



Minutes of the meeting of the **Strategy Group** held in the Council Chamber, Council Offices, Lodge Road, Daventry on 14<sup>th</sup> November 2019 at 6.15 p.m. (Concluded at 8.30 p.m.)

**PRESENT:**

Councillor Richard Auger	Leader – Chairman
Councillor Adam Brown	Deputy Leader & HR Portfolio Holder
Councillor Colin Morgan	Resources Portfolio Holder
Councillor David James	Economic, Regeneration and Employment Portfolio Holder
Councillor Daniel Cribbin	Housing & Environmental Health Portfolio Holder
Councillor Alan Chantler	Strategic Planning Portfolio Holder
Councillor Wayne Howard	Access & Communication Portfolio Holder
Councillor Jo Gilford	Environment Portfolio Holder
Councillor Alan Hills	Community, Culture and Leisure Portfolio Holder
Councillor Steve Osborne	Chairman of Planning
Councillor Wendy Randall	
Councillor Stephen Dabbs	

**Officers:**

Ian Vincent	Chief Executive
Simon Bovey	Deputy Chief Executive
Maria Taylor	Executive Director (Community)
Simon Bowers	Executive Director (Business)
Audra Statham	Chief Financial Officer

**Also in attendance:**

Councillor Ken Ritchie	Councillor Deanna Eddon
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**SG.57/19 MINUTES**

**RESOLVED:** That the minutes of the meeting held on 17<sup>th</sup> October 2019 be approved and signed as a correct record.

**SG.58/19 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Chris Millar and Catherine Lomax.

**SG.59/19 DECLARATIONS OF MEMBERS' INTERESTS**

No interests were declared.

**SG.60/19 ACCESS AND COMMUNICATION ISSUES**

**SG.60/19/01 BT Payphones**

Consideration was given to the report previously circulated (report ref: SG.141119/1, page nos. 9-20).

The Access and Communication Portfolio Holder outlined the report that had been written in response to a request from BT to remove a further 19 telephone boxes in the District. The applications for 9 of the boxes could be determined under delegated powers and it was proposed that Strategy Group determine the response to the proposed removal of the remaining 10 boxes. This response, if agreed by Members, would be sent to the Secretary of State and BT. It was noted that the traditional K6 red telephone boxes, which were considered to be heritage assets, could be adopted by parish councils for £1.

Councillors referred to the success of the various new uses for the K6 telephone boxes adopted by parish councils.

**RESOLVED:**

That the suggested response to BT for the telephone boxes set out in Appendix A be agreed.

**SG.61/19 COMMUNITY, CULTURE AND LEISURE ISSUES**

**SG.61/19/01 S106 Funding for Voluntary and Community Sector Grants**

Consideration was given to the report previously circulated (report ref: SG.141119/2, page nos. 21-24).

The Community, Culture and Leisure Portfolio Holder proposed that an unallocated sum of Section 106 funding of £21,245 be transferred to the capital grant budget for use by the voluntary sector in order to facilitate wider community benefits. There was a wide range of purposes that community grants could be used for and although they were restricted to the voluntary sector they could be used for organising events or supporting sports.

**RECOMMENDED:**

That £21,245 of unallocated Section 106 funding arising from the development on Apex Park (ref. 2008/0143/FULWND) is transferred to the capital grant budget (cost centre CPG 751).

**SG.61/19/02 Voluntary and Community Sector Commissioning**

Consideration was given to the report previously circulated (report ref: SG.141119/3, page nos.25-32).

The Community, Culture and Leisure Portfolio Holder informed the Committee that the reference in the first sentence of the fourth paragraph in section 4 of the report

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should be altered from 'Chief Executive' to the 'Council' and that the reference to the 'Chief Executive' in the last sentence in the conclusion should be amended to 'Strategy Group'. The current voluntary sector commissioning period was due to end in March 2021, which coincided with the vesting day for the potential new unitary council. It was proposed that the commissioning be extended from April 2021 for an additional two years. There was a lot of uncertainty for the voluntary sector going forward and this proposal would assist in providing some continuity until 2023. South Northamptonshire Council had not made a commitment to extend its commissioning as yet but Northampton Borough Council had already extended it for a further two years. DACT was a valued local organisation and had been supported by Daventry District Council for many years and it was proposed that an additional grant be provided to assist them with their lease change. DACT was based in the Abbey building and tenants were charged commercial rents.

Councillor David James agreed that DACT should pay a service charge but queried the lease rent, which was different to that being charged to Reach for Health. The Executive Director (Business) explained that DACT was due to pay the full market rent. However following a review which had resulted in the organisation being relocated, it had been agreed that it would only have to pay 66% of the market rent for the period of that lease. The concessionary period was due to run its course and the rate would increase by a greater amount than DACT was likely to have budgeted for, so it was proposed that a special grant be awarded to them for three years. The Executive Director (Business) advised that the Constitution stipulated that the Council should levy rents at commercial levels unless there was a policy direction otherwise. The lease rent for Reach for Health was lower, as this had been agreed by Members as a specific policy decision.

Councillor Ken Ritchie understood that The Abbey had been built for the use of voluntary services and questioned the approach to charging. The Executive Director (Community) advised that a best value review had been carried out years ago which had resulted in a policy change and commercial rents were now charged.

Further to enquiries from Councillor Jo Gilford, the Executive Director (Community) advised that the minor amendment to the policy was the change to the date. Organisations had to apply for commissioning and go through the set process using the agreed criteria.

Further to an enquiry from Councillor Wendy Randall, the Executive Director (Community) advised that there were organisations based at The Abbey which did not receive a grant from the Council, such as Time 2 Talk. Also there were other organisations that were commissioned by the Council which did not rent office space from the Council.

Councillor Adam Brown queried why there was a service charge of £175 left unaddressed by the proposed grant. The Executive Director (Community) explained that DACT was commissioned to provide a service. The issue of the renewal of the lease had arisen and therefore an additional grant was being proposed to assist with the rent and service charge. The Executive Director (Business) added that DACT was expecting an increase in the rent and service charge but had not budgeted for such a large increase, hence the proposal for an additional grant.

Councillor Ken Ritchie queried whether DACT could move to cheaper premises or whether the grants were tied to the rental space. Councillor Ritchie also considered

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that there should be a press release produced to advise the public that the office space in The Abbey was charged at a commercial rate. The Chief Executive advised that the Council's policy regarding the use of The Abbey changed many years ago following the aforementioned best value review and it had been used as a commercial building since that time. The Executive Director (Business) added that he believed all the tenants of The Abbey except for DACT and the library paid full commercial rent.

Councillor Wendy Randall abstained from the vote.

### **RECOMMENDED:**

- 1) That Voluntary and Community Sector services are commissioned from April 2021 for two years, at £150,000 per year.
- 2) The minor amendments to the Policy statement 'Commissioning Funding for Voluntary and Community Organisations 2019' are approved.
- 3) That the commissioning budget is increased from 1 April 2020 to 31 March 2023 to take account of the additional DACT grant of £9,048 per year.

### **SG.61/19/03 Northamptonshire Domestic Abuse and Sexual Violence Strategy 2019-2022**

Consideration was given to the report previously circulated (report ref: SG.141119/4, page nos.33-68).

The Community, Culture and Leisure Portfolio Holder welcomed the proposed strategy which provided a multi-agency approach to domestic abuse and sexual violence across Northamptonshire. The Chairman highlighted that these crimes were a significant issue and added that the Police and Crime Panel supported the strategy. The strategy included an action plan and the strategic leads would be identified. Councillor Alan Chantler considered that it was important that as many people as possible were aware of the strategy so that they knew what support was available. Councillor Wendy Randall also welcomed the strategy and noted that people were often scared to report such incidents.

The Chairman raised concerns as to whether the strategy would be in place in the long term due to the uncertainties associated with the proposed local government reorganisation.

### **RECOMMENDED:**

That the Council adopts the draft Countywide Domestic Abuse and Sexual Violence Strategy 2019-2022.

### **SG.61/19/04 Moulton Leisure Centre Business Plan and Operation of Leisure Centres**

Consideration was given to the report previously circulated (report ref: SG.141119/5, page nos.69-76).

The Community, Culture and Leisure Portfolio Holder highlighted that the appendix to the report was confidential. The Council had already committed to purchasing the

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Chris Moody Centre and it was proposed that Sports & Leisure Management Limited (SLM) which ran Daventry Leisure Centre, be appointed to operate the Moulton Leisure Centre. SLM had recently achieved a very good rating in the Quest scheme.

The works to the Chris Moody Centre would be subject to planning permission and the aim was for the centre to be open to the public in its new state in September 2020. Engagement with the current users had been undertaken. The purchase of the centre would leave a legacy for the future and met a number of the Council's priorities and objectives. Councillor Alan Chantler noted that the Centre contained the only hydrotherapy centre in Northamptonshire.

Councillor Steve Osborne highlighted that he had been asked by members of the public how the Council was providing funding of £8 million to spend on the proposed new leisure centre and suggested that a clearer message be relayed that the funding would be provided as a result of developments. The Executive Director (Business) reiterated that the Council was effectively borrowing from itself and the repayment would come from planning obligations and Community Infrastructure Levy. He undertook to look into the matter of communication.

Councillor Daniel Cribbin, a local ward Member, welcomed the proposal and highlighted that, with the amount of development proposed for the area, a local leisure centre would be well used. Councillor David James added that the proposal would also be beneficial for Moulton College.

Councillor Adam Brown queried whether insurance could be sought for the money that was proposed to be held in a reserve, in case compensation was required to be paid to the operator. The Executive Director (Business) explained that the programme of works was evolving, so it was possible the operator might suffer more disruption than currently allowed for. Insurance for such a risk was not available. It was hoped that the reserve would not be required but it was considered sensible to offer it.

In response to a question from Councillor Randall, the Executive Director (Business) advised that, as stated in the report, the care of the sports pitches and tennis courts in Daventry cost around £12k each year from Daventry town special expenses. It was intended that the responsibility for grounds maintenance transfer to Daventry Norse. This would facilitate the transfer of the open spaces to Daventry Town Council as part of the proposed transfer of services. There was nothing to be gained by retaining them in the SLM contract.

The Chairman noted that the Chris Moody Centre was a wonderful facility which was used by many groups and commended the work undertaken by officers on the project. The Chairman asked that Members assist in managing the expectations of the organisations that currently used the building. Councillor Adam Brown reported that he had been provided with assurances that the groups who currently used the centre would be provided with as much notice as possible.

The Community, Culture and Leisure Portfolio Holder highlighted that without the Council's purchase there had been a risk that the facility was going to close.

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### RECOMMENDED:

1. The Business Plan for Moulton Leisure Centre as appended to the report be approved, being detailed scheme approval for the purposes of Financial Regulation 4.6.1.
2. That the capital budget for the project be reduced to £8.500 million, with the £0.200 million thus released transferred into a reserve (in 2020/21) to compensate the operator in the event that construction works cause more disruption to operations and income than currently allowed for.
3. The planning obligation swimming pool contribution from DA/2014/0900 be applied to fund part of the budget for the project.
4. That Sports & Leisure Management Limited (SLM) be appointed to operate the Moulton Leisure Centre as set out in the report.
5. That the existing contract under which SLM operates Daventry Leisure Centre and other facilities be modified and extended as set out in the report.
6. That SLM be authorised, subject to the Council confirming the prices are competitive and to legal compliance, to purchase gym equipment for Moulton Leisure Centre on the Council's behalf.
7. That the capital programme be amended to include recurring capital investment in Daventry leisure facilities of £30,000 per annum in 2022/23, 2023/24 and 2024/25.

### **SG.61/19/05 Country Park Improvement Programme Business Plan**

Consideration was given to the report previously circulated (report ref: SG.141119/6, page nos.77-94).

The Community, Culture and Leisure Portfolio Holder highlighted that the visitor numbers were increasing at Daventry Country Park and for many years the Council had successfully maintained a Green Flag award for it. The Council had agreed that the facilities at the Country Park should be upgraded and approval was now being sought for the business plan. Councillor Colin Morgan, as a local ward Member, voiced his support for the project.

Councillor Ken Ritchie considered that there should be a reference to the proposed green corridor extension to the Country Park. The Executive Director (Business) advised that the report was concerned with the refurbishment of the existing assets at Daventry Country Park and therefore it was not appropriate to mention the extension which would be delivered as part of the development of the Monksmoor and Church Fields areas.

Further to an enquiry from Councillor Steve Osborne, the Executive Director (Business) reported that that the lease for the Country Park would be due for renewal next year and the Council had protected commercial tenancy. The lease rent was around £20,000 per year.

### RECOMMENDED:

That the Business Plan for the Country Park Refurbishment Programme be approved.

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### **SG.62/19 HOUSING AND ENVIRONMENTAL HEALTH ISSUES**

#### **SG.62/19/01 Homelessness and Rough Sleeping Strategy**

Consideration was given to the report previously circulated (report ref: SG.141119/7, page nos.95-128).

The Housing and Environmental Health Portfolio Holder explained that following the introduction of the Homelessness Reduction Act 2017, the Ministry of Housing, Communities and Local Government had requested that authorities update their homelessness strategies and publish an action plan annually. The proposed strategy, if agreed, would go out for consultation between 15<sup>th</sup> November and 20<sup>th</sup> December. Stakeholders had already been contacted asking what they wanted to see in the strategy. There were four main aims of the strategy and it also provided an action plan, which would be monitored.

Further to an enquiry regarding the future of the strategy when the unitary council was established, the Housing and Environmental Health Portfolio Holder advised that the production of a joint homelessness strategy for West Northamptonshire had been considered. However, as the homelessness strategies for the other authorities were at different stages it had not been practical at this time.

Councillor Adam Brown considered that the strategy fell short, as although it did recognise that there was not enough affordable housing, there was no ambition to change planning policy to increase the supply of affordable housing. Councillor Brown stated that he would like the Council to be able to enforce the provision of affordable housing that developers proposed when a planning application was approved, as often the amount of affordable housing that was ultimately provided was altered.

Councillor Wendy Randall queried who should be contacted when a person was seen to be rough sleeping. The Executive Director (Community) advised that housing options could be contacted during office hours and that an out of hours number at Northampton picked up other emergency calls. If someone was homeless and required urgent assistance, at any time, this would be investigated. The police could also be contacted to report a rough sleeper.

Councillor Ken Ritchie considered that the strategy was bureaucratic in style. As it addressed a human problem, he preferred language and examples that made it real for people who needed assistance. Councillor Ritchie queried why the consultation was ending on 20<sup>th</sup> December as he did not believe that staff, as dedicated as they were, would collate the responses before Christmas.

In response to Councillor Brown's comments, the Executive Director (Business) advised that the document had to address bureaucratic necessities and there were clear objectives and actions within the document. The consultation period would take place over the normal six week period and it was likely that work on analysing the responses would take place before Christmas, as staff would be working until close of business on Christmas Eve.

Councillor Steve Osborne considered that the generic term 'affordable housing' was not appropriate as it was not affordable for many people. In response to Councillor Brown's reference that developers sometimes altered the amount of affordable

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housing that was ultimately provided within a development, he noted that this was not easily controlled by the Council as affordable housing provision was calculated using independent financial viability assessments.

### **RESOLVED:**

That a consultation is undertaken with relevant stakeholders and the wider public on the draft Homelessness and Rough Sleeping Strategy 2020 appended.

### **SG.63/19 STRATEGIC PLANNING ISSUES**

#### **SG.63/19/01 Local Development Scheme for Daventry District**

Consideration was given to the report previously circulated (report ref: SG.141119/8, page nos.129-146).

The Strategic Planning Portfolio Holder reported that it was a regulatory requirement to produce a Local Development Scheme and that it was effectively a timetable, as set out in section 4.2 of the report. The timetable had been modified due to a longer examination of the Settlements and Countryside (Part 2) Local Plan, which was now scheduled to be adopted in February 2020.

### **RECOMMENDED:**

That the proposed Local Development Scheme (LDS) as appended to the report be approved and take effect from 5<sup>th</sup> December 2019, and that this replaces the Local Development Scheme dated December 2017. For the avoidance of doubt this does not affect the joint LDS dealing with the West Northamptonshire Strategic Plan.

#### **SG.63/19/02 Article 4 Directions – Removal of Permitted Development Rights for change of use from Offices to Dwellings**

Consideration was given to the report previously circulated (report ref: SG.141119/9, page nos.147-162).

The Strategic Planning Portfolio Holder reported that Government policy had altered in 2016 to allow office space (class B1(a)) to be converted to residential use (class C3). Concerns had been raised that buildings originally designed for office use were not always appropriate to be used as residential accommodation as they were small or sub-standard. In addition to this office space within the local area was considered valuable as it was well used. It was proposed that this permitted development right be removed through the introduction of an Article 4 direction, in order to protect the wellbeing of the area and the economy.

Councillor Adam Brown referred to a recent planning application in Weedon that had been considered for residential properties on a brownfield site and queried whether Weedon could be added to Schedule 2. The Executive Director (Business) advised that there were no B1 offices in Weedon that could currently be converted so although Weedon could be added to the list it would serve little purpose. The

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permitted development rights for office to residential conversions also commenced from a set date and was applicable to existing premises not new ones.

Further to an enquiry from Councillor Cribbin, the Executive Director (Business) advised that there were some B1 use buildings in the District outside of the specified areas within the schedule. The rationale for the proposed schedule had been to use the identified strategic employment areas and Daventry town centre. It was considered it may be disproportionate to include all the B1 use buildings.

### **RESOLVED:**

That an Article 4 direction be made and that consultation then be undertaken on the proposed Article 4 direction to remove permitted development rights for changes of use from Class B1(a) offices to Class C3 (Dwelling houses) as set out in the draft direction appended.

### **SG.63/19/03 Locality Planning and Brownfield Register**

Consideration was given to the report previously circulated (report ref: SG.141119/10, page nos.163-168).

The Strategic Planning Portfolio Holder outlined the proposed changes to various planning policy matters. Previously the Council had undertaken a procurement exercise for a framework for neighbourhood planning services and there had been little demand for this, so it was considered that this no longer needed to be provided. There had been limited take up of the assistance that the Council offered with regard to the production of locality planning documents and therefore only a modest income received, so it was proposed that these charges no longer apply. The brownfield register would be maintained, although there was little demand for it, as there were only a few brownfield sites in the District. It was proposed that for clarity the recommendation be altered to add the words 'such that applications would be made through an open invitation on the Council's website and then determined by Planning Committee' in item 5.

### **RECOMMENDED:**

- 1) That the approach to determining applications for neighbourhood areas, agreed in May 2012, is rescinded.
- 2) That the Executive Director (Business) is granted authority to approve applications for neighbourhood areas which do not correspond to a parish boundary.
- 3) That the approach to procuring a framework for neighbourhood planning services, agreed in May 2012, is rescinded.
- 4) That charges for locality planning, agreed in October 2011, cease to be applied.
- 5) That the approach to the Council's brownfield register agreed in October 2017, be revised such that applications would be made through an open invitation on the Council's website and then determined by Planning Committee, as set out in section 4.4 of the report.
- 6) That the Executive Director (Business) be authorised to carry out the annual review of the Register and to remove land from it which no longer fulfils the test for inclusion.

**SG.64/19 RESOURCES ISSUES**

**SG.64/19/01 Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review 2019/2020**

Consideration was given to the report previously circulated (report ref: SG.141119/11, page nos.169-174).

The Resources Portfolio Holder drew Members' attention to a typographical error in section 3.3 of the report and noted that apostrophes should be added to the word 'Councils' in the bullet points. The Council's capital expenditure appeared favourable but this was largely because of slippage in the capital programme rather than underspends. The Council's interest earnings were £67,000, which was greater than expected.

Further to an enquiry from Councillor Randall regarding the progress being made with the new rehabilitation building for Reach for Health, the Chief Executive advised that the lease and contract with Daventry and District Sports Club had been signed last Friday and the Executive Director (Business) added that the lease and sub-lease had now been entered into.

The Chairman noted that, at the recent Scrutiny and Improvement Task Panel public meeting on climate emergency, a question had been raised as to whether the Council's investments were with ethical organisations.

**RECOMMENDED:**

That the Council's Treasury Management mid-year review for 2019/2020 be noted.

**SG.64/19/02 2020/21 Capital and Revenue Budget and Medium Term Financial Plan**

Consideration was given to the report previously circulated (report ref: SG.141119/12, page nos.175-200) and replacement pages 183-184 and page 193, following a revision to the Updated MTFP table in section 5.1 of the report and 5.2 (a copy of which are attached as an appendix to these minutes).

The Resources Portfolio Holder highlighted that an additional £866,000 each was being requested to pay for the work on the Future Northants programme by all authorities in Northamptonshire. It was business as usual despite the fact that a general election had been called and there was uncertainty with regard to the future.

The Medium Term Financial Plan had been updated and it was important to note that the budget deficit commenced at 2021-22 and thereafter increased significantly year on year. This would obviously have an impact on tax payers in the future. The NNDR Business Rate re-set had now been delayed until 2021/22. As a result of the change in Government policy with regard to the New Homes Bonus, the cumulative loss of funding for the Council would be £10.393 million up to 2024/25.

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Councillor Stephen Dabbs queried the reference to a crossing on Ashby Road. The Executive Director (Business) explained that money had been earmarked some years ago to provide a crossing as it had been expected that there would be an increase in demand when the University Technical College had opened. This college had since closed and the building was occupied by the adjacent William Parker School, so there had been no net increase in demand. Although ultimately in the future a crossing may be deemed necessary, there was no need to hold the funds.

Councillor Wendy Randall queried whether the new running track at the sports park would still be provided. The Chief Executive advised that the grant for the project still existed.

Councillor Ken Ritchie welcomed the fact that a cycle track had been provided from the Timken estate to the old railway line but considered that it was too dark and asked that street lighting be provided. The Executive Director (Business) advised that he would discuss the matter with Councillor Ritchie outside of the meeting. The Executive Director (Community) advised that there was a policy for cycle paths to be lit, however there was sometimes a conflict with this policy as the Crime Prevention Design Advisor recommended against lighting remote areas without natural surveillance.

### **RECOMMENDED:**

1. The updated assumptions and proposals concerning the financial strategy and development of the 2020/21 budget preparation process, as set out in section 4 of the report, are approved.
2. That the funds previously identified as provisions be drawn down from Earmarked Reserves as and when necessary.
3. The revised budget projections incorporated into the Medium Term Financial Plan, as set out in the revised table 5.1 and revised Appendix A of the report circulated at the meeting and attached as an appendix to the minutes are approved.
4. The draft proposals for the Capital Programme as detailed in section 6 and Appendix C of the report be approved.
5. That the amended CIL Programme detailed in Appendix D of the report be approved
6. That a grant of £14,229.80 is approved for Kilsby Recreation Ground from s.106 ref DA/2014/0221
7. That, pursuant to the budget recommended above, Council approves the Chief Executive's deployment of £0.866m resources required to progress work on the Future Northants programme (additional to the £1.625m already accounted for in Council budgets)
8. That Council confirms that delegated authority is given to the Chief Executive, in consultation with the S151 Officer and the Leader, to represent the Council on the Board of the Business Rates Pilot and to agree any allocation of business rates in line with the specified projects approved by the Secretary of State for Housing, Communities and Local Government.

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Chairman



APPENDIX

5. Updated MTFP

5.1 Taking into account the issues identified at paragraph 3.4 the updated MTFP, covering both annual revenue budget deficit and surplus projections and resultant levels of revenue reserves, is summarised in the table below.

<b>GENERAL FUND (GF) REVENUE RESERVES PROJECTIONS</b>						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m	£m
<b>Non-earmarked general reserves:</b>						
Balances b/fwd	15.795	16.658	18.631	17.872	16.197	10.631
<i>Less:</i>						
Budget deficit/(surplus) for year	(0.863)	(1.973)	0.759	1.675	5.566	5.848
<b>Sub-total: Non-earmarked reserves c/fwd</b>	<b>16.658</b>	<b>18.631</b>	<b>17.872</b>	<b>16.197</b>	<b>10.631</b>	<b>4.783</b>
Earmarked reserves c/fwd	12.946	11.142	10.029	8.333	9.192	10.488
<b>Total Reserves</b>	<b>29.604</b>	<b>29.773</b>	<b>27.901</b>	<b>24.530</b>	<b>19.823</b>	<b>15.271</b>

5.2 The impact of the above year-on-year budget surplus and deficits results in total revenue reserves reducing from £29.604m in 2018/19 to £15.271m by the end of 2024/25. It must also be borne in mind that there will be calls on the current earmarked reserves over that period which are included within the total reserves and will accelerate the rate of reduction.

5.3 In line with the Council's current financial strategy is the need to maintain non earmarked reserves at a level of at least £2.000m. The trend from 2021/22 onwards is that the deficit position increases significantly. This position will change again once the budget setting process is complete and all of the issues in this report are concluded. There is no doubt that there will be further issues highlighted that may impact on the level of reserves going forward.

5.4 The updated MTFP is presented at Appendix A. The MTFP has been refreshed and extended by one year up to 2024/25. The total savings figure on the Growth, Savings and Efficiencies Register (GSER) shown in Appendix B agrees to the Corporate Savings/Efficiencies and Growth line on the MTFP.

5.5 The biggest continuing impact on the MTFP going forward will be our level of revenue reserves and the internal borrowing that is being used to finance the capital programme, pending the receipt of the relevant CIL income.

**6. Capital Programme**

- 6.1 The capital programme was approved by Council in February 2019 and further revised by Council in July 2019 with amendments approved by urgent decision in August 2019.

**Proposed New Schemes and Proposed Increases to Existing Schemes**

- 6.2 In line with the criteria agreed by Members, growth items have been prepared and reviewed by management. Recommendations for approval are detailed below:

**6.3 Civic Offices Electrical Distribution Boards (Cost £0.070m capital)**

The 5-yearly inspection identified that there are several faults in the electrical distribution boards at Lodge Road and that they do not have the surge protection required under the 18<sup>th</sup> Edition Wiring Regulations. The proposed project is therefore necessary for Health and Safety and other regulatory reasons and will involve the replacement of ten electrical distribution boards with up to date versions that include MCB (miniature circuit breaker) and RCBO (residual current circuit breaker with overcurrent) protection. Each board would be provided with additional surge protection to comply with current 18<sup>th</sup> Edition Wiring Regulations.

**6.4 Grant Aid to Voluntary Community Service Groups with specific funding (budget growth of £0.014m in 2019/20 from DA/2014/0221 and £0.021m from Apex Park S106)**

Kilsby Parish Council has approached DDC for £14,229.80 from DA/2014/0221 towards new play equipment following consultation with village residents. Kilsby Parish Council provides significant in-kind contributions (including Health and Safety checks, maintenance of the area, and tackling anti-social behaviour) which increase the value for money capabilities when considering the lifetime cost of this project. The grant scorecard for this project was 78 out of a possible 100. The Senior Planning Officer has confirmed that the recreation ground would be a suitable use of this s.106 money.

In addition it is proposed that £0.021m of unallocated funding from the Apex Park s.106 is allocated to this budget as set out in the report elsewhere on this agenda.

**Revisions to Existing Schemes**

**6.5 Disabled Facilities Grants DFGs (additional capital cost of £0.100m per annum offset by additional DFG government grant of £0.100m per annum and an additional £0.028m in 2019/20)**

This reflects the additional DFG grant allocation for 2019/20 (total grant allocation £0.428m plus estimated £0.100m from Housing Association etc) and recognises going forward that the DFG grant allocations in recent years have been in excess of £0.400m.

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### APPENDIX A

#### GENERAL FUND (GF) REVENUE BUDGET PROJECTIONS 2018/19 - 2023/24

	REVENUE PROJECTIONS					
	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
<b>BASE BUDGET</b>						
<b>Net General Fund (GF) Service Budget</b>	13.035	13.035	13.035	13.035	13.035	13.035
Pay Inflation - Cost of living award	0.267	0.486	0.711	0.943	1.180	1.423
Pay Inflation - Annual Pay Increments	0.047	0.080	0.100	0.100	0.100	0.100
Pension Contribution - Auto Enrolment	0.000	0.061	0.062	0.063	0.064	0.066
Additional Pension Contributions Tri Ann Val - 1% pa 2020/21 onwards	0.000	0.055	0.110	0.165	0.220	0.275
Sub Total Employee increases	0.314	0.682	0.983	1.271	1.564	1.864
Corporate Savings/Efficiencies and Growth	1.092	-0.185	-4.226	-4.385	-1.795	-1.862
Inflationary pressures	0.192	0.376	0.598	0.839	1.098	1.379
Outturn Projection - Current Year	-0.564	0.000	0.000	0.000	0.000	0.000
Contribution to Strategic Infrastructure Facility	0.500	0.500	0.500	0.500	0.500	0.500
Sub Total Other Expenditure increase/(decrease)	1.220	0.691	-3.128	-3.046	-0.197	0.017
<b>Total Base Budget Position</b>	<b>14.569</b>	<b>14.408</b>	<b>10.890</b>	<b>11.260</b>	<b>14.402</b>	<b>14.916</b>
<i>less</i>						
<b>Base Funding:-</b>						
Settlement Funding	2.270	2.270	2.338	2.368	2.400	2.432
Council Tax Income	4.725	4.923	5.007	5.180	5.359	5.542
Retained NNDR	5.187	5.311	0.855	0.872	0.890	0.907
New Homes Bonus Scheme	3.063	3.690	1.744	0.978	0.000	0.000
HB Administration Grant	0.130	0.130	0.130	0.130	0.130	0.130
CTS Administration Grant	0.057	0.057	0.057	0.057	0.057	0.057
Other Grants						
<b>Total Projected Base Funding</b>	<b>15.432</b>	<b>16.381</b>	<b>10.131</b>	<b>9.585</b>	<b>8.836</b>	<b>9.068</b>
<b>PROJECTED ANNUAL (SURPLUS)/DEFICIT</b>	<b>-0.863</b>	<b>-1.973</b>	<b>0.759</b>	<b>1.675</b>	<b>5.566</b>	<b>5.848</b>

IMPACT ON G.F. REVENUE BALANCES						
	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
G.F. General Reserves bal. b/f	15.795	16.658	18.631	17.872	16.197	10.631
<i>less</i>						
Projected Budget Deficit/(Surplus) for Year	-0.863	-1.973	0.759	1.675	5.566	5.848
G.F. General Reserves bal. c/f	<b>16.658</b>	<b>18.631</b>	<b>17.872</b>	<b>16.197</b>	<b>10.631</b>	<b>4.783</b>
<i>add</i>						
G.F. Earmarked Reserves bal. c/f	12.946	11.142	10.029	8.333	9.192	10.488
<b>TOTAL G.F. RESERVES BAL c/f</b>	<b>29.604</b>	<b>29.773</b>	<b>27.901</b>	<b>24.530</b>	<b>19.823</b>	<b>15.271</b>

COUNCIL TAX IMPLICATIONS						
	4.520	4.802	4.973	5.149	5.330	5.516
Council Taxbase Projection	31,609.55	32,450.00	32,950.00	33,450.00	33,950.00	34,450.00
(assumed increase of 500 Band D equivalent properties p.a. from 2020/21 onwards)	Prop					
Projected DDC Band D Council Tax	£ 142.98	£ 147.98	£ 150.92	£ 153.93	£ 156.99	£ 160.12
(@ £4.23 2019/20, £5.00 2020/21, then 2.0% p.a. increase thereafter)	% 3.0%	3.5%	2.0%	2.0%	2.0%	2.0%

**Strategy Group – 14<sup>th</sup> November 2019**