawn at any time during sexual activity and each time activity occurs. Consent cannot be given if an individual is:

- scared or threatened
- bullied
- very drunk or under the influence of drugs
- asleep

100% of the responsibility for sexual violence lies with its perpetrator(s). There is no excuse for sexual violence; it can never be justified or explained away.

Coercive Behaviour

Coercive behaviour is an act or a pattern of acts of assault, threats, humiliation and intimidation or other abuse that is used to harm, punish, or frighten their victim. This definition includes “honour” based violence, female genital mutilation (FGM) and forced marriage, and it is clear that victims are not confined to one gender or ethnic group.

Stalking

Stalking is defined as 'a pattern of fixated and obsessive behaviour which is repeated, persistent, intrusive and causes fear of violence or engenders alarm and distress in the victim.'

Stalking can consist of any type of behaviour such as regularly sending flowers or gifts, making unwanted or malicious communication, damaging property and physical or sexual assault. If the behaviour is persistent and clearly unwanted, causing fear, distress or anxiety then it is stalking. Stalkers may be known to their victim and be linked to offending such as domestic abuse or sexual violence or be a stranger who has become fixated with the individual they choose to pursue.

3. Who are the victims of domestic abuse and sexual violence?

Anyone can be a victim of Domestic Abuse, Sexual Violence or Coercive Behaviour and anyone can perpetrate it.

Victims are female and male, and may be in heterosexual, same sex or non-intimate relationships. Abuse may occur amongst all groups regardless of protected characteristics, including age, religion, race, disability, education or economic status. Sexual Violence may also be perpetrated by strangers who are not known to victims (although this is less likely).

Domestic abuse and acts of sexual violence are largely invisible crimes. Although abuse affects both men and women, there are a disproportionate number of female victims compared to male victims, and women are more likely to experience repeat incidents. It is often difficult to measure the national picture accurately as victims are often reluctant or afraid to report it to the police. Many abused victims find it difficult to function in their daily lives because of the effects of abuse. Absences from work due to injuries or visits to the doctor often cause them to lose their jobs, making them less able to leave their abusive situations.

The abuse experienced by victims who are Black, Asian or from a minority ethnic group as well as those who have been refugees can be further complicated by other relevant abusive factors such as forced marriage. Women from Black, Asian or minority ethnic communities are likely to face additional barriers to receiving the help that they need; the most profound barrier being communication for non-English speakers.

Research shows that 1 in 4 Lesbian, Gay and Bi-sexual people will experience domestic abuse along with 80% of the Trans community. Nationally LGBT reporting to the Police is underrepresented due to a number of barriers that include a reluctance to report, confidence in being taken seriously and responses that are insensitive to same sex partners.

Regardless of the age at which the abuse occurred or whether the perpetrator was known to the victim or not, the violation, shame and stigma will have an impact on health and wellbeing and feeling able to seek support for the effects may be a process that can take months or years.

Domestic Abuse

More than 30% of domestic abuse starts in pregnancy and existing abuse may get worse during pregnancy or after giving birth. It can result in a wide range of impacts on mother and baby including miscarriage, preterm labour, low birthweight, and long-lasting physical disability. The impact on the mother includes physical harm, depression, anxiety and post-traumatic stress disorder.

Male victims of domestic abuse can often find it difficult to admit what is really happening to them. Many abused men believe that experiencing abuse in some way affects their masculinity or that they are not “real men” if they are suffering. However, men have exactly the same rights as women to be safe in their own homes and statutory services have a duty to provide services to all, irrespective of gender.

Sexual assault and rape often occur as part of the domestic abuse in a relationship. Although the perpetrator may be an acquaintance – a colleague, a friend, a neighbour; it is less likely that they are a complete stranger. For many adults getting support may take years particularly if the abuse took place when they were children. Whether the perpetrator is well known to the victim or not, the violation, shame and stigma will have an impact on their health and wellbeing. Feeling able to seek support for the after-effects may be a process that takes many months or years.

The experiences we have as children – especially when a parent or carer is abusive – can affect our future behaviour. While there is no inevitable ‘cycle of abuse’ and thousands of children who live with domestic abuse do not go on to become victims or perpetrators, adverse childhood experiences can impact on behaviours which then develop into patterns of behaviour in adulthood.

Children who live with domestic abuse are at an increased risk of behavioural problems, emotional trauma and mental health difficulties in adult life. Not all children who live with domestic abuse will exhibit problems or difficulties either immediately or later in life, but all will be affected in some way.

Sexual Violence

Rape and sexual assault can happen to anyone at any age, from the very young to the very old. It may be part of domestic abuse perpetrated by a partner or carried out by someone a victim knows. However it can be perpetrated by a stranger unknown to the victim although this is less likely.

Individuals who have been raped or sexually abused or assaulted are often required to undergo medical examination at their local Sexual Assault Referral Centre (SARC) to preserve evidence and access specialist physical and emotional support. Support can be accessed without having reported the offence to the police and regardless of time passed since the offence took place.

The last few years has seen more attention placed on sexual assault and rape due to the Independent Inquiry into Child Sexual Abuse and the #Me Too movement. This has seen a surge in historic sexual abuse cases being reported and supported through health and criminal justice pathways. However sexual violence remains under reported and a continued area of concern for the public and professionals.

Coercive Behaviour

FGM is an area of coercion which is currently under reported and which little is known about the real numbers of at risk girls in the UK.

The World Health Organisation (WHO) categorises FGM in to 4 categories.

- I. Clitoridectomy: partial or total removal of the clitoris (a small sensitive and erectile part of the female genitals) and, in very rare cases, only the prepuce (the fold of skin surrounding the clitoris).
- II. Excision: partial or total removal of the clitoris and the labia minora, with or without excision of the labia majora (the labia are “the lips” that surround the vagina).
- III. Infibulation: narrowing of the vaginal opening through the creation of a covering seal. The seal is formed by cutting and repositioning the inner, or outer, labia, with or without removal of the clitoris.
- IV. Other: all other harmful procedures to the female genitalia for non-medical purpose, e.g. pricking, piercing, incising, scraping and cauterizing the genital area.

The WHO assert that this practise takes place in 29 African counties and some areas of Asia and the Middle East; carried out predominately on young girls between infancy and 15 years of age, though occasionally on adult women. The causes of FGM include a mixture of cultural, religious and social factors which change between community and social group but the main themes include coming of age, marriageability, purity and fidelity. FGM has no health benefits and it is known to cause a number of health concerns both in the short and long term.

FGM was made a crime in 2003 by the FGM Act and was amended by the Serious Crime Act 2015 which brought in mandatory reporting for healthcare, social care and teaching professionals. The first successful FGM prosecution in the UK was achieved in 2019.

Honour based violence

Honour based violence (HBV) is a violent crime or incident which may have been committed to protect or defend the honour of the family or community.

It is often linked to family members or acquaintances who mistakenly believe someone has brought shame to their family or community by doing something that is not in keeping with the traditional beliefs of their culture. For example, honour based violence might be committed against people who:

- become involved with a boyfriend or girlfriend from a different culture or religion
- want to get out of an arranged marriage
- want to get out of a forced marriage
- wear clothes or take part in activities that might not be considered traditional within a particular culture

Women and girls are the most common victims of honour based violence however it can also affect men and boys. Crimes of 'honour' do not always include violence. Crimes committed in the name of 'honour' might include:

- domestic abuse
- threats of violence
- sexual or psychological abuse
- forced marriage
- being held against your will or taken somewhere you don't want to go
- assault

A forced marriage is one that is carried out without the consent of both people. This is very different to an arranged marriage, which both people will have agreed to. There is no religion that says it is right to force you into a marriage and you are not betraying your faith by refusing such a marriage.

Stalking

Stalking is defined as "a pattern of fixated and obsessive behaviour which is repeated, persistent, intrusive and causes fear of violence or engenders alarm and distress in the victim."

It was entered into legislation in 2012 under amendments to the Protection from Harassment Act making it a specific offence in England and Wales for the first time.

An example of example behaviours consider under this legislation are: following, contacting/attempting to contact, publishing statements or material about the victim, monitoring the victim (including online), loitering in a public or private place, interfering with property, watching or spying. This is a non-exhaustive list which means that behaviour which is not described above may also be seen as stalking. A course of conduct is seen as 2 or more incidents.

4. Understanding the national and local context

National Context

Unlike many other crimes, Domestic Abuse and Sexual Violence are often not a single time limited event. Victims are often repeatedly subjected to abusive behaviours which can make it extremely difficult to measure the exact number of incidents involved. In the year ending 31 March 2018, there were 599,549 Domestic Abuse-related crimes recorded by the Police in England and Wales and a further 598,545 incidents not subsequently recorded as crimes (Office for National Statistics, 2018).

The number of police recorded crimes increased (by 23%) in the year ending 31 March 2018, while the number of incidents has declined, illustrating that recording of Domestic Abuse, Sexual Violence and coercive behaviour continues to rise. However, much of the crime that takes place does not come to the attention of the police and there remains a gap between the level of abuse measured by the Crime Survey for England and Wales and the level of abuse recorded by the police. It is estimated that around one in six of domestic abuse victims report their abuse to the police (Office for National Statistics, 2018), therefore it is clear that much of the extent and impact of abuse therefore remains hidden.

Preventing Domestic and Sexual Abuse is still a national priority against the backdrop of austerity. In January 2019 the government published its draft Domestic Abuse Bill (1) and this has been considered throughout the development of our local strategy.

Key statistics – Domestic Abuse

Domestic abuse accounts for 1 in 5 of all violent crimes.

One in four women and one in six men endure violence from a partner, ex-partner / family member during their adult life in England and Wales which is equivalent to approximately 1.2 million women and over 704,000 men aged 16-59 years. Between six and ten percent of women suffer domestic violence in a given year.¹

On average, victims experience 50 incidents of abuse before receiving effective support.

¹ Council of Europe , 2002

Every minute, police in the UK receive a domestic assistance call –yet only 35% of domestic violence incidents are reported to the police.²

Victims of domestic violence are more likely to experience repeat victimisation than victims of any other type of crime.

Two women are killed every week in England and Wales by a current or former partner.³

Domestic abuse commonly takes place in households with children and young people. We know that witnessing domestic abuse can be particularly traumatic for children. A minimum of 750,000 British children and young people a year (around 6.5%) are witnesses to domestic abuse and around 30% of domestic abuse begins or escalates during pregnancy.⁴

85% of victims sought help on average five times from professionals in the year before they got effective help to stop the abuse⁵

Key statistics – Sexual Violence

Approximately 700,000 people aged 16 to 59 years were victims of a sexual assault in the last year.⁶

Less than one in five (17%) victims of rape or assault by penetration reported their experience to the police.⁷

However Police recorded sexual offences are at their highest volume since the introduction of the National Crime Recording. These increases are largely thought to reflect improvements in police recording and more victims being willing to report.⁸

² Stanko, 2000 & Home Office, 2002

³ Homicide Statistics, 1998

⁴ Home Office, 2010

⁵ SafeLives (2015), Getting it right first time: policy report. Bristol: SafeLives.

⁶ Crime survey for England and Wales, 2018

⁷ Crime survey for England and Wales, 2018

⁸ Crime survey for England and Wales, 2018

The number of offences recorded by the police remains well below the number of victims. Of the offences that do come to the attention of the police, many don't progress further through the criminal justice system (53% of rapes do not proceed through the CJS)⁹

One in five women in England and Wales has experienced some form of sexual violence since the age of 16 ¹⁰

Women are nearly five times as likely to have experienced sexual assault as men ¹¹

Key statistics – Coercive Behaviours

It is estimated that 137,000 women and girls who have migrated to England and Wales are living with the consequences of FGM and 144,000 girls are at risk of FGM in England and Wales.¹²

The NHS reported that there were 6,195 individual women and girls who had an attendance where FGM was identified or a procedure related to FGM was undertaken in the period April 2017 to March 2018. These accounted for 9,490 attendances reported at NHS trusts and GP practices where FGM was identified or a procedure related to FGM was undertaken.¹³

Data from the latest Crime Survey for England and Wales shows that 13,909 stalking incidents were reported to the police in the year to March 2018. ¹⁴

Office for National Statistics (2013) stated 1 in 6 women and 1 in 12 men were victims of stalking.¹⁵

CPS data for 2017-18, outlines that 1,616 prosecutions were started for stalking offences, up from 959 in 2016-17, an increase of 68.5 per cent. Over 17,000 prosecutions were begun for breaches of restraining orders, the highest volume ever recorded.¹⁶

⁹ Crime survey for England and Wales, 2018

¹⁰ ONS Crime Survey for England and Wales, January 2013

¹¹ ONS Crime Survey for England and Wales, March 2016

¹² Macfarlane, A and Dorkenoo, E (2015) 'Prevalence of Female Genital Mutilation in England and Wales: National and local estimates' City University London: London

¹³ Female Genital Mutilation (FGM) - April 2017 to March 2018, Annual Report, Experimental Statistics Report

¹⁴ Crime survey for England and Wales, 2018

¹⁵ ONS Crime Survey for England and Wales, January 2013

¹⁶ CPS annual VAWG report 2018

Local Context

Domestic Abuse

Using the most recent information made available from Northants Police, we know that Domestic Abuse and Sexual Violence continues to be a major concern within our county.

Offences involving violence against the person accounted for the majority of Domestic Abuse offences with 80.5% which equates to 36.0% of all recorded violent crimes (Northants Police, May 2019). Those acts of violence without injury including stalking and harassment continue to account for 2 out of every 3 domestic violence offences.

Northamptonshire Police have identified an increasing trend in the repeat victimisation rate for victims of Domestic Abuse within the last 12 months. In April 2019 Police data identified that 39.3% of domestic crime recorded involved a repeat victim, as did 45% of all domestic related crime and non-crime incidents. The victims identified within the last 12 months were predominantly white females between the ages of 25 and 34.

Between September 2017 and September 2018 a total of 16,139 incidents were recorded by Northamptonshire Police, in 14,425 of these cases children were found to have been present. The impact that such exposure to abuse can have upon a child has been subject to significant research and it is known that adverse childhood experiences may impact significantly on all areas of a child's development.

Sexual Violence

Sexual offences within Northamptonshire in the last year have been increasing however this is a national trend and Northamptonshire is not an outlier. In July 2019 Northamptonshire Police data indicated that sexual violence made up 3.78% of all crime in the last year and during this period the Force saw an 18% increase in reported rapes and 17.3% increase in reported other sexual offences. However conviction rates for sexual offences in the county are lower than our regional peers.

Coercive Behaviour

FGM

Local data on FGM within Northamptonshire is scant with no local criminal prosecutions. The recent Ofsted inspection report of Children Services at Northamptonshire County Council published in July 2019 stated "Where a risk of female genital mutilation is identified, the local

authority and partners take appropriate action in a timely way to prevent and protect children at risk. This includes application for court orders for the local authority to acquire parental responsibility, enabling them to make the right decisions for children.”¹⁷

Research from Macfarlane and Dorkenoo estimated that 137,000 women and girls with FGM, born in countries where FGM is practised, were permanently resident in England and Wales in 2011. Prevalance rates from the research place London as having by far the highest prevalence at 21.0 per 1,000 population with rural areas in contrast having prevalence’s well below 1 per 1,000, but above zero. However Northampton was one of eight authority areas with a rate of over 7 per 1,000 population.¹⁸

Latest Data from the NHS on FGM Jan-March 19 put new cases in the Midlands and East of England at 390 cases where women and girls had FGM identified or a procedure related to FGM had been undertaken.¹⁹

Honour Based Violence

Data on honour based violence in Northamptonshire has resulted in 39 crimes being recorded with an HBV flag attached in the last 12 months.

Latest figures from the Home Office released in May 19 put forced marriage cases at 69 crimes across the East Midlands. Little further data currently exists to map need in the county.

Stalking

In the latest data available from Northamptonshire Police 257 incidents of stalking were reported in the county in the last 12 months. Little further data currently exists to map need in the county.

¹⁷ Ofsted Northamptonshire County Council July 19

¹⁸ Macfarlane, A and Dorkenoo, E (2015) 'Prevalence of Female Genital Mutilation in England and Wales: National and local estimates' City University London: London

¹⁹ NHS Female Genital Mutilation January-March 2019: The Female Genital Mutilation (FGM) Enhanced Dataset (SCCI 2026)

5. Our strategic objectives.

Domestic abuse, sexual violence and coercive behaviours cause significant harm to those people affected within our communities. In order to reduce the level of abuse, we need to prioritise prevention, provision and protection methods at the earliest opportunity.

Our strategy has five strategic objectives and by 2022 our ambition will be that we have:

Developed targeted prevention and intervention initiatives that evidence can demonstrate have impact and deliver the outcomes that are required. We will work as a partnership to review current services and commission based on need and outcomes.

Improved everyone's responses to people affected by Domestic Abuse, Sexual Violence and Coercive Behaviour by ensuring that appropriate awareness raising is undertaken, training is delivered to those in our organisations and communities and everyone knows how to recognise signs, be responsive to these signs, respond appropriately to disclosure and know which service they need to support the victim to access.

Ensured appropriate access to services for children, young people and adults affected by Domestic Abuse, Sexual Violence and Coercive Behaviour by developing and embedding clear referral and service pathways that can effectively support service users regardless of their gender, race, ethnicity and sexuality.

Developed safe and appropriate accommodation options for those who are victim of abuse. We will adopt a new approach to supporting victims, where possible keeping them safe in their own homes using a range of interventions or facilitating access to alternative housing such as social housing and refuge.

Appropriate civil and criminal justice response to Domestic Abuse, Sexual Violence and Coercive Behaviour incidents that ensures perpetrators are dealt with effectively by adopting a case management approach within the criminal justice system that is seamless and utilises all available disposals including the new Conditional Caution and Perpetrators programme. In addition victims will have been supported in utilising the appropriate Civil Court Orders to prevent re-victimisation.

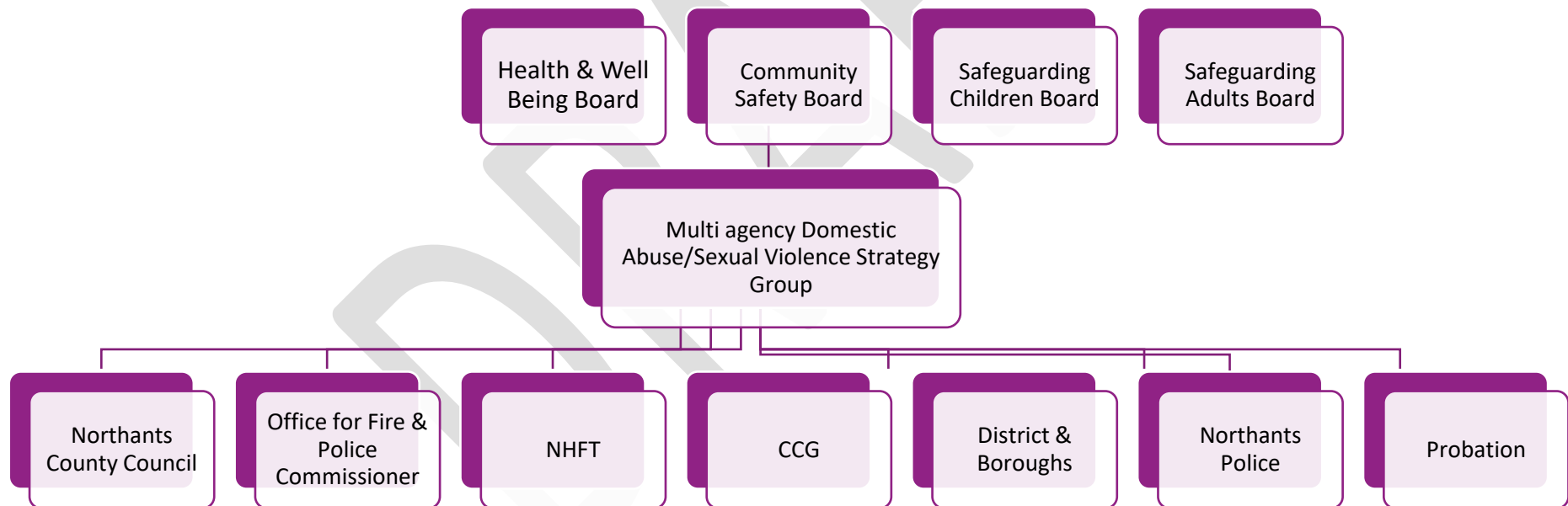
We are confident our strategic objectives will improve outcomes for victims and their families. We will embed strong foundations to enable continuous year on year improvement as we continue to develop our local response.

	Strategic objective	Success will mean that:	Lead Coordinator
1	Developing targeted prevention and intervention initiatives.	<p>Commissioning services will be based on a clear evidence base which focuses on positive outcomes for victims and their families</p> <p>There is increased awareness of services available including services and access to meet diverse needs across the county.</p> <p>Access is easily available to the best possible advice and assistance to victims of domestic and sexual abuse, their families and perpetrators.</p> <p>Voluntary, community and private sector organisations are supported to provide services as part of local pathways.</p> <p>The criminal justice, safeguarding and health and social care processes are more effectively working together and that the pathways for victims, their families and perpetrators are understood.</p>	Northamptonshire County Council
2	Improving everyone's responses to people affected by domestic abuse, sexual violence and coercive behaviour	<p>There is an increased diversity of referring agencies to MARAC and other processes identified through action plans</p> <p>More organisations or communities will be involved in engagement/raising awareness activity as targeted through action plans</p> <p>That a high level of confidence will be reported from attendees of training that they know how to deal with a DA, SV or Coercive disclosure</p> <p>Service users who have received services will report they are more confident.</p> <p>Repeat victimisation /offending is reduced.</p>	Clinical Commissioning Group

	Strategic objective	Success will mean that:	Lead Coordinator
3	Ensuring appropriate access to services for children, young people and adults affected by domestic abuse, sexual violence and coercive behaviour.	<p>We will have ensured that regardless of where people live in the county, they are able to receive the same high standard of care and support and there will be equality of access to services, including accommodation.</p> <p>We will have developed and embedded a clear pathway for victims of abuse and recognised the needs of diverse groups in the range of services commissioned and provided.</p>	Districts & Boroughs
4	Developing safe and appropriate accommodation options	We will have developed a countywide housing pathway for victims of domestic abuse and sexual violence – our ‘safe accommodation offer’ – that is applied consistently (by all housing authorities and housing providers) in Northamptonshire.	Northampton Borough Council
5	Ensuring an appropriate civil and criminal justice response to domestic abuse, sexual violence and coercive incidents.	<p>Perpetrators are dealt with effectively by adopting a seamless approach to case management within the criminal justice system.</p> <p>Victims will have been supported in utilising the appropriate Civil Court Orders to prevent re-victimisation.</p>	Police

6. Governance

Northamptonshire Community Safety Board currently identifies Domestic Abuse and Sexual Violence as being one of its three priorities. There is an expectation that the Community Safety Board will take lead on the governance for the Domestic Abuse and Sexual Violence Strategy for Northamptonshire 2019-2022 and that the Health and Wellbeing, Safeguarding Adults and Safeguarding Children's board will all contribute to this. The importance of effective communications between partners is clear and responsibilities for this are explicit. The Community Safety Board will identify a lead co-ordinator responsible for having oversight of each strategic objective and be able to report progress to the Board. Appendix A outlines the proposed membership of the strategic group.



7. Definitions used within this document

ABE – Achieving Best Evidence

CCG – Clinical Commissioning Group

CHISVA – Children’s Independent Sexual Violence Advocate

DA – Domestic Abuse

FGM – Female Genital Mutilation

IDVA – Independent Domestic Violence Advocate

ISAC – Independent Stalking Advocate

ISVA – Independent Sexual Violence Advocate

MARAC – Multi Agency Risk Assessment Conference

NDAS – Northamptonshire Domestic Abuse Service

Support Provider	Contact Details	Services Available
Rape Crisis	01604 250721	Assists those aged 10 years plus victim of sexual abuse, exploitation, stalking, harassment, grooming, FGM, revenge pornography, internet related offending. Supports the family / friends of victims. Independent Sexual Violence Advocate available. Counselling available – 1:1 and group work. Provides a video link facility and ABE suite. Service available regardless of gender / sexuality. Drop in sessions available. Development of online counselling.
The Sunflower Centre	01604 888211	Sunflower Centre provides support across Northamptonshire for those experiencing domestic abuse. We can offer telephone or face to face support helping you with understanding what domestic abuse is; Giving advice on how to keep safe; Liaising with agencies such as housing and the police; Supporting you through the criminal justice system; Practical interventions such as security assessments and civil advice.
VOICE for Victims and witnesses	0300 303 1965	Support for those assessed as standard and medium risk on the DASH.
EVE	01604 230311	Eve’s services include; Refuge, a place of safety for women and children fleeing domestic abuse; Community Support Service for women and families living in their own accommodation, Long term therapeutic rehabilitation and recovery programme, Occupational Therapy services; Children’s services; Perpetrator programme.
Northampton Domestic Abuse Service	0300 012 0154	Specialist Women’s refuge for those with Substance Misuse Issues which is funded by Health until October 2020. Specialist Men’s refuge unit (3 spaces). 4 x Women’s refuge units across Northamptonshire offering 20 spaces for women and children. Free phone advice line open 24/7 funded by NBC. Advice service / no appointment necessary drop in Monday to Friday between 9am and 3pm. Limited Community work available with weekly sessions at Towcester, Rushden and Thrapston funded by South and East Northants Council. Delivery of Freedom Programme.
SERENITY (Sexual Assault Referral Centre)	01604 745005	Forensic Medical Examinations including health needs analysis (contraception/ antibiotics/ PEPP), Sexual Health Follow up, 24 hour advice line, ISVA and ChISVA support, Self-referral, anon intelligence, anon samples. If required refers victim for specific counselling for both adults and children
Mankind	01823 334 244	Support for male victims of domestic abuse. Refuge referrals.

APPENDIX A

Proposed Membership of DV/SV Steering Group

- 2 Clinical Commissioning Groups (CCGs)
- Community Safety Partnerships – representation on behalf of all the districts and boroughs
- Community Rehabilitation Company (CRC)
- Voice for Victims and Witnesses – Sunflower (IDVA)/Medium DV case support/ISVA (Victims service from OPFCC)
- Crown Prosecution Service
- Northamptonshire Police
- Northamptonshire County Council:
Adult Services /Children’s Services/ Public Health/Supporting Troubled Families Programme
- Northamptonshire Safeguarding Adults’ Board – NSAB
- Northamptonshire Safeguarding Children’s Board – NSCB
- Housing – representation on behalf of all the districts and boroughs
- Northamptonshire Police, Fire and Crime Commissioner
- National Probation Service
- Chair of Northamptonshire Against Domestic Abuse and Sexual Abuse (NADASA) and other proposed providers representatives from county
- NHS England – SARC

DRAFT - Action Plan

2019-2022

Domestic Abuse and Sexual Violence

Strat theme	Area	What	How	Who
Developing targeted prevention and intervention initiatives	ALL	Data analysis	What do we know? Establishing what data is currently available in the county that builds a picture of need and demand.	Northamptonshire County Council – strategic lead- action plan lead to be identified
			What can be shared? Info sharing agreements created/updated.	
			Repository created. Possibly on E-Cins.	
			Help address unmet need – consider urban bias and look what the rural offer is.	
			Develop county commissioning intentions based on what we know. Communicate this to market.	
	DA	Domestic Incidents Project	Project to explore how support to victims of domestic incidents can be delivered within the county via victims support agencies and early help pathways. Prevention of domestic incidents becoming domestic crimes.	

	ALL	Healthy Relationships	Development of programmes to better equip young people to support themselves and their friends in managing intimate relationships.	
	ALL	Development of funding opportunities in line with county commissioning intentions.	Seed funding opportunities. Commissioning within the county.	
Improving everyone's responses to people affected by domestic abuse, sexual violence and coercive behaviour	DA	Secure funding and delivery for IDVA services (Sunflower)	Secure longer term funding arrangements for IDVA services	Clinical Commissioning Group – strategic lead-action plan lead to be identified
	SV	Secure funding and delivery for ISVA/CHISVA services for more than one year.	Secure longer term funding arrangements for ISVA services	
	CC- Stalking	Consider introduction of Independent Stalking Advocacy Caseworkers (ISACs)	Consider further ISAC's (1 member of Sunflower currently trained) being introduced to current victim service delivery in the county.	
	ALL	Training needs assessment	Identify what training is already available within the county What we are lacking in the county. Look to enable partnership training guide.	
	ALL	Healthy Relationships – Young People	Improved provision of information, advice and support about relationships and intimate relationships for young people.	

			<p>This information needs to include:</p> <ul style="list-style-type: none"> a. guidance about how to recognise controlling and coercive behaviour b. practical advice about how to deal with all types of unhealthy behaviour experienced in relationships and how to access support services c. practical advice about how to leave a relationship, how to reduce fear of repercussions and how to access the most appropriate help and support d. guidance about how and when to report to the police. 	
	ALL		<p>Development of resources available for parents and carers.</p> <p>Developed with children and young people, providing information as to how to support children and young people with negative experiences in intimate relationships.</p>	
	DA/SV	Bystander programmes	Exploration of Bystander Programmes with the university.	OPFCC
	CC - Stalking	Training for front line professionals	Stalking awareness training from specialist sector such as Suzy Lamplugh Trust or Palladin	Clinical Commissioning Group – strategic lead-action plan lead to be identified
		Funding for national Stalking helpline	OPFCC to commit to funding for national stalking helpline and subsequent promotion.	OPFCC

Ensuring appropriate access to services for children, young people and adults affected by domestic abuse, sexual violence and coercive behaviour.	ALL	Guidance for all frontline practitioners	<p>Promotion of guidance materials which outlines</p> <p>a. 'controlling and coercive behaviour'</p> <p>b. how to identify unhealthy, negative, controlling and coercive behaviours in relationships and the most appropriate action to take.</p>	Districts & Boroughs – strategic lead- action plan lead to be identified
Developing safe and appropriate accommodation options	DA	Countywide housing pathway outlining 'safe accommodation' options available in the county.	<p>Establish and communicate current housing pathway and how it is being utilised in each borough and district.</p> <p>Develop and communicate a housing pathway that is effective, sustainable and sufficiently flexible to be used consistently throughout the county.</p>	Northampton Borough Council – strategic lead - action plan lead to be identified
		Target Hardening	<p>Review the range of help and support (including target hardening) that is available to enable victims of domestic abuse to safely remain in, or return to, their existing homes.</p> <p>Work with social landlords, the crime prevention team and local housing authorities to agree new funding arrangements to support the delivery of a cost effective and sustainable countywide target hardening scheme.</p>	

		Refuges	<p>Agree on the role that the refuges will play (as a 'safe accommodation' option within the housing pathway) and how they will be funded.</p> <p>Review and amend borough and district housing allocations schemes to improve move-on from the refuges.</p>	
Ensuring an appropriate civil and criminal justice response to domestic abuse, sexual violence and coercive incidents.	DA	The Multi-Agency Tasking and Coordination (MATAC) Project approach	<p>Explore the use of MATAC approach within Northants Police to deal with serial perpetrators of domestic violence in the county. Objective are to:</p> <ul style="list-style-type: none"> • Prevent further domestic abuse related offending • Improve victim safety • Improve Criminal Justice Service (CJS) outcomes • Improve partnership engagement • Improve offender behaviour <p>Build on RFG scoring the Force have begun for serial perps.</p>	Police/OPFCC– strategic lead- action plan lead to be identified
		Out of court disposals for DV offenders	Project PIPA – (Preventing Intimate Partner Violence) being delivered in the county as part of diversionary/rehabilitative options offered to offenders in the county.	
	ALL	Robust and swift justice	Justice and child protection responses to DV, SV or Coercive Behaviours are robust, swift, consistent and coordinated	

			Those who seek to or carry out DV, SV or Coercive Behaviours are identified early and held to account by the criminal justice system	
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Committee	EXECUTIVE COMMITTEE	Item 16	Page 1 of 2
Report Originator	Leona Mantle Tenancy Services Manager	<i>Fwd Plan Ref No:</i>	
Wards Affected	All	19 th February 2020	
Title	PET POLICY		

1. PURPOSE OF REPORT

To seek Executive Committee approval to adopt the Pet Policy for Kettering Borough Council's tenants.

2. INFORMATION

- 2.1 Studies have shown that pet ownership can enhance the owner's mental and physical health and encourage exercise, plus pets make great companions.
- 2.2 However, while pets can have a very positive impact on their environment, irresponsibly owned pets can be the cause of much misery and suffering to the animals themselves and to those who live around them.
- 2.3 The challenges – ranging from the high-profile issues of animal hoarding and intimidation with dogs, to the lower level but equally problematic issues of cat spraying and barking dogs – can be improved by having a clear and well-enforced pet policy.
- 2.4 The policy is a document that outlines the expected behaviours of tenants with regard to pets, it includes legal obligations, what is required of pet owners, and the potential consequences of failing to comply with the policy. The policy document is included at **Appendix A**.
- 2.5 The policy is linked to the tenancy agreement and ASB policy.

3. CONSULTATION AND CUSTOMER IMPACT

- 3.1 The Pet Policy will impact on all tenants, leaseholders and residents within council properties and on council estates.
- 3.2 The policy is supported by Wood Green Animal Shelters, who we partner with to provide support to our pet owners and follows good practice guidance from the RSPCA.
- 3.3 The policy takes into account feedback from service users and staff. A consultation process has been undertaken with the Tenants Forum and the Neighbourhood Management team.

BOROUGH OF KETTERING

Committee	EXECUTIVE COMMITTEE	Item 16	Page 2 of 2
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4. **POLICY IMPLICATIONS**

- 4.1 We have approximately 3,800 homes within our management and a key priority is tenancy sustainment, allowing tenants and residents peaceful enjoyment of their homes. By having a robust pet policy, a proactive neighbourhood management team, and stringent and transparent processes supporting responsible pet ownership, our communities will continue to be places where tenants want to live.
- 4.2 The Pet Policy is consistent with the Tenancy Agreement and the Anti-Social Behaviour Policy.

5. **FINANCE and HR RESOURCE IMPLICATIONS**

- 5.1 The policy can be implemented within existing Neighbourhood Management resources.

6. **LEGAL IMPLICATIONS**

- 6.1 This policy supports clauses within the Tenancy Agreement relating to pets and nuisance

7. **CLIMATE CHANGE IMPLICATIONS**

- 7.1 None as a result of this report.

8. **RECOMMENDATION**

The Committee is asked to adopt the new Pet Policy.

Background Papers:
Previous Reports/Minutes:

**Policy on Keeping of Pets within Kettering Borough Council
Tenanted Properties**

Version	1
Date	13.06.2019
Sponsor	John Conway, Head of Housing
Lead Officer	Leona Mantle, Tenancy Services Manager
Executive Committee Approval	
Tenant Forum Consultation	13.06.2019
Equality Impact Assessment completed	
Review date	Annually

Content:

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14. Review	12

1. Policy Statement

- 1.1 Kettering Borough Council recognises the benefits to tenants of keeping pets. Research shows that pets that are well cared for and responsibly kept are positive for individuals and the community, by improving health and wellbeing and reducing social isolation. However, while pets can have a very positive impact, irresponsibly owned pets can be the cause of much misery and suffering to the animals themselves and to those who live around them.

Generally the council will allow its tenants to keep pets where the property type is suitable, the Tenancy Agreement is complied with and the animal's welfare will be assured.

- 1.2 Under this policy, tenants and anyone living with the tenant or visiting the property must not keep or bring any animal into the property unless they have written permission to do so.
- 1.3 This policy gives further details about keeping pets in council homes for new and existing tenants.
- 1.4 The council will take action against tenants where they do not have written permission to keep a pet and or, there is a breach of the policy and in cases where tenants allow animals to cause nuisance. This includes causing injury to others, noise nuisance, smells, fouling, or pets damaging property.
- 1.5 This policy has been developed following consultation with tenants and feedback from Wood Green animal charity, and incorporates good practice outlined in the Pets Advisory Committee guidance and Royal Society for the Prevention of Cruelty to Animals (RSPCA).

2. Permission

2.1 Pets are generally allowed in council properties, but tenants must obtain **written** permission from the council if they want to keep an animal or animals using the form in **Appendix 1**. This form should be used by all tenants, including those who already have a pet.

3. When permission should be refused

3.1 The council will not usually give permission to keep a pet in the following circumstances (this list is not exhaustive and permission may also be refused for other reasons not listed):

Table of reasons for refusal:

	Reason For refusal	Further clarification
3.1.1	If the animal the tenant wants to keep is of a type to which Section 1 of the Dangerous Dogs Act 1991 applies, including dogs placed on Index of Exempt Dogs.	This list is subject to change by legislation and the current list of types under this section are: <ul style="list-style-type: none"> ○ Pit Bull Terrier ○ Dogo Argentino ○ Fila Brasileiro ○ Japanese Tosa
3.1.2	If the animal has ever caused injury to a person, or if it is dangerous in any other way, for example, a poisonous snake.	This includes all animals prescribed under the Dangerous Wild Animals Act 1976. This also includes a dog which has been found to be dangerously out of control in a public place under Section 3 Dangerous Dogs Act 1991.
3.1.3	If the tenant wants to keep an animal which is not a domestic animal, such as wild animals, primates, livestock, poultry (except hens) or horses because these are not suitable animals to keep in a domestic property and/or garden.	If the tenant wants to keep racing pigeons then they must be a member of the Royal Racing Pigeon Society and provide adequate accommodation for them. Generally the council will not give permission to keep an exotic pet because of the difficulties in meeting their welfare needs. Nothing in this clause prevents a tenant from keeping hens and/or rabbits under the provisions of Section 12 of the Allotments Act 1950 as long as they are not prejudicial to health and do not cause a nuisance.
3.1.4	If the tenant or another household member has any convictions for, or past history of abandonment, cruelty, neglect or mistreatment of animals, or convictions for any offences under the Dangerous Dogs Act 1991, or has been disqualified from keeping animals or a particular type of animal due to a conviction.	

3.1.5	When the tenant or another member of the household has previously left a pet behind when the tenant/household member moved out of a council owned property.	
3.1.6	When the tenant or another member of the household has previously had any tenancy enforcement action taken against them in relation to their previous ownership of pets in a council owned property.	The council may consider giving permission to keep pets with additional conditions placed on the tenant in exceptional circumstances.
3.1.7	If the tenant wants to keep too many animals for the type of property.	See section 8 for information about what pets can be kept in which property type. Tenants should not keep more than two cats or dogs (ie a total of 2
3.1.8	Where the property is not suitable for pets.	See table in section 8 of this policy.

3.2 Tenants may keep more than two smaller animals such as rodents, birds, reptiles or fish, but the council will only give permission to keep a reasonable number of pets. The housing office staff will use their discretion based on the number of animals the tenant wants to keep, the type of animal and the type of accommodation needed for the small pet, the size of the property and the number of people living in the property when deciding whether to give permission or not. In order to keep the number of animals kept to a reasonable number, the council stresses the importance of neutering animals or, where appropriate, keeping them in same sex combinations.

3.3 In all cases, where the council refuses permission to keep a pet, the council will explain the reasons fully to the tenant in writing. A copy of a template letter refusing permission is attached in **Appendix 2**.

4. Granting permission

4.1 Where the council gives permission to keep a pet, the council will write to the tenant outlining the conditions attached to the permission using the template letter in **Appendix 3** and give the tenant a copy of the leaflet in **Appendix 4** - 'Keeping pets in Council houses – Council policy and guidelines for tenants'.

4.2 Permission will be conditional on a number of factors, including on the type of pet being kept. Tenants will also be given information on keeping animals responsibly.

4.3 All permission is conditional on the tenant making sure that their pets do not:

- stray or roam
- damage property, including their own council home
- injure, annoy or frighten anybody else
- cause nuisance to anybody else, e.g. by making too much noise or causing a smell, or
- breed in the property.

4.4 All permission is also conditional on the tenant:

- making proper arrangements for the animal's care at all times and providing the council with details of an emergency contact
- making sure that litter trays are cleaned frequently, and pet faeces is cleared frequently from the garden and no smell is caused by the pets
- making sure that hutches/cages are frequently cleaned, and no smell is caused by the pets, and
- keeping the pets under control at all times, including when visitors such as council officers, contractors and postal workers visit the property.

4.5 Permission will only be granted to keep the animals specified by the council and at the tenant's current address. The tenant must ask for permission if they move to another property or wish to keep more animals.

4.6 Additional conditions may be imposed where appropriate; these will not be imposed unreasonably and will be detailed in writing in the permission letter. Conditions may also be imposed after permission has been granted if they are necessary to deal with any issues that have arisen. The tenant should be advised of any additional conditions and the reasons for imposing them in writing. Permission to keep a pet can be withdrawn if a pet is not being kept in accordance with this policy.

4.7 Giving permission to keep pets where the property has a communal Garden

4.7.1 When a property has its own external entrance and a communal garden then permission may be given to keep a cat or a dog in some cases. Each application in relation to such a property will be considered on a case by case basis taking into account the following considerations (this is not an exhaustive list):

- Who else shares the garden, for example, if there are small children, elderly tenants or vulnerable tenants who may be frightened by the animal.
- Whether there is enough open space nearby for any dogs to be exercised outside the garden.
- Whether there are any other animals in the other properties which share the communal garden, for example, if there are already two dogs, it might not be appropriate to allow any more in that block.

- The views of the current tenants and whether there have been cases of animal nuisance in the block.

4.7.2 If permission is granted to keep a cat or dog in a property with a communal garden, the tenant must be advised that dogs must not be exercised in or given free access to the garden and must be kept on a lead while walking through the communal garden. If permission is granted, but the animal causes nuisance to other people in the locality of the property, the council will ask the tenant to deal with the situation, for example, by training the pet, or rehoming the animal in a responsible manner.

4.7.3 Where the animal would be kept in the garden all the time (for example animals in outdoor hutches or which need an outdoor run) permission will not be granted, because other tenants and visitors will also be using the garden.

4.8 The council strongly encourages tenants to have their pets microchipped where appropriate. This is a legal requirement for dogs.

5. Dangerous dogs

5.1 Section 1 of the Dangerous Dogs Act 1991 prescribes four types of dogs that are prohibited from being in possession or under control of people in the UK unless they are exempt and on the Index of Exempt Dogs (IED). These four types include any dog that has a '*substantial number of the characteristics*' of the following:

- Pit Bull Terrier
- Dogo Argentino
- Fila Brasileiro
- Japanese Tosa

5.2 Section 1(2) prohibits the breeding, sale, exchange, advertising, or gift or offer of any dog listed in section 1(1) of the Act. It also prohibits such dogs from being in a public place without being muzzled, being abandoned or allowed to stray, and must be kept on a lead.

5.3 Where a suspected prohibited type of dog has come to the notice of the Housing Team, we will liaise with the Police who can either decide to commence a prosecution of the owner for being in possession of an illegal type of dog or make an application on behalf of the owner to ask a Court for a decision as to whether to exempt the dog.

5.4 The council will not give permission for a tenant to keep a dog registered on the Index of Exempt Dogs in a council property.

6. Where a tenant already has a pet at policy implementation date.

6.1 Tenants who already have existing pets without written permission can use the form in Appendix 1 to apply for retrospective permission. Where a tenant moved into their current property and obtained the pet before [enter date] the council will grant retrospective permission in the following circumstances:

- where the animal is being kept in accordance with this policy, namely,

provided the property type is suitable for keeping that number and type of pets (see section 8), and where no more than two cats or dogs are kept, and

- the existing pets are not causing any problems within the property, the communal area or to others in the locality of the property

6.2 The council works closely with animal welfare charities, and will aim to avoid animals being referred to animal charities and sanctuaries for rehoming. For this reason, in very exceptional circumstances where the tenant is keeping excess numbers of animals or is keeping a pet in a property which is not usually considered suitable for that type of pet under this policy (see section 8), the council may grant limited permission to keep the current pets. If granted, this permission will be limited to the lifespan of the pets. Permission to keep pets outside the general policy under this section will be considered by a senior officer and will only be granted in writing.

6.3 Where the property type is not deemed suitable for keeping the animal, the council may seek to assist the tenant with a planned move to a suitable property within a reasonable timescale.

6.4 This exception does not apply to tenants who obtained their pets after [implementation date], or who were clearly advised when they moved into their property or before they obtained their pet, that they would not be given permission for such a pet to be kept in that type of property.

7. Special requests to keep pets

7.1 Support dogs

7.1.1 Permission to keep a support dog should be granted where a tenant requests it and the animal has been provided by a recognised agency, such as Guide Dogs for the Blind, Support Dogs or Dogs for the Disabled.

7.1.2 The council will require evidence from the relevant agency to support the application and be satisfied that the property type is suitable for keeping a dog. Where the property is not usually suitable for keeping a dog a transfer to an appropriate property may be offered. In exceptional circumstances a tenant may be given permission to keep a support dog in a property which would not usually be suitable for keeping dogs.

7.2 Tenants fostering on behalf of animal charities

7.2.1 The council will consider requests from tenants who wish to foster pets on behalf of animal charities (or to look after pets belonging to friends, family etc as a temporary measure) on the same basis as other requests for permission, in terms of numbers of animals, animal type(s) and property type. Tenants should apply for written permission using the application form in Appendix 1. They will be expected to provide supporting information from a recognised charity.

7.3 Running a pet-related business from home or breeding animals

7.3.1 Some tenants may wish to run a pet-related business from home. Kettering Borough Council will give permission to run a business from home unless there is a good reason not to.

7.3.2 If a tenant makes an application to run a pet-related business from home, the council will also have regard to the policy on pets, in particular, whether the type of property is suitable for the proposed business.

7.3.3 Permission will not be granted to run a business or any activity which involves breeding or selling animals, or any business which is likely to create a nuisance due to the number of animals being taken to a property.

7.4 Visiting pets

7.4.1 Council tenants are responsible for visitors to their property. Tenants should not permit people to visit with pets if their property is defined as unsuitable for pets in s.8 of this policy. The exception to this is visitors who have a recognised support dog from an approved agency as outlined in section 7.1 above. This is to avoid the problems reported by tenants of animals causing noise nuisance, damage or fouling in communal areas.

7.4.2 Any pets visiting the property must not cause a nuisance while they are at the property. The tenant is responsible for any nuisance being caused at the property even if it is from a visiting pet.

8. Property Type and Pets

8.1 All properties should be identified at lettings stage as suitable or not for keeping pets such as cats or dogs.

Generally this will be:

Property Type	Suitable or not suitable for pets (other than small cages pets)
House with private garden	Suitable
House with communal garden only	Determined by Neighbourhood Manager as per s4.7 of the policy
Bungalow with private garden	Suitable
Bungalow with communal garden only	Determined by Neighbourhood Manager as per s4.7 of the policy
Flat with direct access to private garden	Suitable
Flat with direct access to communal garden	Determined by Neighbourhood Manager as per s.4.7 of the policy.

Flat with access via a communal hallway	Determined by Neighbourhood Manager.
Flat with access via a carpeted communal hallway	Not suitable
Sheltered accommodation flat with access via a communal hallway only	Not suitable

In all cases where properties are considered to be suitable for pets, this is for a maximum of 2 pets (cats and dogs) per property.

8.2 Tenants can request permission to keep more than two smaller animals such as rodents, birds, reptiles or fish, but the council will only give permission to keep a reasonable number of pets. The Neighbourhood Manager should use their discretion based on the number of animals the tenant wants to keep, the type of animal and the type of accommodation needed for the small pet, the size of the property and the number of people living in the property when deciding whether to give permission or not. In order to keep the number of animals kept to a reasonable number, the council stresses the importance of neutering animals or, where appropriate, keeping them in same sex combinations.

8.3 The Housing Office may decide cats and dogs will not be permitted in some properties even where the property does not have shared access. This information should be entered on the Housing IT system and be clearly displayed on Keyways when a property is available for letting.

8.4 When available properties are advertised through Keyways, the property advert should include details of whether pets are permitted and any restrictions which will apply in relation to the property type. This will enable customers to maximise the use of their bids.

8.5 When an offer is being made, either through CBL or as a direct offer, the customer should be advised again of whether pets are permitted in the property, and if there are restrictions because of property type, what those restrictions are. This should be done at the earliest opportunity:

- during the pre-offer telephone call
- in the offer letter
- at the accompanied viewing

8.6 Customers who wish to keep a pet should request permission as outlined above by completing the form in Appendix 1.

9. Recording information about pets

9.1 Where permission to keep a pet is granted, the council will take details of all the pets the tenant wants to keep, including their breed and age.

9.2 The council will need to know if pets are being kept in the property and emergency contact details in case there is an emergency, such as a flood or a fire.

9.3 Details should be held on the house file and computer system and updated with any changes.

10. Tenancy Management issues

10.1 The council will investigate complaints about breaches of the pets' policy and any issues which arise from periodic tenancy visits.

10.2 The council will contact the tenant to discuss complaints. Where possible a visit to the property will be made to establish whether and how a pet is being kept. The condition of the property may indicate whether an animal is being kept, for example, feeding bowls, fouling or chewed fixtures. There may also be evidence that the pet has been seen entering the premises.

10.3 The council will take the appropriate action, ranging from informal interventions and mediation to formal tenancy action. This will be documented in writing and explained to the tenant. Verbal permission to keep a pet will not be given, and council officers must not ignore the unauthorised keeping of pets or any nuisance problems.

10.4 If the council believes a tenant is keeping a dog of an **illegal type** in their property, we will notify the Police.

10.5 If a tenant is **keeping a pet without permission**, they should apply for retrospective permission using the form in Appendix 1 (see section 6).

10.6 If the tenant is keeping their pet in a way that is **causing a nuisance**, options include (this is not an exhaustive list):

- Writing to the tenant to remind them of their responsibilities and explaining the potential consequences of their actions. The situation should be monitored closely and if there is no improvement formal tenancy action may be taken.
- Providing information from animal welfare charities about how to look after the pet, for example, seeking assistance from the Wood Green Animal Behaviourist or referring to the RSPCA 'Learning to be left alone' information leaflet
- Advising the tenant to seek the help of a certified clinical behaviourist – more information can be found at: www.rspca.org.uk/findabehaviourexpert
- Advising the tenant that they must rehome the animal in a responsible manner within a given time period (tenants may need support to rehome a pet)
- Taking action for ASB or breach of the Tenancy Agreement, i.e. warning letters or mediation as appropriate.
- Issuing an injunction
- Proceedings to extend an introductory tenancy or demote a secure one, or possession proceedings for a secure tenancy.
- In cases of neglect or cruelty, the council will report the matter to the RSPCA or the police.

10.7 The council reserves the right to seek legal costs against the tenant if legal proceedings are required.

11. Abandoned pets

11.1 It is the tenant's responsibility to rehome their pet responsibly if they are no longer able to care for it.

11.2 If a tenant moves out of the property, abandons or is evicted and leaves a pet behind, the animal is considered 'property' in law, and the council will take action as with other items left in the property. The animal will be removed from the property. Any costs incurred by the Council in dealing with the animals left behind will be recharged to the tenant.

11.3 In cases of abandonment, where an animal is left behind, the council will take appropriate measures to look after the animal. It may be possible to take action against the tenant under the Animal Welfare Act 2006 in which case the council will contact the RSPCA for advice.

11.4 A record should be kept if a tenant abandons or mistreats a pet. Should they reapply for housing the council will normally not grant permission to keep a pet in the future.

12. Good practice guidance on responsible pet keeping

12.1 When tenants apply for permission to keep a pet the council will provide information about responsible pet ownership and animal welfare. Tenants can also be signposted to relevant animal welfare websites.

12.2 In all cases, before making a decision to have a pet, the council recommends tenants consider the long term implications of pet ownership, and whether they are able to meet the animal's needs throughout the duration of the pet's life.

12.3 Pet owners have responsibilities under the Animal Welfare Act 2006 to ensure their pets have a suitable living environment, are free from pain, suffering, injury or disease, are fed correctly, are able to exhibit normal behaviour and have a suitable living environment.

12.4 In cases of neglect or cruelty, the council may report the matter to the RSPCA or the police.

13. Consultation

13.1 The Tenants Forum, Neighbourhood Management Team and Wood Green Animal Charity have been consulted on this policy.

13.2 We welcome any comments or queries about this policy. Any such matters should be referred in writing to:

Tenancy Services Manager
Kettering Borough Council
Municipal Offices
Bowling Green Road
Kettering
Northants, NN15 7QX

13.3 All comments, complaints and concerns regarding the Pets Policy will be logged by the Lead Officer and monitored against equality and diversity issues.

14. Review

12.1 The policy will be reviewed annually, unless changes in legislation requires an earlier review.