



Summons and Agenda for the
Council Meeting

to be held on

13 DECEMBER 2011

at

6.00pm

SELBY

DISTRICT COUNCIL



To: All District Councillors

cc: Chief Officers
Directors

You are hereby summoned to a meeting of the Selby District Council to be held in the Civic Centre, Doncaster Road, Selby on **TUESDAY 13 DECEMBER 2011** starting at **6.00pm**. The Agenda for the meeting is set out below.

Martin Connor
Chief Executive
2 December 2011

AGENDA

Opening Prayers.

1. Apologies for Absence

To receive apologies for absence

2. Disclosures of Interest

To receive any declarations of personal or prejudicial interest in any items set out in the Agenda.

3. Minutes

To approve as a correct record the Minutes of the meeting of the Council held on 13 September 2011. Pages 3 to 11.

4. Communications

The Chairman, Leader of the Council or the Chief Executive will deal with any communications which need to be reported to the Council.

5. Announcements

To receive any announcements from the Chairman, Leader or Members of the Executive.

6. Petitions

To receive any petitions.

7. Public Questions

To receive and answer questions notice of which has been given in accordance with rule 10.1 of the Constitution.

8. Councillors' Questions

To receive and answer questions submitted by councillors in accordance with rule 11.2 of the Constitution.

9. Reports from the Executive

The Leader of the Council, and other members of the Executive, will report on their work since the last meeting of the Council and will respond to questions from Councillors on that work. Pages 12 to 19.

10. Reports from Committees

To receive reports from the Council's committees which need to be brought to the attention of Council. To receive questions and provide answers on any of those reports. Pages 20 to 22 .

11. The Medium Term Financial Strategy – Key Decision

The Council is asked to approve the Financial Strategy. Pages 23 to 69.

12. Selby District Council Core Strategy – Key Decision – TO FOLLOW

The Council is asked to approve the Core Strategy for Consultation.

13. Review of the Constitution

The Council is asked to approve changes to the Constitution as outlined in the report. Pages 70 - 75.

14. Urgent Action

The Chief Executive will report on any instances where he has acted in urgent or emergency situations under the functions delegated to him in the Constitution.

15. Sealing of Documents

To authorise the sealing of any documents necessary to action decisions of this Council meeting, or the Executive or any of its Committees for which delegated authority is not already in existence.

**SELBY DISTRICT COUNCIL
MINUTES**

Minutes of the MEETING OF COUNCIL held on Tuesday 13 September 2011, in The Council Chamber, Civic Centre, Doncaster Road, Selby, commencing at 6:00 pm.

30	Apologies for Absence
31	Disclosures of Interest
32	Minutes
33	Communications
34	Announcements
35	Petitions
36	Public Questions
37	Councillors' Questions
38	Reports from the Executive
39	Reports from Committees
40	Site Allocations DPD Preferred Options Stage and Other Local Development Framework Documents
41	Core Strategy Decision Making
42	The Corporate Plan
43	Overview and Scrutiny Work Programmes
44	Urgent Action
45	Sealing of Documents

Present: Councillor Mrs K McSherry in the Chair

Councillors: Mrs E Casling, I Chilvers, M Crane, J Crawford, Mrs D Davies, Mrs S Duckett, M Dyson, K Ellis, M Hobson, W Inness, Mrs G Ivey, M Jordan, C Lunn, D Mackay, Mrs C Mackman, J Mackman, B Marshall, J McCartney, Mrs M McCartney, C Metcalfe, Mrs W Nichols, I Nutt, R Packham, C Pearson, D Peart, A Pound, R Price, I Reynolds, Mrs S Ryder, Mrs A Spetch, R Sweeting and J Thurlow

Officials: Chief Executive, Deputy Chief Executive, Managing Director of Access Selby, Director of Business Services, Business Manager (ES) and Democratic Services Manager.

In attendance: Reverend Francis Loftus offered opening prayers.

Public: 15

Press: 2

30. **Apologies for Absence**

Apologies for absence were received from Councillors J Cattanach, J Deans, Mrs M Davis, Mrs P Mackay, Mrs E Metcalfe, R Musgrave, R Sayner and S Shaw-Wright.

31. **Disclosures of Interest**

Councillor Mrs S Ryder declared a personal and prejudicial interest in item 11 Site Allocations DPD Preferred Options Stage and other Local Development Framework Documents (minute 40) by virtue of her owning land identified as a potential allocation Site. She left the meeting during debate on this item.

32. **Minutes**

The minutes of the meeting of the Council held on 28 June 2011, were confirmed as a correct record.

Resolved:

To approve the minutes for signing by the Chairman.

33. **Communications**

Tadcaster Central Area Car Park

The Chief Executive reported correspondence received in relation to a Judicial Review of the Council's actions in respect of Tadcaster Central Area Car Park. All grounds for the Judicial Review had been dismissed in favour of the Council. The Chief Executive reported that there was still the possibility of an appeal.

Resolved:

To note the correspondence.

Boundary Commission for England

The Chief Executive reported correspondence received from the Boundary Commission for England. Council heard that the Boundary Commission for England had released proposals for changes to Parliamentary Constituencies across England. The proposals were subject to consultation. There was a significant change to the boundaries affecting Selby's constituencies. The Chief Executive would provide further details to all councillors via email.

Councillors requested that the Council submit a response. The response would be developed by Policy Review Committee and then approved by the Executive.

Resolved:

- i. **To note the correspondence;**
- ii. **To submit a formal response to the consultation via the Policy review Committee and the Executive.**

British Legion

The Chairman reported correspondence she had received from the British Legion requesting authority to sell poppys from the Civic Centre. Councillors unanimously approved the request.

Resolved:

To note the correspondence.

34. **Announcements**

The Chairman informed Council that she had recently visited Councillor J Deans, who had been in an accident whilst away on holiday. The Chairman stated that Councillor Deans' condition was improving.

Councillors asked that best wishes be sent to Councillor Deans.

35. **PETITIONS**

Gypsy and Traveller site at Brotherton.

It was reported that a petition had been received in connection with proposals to name a site at Brotherton as the Preferred Option for a Gypsy and Travellers Site in the Site Allocations Development Plan Document. Council noted that the matter was subject to discussion later on the agenda and that, in accordance with the Council's Petitions Procedure Rules, the petition would be considered as a consultation petition. The concerns of the petitioners would be considered as part of the consultation on the Preferred Options.

Barlow Common Nature Reserve

It was reported that a petition had been received in connection with proposals for the future operation of the Nature Reserve at Barlow Common. The issue was still being considered by the Executive and, in accordance with the Council's Petitions Procedure Rules the petition would be considered as an ordinary petition and reported to the Executive. The petition organiser would have the right to attend the Executive Meeting and address the meeting for up to three minutes on the issues covered by the petition.

36. **Public Questions**

None received.

37. **Councillors' Questions**

None received.

38. **Reports from the Executive**

The Leader of the Council reported on items on which the Executive had taken decisions since the last meeting of Council. He highlighted the Annual Report and the Corporate Plan Progress Report. He responded to questions from councillors in relation to his role in encouraging members of the public to contribute to the Corporate Plan through his attendance at Community Engagement Forums.

Councillor Mrs G Ivey, Deputy Leader and Lead Executive Member on External Relations and Partnerships, reported work she had undertaken with officers in reviewing the Leisure Contract. Mrs G Ivey responded to questions from councillors in relation to leisure provision across the District

She also provided Council with an update on the provision of affordable housing within Selby District and offered to respond to detailed questions outside of the meeting. She went on to highlight the importance of Council representation on the North Yorkshire Health and Wellbeing Board.

Councillor C Lunn, Lead Executive Member for Finance, reported on the Budget Exceptions report and the Interim Treasury Management report he had presented to the Executive. He responded to a question regarding the concordat with Harrogate and Craven and would provide more detail outside of the meeting. A councillor raised a question regarding the reduction in salary costs as a percentage of the total amount saved to which Councillor Lunn offered to respond outside of the meeting.

Councillor J Mackman, Lead Member for Place Shaping, reported the work undertaken by the Executive on the Site Allocations DPD which Council would discuss later in the meeting. He also highlighted the consultation exhibition on Olympia Park soon to take place at Barlby Bridge Primary School.

Councillor C Metcalfe, Lead Member for Communities, reported the work the Executive had undertaken on Countryside Management, Car Parking Charges and the future provision of CCTV.

Resolved:

To receive and note the reports from the Executive.

39. **Reports from Committees**

Chair of Scrutiny, Councillor Mrs W Nichols, reported on the Call In of the Executive's decision on Countryside Management. Councillor Nichols responded to questions regarding the committee's scrutiny of Transport provision and, in particular, the future provision of a number of bus routes across the District.

The Council agreed to co-opt Councillor Brian Marshall on to Scrutiny Committee with non-voting rights, whenever the Committee considers Crime and Disorder matters.

Councillor M Jordan, Chair of Policy Review Committee, reported on the Committee's work since the last Council meeting. He highlighted the Working Group that would be established, subject to Council approval, on the potential Gypsy and Traveller Sites as part of the Site Allocations DPD.

Councillor Mrs E Casling, Chair of Audit Committee, reported that the Committee had reviewed the Internal Audit Plan 2011/12 and Risk Management Report. Councillor Casling also added that the Committee would receive risk registers from Access Selby and Communities Selby.

Council agreed that Scrutiny Chairs could also produce written reports for future meetings.

Resolved:

To receive and note the reports from the Executive.

Having declared a personal and prejudicial interest in the next item, Councillor Mrs S Ryder left the meeting.

40. **Site Allocations DPD Preferred Options Stage and Other Local Development Framework Documents**

Councillor J Mackman presented the report which set out the Council's response to the recent consultation exercise regarding the Site Allocations DPD (SADPD) as part of the Local Development Framework.

Councillor J Mackman provided Council with a brief introduction to the document which had been discussed and examined at length by both the Executive and Policy Review Committee. He then gave details of the consultation process and the potential for continual changes to the document as more sites came forward.

The Council discussed the allocation of Gypsy and Traveller sites across the District. Councillor J Crawford questioned the communication process when potential sites came forward. He felt it was imperative that ward Councillors were informed at the earliest opportunity should any sites come forward within their wards. Councillor J Mackman acknowledged Councillor Crawford's concerns and gave a detailed explanation of the process which had taken place.

Councillor J Mackman provided Council with an update on the site at Brotherton. Following the landowner withdrawing the site, it was now necessary to find an alternative preferred option for the Gypsy and Traveller site. Councillor J Mackman proposed that the recommendation be amended to reflect the revised preferred site of Popular Farm at Whitley and, as a consequence, the reallocation of 10 residential units to site EGWH004.

Councillor J Mackman then moved discussion onto the five year supply of housing. He reminded councillors that the Council could not demonstrate adequate provision of a five year supply of housing. He felt it essential that the Council release all phase two sites. Councillor J Mackman proposed an amendment to the recommendation to clarify that 'all' phase two sites would be released. This was supported.

Resolved:

SADPD

- i. Council approve the Site Allocations DPD Preferred Options document at Appendix A to proceed to the next stage of consultation, subject to an amendment in respect issue G, the preferred site is EGWH10C Poplar Farm at Whitley and EGWH004 allocation be increased to 67.**
- ii. To request Officers undertake a 10-week public consultation process commencing on 22 September 2011;**
- iii. To delegate authority to the Managing Director of Access Selby after consultation with the Lead Executive Member for Place Shaping to deal with amendments agreed or requested at this meeting, prior to consultation;**
- iv. To commission Policy Review Committee to undertake additional work in relation to Gypsy & Traveller sites, on the basis of the terms of reference in Appendix C.**

5 Year Supply

- v. **To note the DRAFT Technical Report at Appendix B;**
- vi. **To agree to the release of all the Local Plan Phase 2 residential allocations, but with revised housing numbers consistent with those set out in the Site Allocations DPD Preferred Options;**
- vii. **That appropriate publicity be given and landowners notified;**
- viii. **To delegate authority to the Managing Director of Access Selby, after consultation with the Lead Executive Member for Place Shaping, to deal with consequential amendments to the SADPD in response to the release, prior to its consultation.**

Legal Representation at Core Strategy Examination in Public

- ix. **To note that Counsel will be appointed on behalf of the Council.**

Councillor Mrs G Ivey asked to be recorded as abstaining from the vote which took place on the Site Allocations DPD Document.

41. **Core Strategy Decision Making**

The Deputy Chief Executive presented the report. Council was reminded that the Core Strategy Examination in Public commenced on 20 September 2011 and would be heard by an independent Inspector.

The Deputy Chief Executive explained that during the course of the hearing, the Council may have to decide whether to accept or challenge a proposal of the Inspector and will not have the opportunity to take instructions. The Deputy Chief Executive requested a mechanism to delegate decisions to officers to facilitate the smooth running of the hearing.

Council debated the issue with particular reference to the level of officer delegation. Council approved an amendment to the second recommendation which removed the word 'non', allowing the Director of Community Services to challenge or accept minor matters.

Resolved:

- i. **To grant authority to accept or challenge minor amendments to be delegated to the individuals formally representing the Council at the hearing;**
- ii. **Authority be granted to the Director of Community Services to accept or challenge minor matters;**
- iii. **The authority to accept or challenge controversial matters be delegated to the Director of Community services after consultation with the Leader of the Council.**

42. **The Corporate Plan**

Councillor M Crane, Leader of the Council, presented the Corporate Plan for approval and adoption by Council.

Councillor Crane informed Council that the report had been created in a new format. Councillor Crane outlined that a more traditional action plan would sit below this document.

Resolved:

To approve and adopt the Corporate Plan 2012 - 2016.

43. **Overview and Scrutiny Work Programmes**

The Chief Executive introduced the report which asked Council to approve the Council's Overview and Scrutiny Committee Work Programmes.

Councillor Mrs W Nichols, Chair of Scrutiny, made a minor amendment to the Work Programme, the Committee would look at Choice Based Lettings on 22 November 2011.

In addition to its Work Programme, Councillor M Jordan, Chair of Policy Review, requested that the Committee formulate a response to the Boundary Commission for England's proposals at its meeting on 1 November 2011. The amendments were approved.

Resolved:

The Work Programmes be approved by Council.

44. **Urgent Action**

The Chief Executive reported that he had used his urgency powers in respect of approving Councillor J Mackman to attend a Conference in line with his Executive Portfolio. The costs of the conference would be met from the Councillor Training budget.

The Chief Executive reported that he had taken action to allow minor drafting and editorial changes to the Core Strategy and the Local Development Framework. All changes had been made after consultation with the Leader of the Council.

Resolved:

To approve the action taken by the Chief Executive.

45. **Sealing of Documents**

To authorise the sealing of any documents necessary to action decisions of this Council Meeting, or any of its Committees and Boards for which delegated authority is not already in existence.

Resolved:

To grant authority for the signing of, or the Common Seal of the Council being affixed to, any documents necessary to give effect to any resolutions hereby approved.

The meeting finished at 8.10pm.

I have had meetings with developers for both the Olympia park site and the Rigid paper site. The Olympia park site has the support of the landowners and also the council, this has the ability to improve an area of the district and bring both jobs and houses.

The council continue to market the land at former civic centre site, there is some interest in the land and I anticipate a sale in the new year. I presented a report to the Executive on the corporate plan and was delighted to report that there are some very encouraging results, especially against the backdrop of the savings made in the year to date.

I attended a meeting in Whitley to explain the current situation regarding a gypsy and traveller site, I received several letters concerning potential sites.

Mark Crane
Leader

Cllr Gillian Ivey.
Executive Member for Partnerships and External Relations

Report to Council on December 13th 2011.

During the past three months I have represented the Council at a number of meetings and events across West and North Yorkshire.

The Police and Crime Panel. A steering group has met to prepare for the setting up of the Police and Crime Panel, to which Local Authority members will be appointed at Annual Council in May. Each Local Authority in North Yorkshire, plus York and North Yorkshire County Council will have an elected member representative. Election of The York & North Yorkshire Police Commissioner will take place in November 2012.

Trans Pennine Trail Annual Meeting. Held in Sheffield this year, the Annual Meeting is attended by representatives from all 26 local authorities through which the Trans Pennine Trail runs. Members review the work done on the Trail during the past year and raise any issues around maintenance and upgrades required. It is hoped that Selby will be hosting this meeting in 2012.

Inaugural meeting of the Danvm Drainage Commissioners. Five councillors from SDC will be members of this board once the amalgamation takes place in April 2012 – taking in Went, Knottingley to Gowdall, Dun Drainage (Doncaster) and Dove & Dearne (Rotherham)

York & North Yorkshire Housing Forum: at which members received an update on the restructured HCA (Homes & Communities Agency) and funding available. There were updates and discussions around North Yorkshire Vision for Care, and the JSNA (Joint Strategic Needs Assessment) also a presentation on the 'Save our Villages' campaign.

I have also..... toured the new Affordable Housing Development on the site of St. Richards Church in Selby, where 11 affordable homes and new church hall/community facilities are nearing completion. SDC has worked on this project in partnership with Yorkshire Housing and Selby Abbey.

... Attended the Opening of CCPilot100+ at Ferrybridge Power Station, on November 30th including a tour of the Carbon Capture Facility.

... And answered questions at Policy Review Committee, on the Affordable Housing DPD.

All members of the Executive have contributed to further work on the Core Strategy, and on the Budget for 2012/3

At the Executive meetings, I have presented the following reports:

- Annual Review of Leisure. The Council and the Leisure Trust have developed a very positive partnership during the life of the contract to date (it commenced in 2009) and the upgraded facilities at Tadcaster and Selby have seen a significant increase in membership. The Trust is committed at a high level to develop our 'Living Well' priorities with the Council.
- CCTV provision.

Councillor Cliff Lunn – Executive Member for Finance and Resources

It has been a particularly challenging time since last the Council meeting, I have been working with our s151 officer, Executive colleagues and senior officers to formulate a robust approach to financial planning amidst the turmoil of the economy and the Government's forthcoming resource review. We have made some great progress in achieving the savings we need but it is likely that there will be more to come as our resources continue to tighten.

I have also taken the opportunity to brush up my treasury management knowledge and attended a very informative training session with Sector, the Council's treasury management advisors.

And as part of the Executive's work programme I have presented a number of reports to the meetings in October, November and December:

Executive 6 October

MEDIUM TERM FINANCIAL STRATEGY – the Executive approved the draft strategy for scrutiny by Policy Review and then for onward submission to full Council for approval – the strategy, which is part of the Council's budget and policy framework, is the subject of a separate report on this Council agenda.

FUTURE PROVISION OF INTERNAL AUDIT - the Executive approved the merger of the North Yorkshire Audit Partnership with Veritau (a company created by NYCC and CYC to provide internal audit services to both councils).

A new subsidiary of Veritau – Veritau (North Yorkshire) Ltd will be created to provide internal audit services to the present NYAP partner councils. Veritau Ltd will hold 50% of the shares and each district council will hold an equal share of the other 50%.

The merger, which will take effect from 1 April 2012, will bring further savings from a service that has already delivered savings through the current partnership, whilst improving the quality of service.

This is the Council's first shareholding in a local authority owned company and provides an exciting opportunity to embrace a new way of working.

LEISURE PLANNED MAINTENANCE PROGRAMME – the Executive approved a year 3 maintenance programme under the terms of the Council's contract with Wigan Leisure and Culture Trust.

The main items of expenditure are the renewal/refurbishment of the calorifier and the renewal of the roof at Abbey Leisure Centre.

In total the year 3 projects are estimated to cost £137k and will ensure we continue to meet our landlord responsibilities and have facilities that our customers value.

REQUEST FOR WRITE OFF – the Executive approved the write-off of a remaining debt for an industrial unit at Sherburn Enterprise Centre.

Executive 3 November

FEES AND CHARGES 2011/12 – the Executive approved proposals for fees and charges for Water Sampling Fees and Committee Room Bookings, that were not in line with the standard policy of RPI in order to achieve cost recovery.

The proposals are estimated to achieve an additional £2,110 p.a. over and above an RPI increase.

BUDGET EXCEPTIONS – this report provided an update on actual income and expenditure against budget for the 1st half year and provided details of major variations that are forecast.

Latest projections for the year are encouraging and show a small profit for Access Selby - £69k on the General Fund and £84k on the HRA. Other business areas are currently forecasting breakeven.

An issue with damping proofing works to our housing stock has been identified and the Executive approved the virement of £59k savings from solid fuel servicing and electrical rewiring to cover the anticipated damp proof works.

TREASURY MANAGEMENT - this report reviewed the Council's investment and borrowing activity for the 1st half of the current financial year:

Interest rates have continued at their low level and forecasts for a rise have been put back to late 2012 – buoyant cashflow means that we are on track to achieve our investment income budget.

We had long term borrowing of just over £10m as at 30th September and the Council's affordable limits for borrowing have not been breached.

We await final details of the debt settlement from the reform of the Housing Subsidy system – the Localism Act has now received Royal Assent and debt transfer is scheduled for 28th March 2012. This is a major change for the Council and a briefing for all Councillors is being arranged.

COMMERCIAL WASTE CHARGES (private session) – the Executive considered a report from Access Selby covering options for increased Commercial Waste Charges based on assumed full cost recovery.

A 7.5% increase in lift price was approved but the Executive asked Access Selby to look again at the potential for a more commercial approach to marketing and charging.

Executive 1 December

DRAFT BUDGET AND MEDIUM TERM FINANCIAL PLAN – this report presented the Executive's draft revenue budget and capital programme for 2012/12 to 2014/15 and subject to comments by the Policy Review Committee will be brought to full Council on 28 February 2012, for consideration as part of your formal budget and Council Tax setting.

Cliff Lunn
Executive Member for Finance and Resources

Cllr John Mackman
Executive Member for Place Shaping

Report to Council on December 13th 2011

This report covers the period September-November which involved attendance at numerous Executive/Executive briefing meetings, attendance at Policy Review meeting (for SADPD), North Yorkshire Building Control Board, Selby Internal Drainage Board, CEF meetings, the Core Strategy Examination in public and local Parish Council meetings.

Work Programme Key Points

1) The LDF Core Strategy (CS)

At the request of the Council the Examination in Public (EIP) Inspector agreed to adjourn the EIP to allow the Council to carry out further work to address his specific concerns. Working with Officers this work is progressing and I expect to report on this at Council on December 13th when approval will be sought from Council to proceed to public consultation on the proposed amendments to the Core Strategy (CS).

The work involved is quite complex and as usual in the planning arena finely balanced against a very tight timescale. I attended the final day of the EIP to here the closing submissions of all the attendees including Counsel and the Inspector. It was interesting to note the diverse range of opinion that existed which now has to be reconciled by the Inspector.

2) The Site Allocations DPD Preferred Options (SADPD)

Following my presentation to Council in September and with the approval of Council this key LDF document is due to reach the end of its current 10 week consultation period in early December. The results of the consultation will then be reviewed by Officers and responses to representations formulated together with consideration of the response to the further general and specific call for sites which accompanied the SADPD. The objective will be to review that the overall land availability meets the requirements of the proposed Core Strategy housing distribution.

Looking forward the SADPD must take its lead from the Core Strategy and accordingly it will need to reflect any changes made to the CS as a result of the further work in progress to address the EIP Inspectors concerns.

At this stage therefore it seems unlikely that the SADPD will be finalised until after the Core Strategy EIP is concluded next year and the CS adopted by Council. At this point we can then give certainty to the final housing numbers and their distribution and proceed with confidence to the next round of public consultation.

3) Village Design Statements (VDS's)

Following full public consultation in cooperation with Parish Councils the latest round of VDS's covering 15 local villages have been approved by the Executive following presentation by the writer.

The VDS's will now be referred to Policy Review for consideration and comment before a final proposal is put to Council for adoption as Supplementary Planning Documents

4) The 5 Year Land Supply

As I reported at September Council as Local Planning Authority (LPA) we have released the remaining Phase 2 Housing Sites from SDLP in order to maintain the statutory 5 year housing land supply. These releases will also cover the required 20% uplift (i.e. 6 yr land supply) likely to be required by the new National Planning Policy Framework which is expected to be enacted in spring 2012. These released sites are essential to strengthen and stabilise the LPA position ahead of the adoption of the Core Strategy and SADPD.

5) Draft Budgets & Medium Term Financial Plan

All members of the Executive have been involved in the annual financial planning towards the 2012/13 Budget in particular and the medium term financial plan

John Mackman

Chris Metcalfe Executive Member for Communities

Since the last meeting of council my duties have included the following:

I attended all Executive meetings and briefings per the work plan (with the exception of the December 1st Executive), plus additional briefings to discuss the budget, the core strategy and the implications to the authority on the proposed changes to the planning framework along with the proposed changes to council funding, in particular the retention of business rates.

I presented the report on the review of car park charges to the Executive for approval post the consultation period. In response to points raised by Policy Committee and local businesses the proposal was amended to include free car parking for the two Saturdays preceding Christmas for the next two years.

I am leading on two work streams based on “Tackling the Tough Stuff” as outlined in the corporate plan. They include

1) Tackling the Tough Stuff - Gypsies and Travellers

I have had an initial meeting with a small team of officers to scope the issue, to understand the purpose of the work, what are the objectives along with the benefits and impacts for the council. We have also indentified the partners we need to consult with and developed a forward work plan.

2) Tackling the Tough Stuff – Tadcaster

I chaired an initial meeting with a small team of officers to scope this issue and have followed the same process as above. This piece of work will focus on working with the Tadcaster and Villages Community Engagement Forum to focus on a number of key objectives that will make a material difference to the wellbeing of the town. At this time we have not put into place a forward work plan until we have engaged in dialogue with T@V's Partnership Board on an agreed way forward. Much depends on the outcome of the future proposals for increased housing development in the town as indentified in the Core Strategy.

Following on from my observations of a number of our Community Engagement Forums a paper was developed by Rose Norris titled “Community Engagement Forums. Are they working?” This paper was presented to the Leader of the Council with a list of proposals.

The Leader has supported the proposals in the paper. Since then I have had the initial meeting of the CEF Chairs group to discuss the issues and to develop a way forward that will enable Community Engagement Partnerships to effectively focus on the objectives outlined for them in the Corporate Plan. The first meeting contained some vigorous debate and some

good ideas came forward, my thanks to all those who contributed to a positive first meeting. The next meeting is to look at “Increasing Participation”

I was invited to attend the launch of the “AVS Community Calendar 2012” on the 4th of November. It was an enjoyable event and one that I found rewarding and informative in my communities lead role. There a large number of people doing very significant work in the district and making a real difference to people’s lives. I have suggested that these groups make themselves known to the Community Partnership Boards to explain what they are doing in each of the CEF areas and how they can assist in delivering specific projects that would enhance the quality of life in those CEF areas, based on the Partnership Boards ability to commission services that will deliver their Community Development Plan.

Finally, I attended the York Business Conference on the 18th November to listen to the views of Economists and York University Academics’ on the future for the local economy over the next few years and to hear from the Leader of York City Council his views on the York Economic Strategy 2011-2015 and to understand what implications there may be for the Selby District. The leader made it quite clear that he did not see York as an “Island” and was keen to have dialogue with his neighbours. The business community was critical of local government in so much that we did not understand the obstacles’ that were holding back growth, namely planning bureaucracy and the time taken to gain approval. There is a clearly a job of work to do here on improving the way that we have dialogue with the business community.

Merry Christmas to all from the sunny side of the world.

Chris Metcalfe

The Policy Review Committee have met twice since the last full council.

1 November 2011

The first meeting was the normal pre agreed meeting and we discussed:

1. Providing a response to the Boundary Commissions initial proposals---a response was formulated and sent to the Executive.
2. Affordable Housing strategy---a presentation was given by the Exec member responsible (Cllr Gillian Ivey) along with 2 further officers.
3. Financial Strategy looking ahead for the council. We discussed setting the framework for the immediate budget for 2012/13 with reference to tax levels and the new homes bonus.

24 Extraordinary Meeting 2011

The second meeting was an extraordinary meeting to discuss the Executive Report on the Core Strategy. The day was set up with the Executive meeting at 9.30, Councillor Mrs A Spetch and I attended to observe the public session.

At the end of that meeting a report was then prepared by officers for the Policy Board to meet and discuss at 1.30pm. (I am very grateful for those members that were able to attend during the day and understand the issues with those unable to attend due to timing of the meeting).

Time was taken to read the new report prepared over lunch by officers, and then debate took place. Recommendations were then made to the Exec who met again later that day in a briefing meeting.

Policy Review recommendations were:

- (i) The note the report;**
- (ii) To support the Executive in asking the Council’s consultants to provide evidence of the sustainability of housing growth on a range of 450 to 465 dwellings;**
- (iii) To request that the Executive amend the recommendation to read:
More detailed policy proposals and Proposed Changes to the Core Strategy be developed for approval by the Executive, taking into account the Green Belt Policy as amended;**
- (iv) To request that the Executive amend the recommendation regarding housing at Tadcaster to read:
In respect of the shortfall of housing in Tadcaster, to approve Plan A to accommodate the shortfall in Tadcaster.**

Chair of Scrutiny – Councillor Wendy Nichols

The Scrutiny Committee has met twice since the last full council.

20 September 2011 – the Committee considered:

1. Crime & Disorder Review – North Yorkshire Police Authority and the Community Safety Partnership provided several reports with statistical information on crime and disorder in the district which also covered the Safer Neighbourhood Teams local priorities.
2. New Homes Bonus Scheme – The committee were informed that the New Homes Bonus was available for four years commencing 2011/12. The scheme promotes growth and the development of new homes in the area.
3. Section 106 Agreements – In 2014 there would be a new Community Infrastructure Levy which would be a tariff rather than a 'need basis' facility. This would replace the Section 106 Agreements. The new system could be implemented prior to 2014.
4. Access Selby Provision – Waste and Recycling provision – Officers updated the committee on the roadside collection system, waste collection in the area.
5. 1st Quarter Corporate Plan – Councillor Crane update the committee on the current performance levels of the council. Access Selby have made sound progress through quarter 1 in ensuring the systems available can capture and extract the data needed to measure the key performance indicators.

22 November 2011

1. Choice Based Lettings - A Housing Officer presented a report which provided information on the North Yorkshire Home Choice – Allocations Choice Based Lettings Scheme. The new system was explained and how residents can access the new system. Selby District Council entered the partnership on the 7 July 2011.
2. 2nd Quarter Corporate Plan Report – The interim Corporate Plan report provided details of Access Selby key performance indicators following the 2nd quarter of reporting for the financial year 2011/12.
3. Crime and Disorder Update – NYPA presented a report, for information, on the Safer Neighbourhood Team priorities.
4. Access Selby Service Provision – Customer Contact Centre – The committee heard that following the Civic Centre move to the Doncaster Road site there had been an increase in the number of telephone calls received at the Contact Centre. There is a dedicated Councillor telephone line which elevates the Councillors calls to the top of a waiting call list.
5. Access Selby Service Provision – WLCT - The contract between Selby District Council and WLCT had now been in place for two years and had recently completed its first formal review. The review looked at the achievements of the service as well as key strategic objectives moving forward. Highlights included the refurbishment of both Abbey and Tadcaster Leisure Centres and the increase in gym membership.

Chair of Audit committee Statement

At the last committee meeting on 28th September the committee the main report was the Statement of Accounts 2010-11.

- New arrangements to meet International Reporting Standards and revised Accounts and Audit regulations had been introduced and the changes affected how the accounts were prepared and presented as well as the timetable for publication of the accounts.
 - The new reporting method explained the large variances shown Movement in Reserves Statements and the committee heard how the major change in deficit was due to the valuation of Council House stock.
 - As chair, I would like to congratulate all the hard work Nicola Chick and her team have done on the accounts throughout the year.
 - The Annual Governance Report was presented by Robert Chambers, Audit Manager from the Audit Commission's regional office in Leeds. He informed the committee that the council had strong mechanisms in place. He said that given the test provided by the economy, the council was still able to prioritise within strict budgets and remain focussed.
-
- There two other main issues which the committee regularly get updates on.
 - Firstly, risk management and the mitigation of risk within the organisation is increasingly important due the recent change agenda and the external and internal financial climate.
 - The Corporate Risk Register has been modified to reflect these changes. The committee is planning on taking an active role in monitoring these risks by interviewing corporate risk managers on how they diminish them. We plan to start doing this in January.
 - We will also examine the risk registers of Access Selby and Communities Selby with a view to doing the same.
-
- Secondly, the control environment in which the council operates is crucial to robust financial and performance information and therefore actions. All committee members are emailed the results of all audits completed and are given the chance to question the report in order to facilitate this function.
 - Should any raise enough concerns, then the relevant officer is asked to come before the committee. Having said that the majority of audits are completed and are rated "satisfactory"
 - I wish to thank all past and present members who actively taken part in this role.

Public Session

Report Reference Number (C/11/6)

Agenda Item No: 11

To: Council
Date: 13 December 2011
Author: Karen Iveson, Executive Director
Lead Officer: Karen Iveson, Executive Director
Executive Member: Councillor Cliff Lunn

Title: MEDIUM TERM FINANCIAL STRATEGY

Summary: This report presents the Executive's proposals for the draft Medium Term Financial Strategy (following scrutiny by the Policy Review Committee), to support delivery of the Council's objectives and priorities over the next 4 four years.

Recommendations:

- i. **It is recommended that the Medium Term Financial Strategy be approved.**

Reasons for recommendation

To set the framework for the 2012/13 budget and 2012 – 2014/15 Medium Term Financial Plan.

1. Introduction and background

- 1.1 This report presents a draft financial strategy following scrutiny by the Policy review Committee. It considers the requirements of a refreshed financial strategy in light of the cuts to public sector funding and the on-going turmoil in the wider economy.

2. The Report

2.1 The 10 year financial planning model has been updated using a variety of assumptions which are explained in section 4 of the strategy. Overall the strategy takes a cautious view of resources, given the uncertainty of the Government's resource review.

2.2 Since the strategy assumptions were last updated inflation forecasts have been revised upwards and medium term investment rates have been brought down:

Investment interest - In order to bring some stability to the budget the strategy proposes that investment returns to support revenue spending are capped at £300k – with any excess receipts being transferred to earmarked reserves.

Inflation - Average inflation forecasts have been increased by 1% each year (so from 2.5% to 3.5% for 2012/13 and from 2% to 3% thereafter).

Together these adjustments have widened the gap between spending and resources by some £500k by 2014/15.

2.3 Formula Grant is extremely difficult to predict given the proposals for business rates and the impact of top slicing to fund the new homes bonus as well as the cuts previously announced. The strategy assumes inflation on 'grant' at 2% p.a. after the cuts in 2014/15. Any potential growth in business rate income will be treated as a 'one-off' resource and set aside to fund future losses or be allocated to project resources should sufficient funds be available.

2.4 The strategy proposes that Council Tax Freeze Grant be treated as a one-off resource and is transferred to the Spend to Save Reserve.

2.5 The strategy also assumes an inflationary increase on Council Tax – i.e. 3.5% for 2012/13. Since the strategy was written the Government have announced a further incentive for Councils to freeze Council Tax. Any deviation from the strategy assumptions will impact on the resources available to support the revenue budget and in the case of a freeze in Council Tax it is likely that further savings will be needed to compensate for the reduced Council tax income.

2.6 At this stage no new reserves are proposed and the planned level of reserves is considered reasonable.

2.7 Fees and charges are generally expected to keep pace with inflation. A new system for planning fees is expected for April 2012 but we still

awaiting final details. Legal challenges to Land Charges income mean that this business area is at risk.

- 2.8 There are further legislative changes that may have financial implications but at this stage it is not possible to quantify these – we will keep a watching brief and refresh the strategy assumptions as necessary.
- 2.9 The 10 year model has been updated using assumptions explained within the strategy. Resources are estimated at between £10m and £11m over the next 3 years and beyond – some £500k short of the forecasted net revenue budget (subject to the decision on Council Tax).
- 2.10 It is assumed that General Balances will be used to support the revenue budget for 2012/13 but not thereafter.
- 2.11 Any gap between revenue spending and resources by 2014/15 will require additional savings.
- 2.12 Capital receipts are looking promising with some movement on land sales at Riccall and Portholme Road – taking account of current commitments we should have between £2.6m and £2m over the life of the strategy.
- 2.13 Project Reserves are planned to be sustained through Council Tax Freeze Grant and New Homes Bonus – subject to assumptions there may be £2.8m available over the life of the strategy.
- 2.14 The strategy does not revisit the budgeted cost envelopes for Access Selby etc but reiterates the approach. Cost envelopes will be refined as part of the 2012/13 budget process.
- 2.15 We are on track to achieve our savings target in 2011/12 although still have savings to identify for 2012/13 onwards. This is largely due to the planned new income generation through Access Selby. As part of the next business planning cycle opportunities for savings and income generation will be explored and initiatives added to the plan.
- 2.16 In addition to the current plan a further £500k is proposed to be added to the savings target, although this is subject to review depending on the Executive's budget proposals and the decision on Council Tax for 2012/13.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

None arising from the report.

3.2 Financial Issues

As set out in the report and the strategy.

4. Conclusion

- 4.1 The draft Medium Term Financial Strategy identifies the major financial issues the Council is facing and presents a framework which aims to ensure the Council can cover its commitments now and into the future. It also aims to provide resources for future investment in the district, whilst taking a measured and responsible approach to local taxation and charges for services.

5. Background Documents

- 5.1 None

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Appendices:

Appendix A - Draft Medium Term Financial Strategy

Selby District Council

Medium Term Financial Strategy

1. Introduction
2. Strategic Context
3. Financial Strategy Objectives
4. Budget Pressures and Issues
5. 2012/13 – 2014/15 and 10 Year Financial Outlook
6. Service Delivery Budget Envelopes
7. Savings and Efficiencies

Appendices:

- A Progress report
- B Inflation – consolidated rate
- C PFI cash flows
- D Fees and charges
- E 10 year financial forecast (mid case)
- F Savings action plan

1 INTRODUCTION

- 1.1 This document sets out the Council's financial strategy for the three years 2012/13 to 2014/15 within the context of the Council's longer term financial position. It provides the strategic framework for medium term financial planning and annual budget setting.
- 1.2 This strategy covers the Council's General Fund activities only. The Housing Revenue Account and Housing Investment Programme are covered separately in the Housing Business Plan which will be refreshed as the details of the reform of the HRA subsidy system become clearer.
- 1.3 Equally this strategy does not cover treasury management activity, although the financial consequences of such activity are contained within the financial projections. The Council's approach to treasury management is contained within the Treasury Management Strategy and Policy Statement which are approved by the Executive each year.
- 1.4 The overall aims of this financial strategy are to deliver a balanced and sustainable budget over the medium term planning period, to support delivery of the Council's corporate objectives and ensure future financial resilience.
- 1.5 In order to achieve these aims this document:
 - Identifies the financial challenges faced by the Council
 - Identifies the base position for 2011/12 and includes a forecast of the Council's financial position for 2012/13 to 2014/15
 - Models the financial outlook out to 2020/21
 - Sets out clear actions for dealing with the challenges identified
- 1.6 In looking ahead, a number of key assumptions need to be made and these are highlighted and explained. Inevitably things will change over the life of the strategy – the economic climate continues to be uncertain and forecasts of interest rates and inflation are particularly difficult to predict.
- 1.7 Furthermore the pace of legislative change following the election of the coalition government is likely to bring about changes which will have significant impacts upon the Council's services and financial position. Therefore this strategy will be kept under close review and will be refreshed at least annually in advance of the budget setting process.

2 STRATEGIC CONTEXT

- 2.1 This Strategy supports delivery of Selby District Council's Corporate Plan – it provides the financial context within which the Council is operating, identifies the financial challenges the Council is facing over the coming three years and beyond, and sets out how these challenges and their associated risks will be mitigated.
- 2.2 The Financial Strategy is part of a suite of strategy and policy documents (including the Sustainable Community Strategy and Local Development Framework) that set out the Council's aims and objectives for the Selby District and the services the Council provides, which together, work towards a '**Stronger Selby District**'.
- 2.3 The Council's vision for a 'Stronger Selby District' is set out new Corporate Plan. The plan identifies 5 'Big Things' that the Council will work on over the next 4 to 5 years:-
- Tough times call for a **stronger council** fighting your corner and getting everyone working together
 - it's all about **changing places** and helping others to see our district through new eyes
 - we want to work with others to make this a great place with people **living well** and leading happy and healthy lives
 - and we won't be afraid of **tackling the tough stuff** - that might otherwise knock us off course
 - which means being **switched on** to what's happening around us, knowing what's important and being fit for the job.
- 2.4 The Corporate Plan has been developed against a backdrop of severe economic constraints following the financial crisis of 2008 and ensuing economic recession, as well as major policy and legislative change following the change in Central Government control in May 2010.
- 2.5 There are a number of legislative and policy changes currently under consideration which have the potential for far reaching financial implications for the Council – examples include: the Localism Bill; open public services; localisation of Council Tax Benefit. At the time of writing this strategy it is not possible to be specific about the impact that these changes may have, but the emerging financial implications will be kept under close review.
- 2.6 The Council has and continues to undergo major change, having introduced new executive arrangements and implemented a radical response to the cuts to public sector funding. Our new organisational model separates commissioning from service delivery and is currently 'testing' an arms length 'contractual' relationship between a small support core and Access Selby (the new service delivery arm of the Council).

- 2.7 These changes are designed to make the Council more efficient and more readily able to cope with volatility and uncertainty by enabling flexible resources to be deployed where they are needed most, whilst keeping costs down.

Draft

3 FINANCIAL STRATEGY OBJECTIVES

3.1 As highlighted in the introduction, the overall aims of this Financial Strategy are to deliver a balanced and sustainable budget over the medium term planning period, to support delivery of the Council's corporate objectives and ensure future financial resilience.

3.2 In order to achieve these broad aims a number of critical objectives have been identified:

- I To enable the Council to understand its medium to longer term financial position
- II To provide clarity over the revenue and capital resources available
- III To inform decision making on the distribution of resources to deliver the Council's corporate objectives
- IV To ensure the Council can set a Council Tax that avoids central Government intervention
- V To enable the Council to plan and manage its day to day spending within affordable limits without undue reliance on balances and reserves
- VI To identify future budget 'pressure points' in order to plan accordingly and avoid unnecessary remedial action
- VII To strengthen the Council's balance sheet position
- VIII To support a prudent, affordable and sustainable level of both revenue and capital investment
- IX To create financial capacity to deal with uncertain, volatile and unforeseen cost pressures
- X To contribute to longer term planning and delivery of the Council's strategic vision

3.3 Progress towards achieving these objectives will be monitored and reported to councillors in accordance with the monitoring report template set out at Appendix A.

4 BUDGET PRESSURES AND ISSUES

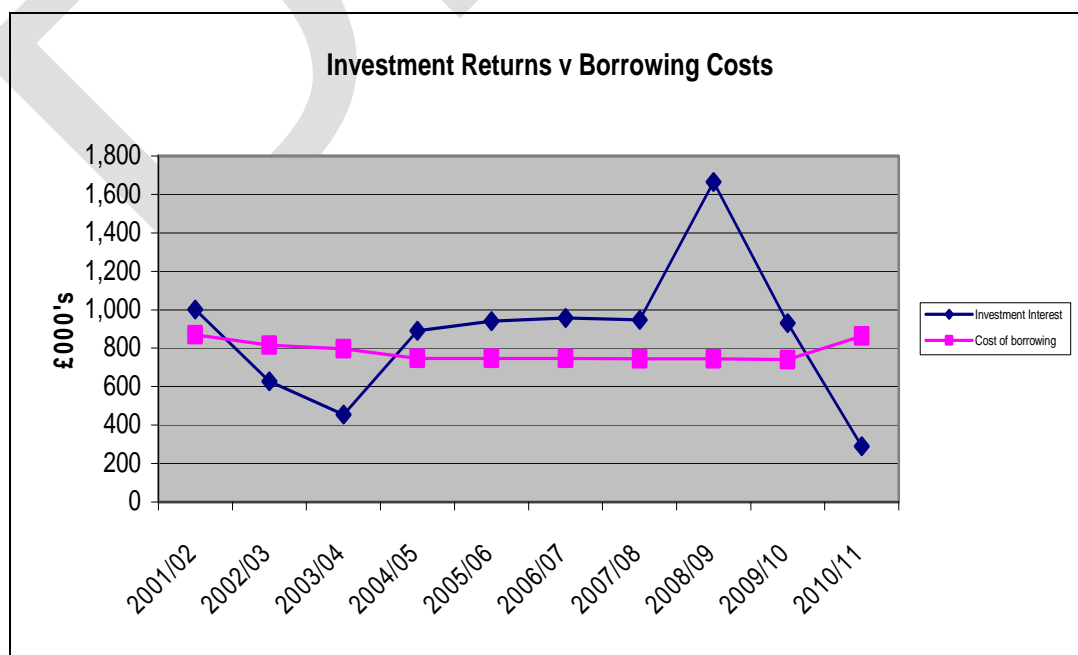
ECONOMIC CLIMATE

General

- 4.1 The on-going fragility of the UK economy (and that of the Eurozone and wider global economy) continue to give cause for concern. Gross domestic product has remained weak and subsequent data releases are pointing to a less than optimistic outlook for a pick up in the short term. All this is happening with the full impact of austerity measures still to be felt. Confidence levels remain depressed, employment prospects do not appear to be improving and real incomes are being squeezed by high levels of inflation, taxation and utility bills are due to rise at the end of September. Some economists believe that a double dip recession is now possible. It is difficult to see where growth is coming from with the wider global concerns impacting on business and offering no great incentive to increase production or invest in capital goods or staffing levels. The Treasury has factored reasonable growth forecasts to support their deficit reduction programme and slowing growth and activity levels will cause concern.

Interest rates

- 4.2 Interest rates have been at an historic low for 30 months, which has had a devastating impact on the Council's investment returns, whilst the cost of borrowing has remained relatively high. This strategy does not cover Treasury Management activity but out of necessity attempts to forecast investment returns and the cost of borrowing, based on the information available at the time writing. The following chart illustrates the decline in investment returns against the cost of funding the Council's debt.



- 4.3 Over the last 10 years we have achieved investment returns of £8.7m against borrowing costs of £7.8m.
- 4.4 The approved Medium Term Financial Plan is based upon rates of 1.25% for 2011/12, 2% for 2012/13 and 3% for 2013/14. We are currently achieving just over 1% in 2011/12 and our treasury management advisors are now forecasting average rates of between 0.75% and 1.5% for 2012/13, and between 2.00% and 2.5% for 2013/14, which could cost the Council £300k by March 2014.
- 4.5 Changes to the Housing Subsidy system are expected to have major Treasury Management implications which will impact on the General Fund as well as the HRA. These will be factored into the strategy once the details are known.

Key assumptions

At this stage it is not possible to predict the full implications for the General Fund of the reform of the HRA subsidy system with any certainty and therefore this strategy assumes status quo with regards to the level and profile of borrowing. Any new borrowing will be subject to prudential limits and affordability tests.

Treasury Management activity will be undertaken in accordance with the Council's Treasury Management Strategy and savings in fixed rate borrowings will be used support the annual revenue budget.

Growth in investment interest beyond a cap of £300k will be removed from the base revenue budget and used to support future spending plans.

Inflation

- 4.6 Inflation is a key issue for the Council, particularly when rates are high relative to income growth. This strategy uses a consolidated rate of inflation to project spending and income. The rate is derived from a high level analysis of income and expenditure and a forecast of inflation rates for each subsequent category. Appendix B shows the detail of this calculation.
- 4.7 The Local Government pay freeze over the last 2 years has helped to mitigate the impact of RPI running at around 5% - 35% of the Council's expenditure (excluding benefit payments) is staff related. However the Council is also locked in to a number of contracts which use RPI for annual uplifts (e.g. the street scene contract at £3.7m p.a.). We will always endeavour to negotiate more favourable terms with our contractors but this strategy assumes that contractual terms will apply.

RESOURCES

Formula grant

Formula Grant Cuts

- 4.8 The October 2010 Comprehensive Spending Review announced cuts in formula grant of around 30% (front loaded in 2011/12 and 2012/13) for local government over the 4 years to 2015 and also signalled a complete review of local government funding to reduce (or eliminate) the reliance on general taxation to fund local government services.
- 4.9 The local government finance settlement in December 2010 confirmed the cuts for 2011/12 and gave a provisional settlement for 2012/13. The impact on Selby is therefore estimated as follows:

Projected Grant Settlement for Selby

Year	£000's	Formula Grant £000's	Change %
Settlement 11/12		5,252	-14.41
- RSG	1,240		
- NNDR	4,012		
Provisional 12/13		4,677	-10.94
CSR 13/14		4,635	-0.90
CSR 14/15		4,376	-5.60

- 4.10 The Government's 'Resource Review' is expected to significantly change the way that local government is funded. At the time of writing this strategy, proposals for changes to the Business Rates system are open to consultation.
- 4.11 Furthermore the on-going impact on Formula Grant of the Government's New Homes Bonus, is not clear. The Government have committed additional resources of up to £250m per annum to 2014/15. From the year 1 allocations, it is expected that these resources will only be sufficient to cover year 1 tax base growth. The Government have stated that bonus awarded beyond the additional resources earmarked, will be top sliced from Formula Grant and at this stage it is not known how this top slicing will impact on individual councils.

Business Rates

- 4.12 The complexities of any proposed change to this system mean that at this stage it is not possible to say with any certainty, what the final scheme design will be. However from the details of the consultation it is expected that current levels of business rate funding will form the basis of any future level of funding, along with a system for subsequent growth

or decline in business rate yield. It is not expected that councils will be free to set their own rate.

- 4.13 Historically Selby has seen some significant fluctuations in business rate yield. Furthermore the power stations within Selby district account for around 29% of total business rate yield. Changes in operations which lead to reduced rateable values can have a significant impact on the overall business rate yield for the Council – for example a refund of £1.6m was made in 2011/12 (relating to 2006/07 and 2007/08) to one of the power stations. In future such reductions could cost the Council – based on current NNDR Pool receipt this would equate to an income loss of around £200k. Clearly such fluctuations (up or down) will make financial planning difficult.

Business Rate Yield – Selby District

	2007/08 £m's	2008/09 £m's	2009/10 £m's	2010/11 £m's	2011/12 £m's
Net Yield	36.1	35.5	27.5	27.2	31.1*
% Change		-1.7%	-22.5%	-1.1%	+14.3%

*Estimate

- 4.14 The application of such a system in two tier areas is unclear and the potential for pooling adds even more complexity, therefore it can only be assumed that any growth or reductions would be shared proportionate to the current levels of funding.
- 4.15 There are many issues for the Government to consider in relation to the proposals and it is too soon to speculate on the outcome of the consultation however for the purposes of this strategy the potential risks and rewards can be modelled to some extent.

NNDR Pool Potential Fluctuations

NNDR Pool level 2011/12 (£000's)	4,012
Rate of change	Increase/Decrease £000's (+/-)
5%	201
10%	401
15%	602
20%	802
25%	1,003

- 4.16 The Government's intention to incentivise housing and economic growth whilst reducing the reliance on central government funding is clear, however it is also clear that such change brings increased and significant financial risk for councils.

Key assumptions:

Until the outcome of the resource review is known it is assumed that Central Government grant funding will be in line with the CSR announcement in October 2010 and thereafter funding through formula grant will keep pace with the Government's target for inflation (2%).

In the first instance, any additional income from Business Rates will be treated as a 'one-off' resource and allocated to an earmarked reserve to off-set future losses.

This arrangement will be kept under review to avoid unnecessary accumulation of reserves.

The optimum level of such a reserve will be assessed once the details of the final scheme are known and any excess resources will be available for allocation to spending priorities.


Should the Council suffer early losses then this will impact on the level of savings required or use of General Balances.

New Homes Bonus

- 4.17 2011/12 is the first year of the Government's New Homes Bonus scheme. The scheme incentivises housing growth by rewarding councils with the equivalent of the national average Council Tax for each additional Band D equivalent achieved in its Council Tax base. There is also an additional award for 'affordable homes'. The bonus is awarded for 6 consecutive years.
- 4.18 Using the information from the Council Tax Base forms (373 dwellings) the first six years bonus has been calculated at £2.3m. Future years have been calculated assuming that there will be 300 new homes per year (45 of which will be affordable), 25 empty homes brought back into use and a 2% increase per year in Band D Council Tax average.

Projected New Homes Bonus for Selby

Yr	11/12 £000's	12/13 £000's	13/14 £000's	14/15 £000's	15/16 £000's	16/17 £000's
1	445	458	458	458	458	458
2		350	363	363	363	363
3			358	371	371	371
4				365	378	378
5					372	385
6						380
Total	445	808	1,179	1,557	1,942	2,335

 NHB covered by additional Government resources

4.19 However as highlighted in paragraph 4.11 above, the Government has only allocated additional resources to cover the year 1 growth up to 2014/15, with any further bonus being top sliced from formula grant.

4.20 There is a risk that achieved Tax Base increases will not be sufficient to cover any reductions in grant from top slicing. Conversely the bonus awarded may out strip top slicing, bringing additional resources to the Council.

Key assumption:

At this stage it is assumed that any further increases in Tax Base will be off set by reductions in Formula Grant.

Key assumption:

Year 1 bonus of £445k plus £13k for affordable homes, will continue up to and including 2014/15 and these resources will be transferred to the Special Projects Reserve for allocation in accordance with the Council's wider aims and objectives.

Council Tax Freeze Grant

4.21 As part of the Comprehensive Spending Review, the Government pledged the equivalent of a 2% increase in Council Tax for the life of the current Parliament, for any Council that did not increase its Council Tax for 2011/12. For Selby this Council Tax Freeze grant is £119k.

Key assumption:

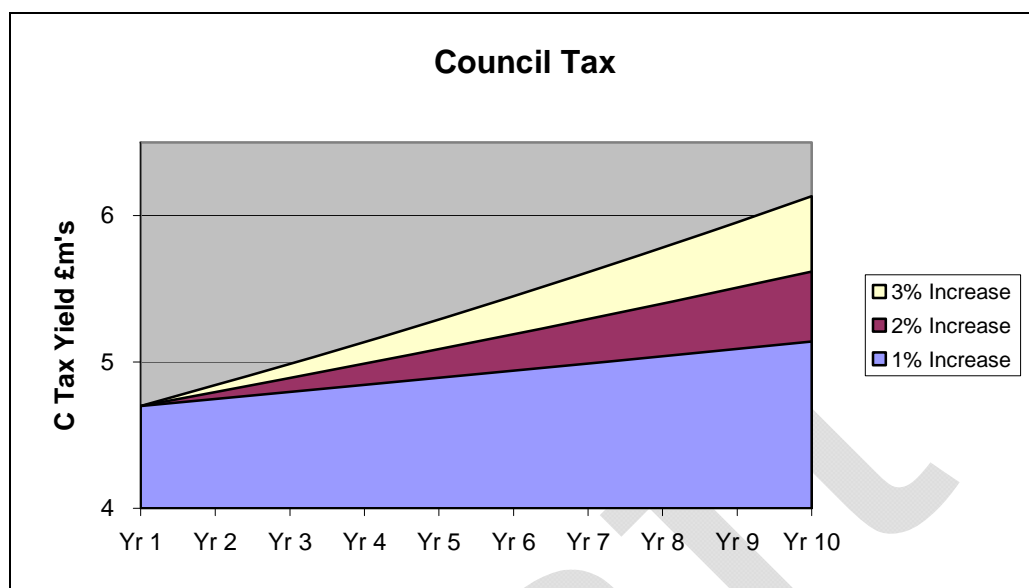
Council Tax Freeze Grant of £119k p.a. will be received up to and including 2014/15 and these resources will be transferred to the Spend to Save Reserve for allocation in accordance with the Council's wider aims and objectives.

Council Tax

4.22 The Council's Conservative administration has prided itself in its track record of levying Council Tax rises below the rate of inflation. However given the sustained pressure on budgets it is unlikely that this 'policy' can continue indefinitely unless additional savings can be made to accommodate the reduced income from Council Tax.

4.23 And even then, short term suppression of Council Tax levels will only serve to increase any gap between funding and spending in the longer term and given the likelihood that reserve powers to cap excessive increases will remain, it is unlikely that any such gap will be bridged by future increases.

- 4.24 The following chart illustrates the impact of different rates of increase over a 10 year period – a 1% suppression represents around £0.5m by year 10 (or £2.3m less resources over the 10 years) and a 2% suppression represents £1m by year 10 (or £4.7m less resources over the 10 years).



Key assumption:

Council tax rises will be in line with the assumed average rate of inflation.

- 4.25 Council Tax income is also dependent upon the level of Tax Base. The Council's long-term spatial direction to accommodate new homes within the district is expressed in the Local Development Framework Core Strategy (up to an additional 4684 dwellings over the next 15 years beyond those where planning permission is already granted) therefore it would not be unreasonable to assume a level of Tax Base growth.

Key assumption:

Council Tax Base is assumed to grow by 1% per annum (the equivalent of around 300 Band D properties).

Reserves

- 4.26 The Council uses reserves to ensure it has sufficient resources to cope with a reasonable level of financial risk, to meet its long term spending commitments, to manage spending and avoid significant fluctuations in the resources needed to cover in-year spending and also to provide financial capacity for future investment in projects or services.
- 4.27 In determining an appropriate level of reserves we have to balance the need for financial resilience against the desire for investment in services.

4.28 As at 1 April 2011 the Council has £9.5m in General Fund revenue reserves analysed as follows:

General Fund Revenue Reserves at 1 April 2011

Reserve	Amount £000's	Purpose
Core reserves		
General Fund Working Balance	2,835	Unallocated balance to cover budget risks
Operational Contingency	150	To cover unforeseen items
Building Repairs/Replacements	345	To cover irregular property r & m
ICT Replacement	415	To cover ICT infrastructure, hardware and software
Planning Inquiry	100	To cover costs associated with planning inquiries
Vehicle Replacement	158	To cover replacement vehicles
District Elections	70	To cover the costs of the district elections
Pensions	0	To dampen the impact of future years employers' pension cost increases
Industrial Units	42	Tenant contributions to cover maintenance costs
Carry fwd budgets	947	Approved carry forward budgets
PFI	2,427	To fund the revenue costs of the PFI scheme
Project reserves		
Spend to save	553	For up front investment that will generate on-going revenue savings
Special projects	967	One-off capital or revenue projects
Tadcaster Central Area Project	483	To cover project costs
Other Earmarked Reserves	39	Open spaces, Sherburn amenity land, wheeled bin hardship
Total	9,531	

Core Reserves

4.29 Core reserves are used to provide long term sustainable funding. Some are used to provide financial resilience to cope with unforeseen or uncertain financial risks. This covers things such as general spending and resource pressures arising from price rises, changes in demand for services, litigations, changes in legislation etc. Beyond in year budget virement, the **Operational Contingency** is the primary source of funding for such issues although the **Planning Inquiry Reserve** provides specific resources for planning related litigations etc. The **General Fund Working Balance** is effectively the Council's 'rainy day' fund and has a set minimum level of £1.5m to provide emergency funds should contingencies be insufficient.

4.30 The level of the General Fund Working Balance is determined through a budget risk assessment, which is reviewed annually as part of the budget setting process. At times of financial uncertainty and volatility it is prudent to reserve additional resources to mitigate increased financial risk.

Key assumptions:

Given the increased financial risk associated with the Government's Resource Review and the continuing volatile economic climate it is recommended that the General Fund Working Balance is not used to support general revenue spending after 2012/13.

Should there be a need to draw down funds from this balance then the 1st call on any subsequent savings or underspends will be to 'top-up' the balance to the minimum requirement.

There is a continuing risk of planning related litigations which can have significant cost implications for the Council. The current balance of £100k on the Planning Inquiry reserve is unlikely to be sufficient to cover these costs and therefore General Balances will be have to be used.

4.31 Some core reserves are for commitments which do not occur evenly every year – commitments such as building maintenance; ICT infrastructure, hardware and software; district council elections. By setting aside funds every year we can smooth out any peaks and troughs in spending and avoid the need to raise additional funds in any particular year, through Council Tax rises or increased fees and charges. Or avoid deferring spending, which may mean the Council is unable to fulfil its landlord responsibilities, leading to contractual disputes or backlog repairs, or it may mean outdated ICT equipment and systems. All of which in turn have the potential for increased costs in the long run and/or adverse impacts on service delivery.

- 4.32 Regular contributions to core reserves are included within the Council's annual revenue budget, based upon the expected level and profile of spend. Their adequacy is reviewed as part of the budget setting process each year.

General Fund Revenue Contributions to Earmarked Reserves

Core Reserve	Annual Contribution £000's
General Fund Working Balance	0
Operational Contingency	0
Building Maintenance	130
ICT Replacement	150
Planning Inquiry	0
Vehicle Replacement	3
District Elections	30
Pensions	200

Key assumption:

Sufficient funds are set aside from the annual revenue budget to cover the Council's long term spending commitments.

- 4.33 Over the life of the strategy and based upon current spending commitments, core reserves (excluding PFI reserve) are expected to average £4.3m.

PFI Reserve

- 4.34 The Council's PFI Reserve holds the resources required to fulfil our contractual obligations to South Yorkshire Housing under the terms of a Private Finance Initiative project to build new homes in the district. The project achieved its total number of new homes in 2010 (153) and the contract runs to (2035). The reserve receives £278k p.a. in Government Grant with the remainder coming from the Council through investment interest and revenue contributions.
- 4.35 Revenue account payments to South Yorkshire Housing represent a weekly 'unitary charge' per home, which is uplifted in line with inflation each year. The reserve is designed to cover these payments and run down to zero as the contract reaches its end date.
- 4.36 With inflation currently running at around 5% and investments achieving around 1% there will be a requirement to bridge any gap between resources and spending through additional revenue contributions. Appendix C presents a forecast of cash flows for the project and based upon the latest projections for inflation and interest rates, the annual revenue contribution needs to increase from £34k to £54k (index linked).

Key assumption:

Revenue contributions to support the Council's PFI project will be sufficient to cover our long term commitments to South Yorkshire Housing

Project Reserves

- 4.37 Project reserves have been set aside for particular purposes and are not sustained through regular contributions from the revenue budget, although in the case of the **Spend to Save Reserve** they may benefit from top-up from in-year budget savings or like the **Special Projects Reserve** from one-off resource allocations (such as New Homes Bonus).
- 4.38 Such reserves provide financial capacity for investment in services, be they to secure on-going revenue savings, service improvements, new services, specific initiatives or to support the capital programme.
- 4.39 Project reserves are important because they facilitate delivery of corporate objectives beyond the Council's statutory responsibilities or provide additional financial capacity beyond the base budget.
- 4.40 Given the assumptions on funding contained within this strategy, over the next 10 years, project reserves are expected to total £2.8m, giving an average of £280k p.a. for allocation to revenue or capital projects and initiatives.

Fees and Charges

General

- 4.41 The Council generates around £3.3m in income from levying fees and charges for the provision of certain services. An analysis of the 2011/12 budgets for fees and charges is provided at Appendix D.
- 4.42 Under the Council's new organisational model, fees and charges income from services forms part of Access Selby's resources although responsibility for approving annual increases remains with the Executive.
- 4.43 In determining fees and charges we will also explore opportunities to introduce discretionary charges as a means of either:-
- i. optimising income to the Council;
 - ii. generating additional income to the Council to recover the costs of service delivery;
 - iii. utilising spare capacity within existing Council services.

Key assumption:

Fees and charges will be set to recover the full cost of services unless there is a specific decision to subsidise a service.

As a minimum, fees and charges will be increased by RPI as at September each year unless there is a clear business case for a lesser increase.

Income Generation

- 4.44 The Council's service delivery model is designed to encourage Access Selby to trade externally to help meet the Council's longer term savings requirements. Whilst part of the Council there are restrictions on trading activity and therefore it is expected that such activity will be limited to public sector partners.
- 4.45 Income generation from external trading is an important element of the Council's saving and efficiency strategy, with an initial target of £500k additional income by 2014/15. This new area of business for the Council, and in particular Access Selby, comes with major risk but is a crucial part of the Council's long term vision.

Key assumption:

Charges for services to other local authorities (and/or partners etc) will be set to recover marginal costs and contribute to organisational overheads – the level of contribution (in part or full recovery) will be determined on a case by case basis.

Planning Fees

- 4.46 There are proposals to decentralise planning fees and allow local authorities to set their own charges in order to recover the cost of the service. Again final details are awaited but it is anticipated that the new arrangements will apply from 1 April 2012.
- 4.47 It is estimated that this change will bring in an additional £250k p.a. for the Council (subject to demand for the service).

Land Charges

- 4.48 Recent decisions issued by the Information Commissioner may have an impact on future income. The Council currently receives £128k p.a. from search fees.

SPENDING PRESSURES AND ISSUES

Pension Costs

- 4.49 Staffing costs are the single largest item of expenditure for the Council - our basic salary bill is around £5.1m p.a.
- 4.50 The Council is a member of the North Yorkshire Pension Fund, administered by North Yorkshire County Council. The fund is valued every 3 years by the appointed actuaries, at which point there is an assessment of the value of the fund's assets and liabilities taking into account anticipated investment returns and future pension payments using a variety of factors and assumptions.
- 4.51 Following the last valuation (at March 2010) Selby District Council's Employer's 'future service' pension contribution rate was set at 11.4% (£0.5m) along with approximately £0.7m p.a. towards the deficit on the fund (equivalent to a combined contribution rate of 22.4% - an increase of 0.6% over the rate for the previous year).
- 4.52 Changes to the pension scheme following the Hutton review, involving future benefits payable and employee contribution rates, as well as a volatile investment markets, mean that predicting future contribution rates is extremely difficult.
- 4.53 In order to provide some level of mitigation against future potential pension cost rises, the Council is currently setting aside £200k p.a. into a pension equalisation reserve. This allows the Council to set aside resources that can be used to reduce any future deficit on the fund (and hence reduce future pension contribution rates) or should this not be required, these resources can then be released for alternative use.
- 4.54 As the Council's new model for service delivery is developed alternative options for future pension scheme(s) will be explored.

Key assumption:

£200k p.a. will continue to be set aside in the Pension Equalisation Reserve. The necessity and adequacy of this reserve will be reassessed following the next triennial valuation, due March 2013.

LEGISLATIVE AND POLICY DEVELOPMENTS

National Planning Policy Framework

- 4.55 There are a number of clauses that will have a financial impact on local authorities including changing the definition of Community Infrastructure Levy; giving residents the power to instigate local referendums on any local issue and the power to veto excessive council tax increases;

allowing councils more discretion over business rate relief; provide for a new form of flexible tenure for social housing tenants; allow local authorities to discharge their duties to homeless people by using private rented accommodation.

Localism Bill

- 4.56 The Bill has significant implications for the Council including the proposal to abolish of the HRA subsidy system with a self financing system and discretion over business rates. In addition it may have financial impact if control of certain budgets is delegated to communities to deliver services rather than the council.

Individual Electoral Registration

- 4.57 Until more information is available the financial implications are unknown but moving from household to individual registration is anticipated to have start up costs and increase the annual revenue and staffing costs.

Open Public Services

- 4.58 The white paper signals a far greater choice and decentralisation of power to neighbourhoods and individuals. It is anticipated that there will be financial implications in changing the way that services are delivered and in times of transition, where groups and individuals will need education, assistance and facilitation from the Council. Again - the full scale will not be known until Government departments release more detailed implementation plans.

Localisation of Council Tax Benefit

- 4.59 DCLG have issued a consultation paper outlining their plans for a scheme to be administered by billing authorities to replace the current Council Tax Benefit scheme from April 13 with the aim of reducing expenditure by 10%. In summary, the main potential effects are:
- We would have to devise a local Council Tax Rebate scheme and design and develop software either on our own or in partnership with York and the other North Yorkshire District Councils
 - The Government intends that people of pension age will not have their benefit reduced
 - The net losers will be people of working age who will see significant reductions in their benefit entitlement
 - There is expected be an increased amount of people with Council Tax arrears
 - This represents a large financial risk to the Council as we may have to use Council funds to pay benefit.

5 2012/13 – 2014/15 AND 10 YEAR FINANCIAL OUTLOOK

5.1 Using the combined assumptions set out in this strategy, our 10 year financial planning model has been refreshed. The 'mid-case' scenario is set out at Appendix E. The model forecasts:

- Revenue resources
- Revenue spending
- Savings requirements
- Capital receipts
- Capital spending
- Reserves

5.2 Whilst the model forecasts the Council's finances out 10 years, predicting long term assumptions can only provide an indication of the future financial position.

5.3 Taking a 10 year view allows the longer term impact of decisions on spending and funding to be considered to ensure that services delivered to our citizens can, where desired, continue into the future without the need for significant rises in Council Tax or 'knee-jerk' service cuts. It also allows reserve balances to be forecast to ensure future spending commitments are covered and enables resources available for investment in services or projects, to be identified.

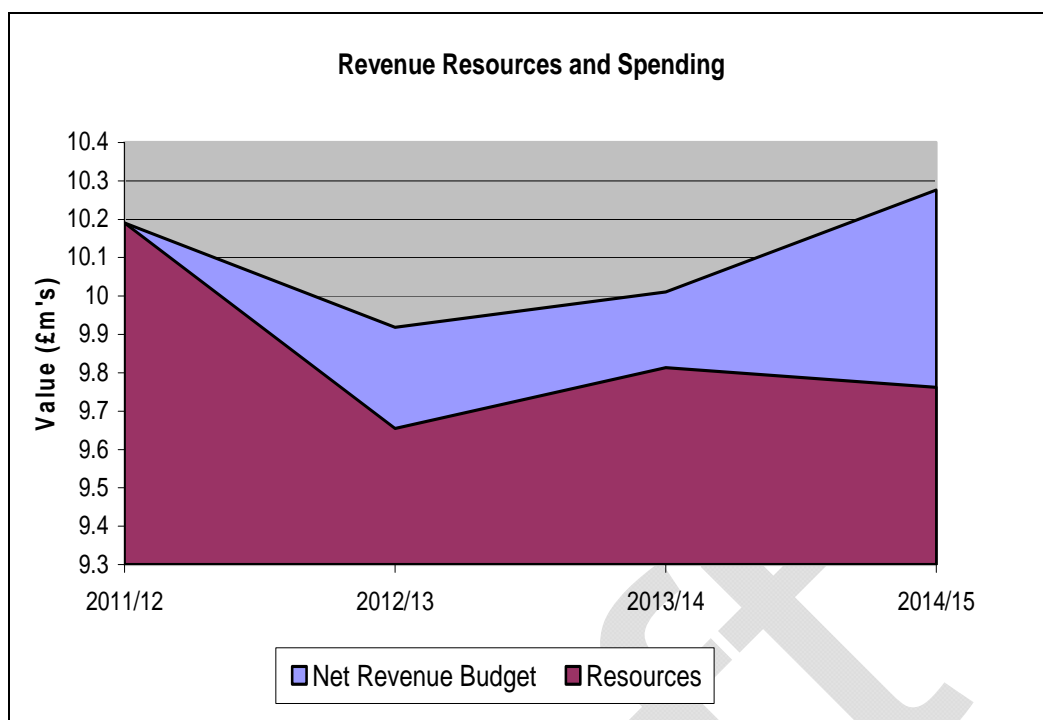
5.4 The model provides an updated baseline position from which to develop the Council's General Fund financial planning framework in advance of the budget round for 2012/13. It includes current policy budgets along with known commitments (based on available data which may be subject to change) which are not currently included within the Council's base budget.

5.5 The model is sensitive to changes in assumptions and given the volatility within the economy and uncertain local government funding system, reality is likely to be different, however as the factors which impact upon the Council's financial position change, the model can and will be refreshed.

Revenue Resources, Spending and Savings

5.6 In summary, the model shows that **over the next medium term planning period, the Council's external revenue resources will drop from £10.2m in 2011/12 to £9.8m in 2014/15 and net spending will increase from £10.2m in 2011/12 to £10.3m – giving a gap of around £500k.**

5.7 This gap is the impact of higher than anticipated inflation (around £300k) and reduced assumptions on investment returns (around £200k) as a result of the continuing economic turmoil.



- 5.8 Clearly this position may be subject to change as the impact of the resource review becomes clearer, but at this stage it would be prudent to plan for this savings requirement.

Key assumption:

The Council's savings target is increased by £500k by 2014/15.

- 5.9 Within the strategy there are available resources to subsidise base revenue spending in the medium term (Council Tax Freeze Grant and New Homes Bonus) but these are finite resources and therefore it is proposed that these resources be earmarked for investment in services and allocated to help deliver the Council's Corporate Plan.

Capital Receipts and Spending

- 5.10 The Council has a number of land holdings which are expected to be sold within the next 2 years. **Taking into account forecasted commitments to 2014/15, it is estimated that available capital receipts will be in the region of £2.6m, reducing to just under £2m over the 10 years to 2020/21.**
- 5.11 The Council's current capital programme was approved as part of the budget for 2011/12, with spend expected to total £2.95m. The programme includes the closing stages of the Selby Community Project; Tadcaster Central Area Project; the all weather pitch refurbishment; mast relocation; ICT replacements and building repairs/renewals etc.

- 5.12 Resources to finance the capital programme come from available capital receipts, earmarked reserves, external grants, borrowing and revenue. And decisions on capital spending must be taken with regard to the prudential code, ensuring that commitments are sustainable, affordable and prudent.
- 5.13 In determining a prudent capital programme we must also have regard to the associated revenue consequences of any potential scheme, ensuring that any resulting liabilities can be covered over the life of the assets where applicable.
- 5.14 For future financial resilience and to create on-going investment capacity it is important to carefully consider how available resources can be spent to achieve the greatest impact – not just for now but also into the future.

Reserves

- 5.15 As outlined in section 4, reserves are an important part of the Council's financial planning framework – allowing annual peaks and troughs in spend to be smoothed, saving for larger projects or to provide financial capacity and resilience to deal with the unforeseen as in recent years with a volatile economic climate.
- 5.16 On the assumption that 'core' reserves are adequate to meet the Council's operational needs over the longer term, this leaves project reserves available for allocation to help the Council achieve its Corporate plan objectives. **Taking the Spend to Save and Special Projects reserves together, and based on the assumptions within this strategy, resources of £2.8m are forecast over the 10 years.**
- 5.17 This strategy does not cover the potential investment opportunities that may be available but it does highlight the importance of making the Council's scarce resources work for the benefit of on-going investment in services and the district.

6 SERVICE DELIVERY BUDGET ENVELOPES

6.1 Introduction of the Council's new service delivery model to separate strategic commissioning from service delivery, has required clear separation of resources and budgets for the three elements of the model:

- Core Selby
- Access Selby
- Communities Selby

Core Budget

6.2 The Council's small support core covers strategic, corporate management and the democratic process (including elections) along with statutory responsibilities covered by the Monitoring and Section 151 officers, high level commissioning and performance management.

6.3 For simplicity during the first year, all of the 'corporate' costs and income have been retained by the core – including Internal Drainage Board Levies, investment interest, loan interest payments; reserve contributions and other accounting adjustments (for capital charges and FRS17 pension costs etc); Formula Grant and Council Tax. However, over time and as the 'arms length' nature of Access Selby and Communities Selby develop, it is expected that this will become more sophisticated.

6.4 There are contingencies within the core budget as follows:

- £100k – operational contingency for unforeseen cost/income pressures – use delegated to S151 Officer
- £25k – Local development Scheme contingency – use delegated to S151 Officer
- £100k – commissioning contingency for 'contract' variations with Access Selby/Communities Selby – use delegated to S151 Officer in consultation with the Leader of the Council

Access Selby Budget

6.5 Access Selby's cost envelope contains all of the Council's revenue costs and income related to service delivery. The cost envelope is sub-divided into General Fund and Housing Revenue Account to fulfil our statutory obligations (for a ring fenced HRA).

6.6 It is expected that Access Selby will operate within these cost envelopes unless additional work or variations to the performance specification are requested – with such variations being covered by the commissioning contingency held by the Core.

- 6.7 For prudence a £100k operational contingency for Access Selby is included within the cost envelope.
- 6.8 The cost envelopes are further subdivided into expenditure and income, with an expectation that net costs are contained within the overall envelope but any surpluses or additional income achieved above an agreed threshold will be subject to sharing between the Core and Access Selby.
- 6.9 Such an arrangement allows cost control whilst incentivising Access Selby to out perform on income generation. However, in the first year of operation and given the considerable financial risk the Council is facing, any surplus will be returned to the Core (earmarked as Access Selby reserve) for ultimate allocation by the Executive.
- 6.10 Future proposals for surplus or income sharing will be subject to review and the 'contract' between the Core and Access Selby is refined.
- 6.11 Whilst it is expected that Access Selby will operate within its cost envelope the Core will need to understand the costs of the services provided by Access Selby on behalf of the Council in order to demonstrate value for money from the arrangements in place, for its own financial reporting needs and for reporting to stakeholders, and to satisfy any requirements of central government.

Communities Selby Budget

- 6.12 Communities Selby's cost envelope largely covers the funding allocated to the Community Engagement Forums and any community grants that the Council awards to external organisations.
- 6.13 Over time it is expected that this area of the Council's business will grow as capacity is developed within the community and voluntary sector and the Council's approach to participatory budgeting evolves.
- 6.14 The summary cost envelopes for 2011/12 are as follow:

	General Fund £000's
Core	3,555
Access Selby	6,365
Communities Selby	270
Total	10,190

- 6.15 The summary cost envelopes for the General Fund agree to the Council's Net Budget to be met from Formula Grant and Council Tax (£10.2m). These will be reviewed as part of the 2012/13 budget.

7 SAVINGS AND EFFICIENCIES

Background

- 7.1 To date the Council has responded well to the savings and efficiency agenda and sees this as an important element in its drive to reduce costs, improve value for money across all services and help towards the SWITCHED ON 'Big Thing'. As at 31 August 2011 the Council has delivered over £2.3m in savings across a range of activities, against a target of £3m.
- 7.2 However as highlighted in the previous section, the cuts in public sector expenditure and continuing budget pressures arising from the economic recession mean that further cash releasing efficiencies and savings will be needed to sustain the essential services our communities rely on.
- 7.3 There is still much uncertainty over the impact of the Government's Resource Review on Local Government funding and until such time as the position is clear this strategy maintains a cautious approach.
- 7.4 Using the assumptions outlined in previous section and the savings yet to be achieved from the current action plan, the table below shows the revised savings targets required over the next 3 years:

Refreshed Targets to March 2015

Year	Green & Amber Savings £000's	Red Savings £000's	To be identified within plan*	New Savings £000's	New Savings Targets £000's
2012/13	2,186	294	114	264	2,858
2013/14	2,261	300	445	264	3,270
2014/15	2,261	300	445	500	3,506

**The savings still to be identified within the current savings plan essentially relate to new income generation by Access Selby, which was included with their initial business plan but has yet to be identified.*

- 7.5 In order to achieve these challenging targets it will continue to be necessary to adopt a range of approaches, therefore we will continue to:
- Build our capacity to deliver value for money through **commissioning and the procurement** process including partnering and collaboration where appropriate.
 - **Transform** service delivery through redefining our core services, improving our business processes and adopting new technologies to deliver 'lean', customer focussed services.
 - Work with partners to ensure that our arrangements for improved **Asset Management** provide buildings which are fit for purpose, energy efficient and help us to share resources to reduce our need for office accommodation.

- Improve **value for money** by reducing waste and conserving our resources through actions which will support our climate change agenda and by challenging our actions to ensure spending adds value.
- **Review our priorities** for service delivery and adjusting our resources accordingly.
- **Review all major income streams** assess the potential for price increases as a way of increasing income to the Council.
- **Develop new markets and introduce new charges** – services will be reviewed to determine the potential for generating new income streams.

7.6 Appendix F presents the latest savings action plan progress report, incorporating the additional £500k target.

Financial Strategy – How the achievement of the Strategy Objectives will be measured

Progress Report

	Financial Strategy Objective	How will achievement be measured ?	Progress in 2011/12
1	To enable the Council to understand its medium term financial position	<ul style="list-style-type: none"> ▪ Approval of the Council's Medium Term Financial Plan (and the underlying assumptions) 	
2	To provide clarity over the revenue and capital resources available	<ul style="list-style-type: none"> ▪ Approval of the Council's Medium Term Financial Plan (and the underlying assumptions) 	
3	To inform decision making on the distribution of resources to deliver the Council's corporate objectives	<ul style="list-style-type: none"> ▪ Allocation of resources to achieve Corporate Plan objectives 	
4	To ensure that the Council can set a Council Tax level that avoids Central Government intervention	<ul style="list-style-type: none"> ▪ Approval of the Council's Medium Term Financial Plan (and the underlying assumptions) ▪ Approval of an annual Council Tax increase that avoids intervention by Central Government 	
5	To enable the Council to plan and manage its spending within affordable net expenditure levels without undue reliance on balances and reserves to fund ongoing commitments	<ul style="list-style-type: none"> ▪ Approval of the Medium Term Financial Plan (and underlying assumptions) ▪ Approval of the annual report to Council on 	

	Financial Strategy Objective	How will achievement be measured ?	Progress in 2011/12
		the robustness of the Council's Estimates and Balances/Reserves	
6	To identify future budget 'pressure points' in order to plan accordingly and avoid unnecessary remedial action	<ul style="list-style-type: none"> ▪ Variance against planned budget 	
7	To strengthen the Council's balance sheet position	<ul style="list-style-type: none"> ▪ Approval of the annual report to Council on the robustness of the Council's Estimates and Balances/Reserves ▪ A year on year reduction in arrears (Council Tax, NNDR, Rents and Sundry Debts) with a consequent reduction in Provision for Doubtful Debts 	
8	To support a prudent, affordable and sustainable level of capital expenditure	<ul style="list-style-type: none"> ▪ Approval of a Medium Term Capital Programme (with expenditure commitments linked directly to the Capital Strategy and Asset Management Plan) 	
9	To create a corporate financial capacity to deal with unforeseen cost pressures	<ul style="list-style-type: none"> ▪ Maintenance of a minimum working balance of £1.5m ▪ Approval of the annual report to Council on the robustness of the Council's Estimates and Balances/Reserves 	
10	To contribute to longer term planning of the delivery of the Council's strategic vision	<ul style="list-style-type: none"> ▪ Achievement of Corporate Plan objectives 	

APPENDIX B

Inflation

Expenditure	2011/12 Budget £	Inflation £	Average Inflation %
Direct Employee Expenses	5,472,789	136,820	2.50
Energy Costs	117,830	17,675	15.00
Expenses	2,296,850	68,906	3.00
General Insurances	284,950	14,248	5.00
Grounds Maintenance Contract	185,450	9,273	5.00
Housing Benefits	20,737,600	1,036,880	5.00
Indirect Employee Exp	561,160	28,058	5.00
Leisure Contract	298,260	14,913	5.00
NNDR	188,590	9,430	5.00
Other	42,240	2,112	5.00
Other Contracts	358,230	17,912	5.00
Street Scene Contract	3,707,770	185,389	5.00
Rents	66,610	3,331	5.00
Repairs & Maintenance Bldngs	144,730	7,237	5.00
Services	760,810	38,041	5.00
Supplies	248,480	12,424	5.00
Transport	121,760	6,088	5.00
Transport Insurance	1,300	65	5.00
Water Services	19,610	981	5.00
Grand Total Expenditure	35,615,019	1,609,777	4.52

Inflation Continued

Income	2011/12 Budget £	Inflation £	Average Inflation %
Benefits Subsidy	(21,089,000)	(1,054,450)	5.00
Fees And Charges	(3,025,800)	(151,290)	5.00
Government Grants	(337,910)	(16,896)	5.00
Interest	(251,240)	-	-
Rents	(320,030)	(16,002)	5.00
Grand Total Income	(25,023,980)	(1,238,637)	4.95
Net Total	10,591,039	371,140	3.50

FEES AND CHARGES	2011/12 BUDGET
	£
Council Tax Collection - Court Fees	-141,780
Non Domestic Rates - Court Fees	-8,320
Non Domestic Rates - Collection Allowance	-117,260
Register of Electors	-2,500
Elections	-6,270
Land Charges Fees & Charges	-127,980
Community Parks & Open Spaces	-1,200
Groundwork - Selby	-109,710
Environmental Health Licences	-15,300
Taxi & Hire Licenses - Vehicle Plates	-1,730
Taxi & Hire Licenses	-42,720
Licensing Act 2003	-60,000
Licenses-Betting Gaming Machines	-3,340
Private Drainage Service Recoverable Charges	-1,000
Dog Warden	-220
Local Air Pollution Control PPCA2 & B Income	-18,000
Water Sampling Fees	-11,710
Street Cleansing Fines	-500
Litter Bins Fees & Charges	-5,810
Refuse Collection General	-15,300
Refuse Collection General Income	-10,160
Clinical Waste	-10,450
Recycling Sale of Goods	-280,000
Recycling Credits	-491,000
Street Nameplates Income	-2,000
Development Management Advice & Other Charges	-33,000
Development Management	-561,580
Property Management Rents	-60,740
Car Parks Pay & Display Fines	-5,500
Car Parks Pay & Dis.	-292,000
Concessionary Fares Income	-26,440
Bus Station Fees & Charges	-4,660
Housing Advances Insurance	-1,900
Private Leasing Scheme	-11,000
Benefits - North Yorks Training Group Income	-10,500
Supporting People Rent Income	-72,000
Committee Rooms Fees & Charges	-2,030
Democratic Core Fees & Charges	-3,140
Legal Services	-16,730
Civic Centre Room Hire	-13,500
Policy Strategy	-380
Commercial Waste Fees & Charges	-554,670
Industrial Units Ground Rents	-144,690
Industrial Units Maintenance Rents	-29,100
Industrial Units Management Fee	-9,840
TOTAL	-3,337,660

	Base 2011/12	← Medium Term Financial Plan →				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
KEY ASSUMPTIONS											
Inflation	3.50%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Interest Rates	1.25%	1.25%	1.75%	2.50%	3.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Tax Base Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	
Government Grant Increase	-14.41%	-10.94%	-0.90%	-5.60%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
Council Tax Increase	0.00%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
COUNCIL TAX											
Tax Base (Number of Band D Equivalents)	29.970	30.270	30.572	30.878	31.187	31.499	31.814	32.132	32.453	32.778	
Council Tax @ Band D (£)	158.88	164.44	169.37	174.46	179.69	185.08	190.63	196.35	202.24	208.31	
Council Tax Income (£)	4,763	4,978	5,178	5,387	5,604	5,830	6,065	6,309	6,563	6,828	
% Increase in Council Tax	-	3.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	
REVENUE FINANCING											
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Council Tax	4,763	4,978	5,178	5,387	5,604	5,830	6,065	6,309	6,563	6,828	
Government Grant	5,252	4,677	4,635	4,375	4,463	4,552	4,643	4,736	4,831	4,928	
Council Tax Freeze Grant	119	119	119	119	119						
New Homes Bonus	445	458	458	458							
Collection Fund Surplus/Deficit (+/-)	57										
TOTAL EXTERNAL RESOURCES	10,635	10,232	10,390	10,339	10,186	10,382	10,708	11,045	11,394	11,755	
Transfer to reserves											
- Spend to Save (C.Tax Freeze Grant)		- 119	- 119	- 119	- 119						
- Special Projects (New Homes Bonus)	- 445	- 458	- 458	- 458							
RESOURCES TO FUND REVENUE BUDGET (a)	10,190	9,655	9,813	9,762	10,067	10,382	10,708	11,045	11,394	11,755	

REVENUE BUDGET	Base	← Medium Term Financial Plan →				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	2011/12	2012/13	2013/14	2014/15	£000's						
Operational Budget	9,293	8,606	8,418	8,670	9,050	9,198	9,474	9,758	10,187	10,353	
Capital Projects (funded from revenue reserves)	759	431	150	818	110	342	85	99	211	175	
Revenue Growth/Projects	111	200	134	138	142	146	151	155	160	165	
Investment Income	- 215	- 200	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300	
External Interest Payments	770	776	778	778	778	778	778	778	778	778	
Capital Adj (MRP only)	96	196	193	193	193	193	193	193	193	193	
Contingencies	275	275	275	275	275	275	275	275	275	275	
Contributions to Reserves:											
PFI Scheme (Updated - ncl SDC's contribution & interest)	342	362	375	395	409	435	437	440	442	443	
Building Repairs	130	130	130	130	130	130	130	130	130	130	
Computer Development	150	150	150	150	150	150	150	150	150	150	
Vehicles	3	3	3	3	3	3	3	3	3	3	
District Election	36	30	30	30	30	30	30	30	30	30	
Pension Equalisation	200	200	200	200	200	200	200	200	200	200	
Contributions from Reserves:											
ICT Replacement	- 118	- 265	- 125	- 219	- 85	- 313	- 60	- 66	- 150	- 150	
Buildings	- 3	- 147	- 25	- 599	- 25	- 29	- 25	- 33	- 61	- 25	
Vehicles		- 19						- 18			
PFI (Updated)	- 350	- 364	- 375	- 386	- 397	- 409	- 422	- 434	- 447	- 461	
Special projects	- 155										
Tadcaster Central Area Project	- 483										
District Election	- 106				- 120				- 136		
Balances	- 545	- 445									
Forecast Net Revenue Budget	(b)	10,190	9,919	10,011	10,276	10,544	10,830	11,099	11,361	11,665	11,959
Difference between resources and forecast budget (a - b)		0	- 264	- 197	- 514	- 477	- 448	- 391	- 316	- 271	- 203
Estimated Headroom/Shortfall in savings as at September 2011 - per Savings Action Plan (+/-)		101	- 114	- 445	- 445	- 445	- 445	- 445	- 445	- 445	- 445
Current Net Surplus/Deficit within MTFP (+/-)		101	- 378	- 642	- 959	- 922	- 893	- 836	- 761	- 716	- 648

CAPITAL BUDGET	Base	← Medium Term Financial Plan →								
	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
Capital Receipts										
Useable Receipts Brought Forward	-	- 1,592	- 2,852	- 2,739	- 2,626	- 2,513	- 2,400	- 2,287	- 2,174	- 2,061
New Receipts Received in Year										
- Land at Riccall	- 700									
- Civic Centre site, Portholme Road	- 2,500									
- School site, Portholme Road		- 1,300								
- Barlby Depot		- 155								
- Loan repayment re Community House	- 10	- 10	- 10	- 10	- 10	- 10	- 10	- 10	- 10	- 10
- Council House Sales etc	- 37	- 37	- 37	- 37	- 37	- 37	- 37	- 37	- 37	- 37
Less: Financing Capital Programme	1,655	242	160	160	160	160	160	160	160	160
Capital Resources Available	- 1,592	- 2,852	- 2,739	- 2,626	- 2,513	- 2,400	- 2,287	- 2,174	- 2,061	- 1,948
Capital Programme										
Heritage Grants	10	10								
Leisure Centres/Other Buildings (subject to 10 year plan)	3	147	25	599	25	29	25	33	61	25
Selby Community Project	1,593	82								
Computer Hardware and Systems	118	265	125	219	85	313	60	66	150	150
Disabled Facilities Grants	300	300	300	300	300	300	300	300	300	300
Stay Put	38									
Tadcaster Central Area Project	483									
Telephone Mast Relocation	155									
All Weather Pitch	250									
Vehicle Purchase	-	19	-	-	-	-	-	18	-	-
	2,950	823	450	1,118	410	642	385	417	511	475
Capital Financing										
Useable Capital Receipts	- 1,655	- 242	- 160	- 160	- 160	- 160	- 160	- 160	- 160	- 160
Direct Revenue Financing	- 10	- 10								
Prudential Borrowing	- 386									
Grants & Contributions										
- DFGs	- 140	- 140	- 140	- 140	- 140	- 140	- 140	- 140	- 140	- 140
- S106										
Reserves										
- Computer Development	- 118	- 265	- 125	- 219	- 85	- 313	- 60	- 66	- 150	- 150
- Buildings	- 3	- 147	- 25	- 599	- 25	- 29	- 25	- 33	- 61	- 25
- Special Projects	- 155	-	-	-	-	-	-	-	-	-
- Tadcaster Central Area Reserve	- 483	-	-	-	-	-	-	-	-	-
- Vehicles	-	- 19	-	-	-	-	-	- 18	-	-
	- 2,950	- 823	- 450	- 1,118	- 410	- 642	- 385	- 417	- 511	- 475

	Base 2011/12 £000's	← Medium Term Financial Plan → 2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
REVENUE RESERVES										
General Balances										
Opening Balance	2,835	2,290	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845
Add: Contribution to reserve										
Less: Amount utilised	- 545	- 445								
Closing Balance	2,290	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845	1,845
Note minimum working balance of £1,500,000 required	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
	-	-	-	-	-	-	-	-	-	-
Contingency										
Opening Balance	150	150	150	150	150	150	150	150	150	150
Add: Contribution to reserve										
Less: Amount utilised										
Closing Balance	150	150	150	150	150	150	150	150	150	150
Building Repairs/Replacements (all buildings)										
Opening Balance	345	472	455	560	91	196	297	402	499	568
Add: Contribution to reserve	130	130	130	130	130	130	130	130	130	130
Less: Amount utilised	- 3	- 147	- 25	- 599	- 25	- 29	- 25	- 33	- 61	- 25
Closing Balance	472	455	560	91	196	297	402	499	568	673
ICT Replacement										
Opening Balance	415	467	372	417	368	453	310	420	524	544
Add: Contribution to reserve	150	150	150	150	150	150	150	150	150	150
Add: Contribution from HRA (updated January 2010)	20	20	20	20	20	20	20	20	20	20
Less: Amount utilised	- 118	- 265	- 125	- 219	- 85	- 313	- 60	- 66	- 150	- 150
Closing Balance	467	372	417	368	453	310	420	524	544	564
Planning Inquiry										
Opening Balance	100	100	100	100	100	100	100	100	100	100
Add: Contribution to reserve										
Less: Amount utilised										
Closing Balance	100	100	100	100	100	100	100	100	100	100

	Base 2011/12	← Medium Term Financial Plan →				2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Vehicle Replacement											
Opening Balance	158	161	145	148	151	154	157	160	145	148	
Add: Contribution to reserve	3	3	3	3	3	3	3	3	3	3	
Less: Amount transferred											
Less: Amount utilised		- 19						- 18			
Closing Balance	161	145	148	151	154	157	160	145	148	151	
District Election											
Opening Balance	70	-	30	60	90	-	34	68	102	-	
Add: Contribution to reserve	36	30	30	30	30	34	34	34	34	38	
Less: Amount utilised	- 106				- 120				- 136		
Closing Balance	-	30	60	90	-	34	68	102	-	38	
Pension Equalisation											
Opening Balance	-	200	400	600	800	1,000	1,200	1,400	1,600	1,800	
Add: Contribution to reserve	200	200	200	200	200	200	200	200	200	200	
Less: Amount utilised											
Closing Balance	200	400	600	800	1,000	1,200	1,400	1,600	1,800	2,000	
Industrial Units											
Opening Balance	42	42	42	42	42	42	42	42	42	42	
Add: Contribution to reserve											
Less: Amount utilised											
Closing Balance	42	42	42	42	42	42	42	42	42	42	
Carry Forward											
Opening Balance	947	-	-	-	-	-	-	-	-	-	
Add: Contribution to reserve											
Less: Amount utilised	- 947										
Closing Balance	-	-	-	-	-	-	-	-	-	-	

	Base 2011/12 £000's	← Medium Term Financial Plan → 2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
PFI										
Opening Balance	2,427	2,419	2,417	2,417	2,426	2,438	2,464	2,479	2,485	2,480
Add: Contribution to reserve	342	362	375	395	409	435	437	440	442	443
Less: Amount utilised	- 350	- 364	- 375	- 386	- 397	- 409	- 422	- 434	- 447	- 461
Closing Balance	2,419	2,417	2,417	2,426	2,438	2,464	2,479	2,485	2,480	2,462
PROJECT RESERVES										
Spend to Save										
Opening Balance	553	519	638	757	876	995	995	995	995	995
Add: Contribution to reserve		119	119	119	119					
Less: Amount utilised	- 34									
Closing Balance	519	638	757	876	995	995	995	995	995	995
Special Projects										
Opening Balance	967	412	870	1,328	1,786	1,786	1,786	1,786	1,786	1,786
Add: Contribution to reserve	445	458	458	458						
Less: Amount utilised	- 1,000									
Closing Balance	412	870	1,328	1,786	1,786	1,786	1,786	1,786	1,786	1,786
Tadcaster Central Area Project										
Opening Balance	483	-	-	-	-	-	-	-	-	-
Add: Contribution to reserve										
Less: Amount utilised	- 483									
Closing Balance	-	-	-	-	-	-	-	-	-	-
OTHER EARMARKED RESERVES										
Open Spaces										
Opening Balance	11	11	11	11	11	11	11	11	11	11
Add: Contribution to reserve										
Less: Amount utilised										
Closing Balance	11	11	11	11	11	11	11	11	11	11

	Base 2011/12	← Medium Term Financial Plan → 2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Sherburn Amenity Land										
Opening Balance	10	10	10	10	10	10	10	10	10	10
Add: Contribution to reserve										
Less: Amount utilised										
Closing Balance	10	10	10	10	10	10	10	10	10	10
Wheeled Bins										
Opening Balance	18	18	18	18	18	18	18	18	18	18
Add: Contribution to reserve										
Less: Amount utilised										
Closing Balance	18	18	18	18	18	18	18	18	18	18
TOTAL REVENUE BALANCES AND RESERVES	7,271	5,033	5,993	6,285	6,707	6,902	7,354	7,774	7,964	8,330
NOTE: TOTAL EARMARKED REVENUE RESERVES	4,981	3,188	4,148	4,440	4,862	5,057	5,509	5,929	6,119	6,485

Appendix F

Key:

GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION PLAN
2011/12 - 2013/14 (V50)
Updated September 2011

Green	Savings likely to be achieved/low risk
Amber	Tentative savings - further work required/medium risk
Red	Savings require a change in Council policy or significant change in service delivery/high risk

Dept	Proposed Savings	Status	Latest 2011/12 £	2012/13 £	2013/14 £	2014/15 £	Progress
	Inflation factor		-	0.020	0.020	0.020	
Procurement Workstream							
Access Selby	Change provider for telephone calls and rationalisation of telephone accounts	Green	13,000	13,000	13,000	10,800	Completed
Access Selby	Partnering Back Office Support	Green	77,500	93,000	93,000	93,000	Completed
Core	Election software	Green	4,700	4,700	4,700	4,700	Completed - Implementation underway
Access Selby	CCTV	Amber	21,000	42,000	42,000	42,000	Benchmarking with other councils in North Yorkshire shows saving is achievable
Access Selby	Recycling	Amber	159,000	159,000	159,000	159,000	Proposals to change the way that recycling is handled approved and changes implemented through a variation to the existing contract with Enterprise.
Access Selby	Collaborative corporate contracts through shared procurement service Note: The balance of this target will reduce as individual procurement projects are identified	Amber	11,300	20,300	45,300	92,500	A refreshed spend analysis has identified a first phase of projects for 2011/12 but further work will be needed to identify projects to meet this remaining savings target for 2012/13 and beyond.
Access Selby	Expanded Building Control Partnership	Red	-	5,000	5,000	5,000	Savings in 11/12 unlikely to be achieved due to continued downturn in fee earning work
Core	Audit Partnership	Amber	5,000	10,000	15,000	15,000	Completed for 11/12. Planned reduction in Audit days and exploring options for future service delivery in North Yorkshire to coincide with partnership agreement renewal from April 2012
Customers & Business	Access Selby Electricity	Green	10,000	10,000	10,000	10,000	Completed
Customers & Business	ICT - Server Virtualisation	Green	10,000	10,000	10,000	10,000	Completed
Total Procurement			311,500	367,000	397,000	442,000	

Dept	Proposed Savings	Status	Latest				Progress
			2011/12 £	2012/13 £	2013/14 £	2014/15 £	
Transformation Workstream							
Access Selby	WTT - Review of remaining cash collection	Amber	0	4,500	4,500	4,500	Arrangements for WLCT to take on this function are being finalised
Access Selby	WTT - Transformation (SDV)	Green	1,059,890	1,380,890	1,380,890	1,380,890	Completed
Core	WTT - Transformation (Core)	Green	50,000	50,000	50,000	50,000	Completed
Total Transformation			1,109,890	1,435,390	1,435,390	1,435,390	
Asset Management Workstream							
Access Selby	Vacation of Portholme Road Depot	Green	13,497	13,497	13,497	13,497	Completed. In addition, there is a saving to the HRA of £26,833
Access Selby	Running costs of new Civic Centre	Amber	20,000	40,000	40,000	40,000	Staff occupied new building from 1 August
Access Selby	Closure of Tadcaster office	Green	30,000	30,000	30,000	30,000	Completed
Access Selby	Barlby Depot	Red	-	20,000	20,000	20,000	To be included in new Asset Management Plan. Option for short term lease is currently being considered
Total Asset Management			63,497	103,497	103,497	103,497	
Value for Money Workstream							
Core	Telecommunications Mast	Red	-	13,000	13,000	13,000	Budget bid approved as part of 2011/12 budget round
Core	Internal Drainage Boards	Green	40,000	40,000	40,000	40,000	Saving of £40k achieved in 11/12 - future targets adjusted accordingly
Communities Selby	Community Safety	Green	15,000	15,000	15,000	15,000	Completed
Access Selby	Decentralisation of Planning Fees	Red	-	250,000	250,000	250,000	Awaiting final details although indication that legislation may not now come into force until April 2012. Income will be linked to cost recovery in the future. Workshop on charging attended and savings targets have been reduced to reflect reducing cost base under new SDV
Access Selby	Car Park Income	Amber	20,000	60,000	60,000	60,000	Review of fees agreed at Executive early July 2011 & implementation October 2011 subject to consultation and potentially will be implemented by Nov/Dec 2011.
Total Value for Money			75,000	378,000	378,000	378,000	

Dept	Proposed Savings	Status	Latest				Progress
			2011/12 £	2012/13 £	2013/14 £	2014/15 £	
Base Budget Review Workstream							
Core	External Audit Fee	Green	5,000	5,000	5,000	5,000	Completed
Core	Corporate and Democratic Core	Green	7,000	7,000	7,000	7,000	Completed
Total Base Budget Review			12,000	12,000	12,000	12,000	
Discretionary Service Review Workstream							
Access Selby	HR - Budget review	Green	5,000	5,000	5,000	5,000	Completed
Access Selby	New charge for planning advice	Green	30,000	30,000	30,000	30,000	Completed - Income budgets will continue to be monitored closely
Access Selby	Reduce opening hours at Access Selby	Green	35,000	35,000	35,000	35,000	Completed
Access Selby	Barlow Nature Reserve	Amber	26,500	53,000	53,000	53,000	An initial review has undertaken and revised service delivery model has been approved - a revised countryside management strategy is due in the Autumn of 2011.
Core	External Grants	Green	12,000	12,000	12,000	12,000	Completed
Total Discretionary Service Review			108,500	135,000	135,000	135,000	
Inflation adjustment			-	48,618	99,420	153,380	
Total General Fund Savings			1,680,387	2,479,505	2,560,307	2,659,267	
Target (Per 2011/12 - 2013/14 MTFP)			1,592,000	2,594,000	3,006,000	3,006,000	
New savings per MTFS				264,000	264,000	500,000	
New Target			1,592,000	2,858,000	3,270,000	3,506,000	
Headroom/Deficit (+/-)			** 88,387 -	378,495 -	709,693 -	846,733	
Green Savings			1,417,587	1,789,169	1,824,952	1,859,116	
Amber Savings			262,800	396,576	435,720	494,523	
Red Savings			-	293,760	299,635	305,628	
Still to identify**			-	378,495	709,693	846,733	
Total			1,680,387	2,858,000	3,270,000	3,506,000	

Dept	Proposed Savings	Status	Latest				Progress
			2011/12	2012/13	2013/14	2014/15	
			£	£	£	£	
Summary by Workstream							
	Procurement		311,500	374,340	413,039	469,054	
	Transformation		1,109,890	1,464,098	1,493,380	1,523,247	
	Asset Management		63,497	105,567	107,678	109,832	
	Value for Money		75,000	385,560	393,271	401,137	
	Base Budget Review		12,000	12,240	12,485	12,734	
	Discretionary Service Review		108,500	137,700	140,454	143,263	
	Total		1,680,387	2,479,505	2,560,307	2,659,267	
Achievable Savings							
	Best Case (All savings achieved)		1,680,387	2,858,000	3,270,000	3,506,000	
	Worst Case (Only Green savings achieved)		1,417,587	1,789,169	1,824,952	1,859,116	
Mid Case (Calculation using sliding scale)							
	Green Savings - 100%		1,417,587	1,789,169	1,824,952	1,859,116	
	Amber Savings - 90%		236,520	356,918	392,148	445,071	
	Red Savings - 75%		-	220,320	224,726	229,221	
			1,654,107	2,366,407	2,441,826	2,533,408	
	Shortfall/Surplus (-/+) assuming mid case level of savings		62,107	- 491,593	- 828,174	- 972,592	



Public Session

Report Reference Number (C/11/8)

Agenda Item No: 13

To: Council
Date: 13 December 2011
Author: Jonathan Lund, Monitoring Officer
Lead Officer: Keith Dawson, Director of Community Services
Executive Member: Councillor Mark Crane

Title: REVIEW OF THE CONSTITUTION

Summary:

Selby District Council adopted its new Constitution with effect from the May elections in 2011. The Constitution has now been operational for almost six months and an opportunity has been taken to review how it has worked and propose minor amendments to improve its operation and correct any anomalies, oversights or errors. The report sets out the proposals.

Recommendations:

- i. To amend the Constitution as set out in this Report to come into effect on 1 January 2012**

Reasons for recommendation

In pursuance of the Council's obligations under Article 15 of its Constitution – to review and revise the Constitution – the recommendations are proposed to address issues which have arisen since the Constitution became effective in May 2011

1. Introduction and background

- 1.1** This review suggests a number of changes to the Constitution adopted by the Council in May 2011. It does not propose any amendments to the principal objectives of the Constitution which remains based on the model constitution for the Leader and Cabinet form of Executive.

- 1.2 The amendments to the Constitution set out in the report have been considered by the Executive and are proposed to the Council in accordance with Article 15 of the Constitution.

2. The Report

2.1. Community Engagement Forums

- 2.2. Article 10 (page 22 of the Constitution) and the CEF Procedure Rules (pages 104 to 107) set out the governance arrangements for the Council's five community engagement forums.

- 2.3. As the CEFs develop they will inevitably seek a greater degree of autonomy from the District Council. In addition, if community capacity and the "big society" are to be encouraged at local level it is necessary to review and consider relaxing some of the constitutional requirements contained in the constitution. The following changes are proposed:

- 2.3.1. Amend Article 10.2 and CEF Procedure Rule 1.6 to allow each Partnership Board to elect its own Chair [from amongst its total membership].

- 2.3.2. Amend Article 10.3 to add a new Role and Function at (g) and to repeat the provision in Part 3 (Responsibility for Functions) and Part 4 CEF Procedure Rule 1.1 "To enable communities to build their capacity and develop their confidence by empowering local people and making them better able to help themselves."

- 2.3.3. Amend CEF Procedure Rule 1.2 so that the CEF Community Session and the Business Session need not be part of the same event or evening – allowing CEFs to adopt the arrangements which best suit their communities.

- 2.3.4. Amend CEF Procedure Rule 1.7 to allow CEF Partnership Boards to set the frequency and dates of their meetings subject to Council approval. And, whilst retaining the requirement to give notice about the time and place of meetings in accordance with the Access to Information Procedure Rules, to remove the specific reference to the Democratic Services Manager to reflect the new role of Communities Selby.

2.4. Responsibility for Functions (Delegations)

- 2.4.1. The Chief Executive has delegated authority to exercise all of the functions of the Council in emergency or urgency situations (after consultation with the Leader of the Council). Under Rule 9.1 (c) the Chief Executive has arranged for this delegated power to be exercised by the Deputy Chief Executive, on the same basis, when the Chief Executive is absent or unable to act. It is proposed to amend the Constitution so that this arrangement is written formally

into the Scheme of Officer Delegation at a new paragraph 10.1 (page 50).

2.4.2. The previous constitution made provision for the Head of Service (Finance) to write off as irrecoverable any money owing to the Council in respect of council tax, national non-domestic rates, rent arrears and miscellaneous debts where the debtor is adjudged bankrupt, insolvent or (in the case of companies) in liquidation and where the officer judged that recovery of the monies was not economically possible. There was no financial limit to the amount that could be written off in these circumstances

2.4.3. In simplifying these arrangements the new constitution has set a limit in all cases of write-offs at £5,000.

2.4.4. It is proposed to amend delegation 11.1 (d) (i) so that any proposed write off over £10,000 can only be authorised by the Executive Director with S151 responsibilities after consultation with the Leader of the Council (or the Lead Member for Finance in the Leader's absence)

2.5. The State of the Area Address

2.5.1. The Council Procedure Rules (pages 60 to 78) at Rule 16 require the State of the Area Address to be reported to the Scrutiny Committee for consideration as part of the consultation process. This provision was copied across from the previous constitution when the Council had a single Scrutiny Committee. Having regard to the remits of the Policy Review Committee and the Scrutiny Committee it is more appropriate for the State of the Area Address to be considered by the Policy Review Committee (as it was this year) and it is proposed that Procedure Rule 16 is amended to reflect this.

2.6. All of the proposed changes are set out in Appendix A

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues - None

3.2 Financial Issues - None

4. Conclusion

The relatively minor administrative amendments set out above are proposed as sensible improvements to the Constitution and have come to light in the first six months of operating with the new arrangements

5. Background Documents

Contact Officer: Jonathan Lund, Monitoring Officer

Appendices: Appendix A – Amendments to the Constitution

Current Constitution (May 2011)	Proposed Change (from January 2012)
<p><i>Article 10.2 (page 22)</i></p> <p>The CEF Chair will be appointed by the Council. Each CEF shall appoint a Vice-Chair from amongst the members of the Partnership Board. (The Leader and Executive members shall not be appointed as CEF Chairs or Vice Chairs.)</p>	<p><i>Article 10.2 (page 22)</i></p> <p>Each CEF shall elect a Chair and a Vice-Chair from amongst the members of the Partnership Board. (The Leader and Executive members shall not be appointed as CEF Chairs or Vice Chairs.)</p>
<p><i>CEF Procedure Rule 1.6 (page 105)</i></p> <p>The Council will appoint a Chair for each CEF who will hold office for the municipal year.</p> <p>If a Chair ceases to hold office, the Council shall appoint a new Chair at its next meeting.</p>	<p><i>CEF Procedure Rule 1.6 (page 105)</i></p> <p>Each CEF Partnership Board will elect a Chair who will hold office for the municipal year.</p> <p>If a Chair ceases to hold office, the CEF Partnership Board shall elect a new Chair at its next meeting.</p>
<p><i>There is no equivalent clause in the current constitution</i></p>	<p><i>New Article 10.3 (g) Role and Function (page 22)</i> <i>New Part 3 Responsibility for Functions (page 46)</i> <i>New CEF Procedure Rule 1.1 (Page 104)</i></p> <p>To enable communities to build their capacity and develop their confidence by empowering local people and making them better able to help themselves.</p>
<p><i>CEF Procedure Rule 1.2 (Page 104)</i></p> <p>The CEF meetings will be structured in two parts:</p> <p>(a) Community Session [...]</p>	<p><i>CEF Procedure Rule 1.2 (Page 104)</i></p> <p>The CEF meetings will be structured in accordance with the wishes of the CEF Partnership Board but the agreed arrangements shall provide for:</p>

<p>(b) Business Session [...]</p>	<p>(a) Community Sessions [...] (b) Business Sessions [...]</p>
<p><i>CEF Procedure Rule 1.7 Frequency (Page 106)</i></p> <p>Each CEF will meet a set number of times per year, agreed annually by the Council, with dates set at the start of the municipal year.</p>	<p><i>CEF Procedure Rule 1.7 Frequency (Page 106)</i></p> <p>Each CEF will draw up a schedule of meetings for the year ahead for approval by the Council and incorporation into the Schedule of Meetings for the start of each municipal year.</p>
<p><i>CEF Procedure Rule 1.7 Agenda (Page 106)</i></p> <p>The Democratic Services Manager will give notice of the time and place of any meeting in accordance with the Access to Information Procedure Rules.</p>	<p><i>CEF Procedure Rule 1.7 Agenda (Page 106)</i></p> <p>Notice will be given of the time and place of any meeting in accordance with the Access to Information Procedure Rules.</p>
<p><i>There is no equivalent clause in the current constitution</i></p>	<p><i>New 10.1 Functions delegated to the Deputy Chief Executive (Page 50)</i></p> <p>After consultation with the Leader of the Council and in the absence of the Chief Executive or when the Chief Executive is unable to act in that capacity:</p> <p>to exercise all the Council's functions in emergency or urgency situations which, in the Deputy Chief Executive's opinion, seriously affect the functions of the Council and/or the well-being of the Council's area.</p>
<p><i>Functions delegated to the Executive Director with s.151 responsibilities – Limits, Controls and Conditions (Page 51)</i></p> <p>Where satisfied that recovery is not economically possible, to write off as irrecoverable, any debt, charge, penalty or</p>	<p><i>Functions delegated to the Executive Director with s.151 responsibilities – Limits, Controls and Conditions (Page 51)</i></p> <p>Where satisfied that recovery is not economically possible, to write off as irrecoverable, any debt, charge, penalty or</p>

APPENDIX A

<p>arrears owing to the Council up to an amount of £5,000 in each case</p>	<p>arrears owing to the Council up to an amount of £10,000 in each case and to write of amounts over £10,000 only after consultation with the leader of the Council (or the lead Member for Finance in the Leader's absence)</p>
<p><i>Council procedure Rule 16 (c) (i) (Page 72)</i></p> <p>(i) reported to the Scrutiny Committee;</p>	<p><i>Council procedure Rule 16 (c) (i) (Page 72)</i></p> <p>(i) reported to the Policy Review Committee;</p>