



Summons and Agenda for the
Council Meeting

to be held on

11 DECEMBER 2012

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 11 DECEMBER 2012** starting at **6.00pm**. The Agenda for the meeting is set out below.

Martin Connor
Chief Executive
3 December 2012

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 meetings of the Council held on 11 September 2012 and 6 November 2012. Pages 7 to 15 attached.

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.

Question received from Mr Brian Percival

The development of the core strategy has taken a very long time and there appears to be little certainty as to when it will be fully adopted and more importantly, taken up. I cannot see it having any significance in Tadcaster because it takes the combination of strategy and implementer.

Please explain the added value to the charge payer that will be delivered in the context of the costs to date and to conclusion, the alternative usages that could have been made of the financial and human resources consumed and to be consumed and whether what is hoped will be delivered could have been obtained by other methods.

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 16 to 22 attached.

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 23 to 27 attached.

11. The Medium Term Financial Strategy

The Council is asked to approve the Financial Strategy. Pages 28 to 53 attached.

12. The HRA Business Plan

The Council is asked to approve the Housing Revenue Account Business Plan. Pages 54 to 89 attached.

13. Localisation of Council Tax Support

The report presents the Executive's proposal for the provision of Localised Support for Council Tax. Pages 90 to 117 attached.

14. Review of the Asset Management Strategy

The Council is asked to approve the Asset Management Strategy. Pages 118 to 131 attached.

15. CCTV Procurement

The Council is asked to approve the release of funds released from the Spend to Save Reserve for the provision of a CCTV fibre network termination hub & de-commissioning of redundant CCTV infrastructure. Pages 132 to 141 attached.

16. Gypsy and Traveller Update

The report asks the Council updates the Council with the current position with regard to the delivery of a suitable Gypsy and Traveller. Pages 142 to 145 attached.

17. 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.

18. 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.

19. Private Session

That in accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and public during discussion of the following item as there will be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraph 1 of Part 1 of Schedule 12(A) of the Act.

20. Senior Management Restructure

To receive the report from the Chief Executive. Pages 146 to 148 attached.

Council

Venue: Council Chamber
Date: 11 September 2012

38	Disclosures of Interest
39	Minutes
40	Communications
41	Announcements
42	Petitions
43	Public Questions
44	Councillors' Questions
45	Reports from the Executive
46	Reports from Committees
47	Motions
48	Access Selby Report
49	Selby District Council – Submission on Council Size to the Local Government Boundary Commission for England
50	Urgent Action
51	Sealing of Documents

Present: Councillor J Crawford in the Chair

Mrs E Casling, J Cattnach, I Chilvers, M Crane, Mrs D Davies, Mrs M Davis, J Deans, 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, Mrs K McSherry, C Metcalfe, I Nutt, R Packham, D Peart, A Pound, R Price, I Reynolds, Mrs S Ryder, Mrs A Spetch, R Sweeting and J Thurlow

Apologies for Absence: Councillors Mrs P Mackay, J McCartney, Mrs M McCartney, Mrs E Metcalfe, R Musgrave, Mrs W Nichols, C Pearson, R Sayner and S Shaw-Wright

Also Present: Chief Executive, Executive Director Communities Selby, Managing Director of Access Selby, Democratic Services Manager.

Press: 0

Public 0

38. Declarations of Interest

There were no declarations of interest.

39. Minutes

The minutes of the meetings of the Council held on 26 June and 24 July 2012 were confirmed as a correct record.

Resolved:

To approve the minutes for signing by the Chairman.

40. Communication

Boundary Commission for England

The Chief Executive reported correspondence received from The Boundary Commission for England regarding the publication of revised proposals for new parliamentary constituency boundaries.

The letter advised of a forthcoming eight week consultation as part of the review of parliamentary constituency boundaries. The Chief Executive advised that copies of the letter would be circulated to parish and town councils.

Resolved:

To note the correspondence.

Leeds City Council

The Chief Executive reported correspondence received from Leeds City Council regarding a request for funding for a Judicial Review of the decision to close the Leeds Children's Heart Surgery Unit at Leeds General Infirmary.

At this point, Councillor Crane declared a pecuniary interest and left the meeting during the subsequent debate.

The Council debated the request and, whilst being supportive of any action to try and keep the Unit open, felt unable to make a financial contribution.

Resolved:

To write to Leeds City Council outlining the Council's decision to not make a contribution to the Judicial Review Fund.

Councillor Crane rejoined the meeting.

41. Announcements

None.

42. Petitions

None received.

43. Public Questions

None received.

44. Councillors' Questions

None received.

45. Reports from the Executive

The Leader of the Council reported on the work he had recently undertaken. He outlined his discussions with the Leader and Chief Executive of York City Council, the results of which he hoped would, in the future, create jobs in the Selby District.

Councillor C Lunn, Lead Executive Member for Finance, reported on the work he had undertaken within his portfolio. Councillor Lunn gave updates to the Council on both the latest position regarding the Leisure Centre and his work as part of the programme for growth board.

Councillor J Mackman, Lead Member for Place Shaping, reported on his latest work. He provided the Council with details from the reconvened Examination in Public (EIP) which had taken place on the 5th and 6th of September 2012. The Inspector considered that some of the changes debated at the EIP were main modifications and required a further consultation exercise. Councillor J Mackman outlined the need for an Extraordinary meeting of the Council prior to the six week consultation. The Inspector would also produce a position statement clarifying his areas of concern within the Core Strategy. Councillor J Mackman would respond in writing to a question from Councillor R Packham.

The Council agreed to hold an Extraordinary meeting on 6 November 2012.

Councillor C Metcalfe, Lead Member for Communities, gave an update on his work. He offered thanks to those councillors who had attended the awareness session with the Gypsy and Traveller community prior to the Council meeting.

Resolved:

- i) **To receive and note the reports from the Executive;**
- ii) **To hold an Extraordinary meeting of Council on 6 November 2012.**

46. Reports from Committees

The Chair of Policy Review Committee, Councillor M Jordan, reported on work of the Committee since the last Council meeting. Councillor M Jordan informed the Council that the Renewable Energy Task and Finish Group would shortly be holding its first meeting.

Resolved:

To receive and note the reports from the Committee..

47. Motions

The Council debated the below motion. The motion was moved by Councillor Mrs M Davis at the Council 26 June 2012 meeting and had been referred to the Executive for consideration.

The Labour Group wish to ensure that the rights of Scrutiny and the right to proper debate of call-in issues are enshrined within our Constitution to prevent the stifling of debate before an informed vote on the issue can take place.

On behalf of the Executive, Councillor C Metcalfe informed the Council that he had held discussions with a number of councillors from the two main political groups. The recommendations put forward sought to amend and refine the operation of scrutiny at the Council in order that the process adds value to the Council's operations.

Councillor C Metcalfe moved the recommendations below as an amendment to the motion. The amendment was seconded and approved by the Council.

Resolved:

- i) **To amend the Council's Constitution in respect of the Scrutiny Committee to give effect to the following:**
 - **to debate all call-ins**
 - **To have the call-in presented to the Scrutiny Committee by the "sponsor" of the call-in and one or more of his/her co-signatories**
 - **To hear from any other appropriate contributors, including where necessary the relevant Executive member**

- To pass any relevant and specific recommendations to the Executive or Council as appropriate
 - To comment on the validity of the call-in itself
- ii) To provide a series of development workshops to re-appraise the role of the scrutiny function to help deliver the objectives set out in paragraph 3.3 of the report;
- iii) To introduce a system of named substitutes for scrutiny committees.

48. Access Selby Annual Report

Councillor W Inness provided a presentation on the Access Selby Annual Report. The presentation detailed the work undertaken by Access Selby in its first year of operation.

The Council praised the work undertaken by Access Selby and suggested ways in which improvements could be made.

Resolved:

To note the presentation.

49. Selby District Council – Submission on Council Size to the Local Government Boundary Commission for England

Councillor Crane presented the report which provided a draft submission to the Local Government Boundary Commission for England on the future size of the Council.

The Council discussed the submission and felt that the Commission should be asked to propose a Council size. The submission would be amended to reflect the Council's wishes.

Resolved:

- i) To ask the Local Government Boundary Commission for England to determine the appropriate Council size on which commence public consultation;
- ii) To approve appendix A, amended to reflect resolution i), as the Council's submission to the Local Government Boundary Commission for England on Council size;

50. Urgent Action

The Chief Executive informed the Council that he had not taken any urgent action in the time since the last Council meeting.

51. 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 closed at 7.40 pm

Extraordinary Council

Venue: Council Chamber
Date: 6 November 2012

52	Disclosures of Interest
53	Reprovision of Abbey Leisure Centre
54	Local Development Framework: Core Strategy Examination in Public

Present: Councillor J Crawford in the Chair

Mrs E Casling, J Cattnach, I Chilvers, M Crane, Mrs D Davies, Mrs M Davis, J Deans, Mrs S Duckett, M Dyson, K Ellis, M Hobson, W Inness, Mrs G Ivey, M Jordan, C Lunn, D Mackay, Mrs P Mackay, Mrs C Mackman, J Mackman, B Marshall, J McCartney, Mrs M McCartney, Mrs K McSherry, C Metcalfe, I Nutt, R Packham, C Pearson, A Pound, R Price, I Reynolds, Mrs S Ryder, R Sayner, S Shaw-Wright, Mrs A Spetch, R Sweeting and J Thurlow

Apologies for Absence: Councillors Mrs E Metcalfe, R Musgrave, Mrs W Nichols and D Peart.

Also Present: Chief Executive, Deputy Chief Executive, Executive Director (s151), Director of Business Services, Managing Director of Access Selby, Democratic Services Manager.

Peter Burt – Wigan Leisure Culture Trust

Press: 1
Public 7

52. Declarations of Interest

There were no declarations of interest.

53. Reprovision of Abbey Leisure Centre

Councillor Mrs G Ivey presented the report which set out the options appraisal undertaken following the fire at Abbey Leisure Centre in February 2012.

Councillor Mrs G Ivey stated that the Executive had considered the alternatives available and recommended that Council approve the “Demolish and Rebuild” option.

The Council discussed the provision of Leisure facilities following the Fire at Abbey Leisure Centre. Councillor Crane expressed the Council’s gratitude to Selby College, Barlby High School and Sherburn High School for the facilities they continued to provide.

The Deputy Chief Executive detailed the work completed by the Council since the fire. Rather than settle on the reinstatement of the existing building, officers were asked to work with a small number of councillors to consider a number of available options. The Council had worked with consultants and its service delivery partner Wigan Leisure Culture Trust (WLCT) to establish realistic options.

Councillor Mrs G Ivey set out that the “Demolish and Rebuild” option would best deliver the current and future needs of the district. She outlined the positive discussions that had taken place with Sport England regarding potential grant applications.

The Executive Director (s151) provided more details in respect of funding the new Leisure Centre. She outlined the potential to reduce capital costs through value engineering and to secure a reduced management fee with WLCT. The Council heard that similar new Leisure Centres had been built at significantly lower costs than quoted in the report.

The Council debated the deliverability of a new Leisure Centre and it was stated that the cross party working group would continue to be involved in the development of the project as part of the Council’s Programme for Growth. The Council then discussed the ongoing work to improve leisure provision across Selby District.

Resolved:

- i) To note the report and its attachments.**
- ii) To accept the recommendations of the Executive and endorse the “Demolish and Rebuild” option with a view to reducing the capital costs through value engineering, maximising the external grant funding and securing a revised management fee with WLCT.**

54. Local Development Framework: Core Strategy Examination in Public

Councillor Crane introduced the report and advised the Council that due to the timescales involved it had not been possible to debate the matter at Policy Review Committee. The Chair of Policy Review Committee had approved this course of action.

Councillor J Mackman presented the report to the Council. The report set out the key issues and next steps towards the adoption of the Core Strategy and provided a schedule of the seventh set of proposed changes for consultation in order to ensure consistency with the new National Planning Policy Framework.

Councillor J Mackman highlighted the Planning Inspector's position statement which demonstrated the encouraging progress being made by the Council toward the adoption of the Core Strategy. He set out a revised timetable for the next steps in the process which culminated in a reconvened Examination in Public on 27 February 2013.

In response to questions Councillor J Mackman outlined the Council's stance in relation to windfalls and their contribution to the future level of housing allocation. He also clarified the implications of windfalls on the five year housing supply and detailed the impact of the delay in the adoption of the Core Strategy on the development of the Council's Site Allocations Development Plan Document.

Resolved:

- i) To agree the 7th Set of Proposed Changes for consultation;**
- ii) To authorise the Director of Community Services, Access Selby, after consultation with the Leader of the Council, to agree any necessary further detailed wording of Main Modifications relating to the Core Strategy Policies prior to consultation;**
- iii) To authorise the officers representing the Council at the reconvened EIP to make any necessary Additional Modifications to the Core Strategy Policies before and during the reconvened EIP;**
- iv) To authorise Officers to make the necessary arrangements for (a) the public consultation between 12 November and 28 December 2012 and (b) other procedural issues not covered by existing delegations to enable effective conduct of the remaining Examination and Reporting procedure.**

The meeting closed at 7.35pm

Since last full Council I have been heavily involved in the five big things, I am pleased to report that in each of the areas progress has been achieved. In leisure following the meeting of full council in November we continue to look at the new leisure centre and how we can best position the building as well as ensuring value for money, I am pleased that a cross party group is working on this.

On the jobs front I am still in discussions with the owners of Olympia park to try to ensure that this site comes forward to give job opportunities for those who live in the district. I am also working with Officers to ensure that Selby is “open for business” not only claiming that we are but also making it easier for anyone bringing jobs here.

The retail scene in the district has focused on the three largest settlements, Selby town itself having the largest offer and the greatest number of options. We cannot ensure that every shop has a retail offer and we do not control rents or the business rates, but we should try to ensure that people have reason to come to Selby and spend their money.

Councillors will be aware that the Council will be looking for a new Chief Exec over the coming months and I am looking at possible solutions and have spoken to partners about this. I have also been involved in discussions around the development at the former Rigid paper site which could lead to houses retail and jobs as well as discussions with North Yorkshire LEP to position the council to take advantage of any job opportunities.

I have met with a number of other organisations including the rail users who we work closely with and are trying to ensure an improved rail service from Selby esp to London.

Finally I am involved in the current budget round and it promises to be another difficult settlement from the Gov't with our grant likely being cut again.

Mark Crane

Cllr Gillian Ivey.
Executive Member for Partnerships and External Relations

Report to Council on December 11th 2012.

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

Police and Crime Panel.

The Panel has been meeting monthly and undertaking training/ briefing sessions since September. On November 22nd the Panel met with the new Police Commissioner, Julia Mulligan. In responding to members' questions, the Commissioner re-iterated her support of Neighbourhood policing, increased emphasis on dealing with anti-social behaviour and a wish to see even better co-operation on cross-border crime.

The Commissioner will present her budget to the Police and Crime Panel in early February. She intends to consult on the budget at the same time as the County Council 'budget road shows' if possible.

York & North Yorkshire Housing Board: met in October and will meet again next week. The main topics under discussion at present are.....

- Making Stronger Links between the Housing, Planning, Transport and Economic Development.
It has been suggested that a wider member conference be held in the New Year to explore links between Housing, Planning, Transport and Economic Development Boards.
- The North Yorkshire draft Tenancy Strategy has been approved.
Now completed, the Tenancy Strategy is due to be published on the website
- The North Yorkshire Homelessness Strategy is to be incorporated in future into the NY Housing Strategy.

A successful county-wide Rural Housing Week was held in October with a conference attended by over 70 people, and events in each district during the week. In Selby there was a visit to the new rural site at Appleton Roebuck, followed by presentations from a Housing Association and Rural Housing Enablers. As we have been without an RHE in Selby for several months I am pleased to be able to announce that a new appointment has now been made.

I chaired the York & North Yorkshire Housing Forum which met in Selby in November and discussed.....

- Domestic Abuse Joint Commissioning Strategy
- Rural Discount Homes
- HCA update on funding available, and on projects throughout the County.

The Annual Meeting of the TransPennineTrail was held in Barnsley in October. We were able to form some useful links with new local volunteers who look after the trail here in Selby District, and are always looking for others to join the team. It will be a pleasure to welcome the next annual meeting here in Selby District in September 2013.

At the council I am working with officers on.....

- Development of the Tenancy Policy for Selby District. The draft policy will go out for consultation and then before Policy Review Committee early in the New Year.
- The Project Board for a new Leisure Centre has been set up as promised and has already met three times to review the specification and also the bid which it is intended to submit to Sport England.
- At the same time discussions with, and work by, WLCT is ongoing to enable us to move forward with the other projects in the Living Well agenda.
I hope to report back in more detail at the next meeting on how we will propose to deliver sport in the community.

In ending this report, may I thank both members and officers for their kind concerns, and the tremendous support I have received since my return to council.
It helps a lot; thank you.

Gillian Ivey

Councillor Cliff Lunn Executive member for finance

Report to full council December 11th 2012

I attended the Executive meeting on 1st November where I reported on the following items.

- 1) Fees and charges....those which are exceptions to the normal methods of increase. i.e.by RPI or by an amount determined nationally by central government.
Increases were proposed above RPI for Legal services, Bulky Household Waste, and Commercial Waste. These were set to achieve full cost recovery

We also looked at a range of options for the subsidy on railcards.it was decided to continue providing a subsidy at £5 per card. This is above the level provided by neighbouring authorities.

Further details can be found in the minutes available on the website

Overall the decisions are expected to achieve an additional £57K income.

- 2) I reported on the Financial results and budget exceptions to June 2012
This showed a deficit on General fund of £406K made up from a surplus on core of £109K, a small surplus on communities of £11K and a deficit on Access Selby of £526K.
The bulk of the Access Selby deficit was due to the withdrawal of local planning charges by central government, but we had already set aside a reserve of £300k for this eventuality.

The HRA shows a surplus of £94K

Capital Results

These are generally good, with most schemes underway with the exception of those which have issues beyond our control. These are the telecoms mast, the all-weather pitch, and Tadcaster central car park

Savings Results

Progress on savings is proving to be a challenge, including the previously mentioned withdrawal of localised planning fees. We are looking at the allocation of costs between HA and the GF in order to ensure more accurate charging of costs between them.

- 3) Treasury management Report to Sept 30th 2012

Overall investment interest is forecast to exceed budget for the year due in part to a buoyant cash flow. We are at present slightly short of our interest target of 1.25% achieving 1.21%. We are £75K above our investment interest budget, an increase of £19K since quarter 1.

We are actively investing in triple A rated sterling money market funds; these paying just above base rate at 0.6%, but this enable us to spread our investment exposure risk across a wider range of financial institutions, whilst providing us instant access to our money.

We had long term borrowing at£60.333M at 30th September.

4) Leisure Landlord maintenance program

We looked at 2 items

1) Renewal of the surface for crazy golf at Selby park

WLCT recommended that the surface was adequate so this cost was not added to the 4 year plan

2) Repair/replacement of the lift at Tadcaster leisure centre

This is currently out of action. Estimated replacement cost is circa £20,500. The cost of repair is being explored, but parts are not readily available and an accurate indication of costs is not yet to hand. The lift is required to continue to support disabled access to an upper floor. A decision will be made as soon as costs are fully known

5) Homeless Prevention

DCLG has provided £53,000 additional funding to SDC for homeless prevention work coinciding with national welfare reforms. This funding is outside the scope of Access Selby, so the report was to authorise the commissioning of this task and monies to Access Selby

6) Repossessions prevention

This is similar to the previous point. DCLG has allocated £40,000 for the prevention of repossessions. Similarly we commissioned Access Selby to carry out this task

It should be noted that these monies are for only one year and cannot be sustained beyond that time

7) Review of ICT strategy

A new ICT strategy has been developed for the next five years. This will, it is hoped, make us more efficient and more responsive to the needs of our customers.

The report highlighted a shortfall in funding within the current ICT reserve. This will be addressed in the new budget.

I have also attend a meeting of the project board for the rebuilding of the leisure centre with architects BGH, to move forward plans to enable us to apply for a grant from Sport England. There is some urgency with this as the application must be in mid-December. The board set out design parameters which will allow us to make the application on time and with everything included to Sport England's requirement

Cllr John Mackman

Executive Member for Place Shaping

Report to Council on 11 December 2012

This report covers the period from the Council meeting on 11 September 2012. During this period I have attended scheduled Executive/Executive Briefing meetings, Selby Internal Drainage Board, North Yorkshire Building Control Partnership, North Yorkshire & York Spatial Planning and Transport Board and Local Parish Council meetings as and when required.

1) The Local Plan Core Strategy (CS)

At the Extraordinary Council meeting held on the 6 November 2012 I updated the Council on the progress of the Core Strategy through the Examination in Public (EIP) that took place on 5 and 6 September and reported on the outstanding key issues and next steps in the programme towards adoption of the Core Strategy. The agreed 7th set of proposed changes are now out for public consultation until the 28 November 2012 and final legal submissions will be made in January ahead of what we expect will be the concluding EIP sessions on the 27 February 2013. Following this it is expected that the Inspector will submit his report and recommendations on adoption of the Strategy for the Council to determine. It is interesting to note that the Inspector has commented in his October “steer” to the Council that:

“As a result of the Council’s positive response to, initially, the reasons for the Examination being suspended and, subsequently, to the representations and discussions concerning the NPPF, the areas where there remains a risk of my having to recommend main modifications to achieve a sound plan are relatively few”

Whilst the Inspector makes it clear that the views expressed in his position statement should not be taken as definitive of his final conclusions they are nevertheless encouraging.

2) The Local Plan “Site Allocation Plan” (SAP)

The “Site Allocation Plan” (previously the SADPD) will eventually take its direction from the Core Strategy and will need to reflect any changes made to the overall housing numbers or their spatial distribution which arise from the finalisation of the EIP. Key issues that the SAP will need to address when it resumes includes the planning requirements of the NPPF and the requirements of the new “Planning Policy for Traveller Sites” of particular note is the need for all local authorities to have in place a supply of specific deliverable sites for Travellers sufficient to provide five years worth of sites/pitches against locally set targets. Additionally, they need to identify a supply of developable sites for years six to ten and when possible for years eleven to fifteen.

To meet these requirements it will be essential to have a robust up to date evidence base (GTAA report) which demonstrates local need and which will stand up to rigorous scrutiny by Inspectors. To this end a joint GTAA report has been commissioned with Harrogate Council which will determine the Traveller needs across our districts up to the end of the Local Plan period.

It will also be necessary to consider the proposed Green Belt review and the potential Safeguarded land requirements as part of the ongoing SAP programme.

3) North Yorkshire Building Control Partnership (NYBCP)

The depressed economy continues to severely impact on activity levels in the building and construction industry resulting in a significant shortfall in NYBCP income against budget. Disappointingly, the construction industry sustained a 5% reduction in output in the second quarter which is normally the busy period for the building and construction industry. No doubt this reflects the impact of the double dip recession. Whilst recently there has been an increase in the number of tender inquiries for some larger schemes, which is encouraging, there is still a considerable lack of confidence throughout the construction industry for triggering any sizeable scheme's and even household schemes (our bread and butter) are at a low ebb. The IT project is moving forward at a pace with an initial go-live date of January 2013, implementation of all processes and revisions is targeted for 1st April 2013.

A revised budget for 12/13 and a 3 year medium term financial plan are currently being evaluated however, it is expected that with a £100k shortfall in income and in year redundancy and rationalisation costs there will be a bottom line deficit in 12/13.

4) Programme for Growth

Our Programme for Growth will aim to deliver real improvements in our housing provision, providing homes for our future workforce and selecting the most effective mechanisms for making housing more accessible and more affordable.

This is not just about housing numbers but the wider ambition to improve the quality of housing both in terms of any new build but also by bringing back into use housing which has been in disrepair or left empty for other reasons. In order to make progress we have set up a project team with a view examining the feasibility of establishing a housing trust to develop new build housing within Selby District. Initial research indicates that an independent housing trust with charitable status would provide a realistic alternative option for providing new build homes which potentially offers significant benefits compared to the more traditional routes.

The kick off meeting of the project team has approved the need to seek professional legal and tax advice with the aim of reporting on feasibility in February and then subject to Council approval in February to establish the trust, as an independent trust, by the end of May 2013. The housing trust project has links to other project streams such as job creation, site acquisitions, resource utilisation and overhead reduction.

John Mackman
Executive Member

Report from the Chair of Policy Review Committee – Cllr Jordan

At our last meeting on 16th Oct the Policy Review Committee looked at the following

Financial Strategy---we looked at this to ensure the right priorities are being delivered. Anticipated cuts have been looked at and we discussed if the suggested savings were realistic particularly the savings of £643k at Access Selby for this financial year and £787k the year after. We note from that report that the likelihood is becoming more challenging and await decisions on what further savings will be brought forward.

Countryside Management and Green Space Strategy---lengthy report of some 96 pages. It was considered a comprehensive report which was presented by the Exec member. One specific request from the Committee was that we recommended that all Parish Councils be consulted.

Next was the Asset Management Strategy presented by the Leader Cllr Mark Crane who explained the objectives particularly with regard to making sure good use is made of them and that the use is sustainable. Appendix 1 of the report shows how significant our assets are with 472 garages, 2 hostels, 12 car parks, 12 community centres, 9 parks and open spaces, 4 leisure facilities, 45 industrial units, 2 cafes, lots of pockets of land, 4 corporate buildings/depots, land at Tad bus station and other bits and pieces, not an inconsiderable amount!

Further to this I have separately had a meeting with Cllr Chris Metcalfe and the Chief Exec where we discussed how the Committee is going (a review of the Review Committee if you like), what works well and what can be improved. This is timely as the new method of running the Council has been running for nicely over a year now and we need to ensure it is doing what it is supposed to be doing. With that in mind some ideas emerged, one of which is that we are going to have an informal meeting of the committee with the Chief Exec/deputy after the next proper meeting to discuss aspects of that meeting. I should like to take the opportunity of thanking Cllr Metcalfe for his help in this matter.

Chair of Scrutiny Committee – Councillor Wendy Nichols

The Scrutiny Committee has met twice since the last report to Council on 26 June 2012.

25 September 2012

Review of the Scrutiny Function

Councillor Metcalfe, Executive Member for Communities attended the meeting to present his report and answer questions on the review of scrutiny arrangements.

The Committee agreed to use one of its scheduled provisional meetings to take the issues raised in the report forward and look at the training needs for Members. A further report on that meeting will be given later.

The Committee would like to thank Councillor Metcalfe for his attendance.

Access Selby 1st Interim Key Performance Indicator Progress Report April 2012 to June 2012 and SLA Development Progress Report

Councillor Crane, Leader of the Council and the Director of Community Services presented this report. The Committee discussed various aspects of the reports including the setting of targets and which targets were based nationally and which were set locally. The Committee also queried areas where there had been slippage. The Committee were particularly keen to ensure that the average time taken to process disabled facilities grant applications was looked into and improved.

The Committee would like to thank Councillor Crane for his attendance.

New Selby War Memorial Hospital Minor Injuries Unit

Representatives from the Harrogate and District NHS Foundation Trust and Vale of York Clinical Commissioning Group attended the meeting to discuss issues relating to the Minor Injuries Unit at the New Selby War Memorial Hospital.

A useful discussion took place on the services provided by the hospital and various statistics were presented on the amount of people who visited the hospital and on the ailments that were treated. The Committee were informed on the day that there had been a proposal put before the PCT Board to temporarily close the Minor Injury Units at Selby, Ripon, Whitby and Malton however there have been subsequent developments with this. The Committee at the time raised their concern at this development and the effect this would have on the residents of Selby with particular concern the location of the nearest hospitals which would be Pontefract and York.

The Committee were also informed of the new ambulance pathway which was being introduced on 1 October 2012 where an accredited car service and patient transport service would take patients to hospitals where ambulances were not required.

The Committee were also informed of specific costs relating to treating individual patients, callouts for an ambulance and visiting Accident and Emergency. The Committee suggested that these costs be placed in a future Citizenlink magazine so that members of the public were aware of the costs involved.

The Work of the Environmental Health Service Detailing Activity, Performance and Workload

The Business Manager and Lead Officer, Environmental Health and Housing presented a report which provided details of the work of the Environmental Health Service detailing activity, performance and workload.

The Committee were informed of the work of the service and the amount of complaints received each year. The Committee were also provided with information about the new food hygiene ratings scheme which was introduced earlier this year.

Information was also provided on the powers Community Service Officers had to enter properties if there was a health risk.

23 October 2012

I unfortunately had to give my apologies for this meeting and it was chaired by Councillor Price.

Scrutiny Development Workshop

The Committee held a Scrutiny Development Workshop to discuss and list ideas on how they could improve in the following areas:

- The creation of a functional and meaningful work programme.
- Building a relationship with the Executive.
- The use of Task and Finish groups to extend resource and effectiveness

The Committee split into small groups and spent time listing ideas for development in each area and then fed back ideas to the whole group. A range of useful ideas were suggested and work is currently ongoing on taking this work forward.

Localism Act – Development of Scrutiny Committee

The Committee decided to select National Non-Domestic Rates (NNDR) Discretionary Reliefs as a topic for its Task and Finish Group. The Members

who decided to be on the Task Group were Councillors Chilvers, Hobson and Pearson. The first meeting of the Task Group was on 27 November 2012 and the Task Group will be reporting back on their work at the Scrutiny Committee meeting in January.

Councillor Mrs E Casling – Chair of Audit Committee

Audit committee last met on 26th September.

On the agenda was the Statement of Accounts and the Annual Governance Statement.

In relation to the Statement of Accounts, members are expected to take "collective responsibility for, and prioritise, financial reporting and demonstrate robust challenge and scrutiny." At the meeting members perused the accounts asked questions and were satisfied that everything was in order. Three quality assurance areas were raised and the chair asked for further information at the next meeting.

Secondly, the committee received the Annual Governance Statement. This provides public assurance that the local authority has a sound system of internal control. Three areas again were raised as areas of potential risk: housing revenue account reform, valuation of property, plant and equipment - new civic centre and International Auditing Standard 19 in relation to the valuation of pensions. All were examined by the external auditor and assurance received. We were satisfied and so was the external auditor, that this was the case.



Public Session

Report Reference Number (C/12/9)

Agenda Item No: 11

To: Council
Date: 11 December 2012
Author: Karen Iveson, Executive Director
Lead Officer: Karen Iveson, Executive Director
Executive Member: Cllr Lunn

Title: MEDIUM TERM FINANCIAL STRATEGY UPDATE

Summary: This report presents the Executive's proposals for the updated Medium Term Financial Strategy (following scrutiny by the Policy Review Committee), which supports 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 Update be approved.**

Reasons for recommendation

To set the framework for the 2013/14 budget and 2013 – 2015/16 Medium Term Financial Plan.

1. Introduction and background

- 1.1 This report presents an update to the financial strategy following scrutiny by the Policy Review Committee. It considers the requirements of a refreshed financial strategy in light of the Government's changes to Local Authority funding and the continued challenges within the wider economy.

2. The Report

- 2.1 The approved MTFs took a cautious view of the Council's finances given the uncertainty within the wider economy and the Government's resource review, setting additional savings targets for Access Selby of £643k for 2012/13 and £787k for 2014/15 (taking their total savings target to £3.7m by 2014/15 – to date £2.2m has been achieved).
- 2.2 Nearly a year on, the continuing economic recession; the growing uncertainty surrounding the proposed business rates retention scheme; and changes to specific grants (such as Council Tax Support), mean that further cuts to public sector spending are considered likely.
- 2.3 The attached update paper models three scenarios for Government grant/business rates: cuts per the CSR10; mid-range cuts of 10%; and the LGA's view of a 20% cut in 2013/14. The mid range forecast is the scenario that is proposed as the basis for the forthcoming budget round.
- 2.4 Assuming cuts of 10% to grant/business rates and using New Homes Bonus awarded for 2013/14 onwards to help backfill these funding cuts, a further gap of £140k is forecasted for 2013/14.
- 2.5 The Core and Communities Selby savings plan contains enough headroom to absorb this funding cut but Access Selby, whilst achieving £2.5m in savings and efficiencies to date, still has significant savings to deliver in order to meet its targets (largely the result of the Government's withdrawal of proposals to localise planning fees, removing £250k in anticipated fee income).
- 2.6 In order to provide some additional capacity and resilience for the Council, the Executive will consider further efficiency and savings initiatives as part of their budget proposals.
- 2.7 Achievement of the planned savings will allow resources to be diverted to the 'Programme for Growth' to support delivery of the Council's Corporate Plan. An estimated summary of the programme's spend and funding profile is set out in section 5 of the paper.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 None arising from the report.

3.2 Financial Issues

- 3.2.1 Based on the updated key assumptions within the paper and a mid-range cut to Government grant/business rates of 10%, the target net revenue budget (excluding NHB allocated to the 'Programme for Growth') for 2013/14 is £9.7m (or £10.562 including NHB for the 'Programme for Growth').

4. Conclusion

- 4.1 There remains significant risk and uncertainty to public sector funding and a cut of 10% is suggested as a prudent mid-range forecast for 2013/14.
- 4.2 Subject to the assumptions and by using NHB achieved from 2013/14 onwards to back fill these cuts, there should be sufficient resources to cover our in-year revenue spending and allow £880k p.a. from NHB to be diverted to the 'Programme for Growth'.
- 4.3 However, this is dependent upon achieving our savings targets. This is becoming increasingly challenging and therefore opportunities for further efficiencies and savings will be brought forward as part of the 2013/14 budget proposals.

5. Background Documents

- 5.1 Approved MTFS December 2011

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Appendices:

Appendix A - Medium Term Financial Strategy Update October 2012

Selby District Council

Medium Term Financial Strategy Update October 2012

1. Introduction and Background

- 1.1 This paper presents an update to the Medium Term Financial Strategy approved by Council in December 2011. It considers the budget pressures and issues facing the Council over the next 3 years and provides the framework for the forthcoming budget round.
- 1.2 The strategic context for the financial strategy remains unchanged although the Council's work on its corporate objectives (the 5 Big Things) is progressing – a 'Programme for Growth' is currently being developed and the financial strategy aims to provide the resources necessary to deliver the programme.
- 1.3 To support this paper three scenarios concerning central Government grant funding have been modelled and are attached at Appendix A – cuts per the CSR10; mid-range cuts of 10%; and the LGA's view (the most pessimistic, with a 20% cut forecast in 2013/14).

2 Update on financial assumptions

Interest Rates

- 2.1 The bank base rate remains at 0.5% with a rise not forecasted until 2014. The approved strategy assumed investment rates would rise to 3% by 2015/16 which is now looking unlikely.
- 2.2 Current returns are around 1.25% and it would be prudent to assume this level for 2013/14, with assumptions reduced to 2% for 2014/15, and 2.5% for 2015/16.
- 2.3 The approved strategy includes provision for a £300k cap on the amount of investment interest used to support the revenue budget and as a result of the on-going low rates it is now anticipated that this will not be reached until 2015/16 (instead of 2013/14).

Inflation

- 2.4 The approved strategy took a cautious stance on inflation projections with 3% included for all years – no changes are proposed at this stage.

Government grants

- 2.5 This element of funding will see the most significant changes following the localisation of Business Rates and Council Tax Support. Final

Appendix A

details are still awaited, although Appendix B sets out further information and an example forecast based on the consultation to date and figures in the last spending review.

- 2.6 The LGA's view of future funding is much more pessimistic with a 20% cut estimated for 2013/14. In order to steer a middle course, in simple terms a net cut of 10% has also been projected for 2013/14 (to 2016/17), along with the removal of Council Tax Benefit and a reduced level of support rolled into the new business rates scheme.
- 2.7 Compared to the approved strategy, the three scenarios set out at Appendix A range from an increase in resources for 2013/14 of £240k (the result of 2013/14 New Homes Bonus) to a decrease of £620k.
- 2.8 Beyond 2013/14 the mid-range forecast assumes that business rates and general grant broadly reduce in line with increases in New Homes Bonus – a relatively prudent approach but one which still carries some risk as it requires sufficient levels of increase in Council Tax Base.
- 2.9 Business rates retained above the strategy assumption will be set aside to off-set potential future losses, in accordance with the strategy approved in December 2011.

New Homes Bonus

- 2.10 The approved strategy assumes that Year 1 New Homes Bonus (NHB) is used to support the 'Programme for Growth' with sums received in excess of the year 1 award, being used to support the revenue budget. This was in response to the announcement that any further awards would be funded from top slicing formula grant.
- 2.11 When the final details of the scheme and the plans for Business Rates retention were released it became clear that the Government had already taken some need for top slicing into account in the 2012/13 settlement and therefore subject to achieving the target for savings in 2012/13, the Year 2 award can be viewed as additional resources and used to support the 'Programme for Growth'.
- 2.12 Receipts above the 2012/13 level of £880k p.a. will be used to support the revenue budget, effectively helping to back fill further grant cuts.

Council Tax

- 2.13 The strategy assumes that Council Tax will increase in line with inflation. Any deviation from this will require further savings and/or cuts to services.
- 2.14 Council Tax income is also dependent upon the Council Tax Base, which will be reduced by around 10% as a result of change in Council Tax Support - from a welfare benefit to a discount scheme. This

Appendix A

change is estimated to reduce the Council's precept income by around £460k (allowing for the cut in government funding), which should be offset by an increase in general grant.

- 2.15 Subject to a decision (by January 2013), on the final scheme for Council Tax Support (including the expected 10% cut to grant), further reductions are assumed to be offset by reductions in other discounts.
- 2.16 However, prudent forecasts regarding the future collectability of Council Tax from households previously in receipt of Council Tax Benefit, mean an annual deficit on the Collection Fund of £30k is assumed.

General Balances

- 2.17 In accordance with the current strategy it is assumed that General Fund balances are **not** used to support the revenue budget after 2012/13.
- 2.18 General Balances remain funding of last resort. Currently there is a balance of £1.8m on this fund so there is some headroom above minimum £1.5m working balance. Given the increased funding risk associated with business rates it is proposed that £300k is transferred to a new Business Rates Equalisation Reserve. This will provide protection should the Council suffer early losses before the funding safety net is reached (there is no protection from losses until the safety net is reached – the Government is currently seeking views on setting the safety net threshold between 7.5% and 10.0% below an authority's baseline funding level, which could equate to around £245k for Selby).

Earmarked Reserves

- 2.19 An initial review of earmarked reserves suggests:
 - Close the Vehicle Replacement Reserve (the last remaining owned vehicle has now been sold – all other vehicles directly used by Access Selby are leased) – this will release £164k for alternative use.
 - Details of the updated Asset Management Strategy are needed before reviewing the adequacy of the Buildings Reserve. £130k p.a. is transferred into this reserve but following the move to the new Civic Centre and the fire at Abbey Leisure Centre this amount needs to be reviewed.
 - ICT Replacement – the assessment of spending need currently exceeds available resources – a bid for additional resources is anticipated and whilst subject to business case and Council approval, it would be prudent to transfer the £164k from the Vehicle Replacement Reserve to the ICT Reserve.

- Special Projects Reserve - use £880k of New Homes Bonus in 2012/13 – 2014/15 to top up this reserve for the Council's 'Programme for Growth'. Available funds after current commitments stand at £1m plus £880k p.a. New Homes Bonus from 2012/13 onwards (subject to award and grant cuts) which could give us around £3.6m up to 2014/15.

It must be stressed that the use of NHB resources to fund growth is wholly dependent upon achieving the revenue savings targets set.

- Spend to Save Reserve – the need for on-going savings and efficiencies to achieve the Council's objectives remains a key priority and therefore this reserve, which provides up front investment for improvements and efficiency initiatives, is a crucial part of the financial strategy. The reserve is currently sustained through in-year revenue savings in excess of set targets.
- Pension Equalisation – there is the potential to release funds from this reserve subject to changes in pension rules and the next triennial valuation. The £200k p.a. that is currently set aside will be reviewed following the results of the valuation due late in 2013.
- PFI – the on-going adequacy of this reserve will be reviewed in light of interest rates and inflation. Any necessary increases in contributions will form part of the revenue budget and will be funded as a commitment before further service growth is considered.

3 Revenue Budget

Costs

- 3.1 It is assumed that costs will increase in line with inflation although at the time of writing this paper, details on the employee pay award have not been finalised. A pay award of 1% has been included in the MTFP for 2013/14
- 3.2 Whilst cuts in general grant continue, any demand led cost pressures must be contained within the net revenue budget.

Income

- 3.3 The current Medium Term Financial Plan includes £250k p.a. for Planning Fee localisation, which will not now take place.

Appendix A

- 3.4 Other income generation is a key part of Access Selby's business plan but is currently not delivering to target, which is putting greater pressure on the need for savings. However this remains a key objective for Access Selby and therefore it is assumed that income targets are increased in line with inflation and alternative streams are brought forward for consideration by the Executive.

Savings

- 3.5 The latest versions of the savings action plans are set out at Appendix C. There are concerns over Access Selby's ability to deliver to their plan in light of the outlook for planning fees and income generally.
- 3.6 Planned savings from the removal of the fixed term costs associated with Communities Selby have been added to the Core's savings list, taking their headroom in 2013/14 to around £180k. On the other hand, Access Selby still has up to £1.5m savings to be delivered over the next 2½ years. The 'still to identify' line in the table below is the result of localised planning fees not coming to fruition.

Access Selby savings still to be delivered	2012/13 £000	2013/14 £000	2014/15 £000
Amber	230	283	288
Red	111	681	1,013
Still to identify	252	239	224
Total	593	1,203	1,525

- 3.7 Delivery of the set savings targets is a fundamental and crucial part of the Council's financial strategy – failure to achieve the targets will mean that resources can not be diverted into the 'Programme for Growth' which will limit the potential for economic growth within the district and in turn will limit the resources available to the Council through NHB and Business Rates retention.
- 3.8 Given Access Selby's challenging target it would be prudent to look for alternative efficiencies and savings within the Council's spending and income plans.

4 Capital Programme

- 4.1 There is currently around £0.5m available in usable capital receipts over next 5 years after Disabled Facilities Grants and other capital project commitments. The approved programme is attached at Appendix D.
- 4.2 The fire at Abbey Leisure Centre and the resulting temporary gym arrangements mean that receipts from the sale of land at the former

Appendix A

Civic Centre site will be delayed to 2015. It is intended that these receipts be allocated to the 'Programme for Growth' should they be realised within the life of the programme.

- 4.3 As at 31 March 2013 it is estimated that there will be £493k of capital receipts allocated to the 'Programme for Growth' and further spend will be subject to approval of proposals currently in development.
- 4.4 At this stage there are no plans to take out further prudential borrowing although this will be kept under review as the 'Programme for Growth' develops.

5 Programme for Growth

- 5.1 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme aims to comprise a range of cross cutting projects designed to **'build a stronger Selby district'** by investing in housing and infrastructure; jobs; retail; and the leisure economy.
- 5.2 The programme will be funded largely by New Homes Bonus (up to £880k p.a.) and unallocated capital receipts, and be delivered over the next 2½ years from October 2012.
- 5.3 The programme is scheduled for approval by the Executive on 1st November 2012 but an estimated summary of the spend and funding profile of the programme is set out in the table below:

	Capital £000	Revenue £000	2012/13 £000	2013/14 £000	2014/15 £000
Programme management	0	93	13	40	40
Housing	0	76	38	28	10
Infrastructure	0	105	40	65	0
Jobs	0	118	15	51	52
Retail	0	500	0	500	0
Leisure	2,000	0	0	0	2,000
Strategic site acquisition fund	1,750	0	1,000	750	0
Total	3,750	892	1,106	1,434	2,102
Funding					
Balance brought forward			0	1,116	562
Special projects reserve - revenue		3,489	1,729	880	880
Special projects reserve - capital	1,493		493	0	1,000
Project spend			-1,106	-1,434	-2,102
Balance carried forward			1,116	562	340

Appendix A

- 5.4 At this stage the programme is still in development and a number of the potential projects within the programme will be subject to detailed business case and therefore the above spend and funding profile is indicative only.
- 5.5 It should also be noted that the estimated programme funds include estimated capital receipts in 2014/15 which may not be realised. This risk has been identified as part of the programme's outline business brief and the potential for prudential borrowing has been recognised in the leisure project brief.

6 Revenue Budget Outlook 2013/14

- 6.1 The forecasted resources available to support the revenue budget for 2013/14 compared to 2012/13 (excluding £880k NHB set aside for the Programme for Growth) are shown in the table below:

Revenue Resources	2012/13 £000's	Change £000's	2013/14 £000's
Grant/Business Rates	4,916	-124	4,792
NHB	0	+371	371
Council Tax	4,818	-269	4,549
Collection Fund	59	-89	-30
Total Resources	9,793	-111	9,682

- 6.2 Based on the mid-range scenario of a 10% cut to grant funding and allowing for specific grants to be rolled into general grant/business rates, the gap between projected expenditure and funding is forecast at around £800k for 2013/14 (subject to assumptions), which is about £140k more than originally anticipated. Given Access Selby's already challenging savings target it is proposed that this be met from the headroom available within the Core/Communities Selby savings plan.
- 6.3 Due to the uncertainty of government grant/business rates it is extremely difficult to predict the level of resources we can expect for 2013/14 and beyond. The strategy assumes that NHB is used to backfill funding cuts but if the cuts are not as severe as modelled then there is the potential for additional funds to be allocated to the 'Programme for Growth'. Alternatively there could be scope to reduce the savings targets.
- 6.4 Should the cuts be more severe then additional savings would be needed and it is proposed that further efficiencies are pursued in order to create additional financial capacity and resilience wherever possible.

Appendix A

- 6.5 An announcement on funding levels is expected in December and any changes can be incorporated into the Executive's budget proposals before they are considered by full Council in February 2013.
- 6.6 Based on the indicative budget, within the current Medium Term Financial Plan (3 year budget) and amended for the updated assumptions in this paper, the net revenue budget for 2013/14 is expected to total no more than £9.682m.

7 Conclusions

- 7.1 Forecasted revenue resources for 2013/14, assuming a 10% cut in general grant, are £9.7m. This will be the target Net Revenue Budget for 2013/14.
- 7.2 Based on the current approved MTFs, associated savings targets (assuming that these targets are met) and the updated assumptions within this paper, this would increase the funding gap by £140k in 2013/14. This additional gap can be covered by the headroom within the Core and Communities Selby's savings plan.
- 7.3 However, there is increased risk associated with the new business rates retention scheme, the continuing economic recession and delivery of Access Selby's savings plan, therefore it would be prudent to continue to look for other efficiencies and savings wherever possible. Consequently, it is proposed that alternative savings proposals are brought forward for consideration as part of the forthcoming budget round.
- 7.4 The Council's ability to contain its revenue spending within the target resources will mean that funds (particularly NHB) can be diverted to the 'Programme for Growth'. Failure to achieve the necessary savings will put the programme in jeopardy.

SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN V1 (September 2012) LG Futures CSR10

	Base 2012/13	← Medium Term Financial Plan → 2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
KEY ASSUMPTIONS											
Inflation	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates	1.25%	1.25%	2.00%	2.50%	3.50%	4.00%	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%	1.00%
Government Grant Increase	-10.94%	-1.82%	-9.47%	-3.38%	-2.01%	-0.85%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	0.00%	3.00%	3.00%	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)	30.326	30.629	30.936	31.245	31.557	31.873	32.192	32.514	32.839	33.167	33.499
Tax Base Adj re Council Tax Support		2.832	2.861	2.889	2.918	2.947	2.977	3.007	3.037	3.067	3.098
Council Tax @ Band D (£)	158.88	163.65	168.56	173.61	178.82	184.19	189.71	195.40	201.26	207.30	213.52
Council Tax Income (£)	4,818	5,012	5,214	5,425	5,643	5,871	6,107	6,353	6,609	6,876	7,153
Less Council Tax Support Adj	-	464 -	482 -	502 -	522 -	543 -	565 -	587 -	611 -	636 -	661
Precept	4,818	4,549	4,732	4,923	5,121	5,328	5,542	5,766	5,998	6,240	6,491
% Increase in Council Tax	-	3.00	3.00	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	£000's
Council Tax	4,818	4,549	4,732	4,923	5,121	5,328	5,542	5,766	5,998	6,240	6,491
Government Grant	4,796	4,709	4,263	4,119	4,036	4,001	4,081	4,162	4,245	4,330	4,417
Government Grant - C Tax Support		464	482	502	522	543	565	587	611	636	661
Council Tax Freeze Grant	120										
New Homes Bonus	880	1,251	1,629	2,014	2,407	2,362	2,400	2,400	2,400	2,400	2,400
Collection Fund Surplus/Deficit (+/-)	59	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30
TOTAL EXTERNAL RESOURCES	10,673	10,942	11,076	11,527	12,056	12,203	12,558	12,885	13,225	13,576	13,940

REVENUE BUDGET	Base	← 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	2021/22 £000's	2022/23 £000's	
Operational Budget	8,988	9,278	9,378	9,779	9,949	10,248	10,555	11,008	11,198	11,394	11,595	
Capital Projects (funded from revenue res)	412	150	818	110	342	85	99	211	175	175	175	
Revenue Growth/Projects	200	134	138	142	146	151	155	160	165	170	175	
Investment Income (Capped at £300k)	- 165	- 165	- 264	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300	
External Interest Payments	119	120	123	123	123	123	123	123	123	123	123	
Capital Adj (MRP only)	197	193	190	190	190	190	190	190	190	190	190	
Capital Adj (Conservation grants)	10											
Contingencies	275	275	275	275	275	275	275	275	275	275	275	
Contributions to Reserves:												
PFI Scheme (Updated - ncl SDC's contrib)	363	377	396	409	435	437	440	442	443	443	443	
Building Repairs	130	130	130	130	130	130	130	130	130	130	130	
Computer Development	150	150	150	150	150	150	150	150	150	150	150	
Vehicles	3											
District Election	30	30	30	30	30	30	30	30	30	30	30	
Pension Equalisation	200	200	200	200	200	200	200	200	200	200	200	
Spend to Save (C.Tax Freeze Grant)	119	119	119	119								
Special Projects (New Homes Bonus)	880	880	880	880	880	880	880	880	880	880	880	
Access Selby (GF Surplus)	314											
Balances												
Contributions from Reserves:												
ICT Replacement (Capital projects)	- 265	- 125	- 219	- 85	- 313	- 60	- 66	- 150	- 150	- 150	- 150	
Buildings (Capital projects)	- 147	- 25	- 599	- 25	- 29	- 25	- 33	- 61	- 25	- 25	- 25	
Vehicles (Capital projects)							- 18					
PFI	- 364	- 375	- 386	- 397	- 409	- 422	- 434	- 447	- 461	- 461	- 461	
Special projects												
Tadcaster Central Area Project												
District Election				- 120				- 136				
Balances	- 445											
Forecast Net Revenue Budget	11,004	11,346	11,359	11,611	11,800	12,091	12,376	12,705	13,023	13,223	13,430	
Difference between resources and forecast budget (a - b)	- 331	- 404	- 283	- 83	256	112	181	181	202	353	509	
Original savings target added to MTFS	- 331	- 643	- 787									
Difference	0	239	504									

SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN V1 (September 2012) 10% Funding Cut

	Base 2012/13	← Medium Term Financial Plan →				2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
		2013/14	2014/15	2015/16								
KEY ASSUMPTIONS												
Inflation	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates	1.25%	1.25%	2.00%	2.50%	3.50%	4.00%	4.00%	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%	1.00%	1.00%
Government Grant Increase	-10.94%	-10.00%	-10.00%	-10.00%	-10.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	0.00%	3.00%	3.00%	3.00%	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)	30.326	30.629	30.936	31.245	31.557	31.873	32.192	32.514	32.839	33.167	33.499	
Tax Base Adj re Council Tax Support		2.832	2.861	2.889	2.918	2.947	2.977	3.007	3.037	3.067	3.098	
Council Tax @ Band D (£)	158.88	163.65	168.56	173.61	178.82	184.19	189.71	195.40	201.26	207.30	213.52	
Council Tax Income (£)	4,818	5,012	5,214	5,425	5,643	5,871	6,107	6,353	6,609	6,876	7,153	
Less Council Tax Support Adj Precept	-	464	482	502	522	543	565	587	611	636	661	
	4,818	4,549	4,732	4,923	5,121	5,328	5,542	5,766	5,998	6,240	6,491	
% Increase in Council Tax	-	3.00	3.00	3.00	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	£000's	£000's
Council Tax	4,818	4,549	4,732	4,923	5,121	5,328	5,542	5,766	5,998	6,240	6,491	
Government Grant	4,677	4,209	3,788	3,410	3,069	3,130	3,193	3,257	3,322	3,388	3,456	
Government Grant - C Tax Support		464	482	502	522	543	565	587	611	636	661	
Council Tax Freeze Grant	239	119	119	119								
New Homes Bonus	880	1,251	1,629	2,014	2,407	2,362	2,400	2,400	2,400	2,400	2,400	
Collection Fund Surplus/Deficit (+/-)	59	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	
TOTAL EXTERNAL RESOURCES	10,673	10,562	10,721	10,937	11,089	11,333	11,670	11,980	12,301	12,634	12,979	

REVENUE BUDGET	Base	← 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	2021/22 £000's	2022/23 £000's
Operational Budget	8,988	9,278	9,378	9,779	9,949	10,248	10,555	11,008	11,198	11,394	11,595
Capital Projects (funded from revenue res)	412	150	818	110	342	85	99	211	175	175	175
Revenue Growth/Projects	200	134	138	142	146	151	155	160	165	170	175
Investment Income (Capped at £300k)	- 165	- 165	- 264	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300
External Interest Payments	119	120	123	123	123	123	123	123	123	123	123
Capital Adj (MRP only)	197	193	190	190	190	190	190	190	190	190	190
Capital Adj (Conservation grants)	10										
Contingencies	275	275	275	275	275	275	275	275	275	275	275
Contributions to Reserves:											
PFI Scheme (Updated - ncl SDC's contrib)	363	377	396	409	435	437	440	442	443	443	443
Building Repairs	130	130	130	130	130	130	130	130	130	130	130
Computer Development	150	150	150	150	150	150	150	150	150	150	150
Vehicles	3										
District Election	30	30	30	30	30	30	30	30	30	30	30
Pension Equalisation	200	200	200	200	200	200	200	200	200	200	200
Spend to Save (C.Tax Freeze Grant)	119	119	119	119							
Special Projects (New Homes Bonus)	880	880	880	880	880	880	880	880	880	880	880
Access Selby (GF Surplus)	314										
Balances											
Contributions from Reserves:											
ICT Replacement (Capital projects)	- 265	- 125	- 219	- 85	- 313	- 60	- 66	- 150	- 150	- 150	- 150
Buildings (Capital projects)	- 147	- 25	- 599	- 25	- 29	- 25	- 33	- 61	- 25	- 25	- 25
Vehicles (Capital projects)							- 18				
PFI	- 364	- 375	- 386	- 397	- 409	- 422	- 434	- 447	- 461	- 461	- 461
Special projects											
Tadcaster Central Area Project											
District Election				- 120				- 136			
Balances	- 445										
Forecast Net Revenue Budget	11,004	11,346	11,359	11,611	11,800	12,091	12,376	12,705	13,023	13,223	13,430
Difference between resources and forecast budget (a - b)	- 331	- 784	- 638	- 673	- 711	- 759	- 707	- 725	- 722	- 590	- 452
Original savings target added to MTFS	- 331	- 643	- 787								
Difference	0	- 141	149								

SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN V1 (September 2012) LGA

	Base 2012/13	← Medium Term Financial Plan → 2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
KEY ASSUMPTIONS											
Inflation	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates	1.25%	1.25%	2.00%	2.50%	3.50%	4.00%	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%	1.00%
Government Grant Increase	-10.94%	-20.00%	-11.00%	-15.70%	-10.70%	-14.80%	-17.30%	-20.60%	2.00%	2.00%	2.00%
Council Tax Increase	0.00%	3.00%	3.00%	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)	30.326	30.629	30.936	31.245	31.557	31.873	32.192	32.514	32.839	33.167	33.499
Tax Base Adj re Council Tax Support		2.832	2.861	2.889	2.918	2.947	2.977	3.007	3.037	3.067	3.098
Council Tax @ Band D (£)	158.88	163.65	168.56	173.61	178.82	184.19	189.71	195.40	201.26	207.30	213.52
Council Tax Income (£)	4,818	5,012	5,214	5,425	5,643	5,871	6,107	6,353	6,609	6,876	7,153
Less Council Tax Support Adj Precept	-	464 -	482 -	502 -	522 -	543 -	565 -	587 -	611 -	636 -	661
	<u>4,818</u>	<u>4,549</u>	<u>4,732</u>	<u>4,923</u>	<u>5,121</u>	<u>5,328</u>	<u>5,542</u>	<u>5,766</u>	<u>5,998</u>	<u>6,240</u>	<u>6,491</u>
% Increase in Council Tax	-	3.00	3.00	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	£000's
Council Tax	4,818	4,549	4,732	4,923	5,121	5,328	5,542	5,766	5,998	6,240	6,491
Government Grant	4,677	3,732	3,324	2,803	2,503	2,133	1,765	1,401	1,429	1,457	1,486
Government Grant - C Tax Support		464	482	502	522	543	565	587	611	636	661
Council Tax Freeze Grant	239	119	119	119							
New Homes Bonus	880	1,251	1,629	2,014	2,407	2,362	2,400	2,400	2,400	2,400	2,400
Collection Fund Surplus/Deficit (+/-)	59	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30
TOTAL EXTERNAL RESOURCES	<u>10,673</u>	<u>10,084</u>	<u>10,257</u>	<u>10,330</u>	<u>10,523</u>	<u>10,336</u>	<u>10,242</u>	<u>10,124</u>	<u>10,408</u>	<u>10,703</u>	<u>11,009</u>

REVENUE BUDGET	Base	← 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	2021/22 £000's	2022/23 £000's	
Operational Budget	8,988	9,278	9,378	9,779	9,949	10,248	10,555	11,008	11,198	11,394	11,595	
Capital Projects (funded from revenue res)	412	150	818	110	342	85	99	211	175	175	175	
Revenue Growth/Projects	200	134	138	142	146	151	155	160	165	170	175	
Investment Income (Capped at £300k)	- 165	- 165	- 264	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300	
External Interest Payments	119	120	123	123	123	123	123	123	123	123	123	
Capital Adj (MRP only)	197	193	190	190	190	190	190	190	190	190	190	
Capital Adj (Conservation grants)	10											
Contingencies	275	275	275	275	275	275	275	275	275	275	275	
Contributions to Reserves:												
PFI Scheme (Updated - ncl SDC's contrib)	363	377	396	409	435	437	440	442	443	443	443	
Building Repairs	130	130	130	130	130	130	130	130	130	130	130	
Computer Development	150	150	150	150	150	150	150	150	150	150	150	
Vehicles	3											
District Election	30	30	30	30	30	30	30	30	30	30	30	
Pension Equalisation	200	200	200	200	200	200	200	200	200	200	200	
Spend to Save (C.Tax Freeze Grant)	119	119	119	119								
Special Projects (New Homes Bonus)	880	880	880	880	880	880	880	880	880	880	880	
Access Selby (GF Surplus)	314											
Balances												
Contributions from Reserves:												
ICT Replacement (Capital projects)	- 265	- 125	- 219	- 85	- 313	- 60	- 66	- 150	- 150	- 150	- 150	
Buildings (Capital projects)	- 147	- 25	- 599	- 25	- 29	- 25	- 33	- 61	- 25	- 25	- 25	
Vehicles (Capital projects)							- 18					
PFI	- 364	- 375	- 386	- 397	- 409	- 422	- 434	- 447	- 461	- 461	- 461	
Special projects												
Tadcaster Central Area Project												
District Election				- 120				- 136				
Balances	- 445											
Forecast Net Revenue Budget	11,004	11,346	11,359	11,611	11,800	12,091	12,376	12,705	13,023	13,223	13,430	
Difference between resources and forecast budget (a - b)	- 331	- 1,262	- 1,102	- 1,280	- 1,277	- 1,756	- 2,134	- 2,581	- 2,615	- 2,521	- 2,421	
Original savings target added to MTFS	- 331	- 643	- 787									
Difference	0	- 619	- 315									

Extract from LGA Futures Five-Year General Revenue Resource Projection - August 2012

Resource Forecast 4: NDR change of +0.0% per annum - using NDR baseline as 2013/14 forecast income

Selby						
Resource Forecast 4	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
NDR change of 0% per annum	£m	£m	£m	£m	£m	£m
Individual authority business rates		15.506	15.862	16.275	16.877	17.552
Top up/(Tariff)		(13.056)	(13.356)	(13.703)	(14.210)	(14.779)
Equals pre-levy income:	-	2.450	2.506	2.572	2.667	2.773
LESS Levy on growth above RPI						
Equals post-levy income	-	2.450	2.506	2.572	2.667	2.773
PLUS New Homes Bonus returned		0.297	0.230	0.099	0.030	0.011
PLUS RSG	4.677	1.756	1.322	1.243	1.134	1.012
PLUS Safety Net Returned		0.086	0.086	0.086	0.086	0.086
PLUS 2011/12 CT freeze grant	0.119	0.119	0.119	0.119	0.119	0.119
PLUS Safety net payment						
EQUALS Retained income*	4.796	4.708	4.263	4.119	4.036	4.001
Annual % change		-1.82%	-9.47%	-3.38%	-2.01%	-0.85%
		2013/14	2014/15	2015/16	2016/17	2017/18
Annual business rates growth (%)		0.0%	0.0%	0.0%	0.0%	0.0%
RPI		3.0%	2.3%	2.6%	3.7%	4.0%
NDR Baseline	15.506					
Baseline funding	2.450					
Baseline safety net (percentage) at	-10%					
Levy rate (pence in the pound)	84%					

Note: This forecast assumes that Selby's NDR baseline will match our NDR income figure for 2013/14. It therefore eliminates any potential gains or losses from DCLG's methodology for determining our proportionate share / starting point for the scheme.

GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION PLAN
2012/13 - 2014/15 (V62)
Updated July 2012

Key:

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

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	Progress
Inflation factor		0.020	0.020	0.020	
Procurement Workstream					
Election software	Green	4,700	4,700	4,700	Completed
Audit Partnership	Green	10,000	15,000	15,000	Completed. Planned reduction in Audit days and merger with Veritau.
		14,700	19,700	19,700	
WTT - Transformation (Core)	Green	50,000	50,000	50,000	Completed
Total Transformation		50,000	50,000	50,000	
Asset Management Workstream					
Total Asset Management		-	-	-	
Value for Money Workstream					
Internal Drainage Boards	Green	146,000	146,000	146,000	Completed - The savings increased from £40k to £146k to reflect lower precepts as a consequence of 3 Drainage Boards freezing their precept and the remainder adding an average 1.39% inflation. This was set against a budgeted increase of 3.5% and an additional £75k to counter any large increases.
Community Safety	Green	15,000	15,000	15,000	Completed
Temporay staffing structure	Amber	-	74,000	74,000	On-going CEF support currently being procured through an external organisation
Total Value for Money		161,000	235,000	235,000	
Base Budget Review Workstream					

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	Progress
External Audit Fee	Green	31,840	31,840	31,840	Completed
Early Retirements - Strain on Pension Fund	Green	75,000	75,000	75,000	Completed
Corporate and Democratic Core	Green	7,000	7,000	7,000	Completed
Car Allowances	Green	2,850	2,850	2,850	Completed
Total Base Budget Review		116,690	116,690	116,690	
Discretionary Service Review Workstream					
External Grants	Green	12,000	12,000	12,000	Completed
Total Discretionary Service Review		12,000	12,000	12,000	
Inflation adjustment		7,088	17,509	26,527	
Total General Fund Savings		361,478	450,899	459,917	
Target		255,478	265,789	271,108	
Headroom/Deficit (+/-)		106,000	185,110	188,809	
Green Savings		361,478	373,909	381,388	
Amber Savings		-	76,990	78,529	
Red Savings**		-	-	-	
Total		361,478	450,899	459,917	

ACCESS SELBY
GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION PLAN
2012/13 - 2014/15 (V71)
Updated September 2012

Key:

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

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	Progress
Inflation factor		0.020	0.020	0.020	
Procurement Workstream					
Change provider for telephone calls and rationalisation of telephone accounts	Green	18,780	20,480	20,530	Completed
Partnering Back Office Support	Green	93,000	93,000	93,000	Completed
Pest Control Contract	Green	1,200	1,200	1,200	Completed
CCTV	Amber	10,500	42,000	42,000	EU Procurement exercise has commenced with ITT due to be issued in September 2012 - conclusion of the procurement is expected by the end of the year. Actual savings forecast yet to be determined following the outcome of procurement. Full year saving for 2012/13 will not be achieved, so the forecast is for a saving in Q4
Recycling	Green	159,000	159,000	159,000	Completed
Green Waste - Gate fees and reduced mileage costs negotiated with Enterprise	Amber	15,000	29,000	29,000	Work in progress
Collaborative corporate contracts through shared procurement service Note: The balance of this target will reduce as individual procurement projects are identified	Red	39,560	31,360	56,310	Spend Analysis carried out and a detailed action plan is being put together for targeted procurement. Options limited on non-HRA spend but looking at opportunities for collaborative procurement. This will include a savings target for this project where possible. Ongoing savings have been identified on individual /discrete procurement projects. Still potential for 2012/13 target to be achieved however it is still a risk area.
Contact Centre Electricity	Green	10,000	10,000	10,000	Completed
ICT - Server Virtualisation	Green	10,000	10,000	10,000	Completed
Gas Utilities Contract	Green	6,160	6,160	6,160	Completed

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	Progress
Negotiate savings within Street Scene and Leisure contracts	Red	-	40,000	40,000	SDC and Enterprise are to undertake a review of the contract in Q1/Q2 of 2012/13 to identify potential opportunities for efficiency savings. A cost/Benefit report will then be taken to the relevant management group to agree approach. In the meantime any low risk quick wins identified will be implemented.
Citizen Link Printing	Green	800	800	800	Completed
Coshh Management	Green	3,000	3,000	3,000	Completed
		367,000	446,000	471,000	
WTT - Review of remaining cash collection	Amber	3,375	4,500	4,500	Arrangements for cash collection cannot go ahead as planned due to fire at Abbey Leisure Centre - alternative arrangements to be explored.
WTT - Transformation (SDV)	Green	1,380,890	1,380,890	1,380,890	Completed
WTT - Transformation HRA Impact	Green	-120,000	-120,000	-120,000	Completed - Impact of savings generated through staff reduction which are transferred to HRA via CEC
Spend to save initiatives	Red	0	0	25,000	
Service delivery options	Red	0	25,000	50,000	Commercial & marketing strategy approved, open for business event scheduled for September. The outcome of which will inform delivery options.
BPI	Red	-	-	25,000	
Total Transformation		1,264,265	1,290,390	1,365,390	
Asset Management Workstream					
Vacation of Portholme Road Depot	Green	13,497	13,497	13,497	Completed. In addition, there is a saving to the HRA of £26,833
Running costs of new Civic Centre	Amber	40,000	40,000	40,000	A NNDR appeal has been submitted, if this is not succesful then savings target will not be able to be achieved. We have now agreed with the PCT the formula for calculating the electricity split, still awaiting the invoice from PCT.
Closure of Tadcaster office	Green	30,000	30,000	30,000	Completed
Barlby Depot	Red	20,000	20,000	20,000	Depot being considered by an interested party, if they are interested then a costs v income assessment will be carried out.
Total Asset Management		103,497	103,497	103,497	
Value for Money Workstream					

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	Progress
Telecommunications Mast	Red		13,000	13,000	This project is being reviewed in light of the sale of the old civic centre car park site not going ahead. Options are currently being reviewed and a decision on the future of the project is expected shortly. Target for 2012/13 will not be achieved.
Decentralisation of Planning Fees	Red		250,000	250,000	Devolved Planning fees – 12/13 Saving removed. Indication fees to be increased by up to 15% in the Autumn. Impact to be assessed when details are confirmed. Impact on future years will be kept under review.
Negotiation for share of out performance on Council Tax collection	Red		25,000	25,000	Currently underachieving on the collection of Council Tax by 0.8%, this target will not be met in 2012/13
Car Park Income	Amber	60,000	60,000	60,000	An increase of 20% for both long and short stay park was implemented from 1 December 2011. As saving was not fully achieved in 11/12, income will continue to be monitored in 12/13. At the end of June, income is £6k below target, but will be clawed back through opening the new car park at the old Civic Centre Site.
Total Value for Money		60,000	348,000	348,000	

Base Budget Review Workstream

Car Allowances	Amber	41,150	41,150	41,150	Expected saving was not achieved in 11/12 as changes to car allowances etc were not implemented until Q2 onwards. Further review of current position is taking place to determine forecast for savings in 2012/13.
Rationalisation IT Support Costs	Green	50,000	50,000	50,000	Completed
Rationalisation of cost base	Green	100,000	100,000	100,000	£140k identified £40k added to Contingency to mitigate increased budget risk
Redundant ICT systems	Amber	25,000	25,000	25,000	Work ongoing to establish savings in year following system improvements and rationalisation. £25k achieved through decommissioning of 4 systems.
Frozen posts/vacancies	Green	50,000	50,000	50,000	Frozen posts continue to remain vacant.
Compensation for legacy costs/income	Green	136,000	136,000	136,000	
Review and refine apportionments between general Fund and HRA	Red		150,000	150,000	No progress on this yet. This will be looked at after closedown of accounts in time to inform the Budget setting process for 2013/14
2011/12 Profits	Green	50,000	-	-	Carry Forward 11/12 profits to offset future losses.
Finance Budget Savings	Green	1,900	1,900	1,900	Completed
Additional Licensing Income	Green	5,660	5,660	5,660	Completed
O/S Survey Mapping Fees	Green	15,000	15,000	15,000	Completed
Housing Benefit Admin Miscellaneous Savings	Green	3,800	3,800	3,800	Completed
Primary Care Trust	Green	10,000	10,000	10,000	Completed

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	Progress
Street Cleansing - General Advertising	Green	10,000	10,000	10,000	Completed
Total Base Budget Review		498,510	598,510	598,510	
Discretionary Service Review Workstream					
HR - Budget review	Green	5,000	5,000	5,000	Completed
New charge for planning advice	Amber	30,000	30,000	30,000	Income running behind expectations currently £18k under target.
Reduce opening hours at Access Selby	Green	35,000	35,000	35,000	Completed
Maximise current income streams	Red	25,000	50,000	100,000	All discretionary fees which were up for review in 2012/13 have been increased by RPI (5.6%). 'Pilot Projects' for Marketing Strategy now in development - each will have a potential income target which are yet to be agreed. Can update progress monthly
Redeploy resources to pursue grant funding opportunities	Red	25,000	50,000	50,000	Additional hours approved to submit HCA agreed, lead officers considering grant opportunities as part of their budget monitoring.
Policy changes to introduce new income streams	Red	-	-	150,000	Potential for green waste/parking charges in Tadcaster etc. New charges introduced for hiring of committee rooms, water sampling. Parking Charges can't be considered at Tadcaster until the legal challenge has been heard and we have carried out the improvements. In 2012/13 additional 90 car spaces from September, plus any commuted sums from residential schemes of 1 - 9 houses (5% to be for administration)
Barlow Nature Reserve	Green	53,000	53,000	53,000	Completed
Total Discretionary Service Review		173,000	223,000	423,000	
Inflation adjustment		49,325	121,580	202,562	
Total General Fund Savings		2,515,597	3,130,977	3,511,959	
Target (Per 2011/12 - 2013/14 MTFP)		2,436,783	2,727,400	2,949,451	
New savings per budget 12/13 - 14/15		330,610	642,980	786,960	
New Target		2,767,393	3,370,380	3,736,411	
Headroom/Deficit (+/-)	**	- 251,796	- 239,403	- 224,452	
Green Savings		2,174,321	2,167,556	2,210,960	
Amber Savings		229,526	282,625	288,277	
Red Savings**		111,751	680,796	1,012,721	

Proposed Savings	Status	2012/13	2013/14	2014/15	Progress
		£	£	£	
Still to identify**		251,796	239,403	224,452	
Total		2,767,393	3,370,380	3,736,411	

2012/13 – 2014/15 GENERAL FUND CAPITAL PROGRAMME

PROJECTS	Current Programme 2011/12 £	Forecasted Programme 2012/13 £	Estimated Programme 2013/14 £	Estimated Programme 2014/15 £
Asset Management Plan Leisure Centres & Park	3,125	136,725	0	579,000
Tadcaster Central Area	267,470	0	0	0
Selby Community Project	2,137,210	82,000	0	0
Road Adoption - Industrial Units Sherburn	25,000	0	0	0
Mast Relocation	155,000	0	0	0
<u>Grants</u>				
Conservation / Heritage Grants	10,000	10,000	0	0
Disabled Facilities Grants	300,000	350,000	350,000	350,000
Stay Putt	37,500	0	0	0
Repair Assistance Loans	24,000	30,000	30,000	0
Energy & Efficiency Grants	11,770	0	0	0
<u>ICT Hardware & Systems Within ICT Strategy</u>				
Hardware	11,000	9,000	55,000	26,000
Software	57,000	196,250	17,657	138,000
Implementation & Infrastructure Costs	20,000	34,500	27,000	30,000
Desktop Replacement Programme	30,000	25,000	25,000	25,000
ICT - Virtualisation	29,340	0	0	0
ICT - Financial Management System E-Procurement	7,930	0	0	0
<u>Additional ICT Investment</u>				
ICT - FMS Upgrade	0	10,000	0	0
ICT - Integration of Systems	0	62,500	0	0
ICT - Datango Software	0	20,000	0	0
TOTAL	3,126,345	965,975	504,657	1,148,000
 SUMMARY OF FUNDING				
Capital Receipts	2,334,710	322,000	240,000	210,000
Grants & Contributions	175,770	140,000	140,000	140,000
Revenue	10,000	10,000		0
Reserves	605,865	493,975	124,657	798,000
Borrowing	0	0	0	0
TOTAL	3,126,345	965,975	504,657	1,148,000

Public Session

Report Reference Number (C/12/10)

Agenda Item No: 12

To: Council
Date: 11 December 2012
Author: Eileen Scothern, Business Manager
Executive Member: Councillor Cliff Lunn

Title: Selby District Council Draft Housing Revenue Account Business Plan 2012 – 2017.

Summary:

The Housing Revenue Account Business Plan is attached for councillors approval following consultation with tenants and the Policy Review Committee.

Recommendation:

It is recommended that the Housing Revenue Account Business Plan is approved.

Reasons for recommendations:

- i. To set out a viable business plan for the HRA service;
- ii. To comply with the requirements set out in the Localism Act.

1. Introduction

- 1.1 The current Housing Revenue Account (HRA) Business Plan covers the period 2007-2010. Since the last Business Plan the Council has undergone a major restructuring and introduced a new way of delivering services and there has been significant government reforms including the move to self financing.

2. The report

- 2.1 The HRA Business Plan is intended to be a strategic document which sets out the Council's vision for its housing service over the next 5 years.

2.2 The Plan put forward by the Executive, is a strategic document which takes into account the Corporate Plan and the '5 Big Things'. It has been developed against a backdrop of major change in the form of the Localism Act; self-financing and enhanced 'Right-to Buy'.

2.3 The draft Plan recognises the Council's role as service commissioner and presents the outcomes we aim to achieve over its 5 year life – 'the what'. But 'the how' will be the responsibility of our service provider – Access Selby.

2.3 The attached Plan has been prepared taking account of changes in legislation and the Council's new structure. It sets out:

- Our vision
- The context for our housing service
- Our housing service today
- Our housing service looking forward
- Our finances
- Delivery
- Consultation

The Business Plan will be reviewed every 5 years, with annual reports to the Executive on strategic issues and how Access Selby is performing against the expected outcomes.

2.4 Consultation with tenants has taken place through the Tenant and Leaseholder Scrutiny Panel with an overview of the draft document being provided to all tenants through the 'Open Door' newsletter. Furthermore the draft Business Plan has been considered by Policy Review Committee in June 2012.

2.5 The Policy Review Committee considered the draft HRA Business Plan on 12 June 2012 and had the following observations:

- i) In respect of the redevelopment of the Airey homes, the Committee questioned whether it was more cost effective to demolish and rebuild, making use of the large amount of land per property. The Committee was informed that the various issues and alternatives had previously been considered by the former Social Board and had been subsequently approved by Councillors for inclusion within the capital programme.
- ii) The Committee considered the new Right to Buy policy. Officers confirmed that the tenant's purchase discount must not reduce the selling price below what was spent on the property over a 10 year period (15 years for properties acquired after 2nd April 2012). No

change required to the Business Plan

- iii) The Committee considered the general state of repair of the remaining housing stock and how Access Selby could evaluate condition and repair works in particular for those tenants not best suited to make their own repairs, such as the elderly. No change required to the Business Plan, however Access Selby Officers will subject to resources carry out a Stock Condition Survey next year.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 The new HRA Business Plan meets the requirements as set out in the Localism Act.

3.2 Financial Issues

- 3.2.1 The financial strategy for the HRA aims to provide the financial environment to support the Council in achieving its strategic objectives and for the delivery of its landlord responsibilities over the medium to longer term. The financial strategy is prepared in the context of major changes in housing finance with the introduction of self financing from April 2012.
- 3.2.2 The Business Plan acknowledges the Government's enhanced 'Right to Buy' scheme and 'one-for-one' replacement of additional homes sold. However, the implications for the HRA and its long term viability have still to be fully assessed.

4. Conclusions

- 4.1 Potential initiatives for development over the next 5 years are included within the Business Plan.

Appendices

Appendix 1 Selby District Council HRA Business Plan.

Contact Details: Eileen Scothern, Business Manager
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Background Documents

Executive Reports and Minutes 31 May 2012 and 4 October 2012

Policy Review and minutes 12 June 2012.

All available on the Council's website

Selby District Council Housing Revenue Account Business Plan 2012 to 2017

photos to be inserted.

An Excellent Authority logo etc....

Foreword

Welcome to Selby District Council's draft HRA Business Plan for 2012 onwards.

I would like to thank everyone for their comments which have helped finalise the Business Plan for 2012-17.

There has probably never been a more challenging time to make plans. The economy, the housing landscape and significant political reform present opportunities and challenges for us to grasp.

As major landlord in Selby District, this Business Plan describes the part we play in and describes what we will do for tenants to help you live healthy lives. Our plans include investing £15m million in your homes over the next 5 years.

Councillor C. Lunn
Executive Member

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1. Introduction

- 1.1 The Housing Revenue Account (HRA) Business Plan is our plan for managing our housing landlord service over the next 5 years. The Business Plan is a key element in ensuring the effective management and maintenance of our housing stock.
- 1.2 In developing this Business Plan we intend to take into account the views of our tenants and have already taken account of our Housing Strategy, the condition of our stock, the demand for social housing and the likely availability of resources.
- 1.3 This Business Plan is set in the context of major change – financial reform with the abolition of the old Housing Subsidy System in favour of self-financing, alongside the increased risk from the Government’s enhanced ‘Right to Buy’ scheme and with it the opportunity for ‘one-for-one’ replacement.
- 1.4 Self-financing has seen local housing authorities take on central Government housing debt in return for keeping all of the rents their tenants pay. Putting control of housing services in the hands of local councils and strengthening the link between the rent we collect and the services we provide.
- 1.5 The Council, through its operational arm ‘Access Selby’, manages 3,150 homes across Selby District. We will work together with consultative tenant groups to develop our housing service to meet the challenges that lie ahead. We believe that only by listening to and understanding our customers can we improve services and ensure they meet their needs.

2. Our Vision

2.1 Following the district council elections in 2011 the Council developed a new 'Corporate Plan' which set out its aspirations for the district to 2015 and beyond, in the form of '5 Big Things':

1. *Tough times call for a **stronger council** fighting your corner and getting everyone working together...*
2. *...it's all about **changing places** and helping others to see our district through new eyes...*
3. *...we want to work with others to make this a great place with people **living well** and leading happy and healthy lives...*
4. *...and we won't be afraid of **tackling the tough stuff** - that might otherwise knock us off course...*
5. *...which means being **switched on** to what's happening around us, knowing what's important and being fit for the job.*

2.2 These 'Big Things' provide the framework for everything that we do and set the tone for **our vision for our housing service**.....

“People getting involved and taking a pride in where they live, in homes that enhance their quality of life”

Our key aims are to:

- Increase tenant and leaseholder participation through the work of tenant groups and the Community Engagement Forums;
- Shape our housing stock so that it better meets the needs of our changing communities through more effective asset management;
- Improve the quality of life of our tenants and leaseholders through targeted investment in their homes;
- Help meet the affordable housing needs across the district through making best use of the resources we have available;
- Deliver value for money to our tenants and stakeholders through efficient and responsive services ensuring a viable housing service.

2.3 We will work with Access Selby to develop these aims into real improvement on the ground and have set out the key deliverables our tenants can expect from this Business Plan, in Section 5 and at **Appendix A**.

3. The context for our housing service

The national policy environment

- 3.1 In broad terms, the primary emphasis of national housing policy over the past 30 years has been on extending owner occupation. In social housing the Government is proposing a range of reforms to the way social housing is delivered.
- 3.2 These include giving greater flexibility to social landlords to determine the types of tenancies they grant to new tenants. The Council will be consulting on a Tenancy Policy in 2012, which will set out our strategic aims for the management of our stock, including consideration of whether to introduce flexible, fixed term tenancies. The rights of existing secure and assured tenants will be protected.
- 3.3 Councils have become the housing provider for those who are most vulnerable and judged to be in greatest need. The impact of the recession continues to produce great demand for council housing and as a result of this changing profile of council tenants, landlords have to recognise and react to the implications this has on service provision.

Housing in the district

- 3.4 Most homes in the district (78%) are lived in by the owner, higher than the national average of 68%. Approximately 10% of all households in the district live in Council owned properties and approximately 3% live in properties managed by Registered Providers.
- 3.5 House prices in Selby have increased substantially since 2002, rising by 97.2% from £92,248 to £181,880, however average house prices remain lower in Selby than in any other North Yorkshire district. The most expensive houses are in the Appleton Roebuck ward with an average house price of £469,917 in September 2010.
- 3.6 Despite the reduction in house prices during the recession, housing affordability still remains an issue. In September 2010 house prices in Selby were approximately 6.5 times higher than resident's earnings. The ratio that is generally used to define 'affordable' is 3.5. Selby District's affordability ratio is considerably higher than this¹.

Supply and demand for affordable housing

- 3.7 The Council currently retains and manages 3,150 properties and has some 1,788 people on the Housing Register (including transfers).

¹ Source: Land Registry/Hometrack September 2010 # Data unavailable for North Yorkshire

- 3.8 The profile of our applicants² is:
- 25% of applicants on the Housing Register last year were under 18;
 - 22% applicants were over 60;
 - Nearly 60% of applicants are female;
 - 1.6% of applicants were Black and Minority Ethnic Groups;
 - 21% of applicants had a disability.
- 3.9 In November 2008 the Council commissioned a Strategic Housing Market Assessment (SHMA) to look at current housing provision and future requirements.
- 3.10 The SHMA forms a fundamental part of the evidence base for the progression and implementation of the Council's Local Development Framework and the North Yorkshire sub-regional Housing Strategy and Local Action Plans. The report provides a detailed analysis of the current and future housing market and the types of housing requirements specific to the district and can be accessed via the Council's website. The study concludes that there is an annual requirement for 409 affordable dwellings within the District and suggests a variety of affordable housing should be provided with particular emphasis on affordable housing for general needs (2 and 3 bed properties).
- 3.11 There is a requirement for both affordable homes for rent and intermediate housing options; analysis suggests a split in the range 30-50% intermediate and 50-70% social rent across the District is appropriate.
- 3.12 There were 72 new build affordable housing completions between 1st April 2011 and 31st March 2012.

Housing strategy and policy changes

- 3.13 The Localism Act places a new duty on councils to develop a Tenancy Strategy which registered providers of social housing will be expected to have regard to. The Strategy will provide an overview of what the authority expects of partners in their own individual Tenancy Policies. Selby District Council is working in partnership with local authorities across North Yorkshire and a combined strategy will be consulted on during May/June and agreed by October 2012.
- 3.14 As a stock holding council, Selby District Council must also produce a Tenancy Policy relating to the management of its own housing stock, which will need to address specific questions in relation to management and allocations. The Council is due to consult on the draft policy during summer 2012 with adoption planned by February 2013.

² Choice base letting – updates will be posted on Council website on an annual basis.

- 3.15 Revised equality and diversity objectives are currently out for consultation and these will be applied to all new and reviewed policies to ensure they are non-discriminative. These issues are particularly important as the district experiences some changing demographics due to changing numbers of migrant workers.
- 3.16 In addition the Council is reviewing the implications of the Universal Credit and proposals within the Local Government Finance Bill, where required the Council will review policies and procedures to ensure they meet the requirement in new legislation.
- 3.17 Further details about Selby District, which have a bearing on our approach to our housing service, are set out at **Appendix B**.

4. Our housing service today

- 4.1 Since our last Business Plan was developed we have made significant changes to our housing service. We identified a number of improvement priorities that we have been working on over the last 5 years:

Profiling the district housing stock and monitoring current and future housing need

- We have worked with partners across North Yorkshire to develop a county wide Housing Strategy which has enabled us to take a co-ordinated approach to housing.
- We have introduced 'choice based lettings' with partners across North Yorkshire making it easier for applicants to find a home that suits their needs.

Ensuring that decent and affordable housing is available to everyone

- We had a target to achieve the government's 'Decency' standard by December 2010 – we exceeded this target by delivering our 'Decency Plus' standard (which included new kitchens) to those properties in need.
- Councillors also approved improvement to our Airey properties and work is due to start on this project during 2012/13.
- We have improved our performance on dealing with responsive repairs.
- We have worked with Registered Social Landlords and developers to secure 367 additional affordable homes in the district over the last 5 years.

Promoting social inclusion, respect and sustainable communities

- We have an established Tenant Participation Strategy and Community Engagement framework to get more people involved in making a difference to where they live.
- We have helped more older people to live at home through our Lifeline service and our Community Support Team.

Tackling and preventing homelessness

- Additional resources have been targeted at homeless prevention and as a result, working with key partners, in the last year we have seen a reduction in statutory homeless in the District, despite the difficult economic climate.

Providing a customer focussed service

- We have improved our responsive repair service.
- We have delivered a customer contact centre to deal with service issues at first point of contact and have achieved high satisfaction levels with the service we provide.

Providing value for money

- We have achieved significant cash savings and efficiencies within the HRA service over the last 5 years, improving value for money for our tenants, ensuring the on-going viability of the HRA and allowing us to re-invest in our homes.
- We have eliminated the need for depot accommodation overheads and streamlined our operations through our new service delivery model.
- We have invested in modern working practices to achieve cost efficiencies in both our management and repairs service.
- We have used collaborative procurement to achieve more for tenants' money for example allowing us to achieve our 'Decent Plus' standard.

4.2 Much has been achieved over the last 5 years, not least of which has been the continued viability of the HRA, which had been forecasted to be in deficit by 2012/13. Tenants gave the Council a mandate to continue to provide the housing service against becoming a Registered Social Landlord and we have used this 'vote of confidence' to build a stronger business model. However the changes in Government policy and the on-going economic uncertainty mean that further challenges lie ahead.

5. Our housing service looking forward

5.1 As part of the Business Plan for the next five years we will continue to consider the aspirations of the Council and our tenants and how these can be achieved within the financial resources available.

5.2 Section 2 set out our key aims for our housing service, however, the changing policy environment makes predicting the future particular difficult and our responses to some emerging issues are in the early stages of development. This Business Plan is the start of a dialogue with our tenants and other stakeholders to help inform our future planning. **Our aims over the next 5 years are to:**

Increase tenant and leaseholder participation through the work of tenant groups and the Community Engagement Forums

5.3 We aim to build tenants' pride in their homes and where they live through actively engaging them in community activities and our Tenant Participation Strategy identifies a number of actions we will work together with tenants on over the coming years.

Shape our housing stock so that it better meets the needs of our changing communities through more effective asset management

5.4 We will look for opportunities to utilise the HRA asset base in a more innovative way to achieve a reshaping of the housing stock to help meet the needs of current and future tenants, taking into account for example, our aging population. Subject to available resources we will consider new build, buy-backs or buying up poor condition private property, refurbishing and letting.

5.5 The Government's enhanced Right to Buy scheme, which has increased the maximum discount for tenants wishing to buy their council owned home (from £24,000 in Selby district to the new national discount of £75,000), means that we can help more tenants to buy their homes in future.

5.6 As part of our response to this change we will be preparing a local funding plan to help us demonstrate how we will achieve the Government's objectives for 'one-for-one' replacement of homes sold, along with a continuing viable Housing Revenue Account.

Improve the quality of life of our tenants and leaseholders through targeted investment in their homes

- 5.7 Our capital investment programme is estimated to average £3m p.a. over the next 5 years, allowing us to maintain our 'Decent Plus' standard.
- 5.8 Improving the lives of our tenants is key driver in targeting spend. Our approved capital programme for the next 3 years focuses on energy efficiency measures which aim to improve living conditions and reduce energy consumption. Examples include new roofs, windows and heating systems and thermal efficiency improvements to our Airey properties.
- 5.9 Capital investment in years 4 and 5 is subject to review and prioritisation alongside the range of issues identified in this Business Plan. However we aim to continue to improve our stock and subject to funding being available would like to begin a programme of bathroom replacements once all kitchens have been upgraded.

Help meet the affordable housing needs across the district through making best use of the resources we have available

- 5.10 Through self-financing we have much greater flexibility to plan for the long term than has been possible under the old subsidy system. Whilst there will be an on-going need to balance the repayment of debt and additional investment in stock, there is now the potential for us to consider a new build programme, to buy back former council houses or other initiatives to increase the housing stock.
- 5.11 Part of our response to the growing housing need will be to sensitively tackle under occupation of our homes and those property types which are generally hard to let.
- 5.12 And most importantly we will target our resources to help meet the needs of vulnerable people within our communities.

Deliver value for money to our tenants and stakeholders through efficient and responsive services ensuring a viable housing service

- 5.13 The HRA is a self contained business which relies on the rental income from homes to provide the on-going maintenance and management resources needed to sustain the housing stock. In order to maximise investment in our homes and sustain the service to our tenants it is vital that our operations are as efficient and effective as possible.

- 5.14 We aim to reduce demand for responsive repairs by having a clear 3 year investment plan in place and provide a responsive service by improving time taken to respond to emergency repairs through ensuring lean, customer focussed processes that make best use of modern technology.
- 5.15 Generally speaking when properties become vacant we use the opportunity to bring forward major improvement works thereby benefiting future tenants. As a consequence and as there are only 18 months from the target year for rent convergence, it is proposed that new tenants are brought in on the convergence rates from the approval of this HRA Business Plan.
- 5.16 We will also consider whether or not it is beneficial for tenants, for us to become a registered provider.

6. Our Finances

- 6.1 The financial strategy for the Housing Revenue Account (HRA) aims to provide the financial environment to support our landlord responsibilities over the medium to longer term, as well as our strategic objectives for the housing service.
- 6.2 As a local authority landlord we are required by Government to maintain a 30 year financial forecast of income and expenditure on our housing service. This Business Plan focuses on the next 5 years but also takes a long term view to ensure on-going sustainability of the service. A summary of income and costs for the HRA (including the key assumptions used) is shown at **Appendix C**.

Self-financing

- 6.3 The financial framework for the HRA has undergone major reform with the introduction of 'self-financing' from April 2012. The aims of 'self-financing' are to:
- give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long-term and to drive up quality and efficiency; and
 - give tenants the information they need to hold their landlord to account, by replacing the previous opaque system with one which has clear relationship between the rent a landlord collects and the services they provide.
- 6.4 These reforms replace the former redistributive housing system which set a level of cost allowances (including the capital programme) for running the HRA, on an annual basis. From April 2012 the Council has had to take on £57.733m of Central Government housing debt but is no longer required to make an annual payment into the national housing subsidy pool. The amount of debt we had to take on was calculated using a methodology that values the stock over 30 years, and aims to leave the Council with a long term sustainable business plan with full responsibility for the expenditure on the management and maintenance of our homes.

HRA income

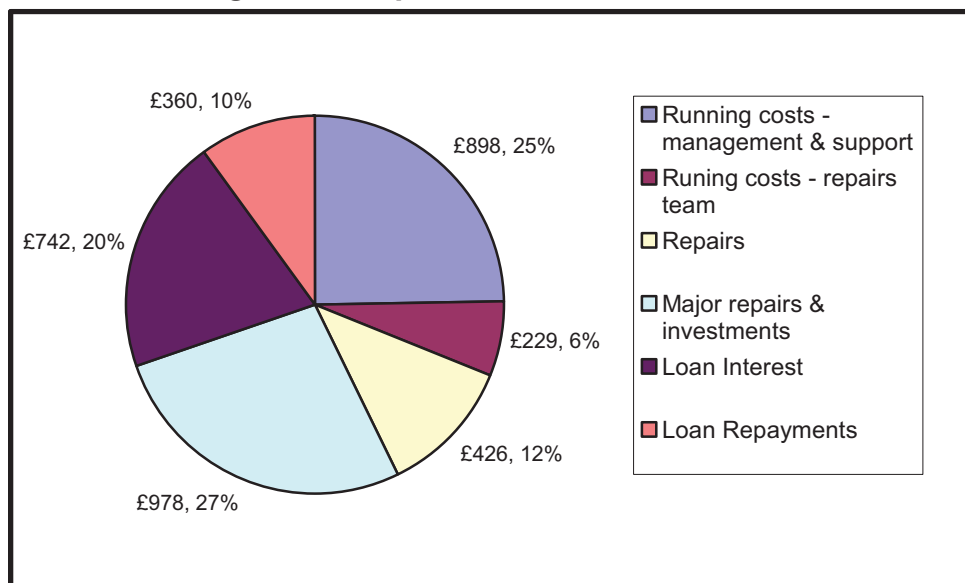
- 6.5 The HRA is a 'ring-fenced' account which means that all of the costs associated with maintaining our homes, financing improvement works and running the service, are met from the rental and other associated income generated from the houses and garages we let to tenants. We can not use this income for any other Council services.

- 6.6 The amount we charge in rents is linked to a formula determined by the Government, which is designed to increase local authority rents up to 'formula rent' (the equivalent of social landlord rents) over a period of time (known as rent convergence). Latest Government projections show that actual rents should converge with formula rents by 2015/16, although for Selby we expect a number of properties still to be below formula rent by this date, due to their historic low rent levels.
- 6.7 For 2012/13 Selby's average rent is £69.86 per week on a 52 week basis (£75.69 per week on a 48 weeks collectable basis) or £3,633 per year. For the purposes of this Business Plan we assume that the Government's convergence formula will be used to determine rent increases up to 2015/16, after which RPI +0.5% will be used.
- 6.8 Garage rents are increased by RPI each year, in line with the Council's policy for fees and charges – we generate around £125k a year from garage rents.
- 6.9 After allowing for void (vacant) properties and an element of bad debt, we estimate HRA rental income for 2012/13 to be £11.2m (94% of the total income to the HRA). Overall income to the HRA is £11.9m with supporting people income, hostel and garage rent rents and interest etc making up the remaining £659k

Running Costs

- 6.10 Based on 2012/13 estimates, the average rent of £3,633 per year is spent on the following:

What the average rent is spent on:



- 6.11 Nearly half of HRA costs (45%) are on repairs and investment in our housing stock, with 30% of costs associated with principal and interest on borrowing. Management and support costs account for around 25% of HRA costs.

Borrowing

- 6.12 The Council's borrowing position following self-financing is summarised as follows:

Summary borrowing position for self-financing

	£000's
Opening Debt Allocation (Debt Cap)	63,068
Actual debt	57,733
Borrowing Headroom	5,335

- 6.13 Actual HRA borrowing is made up of £7.5m historic debt and £50.2m new borrowing – all through fixed rate 'interest only' loans and in accordance with the Council's Treasury Management Strategy.

Loan analysis

Loan Value	Loan Rate	Loan Term	Maturity Date
£	%	Years	
6,500,000	8.785	8.16	22.05.2020
1,000,000	8.375	44.0	31.03.2056
16,793,000	3.50	30.0	28.03.2042
16,720,000	3.52	40.0	28.03.2052
16,720,000	3.48	50.0	28.03.2062

- 6.14 The business plan model assumes that borrowing is repaid at the earliest opportunity, in order to demonstrate viability. In reality the Council will be able to review the plan regularly and make decisions about the use of surpluses, balancing the repayment of borrowing and additional investment in the stock. This will give the Council greater flexibility in its long term planning than has been possible under the previous subsidy system. In 2012/13 interest charges are £2.4m and principal repayments are £1.2m.

Stock investment needs

- 6.15 The table below summarises the capital investment estimates for the next five years. Resources for investment in our stock come from the depreciation charges set aside in our Major Repairs Reserve along with any in-year surpluses generated.
- 6.16 The programme of works for 2012/13 – 2014/15 has been approved as part of the 2012/13 budget process. Capital investment in years 4 and 5 of the plan is subject to review and prioritisation alongside the range of strategic issues identified in this Business Plan.

Capital investment forecasts

	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
Estimated Value of Works	2,976	3,396	3,817	2,573	2,367

- 6.17 Over the next 3 years our planned replacement programme will see tenants benefit from measures that will improve the energy efficiency of their homes – ensuring we fulfil our landlord responsibilities whilst cutting energy bills for our tenants.
- 6.18 The cost of improving the stock beyond this level will need to be the subject of further review and consultation taking into account the resources available and the Council's Asset Management Strategy, although we aim to begin a programme to replace bathrooms once all kitchens have been upgraded.
- 6.19 The total expenditure to improve and maintain the stock and related assets is currently forecast at £161.846m over the next 30 years. This equates to approximately £51.4k per dwelling based on 3,150 properties. Information on the estimated investment needs and resources available over 30 years is shown at **Appendix C(ii)**.

Right to Buy

- 6.20 Within the plan we have assumed right to buy sales at 2 per annum for 2012/13 and 2013/14, 5 per annum for 2014/15 to 2019/20 and 10 per annum there after.
- 6.21 From April 2012 the Government's enhanced 'Right to Buy' scheme brings a new maximum discount of £75,000 for eligible tenants (against the previous maximum of £24k for Selby). The Government's proposal indicates that net receipts from these sales should be used to replace the additional homes sold due to the increase in discount.
- 6.22 The net receipt can be adjusted for allowable costs, and repayment of debt, although debt repayment is not mandatory. The 'one-for-one' replacement rules state that no more than 30% of the cost of replacement homes can be funded from RTB receipts, with the rest coming from other funding opportunities, such as borrowing against future rental income of the dwelling, or working in partnership with other social landlords.
- 6.23 There is recognition that this may have a detrimental impact on the self-financing business plans of local authorities and as part of our response to this change we will be preparing a local funding plan to help us demonstrate how we will achieve the Government's objectives for replacement of homes sold, along with a continuing viable Housing Revenue Account.

Risks

6.24 The financial elements of the business plan carry a number of risks:

Interest Rates

- The council decided to take fixed rate borrowing for the new £50.233m loans from PWLB which have been used to pay CLG which has mitigated the risk of exposure to increasing interest rates as the economy starts to recover. Should further borrowing be taken in future then the risk of higher rates for new borrowing remains.

Inflation – Economic Uncertainty

- Inflation is a key issue for the Council especially when rates are high relative to income growth.
- High inflation impacts on the rent modelling which is currently at RPI plus 0.5%.
- The self financing business plan financial model has been modelled using a prudent inflation rate consistent with the rates used by the Council for the General Fund of 3.5% 2012/13, reducing to 3% from 2012/14 and then 2.5% from 2021/22.

Assets – Council Houses

- The viability and affordability of the HRA business plan is based on the stock numbers reducing with the current forecasts of Right to Buys (RTB). The impact of the Government's proposals for increased discounts on the number of RTB has not currently been factored into the model.
- Increased asset disposals would result in reduced rental income but also reduced maintenance liabilities and affect the repayment of associated debt. The Council has taken a range of loans over a mix of maturity dates to allow flexibility for repayment and will prepare a local funding plan to forecast the impact of this change and to help mitigate the associated financial risks.

Rents (Income)

- Rent increases could result in a lower collection rate. Unemployment, inflation and other economical factors could affect tenants' ability to afford higher rent increases. Rents have been modelled using social rent policy and to keep within guideline rent.

Reserves

6.25 As part of the budget setting process the Council is required to review the adequacy of its reserves and this includes the HRA reserve. The Council confirmed in February 2012 that the HRA reserve should be £1.5m. This level is deemed adequate to provide financial resource for any unforeseen circumstances within the HRA that may require additional funds. This equates to approximately £475 per dwelling.

Financial Outlook to 2016/17 and beyond

- 6.26 Following the move to self-financing the financial forecasts show that, based on current assumptions on 'Right to Buy' sales, there are sufficient resources over the next 5 years to maintain a viable Housing Service, maintain the Decent Homes plus standard, and do the necessary planned repairs to our housing stock, although this does put pressure on the ability to repay debt over 30 years. The current financial model shows the need to increase principal set-aside from year 11 onwards to maintain a 30 year payback.
- 6.27 The financial forecast at **Appendix C** suggests that, subject to the assumptions within the model, there is some modest headroom in years 1 to 5 although the impact of increased 'Right to Buys' has not yet been factored into financial plan. This provides some level of contingency as the impacts of this change become clearer.
- 6.28 There also remains the potential to increase borrowing up to our 'debt cap' which would cost in the region of £240k per year in interest charges plus principal repayments of around £178k per year based on a 30 year term – to put this into context this would purchase 35 properties at a cost of £150k each.
- 6.29 The balance of using resources to repay debt and maintain and/or extend the housing stock will be an on-going feature of the Business Plan and will require careful consideration as the impacts of the changes to 'Right to Buy' emerge. That said, the ability to invest in our housing stock over the life of the plan will continue to improve the quality of the homes we provide. Within the available resources there will be the ability to focus spending on those things which will have greatest impact on achieving the Council's objectives whilst improving the quality of life for our tenants.

7. Delivery

Operations

- 7.1 The Council has commissioned 'Access Selby' to deliver the Housing Service, and the Delivery Plan which flows from this Business Plan forms part of the Access Selby Service Level Agreement.
- 7.2 In general the clerical, administrative services are provided through the Access Selby Business Support Team and front line services are provided by the Contact Centre and Community Officers Team. Responsive repairs and works to 'void' properties are co-ordinated and delivered through the Assets team based in Selby.

Housing Strategy and Policy Changes

- 7.3 Access Selby Policy Team is responsible for reviewing existing housing policies and responding to new and developing national policies and legislation including housing and homeless strategy, allocations, tenancy and tenant participation. The team works closely with the Community Officers on delivery of policies and are working in partnership with North Yorkshire local authorities on sub regional policies.

Service performance

- 7.4 Although the past few years have brought many challenges, we have strived to deliver excellent services to our customers and we have provided:
- quick and easy access to services by phone, in person and on line with customer satisfaction at 95% and 92% of enquiries dealt with at the first contact last year;
 - community officers to provide better coordinated services affecting tenants and the communities in which they live;
 - extended opportunities for community engagement through tenant and resident association (TARA) network;
 - choice-based lettings (CBL), to support easier access to housing information, and to improve choice and mobility;
 - quick repairs, mostly by appointment at a time that suits the customer;
 - support to vulnerable people, with aids and adaptations provided quickly;
 - a high level of rent collection from current tenants with 98.48% of rent due collected in 2011/12;
 - generally low cost and high quality services; and
 - significant improvements made during the last year to the turnaround of re-lets to maximise availability of accommodation.

- 7.5 There is still room for improvement though, so we will be:
- encouraging young people and people from minority communities to have their say as these people are under-represented in customer engagement groups;
 - targeting urgent repairs to increase the number that are carried out within agreed timescales;
 - continuing our work on homeless prevention & housing options; and
 - tackling rent arrears owed by current and former tenants.

7.6 The Council is also committed to delivery of national standards:

Standard	Covers
Tenant Involvement and Empowerment standard	Customer service and choice; Involvement and Empowerment; Equality and Diversity; Tenants with additional support needs; Complaints.
Home standard	Repairs and maintenance; Quality of accommodation.
Tenancy standard	Allocations; Rents and tenure.
Neighbourhood and Community standard	Neighbourhood Management; Local area Co-operation; Anti-social behaviour.
Value for money standard	Value for money services.
Governance	Decision Making & governance.

These are clear outcome-based standards with statutory requirements that all social landlords must meet and a focus on tailoring services to meet local needs and priorities.

- 7.7 These, and the issues outlined in Section 5, will be taken forward through the Service Level Agreement we have with Access Selby and we will monitor progress in these key areas.
- 7.8 The headline risks associated with this Business Plan are set out in **Appendix D**.

8. Consultation

- 8.1 Tenants have been consulted on the draft Business Plan through the Tenants and Leaseholder Scrutiny Panel and associated tenant groups. The Panel will continue to have an important role in making sure that tenants have all the information they need.

Appendix A

HRA Business Plan 2012-17 Key Deliverables

Outcomes to be achieved	What success will look like	How success will be achieved	What Access Selby will do	By when
Stronger Council				
Increased tenant and leaseholder participation	<p>More tenants and leaseholders getting actively involved in issues raised through the CEFs</p> <p>Improved appearance of 'estates'</p> <p>Reduced incidence of anti-social Behaviour</p>	<p>Through the work of tenant groups and the Community Engagement Forums</p> <p>Through achievement of the 'Tenant Involvement and Empowerment standard'</p> <p>Through achievement of 'Tenancy Standard'</p> <p>Through achievement of 'Neighbourhood and Community Standard'</p>	<p>Implementation of the Tenant Participation Strategy in consultation with Tenants' & Leaseholders Scrutiny Panel</p> <p>Implementation & roll out of the customer pledge</p> <p>Review and implementation of Anti-Social Behaviour Policy</p>	<p>April 2013</p> <p>April 2013</p> <p>April 2013</p>

Outcomes to be achieved	What success will look like	How success will be achieved	What Access Selby will do	By when
Changing places				
Housing stock that better meets the needs of our changing communities	'New' properties that match our assessed need	Through more effective asset management	Implement effective Asset Management Strategy for Council owned homes	Annually by 31 March
	More tenants buying their homes			
	Local funding plan in place that demonstrates viability of RTB and 'one-for-one' replacement			
Living well				
Improved quality of life of our tenants and leaseholders	'Decent Plus' standard maintained	Through targeted investment in their homes	Maintain stock intelligence	Annually by 31 March
	Energy efficiency of our properties improved	Through achievement of 'Home Standard'	Deliver Council's approved capital programme	
	Increased satisfaction in the service		Deliver a customer focussed responsive repairs service	

Outcomes to be achieved	What success will look like	How success will be achieved	What Access Selby will do	By when
Tackling the tough stuff				
Help meet the affordable housing needs across the district	Net increase in housing stock	Through making best use of the resources we have available	Maintain stock and housing needs intelligence Implement effective Asset Management Strategy for Council owned homes Effective tenancy allocations	Annually by 31 March
	Ratio of occupancy:bedrooms improved in fixed term tenancies			
	Reduction in number of 'hard to let' properties			
Switched on				
Value for money delivered to our tenants and stakeholders Effective and transparent decision making demonstrated	Improved performance across key performance measures (including responsive repairs)	Through efficient and responsive services ensuring a viable housing service Through achievement of the 'Value for money Standard' Through achievement of the 'Governance Standard'	Annual review of Business Plan	September each year
	Reduced management costs			

Selby District Profile

Population

- 1 Selby District is a relatively small rural district in North Yorkshire, with an estimated population of 82,900 (mid 2010). It covers an area of approximately 6,190 sq kilometres to the south of York and is broadly contained by the A1 to the west and the River Derwent to the east. Neighbouring local authorities are York, Leeds, Doncaster, Harrogate, Wakefield and the East Riding of Yorkshire.
- 2 Approximately one third of the population live in the three market towns of Selby, Tadcaster and Sherburn in Elmet. The remaining two thirds live in the 60 or more villages and scattered hamlets across the District. Life in the District is strongly influenced by the adjacent larger urban areas, particularly Leeds and York. The 2001 census reveals that approximately half of the working population commute outside the District, and the latest evidence from the Council's 2009 Strategic Housing Market Assessment¹ suggests that this proportion has increased further to around 59%.
- 3 The Office of National Statistics project that the district's population will increase by 27% to 103,700 by 2033. Currently over 50% of the population is aged between 30 and 64, with only 16% over 65, and only 16% of the population in the 15-29 age group. Over the next few decades, there will be a 'demographic shift' with the number (and proportion) of older people increasing – for example the number of 75+ residents is expected to more than double (from 5,900 in 2008 to 12,600 by 2031).
- 4 The 2001 Census also recorded that the District population perceived themselves mainly to be in the white ethnic group, with Chinese, Asian/British Asian and Black/British Black accounting for approximately 0.1% each, and Mixed Ethnic group accounting for 0.3%.

Economy

- 5 The District's economy is varied although is dominated by agriculture, and the energy industries. With two major coal-fired power stations at Drax and Eggborough, the energy sector is especially prominent and this is expected to continue in the light of national policy statements. Agriculture remains important in spatial terms, although employment in agriculture continues to decline. Selby is the main employment centre but there is also significant employment at Sherburn in Elmet and, to a lesser degree, Tadcaster. Unemployment is generally lower than regional and national averages. 77% of the Selby Population classes themselves as economically active, which is below the Yorkshire and Humber average of 78.9%.
- 6 Earnings in Selby compare favourably to North Yorkshire. Resident population analysis shows that Selby residents earn a gross weekly pay of £539.00 compared to £480.30 for North Yorkshire, equating to £12.02 an hour and £12.11 respectively. This is likely to be due to the good location of Selby and the nature of Selby being a commuter base for surrounding cities such as Leeds, Wakefield and York, where there may be more highly paid jobs³.
- 7 Selby is the largest town with a population of approximately 13,000 and is a major district centre within the region. Aside from being the main shopping centre in the District, it is the prime focus for housing, employment, leisure, education, health, local government and cultural activities and facilities. It benefits from a town bypass constructed in 2004. Selby town supports around 6000 jobs.
- 8 The ancient market town of Tadcaster (with just over 6000 population) is situated on the River Wharfe between Leeds (15 miles to the west) and York (10 miles to the east), on the A659 and bypassed by the A64. The town is well connected to both York and Leeds city regions and employs a high proportion of people in the finance, business and insurance sector. Overall Tadcaster supports nearly 1700 jobs.
- 9 Sherburn in Elmet is often referred to as a village, reflecting its historic roots, although it has the characteristics of a small town and is one of the three market towns in the District. It has a population of about 6600 providing essential convenience retail, and other services and facilities for the immediate needs of the local community, South Milford and surrounding rural areas.

³ ONS Annual Population Survey April 2010 – March 2011

- 10 The town has good communications with easy access to rail and the A1(M), providing links to the motorway network beyond and its traditional close associations with Leeds and West Yorkshire. In the light of these strengths the town is home to a major industrial site attracting large logistics businesses and distribution centres making it one of the key employment areas for Selby District of regional and national importance. Sherburn supports more than 3000 jobs.
- 11 There has been a relatively high level of housing development in Sherburn in Elmet (some 291 new dwellings between 2000 and 2010) and employment development (more than 80,000 m² of new floorspace built since 2004) over recent years which have contributed to the vitality of the town as a whole.
- 12 There are more than 60 villages and hamlets scattered throughout the District ranging from larger service villages with a range of facilities to many small, remote villages. Some of these have limited services and facilities but which only meet the immediate day-to-day needs of the local communities; although others have none. There is a huge variety of character and functions.
- 13 A recent study on the Leeds City Region economy has suggested that growth rates in the Selby district will rise only 1.7% between the period 2004 – 2016. This is significantly less than other areas in North Yorkshire e.g. 8.7% in Harrogate and 4.7% in York. The study goes on to suggest that, during this time scale, the Selby district will decline in relative terms as sites of employment. The study does suggest, however, that, because of its location next to the rapidly expanding areas of Leeds, Wakefield and York, the Selby district will attract a large number of commuters. As part of the Local Development Framework, the Council is working with neighbouring authorities to minimize this trend.

Transport and geographical access

- 14 The district is well served by major roads. There is a direct train service to London as well as access to the East Coast main line at York, Leeds and Doncaster. However, the remoteness of some areas and variable bus services has led to more people depending on cars. As a result, Selby district has the highest percentage of people who travel to work by car or van (63% - nearly 5% higher than other districts in North Yorkshire), and there is also a high percentage of households with two cars (31%). Again, for comparison, the Housing Needs Survey noted Council tenants have fewer cars than owner occupiers. People without cars may have difficulty getting to facilities in the area, and further a field.

Indices of Deprivation 2004

- 15 These show how varied the Selby district is in terms of its wealth and deprivation. It has some of the most prosperous areas in the country in the wards of Brayton, Riccall with Escrick, Tadcaster East, Monk Fryston and South Milford, yet has some deprived areas such as Selby town. Although there are some very prosperous areas of the district, a large majority of the Council's stock is located in areas with a relatively high level of deprivation, in particular the North and South wards of Selby and areas of Byram. Some 59% of tenants receive housing benefits.

Selby DC - HRA Business Plan Revenue Operating Account

Year	Income				Expenditure							Surplus Transferred to MRR £000's
	Rent Income £000's	Other income £000's	Investment Interest £000's	Total Income £000's	Running Costs £000's	Repairs & Maintenance £000's	Depreciation Costs £000's	Loan Interest Charges £000's	Loan Repayment Contribution £000's	Total Expenses £000's		
1 2012/13	11,214	639	20	11,873	-3,685	-1,393	-2,970	-2,424	-1,175	-11,647	226	
2 2013/14	11,822	655	36	12,513	-3,781	-1,426	-3,042	-2,424	-1,175	-11,848	665	
3 2014/15	12,441	672	72	13,185	-3,884	-1,459	-3,113	-2,424	-1,175	-12,055	1,130	
4 2015/16	13,078	689	125	13,892	-3,980	-1,494	-3,186	-2,424	-1,175	-12,259	1,633	
5 2016/17	13,405	706	230	14,341	-4,079	-1,528	-3,261	-2,424	-1,175	-12,467	1,874	
6 2017/18	14,036	724	309	15,069	-4,181	-1,564	-3,337	-2,424	-1,175	-12,681	2,388	
7 2018/19	14,434	742	402	15,578	-4,285	-1,601	-3,415	-2,424	-1,175	-12,900	2,678	
8 2019/20	14,831	760	488	16,079	-4,391	-1,637	-3,495	-2,424	-1,175	-13,122	2,957	
9 2020/21	15,227	779	576	16,582	-4,502	-1,672	-3,570	-1,934	-1,175	-12,853	3,729	
10 2021/22	15,634	799	681	17,114	-4,615	-1,709	-3,648	-1,852	-1,175	-12,999	4,115	
11 2022/23	16,051	819	823	17,693	-4,730	-1,746	-3,727	-1,852	-2,299	-14,354	3,339	
12 2023/24	16,479	839	1,002	18,320	-4,849	-1,784	-3,807	-1,852	-2,299	-14,591	3,729	
13 2024/25	16,918	860	1,195	18,973	-4,970	-1,822	-3,890	-1,852	-2,299	-14,833	4,140	
14 2025/26	17,368	882	1,404	19,654	-5,094	-1,862	-3,974	-1,852	-2,299	-15,081	4,573	
15 2026/27	17,831	904	1,628	20,363	-5,221	-1,902	-4,061	-1,852	-2,299	-15,335	5,028	
16 2027/28	18,305	927	1,870	21,102	-5,351	-1,943	-4,149	-1,852	-2,299	-15,594	5,508	
17 2028/29	18,792	950	2,131	21,873	-5,486	-1,985	-4,238	-1,852	-2,299	-15,860	6,013	
18 2029/30	19,292	973	2,410	22,675	-5,622	-2,028	-4,330	-1,852	-2,299	-16,131	6,544	
19 2030/31	19,805	998	2,709	23,512	-5,763	-2,072	-4,424	-1,852	-2,299	-16,410	7,102	
20 2031/32	20,331	1,023	3,030	24,384	-5,908	-2,116	-4,519	-1,852	-2,299	-16,694	7,690	
21 2032/33	20,871	1,048	3,373	25,292	-6,055	-2,162	-4,616	-1,852	-2,299	-16,984	8,308	
22 2033/34	21,425	1,075	3,739	26,239	-6,206	-2,209	-4,716	-1,852	-2,299	-17,282	8,957	
23 2034/35	21,994	1,101	4,130	27,225	-6,361	-2,256	-4,818	-1,852	-2,299	-17,586	9,639	
24 2035/36	22,577	1,129	4,548	28,254	-6,520	-2,305	-4,922	-1,852	-2,299	-17,898	10,356	
25 2036/37	23,176	1,157	4,992	29,325	-6,683	-2,355	-5,028	-1,852	-2,299	-18,217	11,108	
26 2037/38	23,790	1,186	5,466	30,442	-6,851	-2,405	-5,136	-1,852	-2,299	-18,543	11,899	
27 2038/39	24,420	1,216	5,970	31,606	-7,022	-2,457	-5,246	-1,852	-2,299	-18,876	12,730	
28 2039/40	25,067	1,246	6,506	32,819	-7,197	-2,510	-5,359	-1,852	-2,300	-19,218	13,601	
29 2040/41	25,730	1,277	7,075	34,082	-7,377	-2,564	-5,474	-1,852	-2,300	-19,567	14,515	
30 2041/42	26,413	1,311	7,650	35,374	-7,568	-2,619	-5,592	-1,846	-2,300	-19,925	15,449	
Total	552,757	28,086	74,590	655,433	-162,217	-58,585	-125,063	-60,212	-57,733	-463,810	191,623	

Selby DC - HRA Business Plan - Capital Programme & Major Repairs Reserve

Year	Contributions & Expenditure - Capital Programme					Loan Repayments		
	Depreciation Transferred to MRR £000's	Additional Contributions to MRR £000's	Total Contributions to MRR £000's	Estimated Capital Programme £000's	Additional MRR Funds Available for Investment £000's	Debt Repayment Contributions £000's	Debt Repayment Schedule £000's	MRR Debt Repayments Balance £000's
1 2012/13	-2,970	-226	-3,196	2,967	-229	-1,175		-1,175
2 2013/14	-3,042	-665	-3,707	3,396	-540	-1,175		-2,350
3 2014/15	-3,113	-1,130	-4,243	3,817	-966	-1,175		-3,525
4 2015/16	-3,186	-1,633	-4,819	2,573	-3,212	-1,175		-4,700
5 2016/17	-3,261	-1,874	-5,135	2,367	-5,980	-1,175		-5,875
6 2017/18	-3,337	-2,388	-5,725	4,475	-7,230	-1,175		-7,050
7 2018/19	-3,415	-2,678	-6,093	4,580	-8,743	-1,175		-8,225
8 2019/20	-3,495	-2,957	-6,452	4,683	-10,512	-1,175		-9,400
9 2020/21	-3,570	-3,729	-7,299	4,785	-13,026	-1,175	6,500	-4,075
10 2021/22	-3,648	-4,115	-7,763	4,888	-15,901	-1,175		-5,250
11 2022/23	-3,727	-3,339	-7,066	4,995	-17,972	-2,299		-7,549
12 2023/24	-3,807	-3,729	-7,536	5,103	-20,405	-2,299		-9,848
13 2024/25	-3,890	-4,140	-8,030	5,213	-23,222	-2,299		-12,147
14 2025/26	-3,974	-4,573	-8,547	5,326	-26,443	-2,299		-14,446
15 2026/27	-4,061	-5,028	-9,089	5,441	-30,091	-2,299		-16,745
16 2027/28	-4,149	-5,508	-9,657	5,559	-34,189	-2,299		-19,044
17 2028/29	-4,238	-6,013	-10,251	5,679	-38,761	-2,299		-21,343
18 2029/30	-4,330	-6,544	-10,874	5,802	-43,833	-2,299		-23,642
19 2030/31	-4,424	-7,102	-11,526	5,927	-49,432	-2,299		-25,941
20 2031/32	-4,519	-7,690	-12,209	6,055	-55,586	-2,299		-28,240
21 2032/33	-4,616	-8,308	-12,924	6,186	-62,324	-2,299		-30,539
22 2033/34	-4,716	-8,957	-13,673	6,319	-69,678	-2,299		-32,838
23 2034/35	-4,818	-9,639	-14,457	6,456	-77,679	-2,299		-35,137
24 2035/36	-4,922	-10,356	-15,278	6,595	-86,362	-2,299		-37,436
25 2036/37	-5,028	-11,108	-16,136	6,737	-95,761	-2,299		-39,735
26 2037/38	-5,136	-11,899	-17,035	6,882	-105,914	-2,299		-42,034
27 2038/39	-5,246	-12,730	-17,976	7,030	-116,860	-2,299		-44,333
28 2039/40	-5,359	-13,601	-18,960	7,181	-128,639	-2,300		-46,633
29 2040/41	-5,474	-14,515	-19,989	7,335	-141,293	-2,300		-48,933
30 2041/42	-5,592	-15,449	-21,041	7,494	-154,840	-2,300	16,833	-34,400
Total	-125,063	-191,623	-316,686	161,846		-57,733	23,333	

Financial assumptions

Forecasted costs and income are based on the Council's 2012/13 budgets and the following assumptions:

1. Rents increase in line with government policy, to converge with target rents by 2015/16 and increasing at inflation +0.5% thereafter.
2. Non-dwelling income increases in line with the Council's policy for fees and charges of inflation as at September each year.
3. The void rate is set at 1% and the bad debt provision at 1%.
4. Day to day maintenance costs increase in line with inflation and do not vary with small stock losses from right to buy.
5. General inflation based on RPI reducing from 3.5% in 2012/13 to 3% and then down to 2.5% in the later years.
6. Cost of borrowing 4.18%.
7. Any surplus funds generated through efficiencies or additional income is allocated to the major repairs reserve to be available for use either to repay borrowing or additional investment in the stock.
8. Right to buy sales remain at their existing levels in the short term and rise to 5 -10 a year in the medium term ensuring that the HRA remains viable in the medium term.
9. Capital programme is based on stock survey data held and includes inflation.
10. HRA unallocated reserve remains at £1.5m.

Appendix D

Risks

The key risks associated with this Business Plan are:

Political – whether the existing programme and new initiatives would deliver the Council's vision and aspirations;

Economic – due to increasing construction costs, insufficient finances are available;

Social – due to the changing demographics and expectations whether the Council's existing programme and any new initiatives meet our customer needs;

Technological – ensuring our provider has the skills to deliver the Business Plan;

Legal - that the Council considers all the legal aspects of any new initiative to ensure compliance with legislation and health and safety law.

Public Session

Report Reference Number (C/12/11) Agenda Item No: 13

To: Council
Date: 11 December 2012
Author: Ralph Gill
Executive Member: Leader, Mark Crane
Lead Director: Keith Dawson

Title: Localisation of Council Tax Support from April 2013

Summary: This report presents the Executive's proposal for the provision of Localised Support for Council Tax.

Recommendations:

- i. the proposed version of the Council Tax Support scheme be adopted;**
- ii. the proposed changes to Council Tax discounts and exemptions from 1 April 2013, be approved;**
- iii. the implementation of a Council Tax Support Hardship Scheme be approved;**
- iv. the Council Tax Support Scheme Vulnerability Policy be approved.**

Reasons for recommendation

To allow a cost neutral scheme for Council Tax Support to be implemented.

1. Introduction and background

- 1.1 The Department for Work and Pensions (DWP) have placed in the Welfare Reform Act 2012, a measure to end the current Council Tax Benefit (CTB) scheme on 31st March 2013.**
- 1.2 The Department for Communities and Local Government (DCLG) have stated that each billing authority must put in place a local Council Tax Support scheme for providing financial help to liable people on low incomes.**

This will be classed as a Council Tax discount rather than a state welfare benefit.

- 1.3 The Government's desire is that billing authorities will choose to modify the types of current council tax discounts and exemptions for empty and second homes but these exclude amendments to Single Person Discount.
- 1.4 The government's stated aims in introducing this reform are:
- To give local authorities a financial stake in the provision of support for council tax and a greater stake in the economic future of their local area, and supporting the government's growth agenda;
 - The opportunity to reform and simplify the system of support for working age claimants;
 - To reinforce local control over council tax - consistent with a drive for greater local financial accountability;
 - To give local authorities a significant degree of control over how 10 per cent reduction in expenditure is achieved;
 - To contribute to the Government's programme of deficit reduction.
- 1.5 The North Yorkshire & York Benefit Managers Group (which includes a representative from Access Selby for Selby DC) under the direction of a Finance Director representative from Ryedale and supported by the NY Chief Executive's Group, have been working to establish a co-ordinated approach to the localisation of Council Tax Benefit across North Yorkshire. The proposals presented have been developed jointly with the councils in North Yorkshire.
- 1.6 The Executive propose that a cost-neutral scheme should be pursued, that seeks to lessen the impact on claimants by reducing or removing various Council Tax exemptions and discounts.

2. The Report

- 2.1 Under the current Council Tax Benefit scheme we pay out approximately £4.71m to 5,500 households across the District. These payments are covered by Council Tax Benefit Subsidy from Central Government.
- 2.2 Key features of the proposals to localise Council Tax Benefit:
- The amount of subsidy local government receives to cover CTB will reduce by approximately 15%;
 - Pensioners will be protected under the new arrangements (they will continue to receive the same amount as they would under CTB);
 - There will no additional grant awarded if demand is higher than anticipated;
 - Additional funding is available if we commit to meeting 3 set criteria
 - Risk will be shared by major precepting authorities through the impact that the change will have on the Council Tax Base;

- Councils must put in place a local scheme by January 2013 or they will have to use a default national framework.

3. Consultation

- 3.1 All of the district and borough councils in North Yorkshire engaged in a joint consultation process with the major preceptors; County, Police and Fire. In doing so we emphasised the fact that we were all working to devise schemes that would be cost-neutral. The consultation exercise ran between 24/7/12 and 4/9/12.
- 3.2 All of the preceptors welcomed the fact that we were aiming to introduce a cost-neutral scheme. They were also concerned with differences between the districts; however these are necessary due to the differing demographics.
- 3.3 We engaged in a public consultation exercise between 18/9/12 and 30/10/12. The consultation exercise was web based and we notified every household in the District through Citizenlink and all 3rd Sector organisations in the area through Selby AVS.
- 3.4 There was a very low response rate to the public consultation - the main points highlighted were:
- 76.9% agreed that we should use Council Tax Exemptions and Discounts to achieve some of the savings required;
- 84.6% agreed that we should allow a full Class C Exemption for 1 month.
- 3.5 The public consultation results are shown in full at Appendix A.

4. Government Changes

- 4.1 On 18th October the Government announced a further £100m would be made available to LAs nationally to reduce the impact of the implementation of Council Tax Support schemes.
- 4.2 However, this funding is only available for the first year of the scheme and it is the Council's choice as to whether or not the additional funding is accepted.
- 4.3 This funding is available to LAs which meet 3 criteria in the design of their schemes:
- Those who would be on 100% support under current Council Tax Benefit arrangements pay between zero and no more than 8.5% of their Council Tax liability;

- The taper rate does not increase above 25%¹; and
- There is no sharp reduction in support for those entering work – for claimants currently entitled to less than 100% support, the taper will be applied to an amount at least equal to their maximum eligible award².

4.4 If the scheme is amended to meet the criteria, the major preceptors would receive just under £113k in additional funding between them.

4.5 In their analysis of the Government's announcement, CIPFA sounded a note of caution:

- LAs who have already set out their local scheme and consulted on them, will have to re-consider their proposed schemes in light of these three criteria for grant;
- They need to consider whether the additional funding available is sufficient to offset the additional costs;
- The new grant cannot be applied for until after the deadline for local schemes to be agreed, 31 January 2013. The deadline for applications is just two weeks later and the funding will be made available in March 2013;
- This funding is for 2013-14 only;
- This means that the LA has to have finally agreed its local scheme before it can apply for the grant;
- Each LA claiming grant will have to satisfy DCLG that its final scheme is consistent with the three conditions;
- It is not yet clear what verification DCLG will require from LAs as part of the grant application process in order to assess that the scheme meets the 3 qualifying rules.

5. The Proposed Scheme

5.1 The proposed scheme seeks to adopt a Council Tax Support Scheme that meets the criteria for the additional funding to the major preceptors, but which remains affordable in year two so that those receiving support do not see major changes again in April 14.

¹ The current income taper is 20%. This means that for every £1.00 that someone earns above their personal allowance and income disregard, they lose 20 pence in Support. For people who also receive Housing Benefit this is in addition to the 65% taper that applies there. So someone who receives both currently loses 85 pence in benefit for every additional pound they earn. Increasing the Council Tax Support taper to 25% would mean someone who receives both would keep only 10 pence of every additional pound they earn.

² The policy intention is that local Council Tax Support schemes should not have an adverse impact on the Government's welfare reform agenda that work should pay. What rule 3 does therefore is ensure that where a Council Tax Support scheme that states that people who would attain maximum support have their entitlement calculated on 91.5% liability there is no "cliff-edge" for those who work having their entitlement calculated on, say, 70% liability and thereby receive significantly less support when working.

5.2 This means that additional reductions to Class A & C Exemptions are required. Although it is proposed to retain a full Class C Exemption for up to one month in line with other districts in North Yorkshire. This was supported by 84.6% of respondents in the public consultation and would provide a number of benefits:

- Those moving house would benefit where a property is empty for several days.
- Landlords, whether in the Private Rented Sector, Housing Associations and the Council’s own Housing department would benefit in that they would not be charged Council Tax for short void periods where properties were unoccupied.
- It would reduce administration costs as we would not be billing and attempting to collect and recover small amounts of Council Tax.

5.3 The financial implications of this are highlighted in Appendices B and C and further details of the financial implications of each of the reductions are set out in Appendix C.

5.4 The various elements within the Council Tax Support scheme are set out in Appendix D.

5.5 The introduction of a Council Tax Support Hardship Scheme is also proposed. Currently people who are entitled to Council Tax Benefit may apply for Discretionary Housing Payments (DHPs) but these will not be available to people on Council Tax Support who do not receive Housing Benefit in future.

5.6 The cost of operating a Hardship Scheme in our area is estimated at £10k and this has been factored into the costs.

5.7 The major preceptors have indicated that they would like to see such a scheme provided it can be funded from savings achieved.

5.8 The remaining timeline for this change remains extremely tight:

December	Complete testing of software changes on Northgate system
January	Software changes entered into live Northgate system
February	Council Tax annual billing

6 Risks

6.1 The funding available from central Government is fixed and will take no account of any downturn in the economy which may lead to increased benefit take up.

- 6.2 The modelling work for the overall cost of the Council Tax Support scheme and the levels of savings to be achieved, is based on various assumptions including estimated growth in caseload, which is subject to change.
- 6.3 All modelling has been undertaken on a data cut taken in May 2012 of Council Tax Benefit claimants at that point and the make-up of the caseload has since changed.
- 6.4 The current financial modelling assumes a Council Tax freeze for County, Police and Fire.
- 6.5 The individual major preceptors will each make their own decisions on whether or not to increase Council Tax and, if so by how much.
- 6.6 Such decisions will directly affect the overall cost of the scheme and therefore our ability to deliver a cost neutral scheme.
- 6.7 The Preceptors do not have to set their Council Tax until after the decision on the Council Tax Support Scheme has been made.

7. Legal/Financial Controls and other Policy matters

Legal Issues

- 7.1 The legislation for the scheme is derived from the Local Government Finance Act 2012 which has just received Royal Assent.
- 7.2 The regulations which give force to the Act have still to be laid.
- 7.3 It is still possible therefore that the draft regulations that we have been working to could still be subject to change.
- 7.4 The final legislation under which the scheme adopted by the Council must operate will not be published until December at the earliest.
- 7.5 If we do not adopt a scheme, DCLG will impose the use of the existing Council Tax Benefit scheme, and we would be required to absorb the costs.
- 7.6 Once adopted by Council the scheme may not be changed in year. Any changes may only be applied from 2014/15 and should changes be proposed it is likely we would need to go through consultation once again.

Financial Issues

- 7.7 All of the modelling that had been done for the consultation exercises anticipated an average 2.5% increase in Council Tax, which was the expectation in the summer.

- 7.8 On 8th October the Government announced a third year of Council Tax freeze. We will not know whether or not preceptors intend to accept or reject the freeze when a decision on the scheme is made.
- 7.9 The financial implications associated with the localisation of Council Tax Benefit will also depend on the final funding statement by DCLG which is due late December.
- 7.10 The decision on whether or not to adopt the additional voluntary funding from DCLG will also impact on the overall cost of the scheme and the level of savings to be achieved. The additional voluntary funding would yield an additional £113k shared between the major preceptors.
- 7.11 An indication of the savings requirements for each option is included in Appendix B and the modelling of each potential savings element is set out at Appendices C and D. Based on the assumptions as stated and assuming the Council take up the offer of additional grant the estimated surplus on the scheme for 2013/14 would be £128.5k (and £15.6k for 2014/15), which provides a reasonable level of contingency for increased demand, for major preceptors:

	2013/14 £000's	2014/15 £000's
Estimated cost of Council Tax Support	4,822	4,822
Estimated Grant	4,172	4,172
Transitional Grant	113	0
Estimated Scheme Surplus	128	16

- 7.12 Furthermore, the amount we receive each year in Benefit Administration Subsidy from the DWP has reduced for 13/14 as we will no longer be running the Council Tax Benefit Scheme on their behalf. There are positive indications DCLG will pick up these costs but no formal announcement of funding levels has yet been made.

Other Policy Matters

- 7.13 Pensioners will continue to receive support at the same rate as would have applied under Council Tax Benefit and are not affected by the need to reduce the levels of support required.
- 7.14 An equalities impact assessment has been written by a consultant at a county-wide level. As expected, this highlights the fact that working age people are negatively impacted by the introduction of the scheme, due to the need to protect pensioners from the changes. There are no key areas of concern over and above the current Council Tax Benefit scheme and the EIA is available as a background document.
- 7.15 The Council Tax Support Vulnerability Policy (Appendix E) has been written by consultants who advised the individual Districts. This addresses how the Scheme takes account of the Council's responsibilities for:

- Child poverty
- The chronically sick and disabled
- The Armed Forces Covenant
- Work Incentives

8. Conclusion

8.1 The cost of the Council Tax Support scheme and therefore the amount of savings we need to achieve are dependant on the levels on Council Tax set by the precepting authorities.

8.2 The suggested scheme would require the following changes to be made to Council Tax exemptions and discounts:

Discount / Exemption	Current level of discount / exemption	Suggested level of discount / exemption
Council Tax Class A Exemption – <i>Vacant premises, which require, are undergoing or have recently undergone major repair including structural repairs</i>	100% for 12 months	20% for 12 months
Council Tax Class C Exemption – <i>Premises that have been unoccupied and substantially unfurnished for less than six months</i>	100% for 6 months	100% for 1 month; then 20% for 5 months
Second Homes	10%	0%
Long-Term Empty Dwellings	10%	0%

8.3 The suggested scheme would require the following changes to be made to Council Tax Support for working age people if the additional funding is accepted:

CTS Element	Current CTB Element	Suggested level of CTS element
Council Tax Liability	100% Liability	91.5% Liability
Second Adult Rebate	Up to 25% for normal households / 100% for student households	0% for normal households / 91.5% for student households

9. Background Documents

Equalities Impact Assessment

Contact Details

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Appendices:

Appendix A – Public Consultation responses

Appendix B – Savings Requirements

**Appendix C – Potential savings through reducing Council Tax
Exemptions and Discounts**

**Appendix D – Potential savings through reducing Council Tax
Support elements**

Appendix E – Council Tax Support Vulnerability Policy

Appendix A – Public consultation responses

Public consultation ran for a period of 6 weeks from 18/9/12. We notified every household in the District through Citizenlink and third sector organisations through Selby AVS. We had 13 responses.

Question 1: Do you agree that we should reduce Council Tax Discounts and Exemptions to make some of the savings required?

Yes	76.9%
No	7.7%
No Response	15.4%

Question 2: **Council Tax Class A Exemption** – Vacant premises, which require, are undergoing or have recently undergone major repair including structural repairs. Currently this is a 100% exemption from Council Tax which is given for up to 12 months.

What level of exemption do you think we should give?

0%	30.8%
25%	0.0%
50%	30.8%
75%	15.4%
No Response	23.1%

Question 3a: **Council Tax Class C Exemption** – Premises that have been unoccupied and substantially unfurnished for less than six months. Currently this is a 100% exemption which is given for up to 6 months.

What level of exemption do you think we should give?

0%	23.1%
25%	0.0%
50%	30.8%
75%	38.5%
No Response	7.7%

Question 3b: **Council Tax Class C Exemption** – In many cases the period that the property is empty for can be very short, say 2 to 5 days between one person moving out of a property and another moving in, which could lead to issuing Council Tax bills for small amounts.

Do you think we should allow a 100% exemption for the first 4 weeks or one calendar month?

Yes	84.6%
No	0.0%
No Response	15.4%

Question 4: **Second Homes** – Currently these properties receive a 10% discount on the Council Tax charge where the householder pays the full Council Tax charge (or local property tax) where they pay a full charge for a property they occupy as their main home elsewhere, either in the UK or abroad.

Do you think second homes should receive the full Council Tax charge?

Yes	61.5%
No	23.1%
No Response	15.4%

Question 5: **Long-Term Empty dwellings** – Currently where a home is empty for more than 6 months, these properties receive a 10% discount on the Council Tax charge.

Do you think long-term empty homes should receive the full Council Tax charge?

Yes	46.2%
No	30.8%
No Response	23.1%

Question 6: **Single Person Discount** – Currently where only one adult lives in a property the can receive a 25% discount on the Council Tax charge. At present the Government will not let us alter this charge, however reducing this discount to 20% would give a potential saving of £659,000.

Do you think we should be able to reduce the charge?

Yes	53.8%
No	30.8%
No Response	15.4%

Question 7: **Restrict the Maximum Council Tax Liability** – Currently entitlement to Council Tax Benefit is assessed against the full Council Tax liability after any discounts have been applied. To what level do you think we should restrict the amount of Council Tax that entitlement is assessed against?

70%	38.5%
75%	7.7%
80%	15.4%
85%	15.4%
90%	7.7%
No Response	15.4%

Question 8: **Restrict the Council Tax Band** – There are 8 Council Tax Bands (A to H) and every home has been placed in a band based on its value at April 1991. We could assess entitlement to Council Tax Support based on a lower Council Tax Band than the property where the person claiming lives in. For example we could restrict Council Tax Support to Band D. A person could claim who lives in a Band F property, but we could assess their entitlement as though they live in a Band D property, but people in properties that fall within Bands A to D would be assessed on their full liability.

To which Council Tax Band do you think we should restrict Council Tax Support?

A	0.0%
B	15.4%
C	23.1%
D	38.5%
No Response	30.8%

Question 9: **Remove Second Adult Rebate** – Where a person lives in a property on their own they can receive a Single Person Discount of 25%. Second Adult Rebate compensates the householder for the loss of this discount where they have a second adult in the household who is on a low income and therefore contributes little to paying the Council Tax charge. It is assessed entirely on the income of the second adult and takes no regard of the finances of the main householder.

Do you think we should remove Second Adult Rebate?

Yes	38.5%
No	46.2%
No Response	15.4%

Question 10: **Reduce the Child Maintenance Disregard** – From October 2008 a full disregard applies to child maintenance, including that assessed by the Child Support Agency (CSA). Prior to this only £15 per week was disregarded.

How much child maintenance per week should we disregard?

£ 0	38.5%
£15	0.0%
£20	0.0%
£25	30.8%
£30	7.7%
£35	7.7%
No Response	15.4%

Question 11:

Capital Limit – Currently no working age person can any receive a means tested state benefit if they have capital or savings in excess of £16,000. We could lower the capital limit for people claiming Council Tax Support. For example, if we lowered the capital limit to £8,000 then anyone with savings or capital above this amount would not be able to claim.

What capital limit do you think should apply in Council Tax Support?

£6k	7.7%
£8k	0.0%
£10k	30.8%
£12k	0.0%
£14k	0.0%
£16k	46.2%
No Response	15.4%

Respondents:

Council Tax Payers	76.9%
Private Landlord	7.7%
No Response	15.4%

Appendix B(i) - Savings Requirements

Year 1 - with Additional Funding

2% Council Tax increase with 1 month full Class C Exemption and Additional Voluntary Funding

	Original Funding	Voluntary Funding	Total DCLG Funding
DCLG Funding			
Selby	£ 433,000	£ 15,224	£ 448,224
Parishes	£ 130,000	£ -	£ 130,000
	<u>£ 563,000</u>	<u>£ 15,224</u>	<u>£ 578,224</u>
County	£ 2,882,000	£ 77,987	£ 2,959,987
Police	£ 557,808	£ 15,085	£ 572,893
Fire	£ 169,332	£ 4,580	£ 173,912
	<u>£ 3,609,140</u>	<u>£ 97,652</u>	<u>£ 3,706,792</u>
Total DCLG Funding	£ 4,172,140	£ 112,876	£ 4,285,016
Council Tax Support Due			£ 4,822,232
Savings Target			£ 537,216
Council Tax Changes		(100% Band C for 1 month, then 20% / 20% Class A / 100% 2nd Home & LT Empty	<u>£ 448,827</u>
Required from Council Tax Support			£ 88,389
Council Tax Support Changes		91.5% Liability / Second Adult Rebate Removed	<u>£ 226,875</u>
Net Surplus			-£ 138,486
Hardship Scheme			<u>£ 10,000</u>
Surplus			-£ 128,486

Appendix B(ii) - Savings Requirements

Year 2 - without Additional Funding

2% SDC only Council Tax increase with 1 month full Class C Exemption

DCLG Funding		
Selby		£ 433,000
Parishes		£ 130,000
		<u>£ 563,000</u>
County		£ 2,882,000
Police		£ 557,808
Fire		£ 169,332
		<u>£ 3,609,140</u>
Total DCLG Funding		£ 4,172,140
Council Tax Support Due		£ 4,822,232
Savings Target		£ 650,092
Council Tax Changes	(100% Band C for 1 month, then 20% / 20% Class A / 100% 2nd Home & LT Empty	<u>£ 448,827</u>
Required from Council Tax Support		£ 201,265
Council Tax Support Changes	91.5% Liability / Second Adult Rebate Removed	<u>£ 226,875</u>
Net Surplus		-£ 25,610
Hardship Scheme		£ 10,000
Surplus		<u>-£ 15,610</u>

Appendix C: Council Tax Exemptions & Discounts

1 Class A (currently 100%) 20%
Potential Savings £ 88,800

2 Class C (currently 100%) 20%
Potential Savings £ 499,200

Cost of 1 month full exemption
-£ 193,173

3 2nd Homes (currently 90%) 100% charge
Potential Savings £ 15,800

4 Long Term Empty (currently 90%) 100% charge
Potential Savings £ 38,200

Appendix D: Council Tax Support Elements

Reduced Council Tax Support

Maximum Liability	91.50%
Potential Savings	£217,654

Second Adult Rebate removed	Yes
Potential Savings	£ 9,221

How the authority's policy for Council Tax Support addresses the issues of;

- **Child poverty**
- **The chronically sick and disabled**
- **The Armed Forces Covenant; and**
- **Work Incentives**

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Child Poverty

1.0 Child Poverty

- 1.1 The Child Poverty Act 2010 requires the Secretary of State to meet four targets to eradicate child poverty by 2020. It requires a strategy every three years (the first being in Spring 2011) to meet these targets and report annually on progress. The Act conveys the following duties on local authorities and their partners:
- Co-operate to tackle child poverty in their area
 - Prepare and publish a local child poverty needs assessment
 - Prepare a joint local child poverty strategy
 - Take child poverty into account when preparing or revising their Sustainable Communities Strategy
- 1.2 The Government published its first Child Poverty strategy in April 2011 (*A New Approach to Child Poverty: Tackling the Causes of Disadvantage and Transforming Families' Lives*)'. At the heart of this strategy is strengthening families, encouraging responsibility, promoting work, guaranteeing fairness and providing support to the most vulnerable.
- 1.3 Under the Act and from 2011 each local strategic partnership is required to have a Child Poverty Strategy to meet these targets and report on annual progress.
- 1.4 The definition used within this policy (which will be subject to change as Central Government) is as follows;
- Households with children in which income is less than 60% of the national median;
- 1.5 The authority is mindful of the proportion of dependant children within its area who live in households whose equivalised income is below 60% of the national median.

How the Council's policy addresses the issues of child poverty

- 1.6 The Council in creating its policy has looked to maintain the key elements of the previous Council Tax Benefit regime and as such provides the following;
- a. Where the claimant or partner is in receipt of Income Support, Income Based Job Seekers Allowance or Income Related Employment and Support Allowance (passported benefits) – Council Tax Support will be paid at the maximum determined by the authority;
 - b. Where the claimant or part is not in receipt of the benefits specified in (a) above but is on a low income, their income will be compared with the specified applicable amounts (living allowances). The applicable amounts (living allowances) will continue to contain the following elements;
 - i. Dependants Additions – an allowance for each child is used within the calculation;
 - ii. Disabled Child Premiums – where a child is deemed to be disabled under the policy an additional premium is granted for each child within the calculation;
 - iii. Enhanced Disability Premium (where the child is entitled to Disability Living Allowance Care Component at the highest rate); and
 - iv. Family premium – where any claimant has at least one child, a family premium is awarded.
 - c. Where the claimant or partner is not entitled to 'passported benefits' and the income of the family is calculated in assessing entitlement to support, the following incomes are disregarded or part disregarded;
 - i. Child Benefit;
 - ii. £15 of Child maintenance; and

iii. Other income payable to children

- 1.7 In all cases including those families in receipt of 'passport benefits', the approach taken provides support where income is low. Where the families are not in receipt of passported benefits, families with children will in the main, receive relatively more support than those claimants with no children
- 1.8 All claimants are encouraged to undertake work and where they are able to achieve this, the policy allows for disregards to be made against earnings which will allow for child care charges to be disregarded (to the maxima specified within the policy)

Chronically Sick and Disabled

2.0 Chronically Sick and Disabled

2.1 The definition of chronically sick and disabled is set out in the following legislation:

- Disabled Persons (Services, Consultations and Representation) Act 1986
- Chronically Sick and Disabled Persons Act 1970
- Equality Act 2010

How the Council's policy addresses the issues of disability

2.2 As with child poverty, the Council has sought to maintain the key elements of the previous Council Tax Benefit scheme and as such provides protection in the overall calculation of the support. For claimants who receive a 'passport' benefit they will receive the maximum support offered by the Council.

2.3 Where a claimant or their partner (if any) is not in receipt of a 'passport' benefit, their calculation of benefit will include all of the premiums that existed under council tax benefit including the following;

- a. Disability premium - awarded when a claimant or partner (if any) is disabled;
- b. Severe Disability Premium - awarded when both claimant or partner (if any) are both severely disabled in accordance with the scheme;
- c. Enhanced Disability Premium - Where either the claimant or partner (if any) are in receipt of Disability Living Allowance Care Component at the Highest Rate or where the claimant received the support component;
- d. Work related activity component - where a similar component is awarded within a claimant or partner's Employment and Support Allowance; and
- e. Support component - where a similar component is awarded within a claimant or partner's Employment and Support Allowance.

2.4 In calculating the income of a claim for support where a claimant or their partner (if any) is not in receipt of a 'passport' benefit, incomes related to disability such as Disability Living Allowance or Personal Independence Payments (from April 2013) will be disregarded in full.

2.5 In all situations, where a claimant or their partner (if any) is classified as disabled under the scheme, then no non-dependant deductions will be made where a claimant or partner is blind or where they are in receipt of the care component of the Disability Living Allowance

The Armed Forces Covenant

3.0 The Armed Forces Covenant

- 3.1 The Armed Forces covenant, published in May 2011, exists to redress the disadvantages that the Armed Forces community faces in comparison to other citizens, and to recognise sacrifices made. In some cases this will require special consideration, especially for those who have given the most such as those who are injured, disabled and bereaved as a result of service.
- 3.2 The covenant sets out an obligation the whole nation and State has towards those who have served their country in this way.

How the authority's policy meets the Armed Forces Covenant

- 3.3 The authority decided to maintain the existing disregard of 100% of all monies received in respect of war widows and war disablement pensions. This continues to be in excess of the existing central government requirement for a standard disregard of £10 per week and will assist all claimants and families who receive such payments. It maintains the current protection

Work Incentives

4.0 Work Incentives

- 4.1 A key part of any welfare benefit scheme is to incentivise claimants to return to work or to increase the number of hours they work, wherever possible. The Council Tax Benefit scheme, which is in place until 31 March 2013, does this in a number of ways and these have been replicated within the authority's council tax support scheme, which is effective from 1 April 2013.
- 4.2 The authority is keen to encourage all households of working age to enter and remain in work and is aware that the transition between out of work benefits and receiving earnings is a particularly difficult time.
- 4.3 The work incentives built into the council tax support scheme are as follows;
- a. Before taking earnings into account, only the net earnings are used in the calculation and depending on circumstances disregards of £5, £10, £20 and £25 are made from the net amount. The level of disregard will depend on the claimant circumstances and these are defined within schedule 3 of the authority's policy;
 - b. Where the claimant or their partner is able to undertake work for a longer period of time, then an additional earnings disregard may be applied;
 - c. Where the claimant has to incur childcare charges in order to allow them to go to work, the authority will disregard from any earnings up to the limit specified within the policy. It should be noted that this only applies where the full criteria are met as specified within section 17 of the policy;
 - d. Extended payments of support are also available where certain conditions are met and where the claimant has been continuously in receipt of certain unemployed benefits for a period of 26 weeks or more. These are outlined within section 60 of the policy.
- 4.4 The authority is keen to encourage claimants back to work where this is possible and feels strongly that the policy supports this.

To: Council
Date: 11 December 2012
Author: Eileen Scothern, Business Manager, Access Selby
Executive Member: Councillor Mark Crane

Title: Selby District Council Asset Management Strategy (AMS) 2012-2015

Summary: The attached draft Asset Management Strategy is proposed by Executive for approval.

Recommendations:

- i. **The draft Asset Management Strategy is approved**

Reasons for recommendation

The Asset Management Strategy is a key strategy for the Council, identifying the Assets of the Council and the key priorities for their use.

1. Introduction and background

- 1.1 The AMS provides the overarching objectives for the Council's use of assets from 2012-2015. The Strategy links to a number of the Council's plans such as the HRA and the Medium Term Financial Strategy.

2. The Report

- 2.1 The AMS is as a strategic document which sets out what the Council aims to achieve in terms of its assets. The Strategy would then be implemented by Access Selby as part of their Service Level Agreement.
- 2.2 In order to manage the assets of the authority effectively the Council needs to review how the assets are used currently and how they could be used to support its plans for the future. In addition the Council needs to ensure that the assets are fit for purpose.
- 2.3 The draft Strategy reflects the Council's role as commissioner and includes a draft implementation plan and performance measures in line with this role. Detailed actions; the 'how', will be identified by Access Selby as the service provider.

- 2.4** The draft Strategy has been considered by Executive on 4 October and by Policy Review Committee on 16 October. The Executive have considered the comments of Policy Review Committee and recommend the strategy to Council for approval.

3 Legal/Financial Controls and other Policy matters

3.1 Legal Issues

The AMS meets the Council's statutory responsibility to manage its resources efficiently and effectively from a political, environmental and social perspective.

3.2 Financial Issues

The AMS will ensure that the assets are effectively, economically and efficiently managed, providing a framework within which assets can contribute to the objectives and plans of the Council.

The Medium Term Financial Strategy identifies the financial resource allocated to our assets. The AMS will inform the requirements for these resources in the future.

4. Conclusion

The AMS provides the Strategic Framework within which the council can plan its asset management. Access Selby will develop an implementation plan which will be reviewed through existing performance management processes.

5. Background Documents

Housing Revenue Account Business Plan
Medium Term Financial Strategy

Available on the web

Contact Details: Eileen Scothern, Business Manager

Appendices:

Asset Management Strategy 2012-2015

Asset Management Strategy

2012-2015

September 2012

The Asset Management Strategy (AMS) provides the Council with the overarching objectives in its management of assets in an effective, economical and efficient manner for the next 3 years.

Most people use the Council's assets in some shape or form, whether it be the customer contact centre, parks and leisure facilities, industrial and commercial buildings, bus stations or council houses.

'They are fundamental to the economic, social and environmental well-being of the community and neighbouring areas. They help shape the life character of local areas and influence the quality of life for local people.'

Room for improvement – Audit Commission 2009

As such they make a huge contribution to the well being of our community.

As a result the AMS is an important Strategy for the Council and its objectives will help us achieve our plans.

The AMS objectives are:

- Use our assets in a sustainable way to support the Council's strategic objectives;
- Identify ways to maximise the use of assets for the benefit of the local community;
- Ensure our assets are fit for purpose and maintained to the required standard.

To do this effectively the AMS requires that the gaps are identified between the current property asset base and that which is needed to effectively and efficiently support the business of the Council and act as a catalyst for transformation.

The outcome of the Strategy by 2015 will be a deliverable costed programme of projects which will close this gap, support local and national policies and programmes and take advantage of opportunities that may arise.

The Strategy supports the 5 Big Things of the Council, together with budget planning, so that we balance resources with our ambition.

Our key assets are;

- Council Housing Stock and Garages
- Leisure facilities including parks and open spaces
- Business Units
- Community Centres
- Homeless Hostels
- Car Parks

The '5 Big Things' of the Council are:

1. A Stronger Council
2. Changing Places
3. Living Well
4. Tackling the Tough Stuff
5. Being switched on

The Council will need to take some tough decisions to make sure that our Assets meet our objectives and also make good business sense; being value for money. These are some ways in which the AMS could help us achieve our '5 Big Things'

	5 Big Things	How the AMS can help achieve our '5 Big Things'
1	A Stronger Council	Making tough decisions about what assets are needed in the future, disposing of those we no longer need and acquiring assets where we need them. Using our assets to support community development.
2	Changing Places	Helping businesses grow and supporting growth of the leisure, hospitality and retail economy. Looking at how we can use our assets to create jobs e.g. our industrial assets.
3	Living Well	Maximising the use of our leisure facilities, parks and open space assets.
4	Tackling the Tough Stuff	Supporting the housing we need and ensuring people are not priced out of the area and by through affordable homes. Providing sites for the travelling community in the future.
5	Being switched on	Ensuring our assets are fit for purpose. Improve the value for money of our assets. Increasing the rate of return on commercial our assets. Ensuring our assets contribute to our objectives.

The AMS provides the asset resources for us to deliver these. The focus of the AMS will be property based resources, see Appendix 1.
A full list of assets is held on the Council's Asset Register, including Housing and IT Assets.

Asset Management Strategy Objectives

1. Using our assets in a sustainable way to support the Council's strategic policies

We need to ensure that the Council's Assets are best placed to support the '5 Big Things' of the Council.

To do this we need to review whether they achieving their objectives from an economic, social and environmental and financial perspective.

Previously we have reviewed the assets of the Council which has led to disposal of some of the Council's assets and acquisition of others. The sale of land at the former Civic Centre and acquisition of the new Civic Site and development of the hospital site under the Community Project banner are excellent examples of this process.

Given the current economic climate and our commitment to our '5 Big Things', we have an opportunity to review whether our Assets are helping us achieve our plans.

- Are they doing the role they were intended for?
- Are they still needed?
- Could they be used more effectively?
- Could some land or buildings be used differently?
- Should premises be disposed of and the capital used to support other objectives? Are they generating sufficient value for money?

A review of the options available to us to make the best use of these assets will help us achieve this objective.

A key outcome of this piece of work will be identifying ways to maximise the use of assets for the benefit of the local community.

2. Ensuring our assets are fit for purpose and maintained to the required standard

It is vital that we maintain our property to a good standard and it remains 'fit for purpose'. A budget for asset maintenance is identified in the Medium Term Financial Strategy.

Historically the cost of maintenance has varied requiring unexpected capital or revenue expenditure.

Our housing stock has a programme of maintenance based on a Stock Condition Survey in 2009. This will need updating in the near future to ensure our planned expenditure is accurate.

Our other assets require condition surveys to help us plan for future maintenance budgets within the Medium Term Financial Strategy.

The Stock Condition surveys will require programmes of works and costings to enable the work to be prioritised and scheduled with the financial and operational plans.

There will always be some unexpected maintenance costs, and these will require allocations within the general fund, however we want to mitigate these as much as possible through this work.

Structure

The Council (The Core) has developed this Strategy to meet its plans. Access Selby, the delivery arm of the Council, will manage the implementation of the strategy through a range of projects and activities.

The relationship between the Access Selby and the Council is spelt out in Selby District Council's Service Level Agreement between The Core and Access Selby.

A separate implementation plan will be produced by Access Selby to enable it to deliver the Strategy through a number of projects which will be measured through the performance indicators in the Service Level Agreement. A working draft is attached in appendix 2.

Managing progress

The Council's Commissioning and Performance Officer and Access Selby's Business Manager meet at to review progress on the following:

- i. progress against KPIs
- ii. any forthcoming value for money initiatives or efficiency savings
- iii. any issues which have arisen during the quarter which affect the quality of the service provision
- iv. any risks which may affect the delivery of the Services
- v. strategy considerations

Progress will be reported to the Executive quarterly and to Access Selby by exception.

The Councils assets themselves are managed on a daily basis by the Asset and Contract Management Lead Officer within Access Selby.

Strategic Action Plan

No	Strategic Action Plan	Timescales
1.	Commission an options review of the property assets of the Council to see if they could be used more effectively to support our plans.	By May 2013
2.	Commission work to identify opportunities to work with community groups to maximise the use of our assets	By May 2013
3.	Authorise budget resource to undertake a stock condition survey on our property Assets, to be costed and a rolling programme of repairs and maintenance developed for funding approval	By December 2013
4.	Commission acquisitions and disposals in line with our plans	As required

How will we know that we have achieved our objectives?

These performance measures will help us to see what the financial contribution of the assets to the business are, to see whether asset management is satisfying our customer needs, and to ensure that the use of our assets helps us achieve our '5 Big Things'. In line with the Service Level Agreement the impact of assets on the '5 Big Things' will be reported.

No	Topline Performance measures	Review
SLA025	Rate of return on our assets	Annual
	Customer Satisfaction Housing Figures	Quarterly
SLA026	Reducing internal costs on non operational sites	Annual
SLA New	Delivering the Capital Programme	Annual

Financing the Strategy

The financial arrangements for maintenance of the Council's Assets are identified in the Medium Term Financial Strategy. This does not include the Housing Revenue Account and Housing Investment Programme which are covered separately in the Housing Revenue Account Business Plan.

The Medium Term Financial Strategy identifies General Fund reserves including allocations for Assets such as £345,000 to cover irregular property repairs and maintenance, £483,000, Tadcaster Central Area Project, £42,000 industrial unit maintenance.

Regular contributions to be identified in the revenue account which identifies £130,000 budget allocation to cover expected repairs and maintenance requirements.

As an outcome of this Strategy we will have a fully costed asset management programme that meets the needs of the community.

Appendix 1

Asset Management Register

The Asset Register records the operational and non operational land and building assets over the value of £10,000

<u>Item</u>	<u>Usage / Other Information</u>
<u>OPERATIONAL LAND & BUILDINGS</u>	
Garages	
Garages x 472	Rented by members of the public
Corporate Buildings & Depots	
Former Civic Centre & Car Park, Portholme Road, Selby	Offices & Car Parking
Civic Centre, Doncaster Road, Selby	Offices & Car Parking
Barlby Depot, Barlby Road, Selby	Workshop, Outside & Store
Prospect Way Depot, Prospect Centre, Selby	Workshop & Outside
Leisure Centres	
Tadcaster LC, Station Road, Tadcaster	2 Floors
Abbey LC, Scott Road, Selby	2 Floors, Outside & Parking
Abbeyfield Changing Rooms, Portholme Road, Selby	
Leisure Facility – Portholme Crescent	
Parks and Open Spaces	
Selby Park and Pavilion	
Barlow Common	
Hambleton Hough	
Brayton Barff	
Bondgate	
Amphitheatre	
Linear Park	
Dennison Road playing field and changing rooms	
Various play areas	
Homeless Hostels	
Ousegate Homeless Hostel, Selby	10 Units & former Warden Accommodation is vacant
Edgerton Lodge Homeless Hostel, Tadcaster	10 Units & former Warden Accommodation is vacant
Public Conveniences	
Back Micklegate, Selby	Ladies & Gents WC's
Park Street, Selby	Ladies & Gents WC's
Britannia Car Park, Tadcaster	Ladies & Gents WC's
Sherburn Public Conveniences, S in E	WC with automatic Door

Community Centres

Anne Sharpe, Byram	Doctors Surgery & Comm Centre
Westfield Court, Eggborough	Community Centre
Manor Garth, Kellington	Community Centre
Grove House, South Milford	Community Centre
Calcaria House, Tadcaster	Community Centre
Kelcbar Close, Tadcaster	Community Centre
Rosemary House, Tadcaster	Community Centre
Northfield, Womersley	Vacant
Harold Mills, Sherburn in Elmet	Community Centre
Lady Popplewell Centre, Sherburn in Elmet	Community Centre
Laurie Backhouse Court	Community Centre
The Coultish Centre, Selby	Community Centre
The Cunliffe Centre, Selby	Community Centre
St Wilfrids, Brayton	Community Centre

Car Parks

Britannia, Tadcaster	Car Park
Chapel Street, Tadcaster	Car Park
Micklelegate, Selby	Car Park
Joseph Street, Tadcaster	Car Park
Audus Street, Selby	Car Park
Church Hill, Selby	Car Park
Back Micklelegate, Selby	Car Park
Portholme Road, Selby	Car Park
South Parade, Selby (kwik save)	Car Park
The Park, Selby	Car Park
New Lane, Selby	Car Park
Church View, Sherburn in Elmet	Car Park
Social Club Car Park, Sherburn in Elmet	Car Park

Miscellaneous Land

Land at Bus Station, Station Road, Selby	Presently used as bus parking area
Field No 124 - Brayton Barff, Gateforth, Nr Selby	Rough Scrubland managed by Yorkshire Water
Land at Bus Station, Tadcaster	Bus station with standing bays

Industrial Units

Prospect Centre Workshops, Selby	13 Units, 2 Floors
Enterprise Centre, Enterprise Park, S in E	9 Units
Swordfish Way, S in E	7 Units
Vivars, Selby	14 Units
Hurricane Way, S in E	2 Units

NON-OPERATIONAL LAND & BUILDINGS

Corporate Buildings & Depots

43 Kirkgate, Tadcaster	Vacant
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Cafés

Park Street, Selby	Café, Kitchen, Preparation Room etc
Brittania Car Park	Café Area & Preparation Room

Miscellaneous Buildings

Tourist Information / Bus Drivers Rest Room	Office & Rest Room
Barwic Parade Shops	Shop
Doctors Surgery, 40 Westfield Ave, Eggborough	2 floors end terraced used as doctors surgery

Miscellaneous Land

Rear of Council Houses, Chapel Haddlesey	Existing Agricultural Tenancy
St Wilfreds Close, Brayton, Selby	Existing Agricultural Tenancy
Land Craven Garth, Beal	Outline Approval for residential development
Industrial Land, The Vivars, Selby	Vacant
Flaxley Road Land, Allotment Gdns, Selby (999 year lease)	Presently Unoccupied
Field Lane, West Haddlesey	Car Park for Public House
Barwic Parade	Awaiting development
Marsh Lane, Marsh Croft, Brotherton	Allotment Gardens & Works
Land at 27 Flaxley Road, Selby	Unknown
Land at Bilbrough	Leased to the Parish Council
Former Quaker Burial Ground, Tadcaster	Open space

Appendix 2: Three-Year Strategic Asset Management Strategy Implementation Plan

This three-year plan analyses the Council strategic policies as set out in sister documents, and develops those aims and objectives to steer the maintenance, acquisition and disposal of assets.

The plan will be reviewed each financial year to ensure it is compatible with other Access Selby and Council strategies.

2012 – 2015 Strategic Asset Management Strategy

*Timescales are the default interval for undertaking that item, however as issues arise it may be appropriate to undertake any actions more or less frequently.

Item	Timescale*	Value	Description	Monitoring
Projects				
Review options for the property assets of the Council to ensure they meet the needs of the business	Commence January 2013 3 year programme based on priorities		Establish a programme of internal review of Assets. Stage 1 – vacant premises and those with IRR less than 3% Stage 2 – use of S106 funds to support affordable housing options Stage 3 Assets in Tadcaster are covered by the Tadcaster Working group.	Report to ASMG Recommendations to Executive

Identify opportunities to work with community groups to maximise the use of our assets			To be undertaken as part of the review above.	Report to ASMG Recommendations to Executive
Undertake a stock condition survey on Assets, to be costed and a rolling programme of repairs and maintenance developed for funding approval	2 Year Programme of condition surveys	2013/14 £50,000 2014/15 £50,000	Develop specification for the work. Seek Tenders. Contract Develop costings and prioritise within the context of the council's priorities and budget. Seek Budget approval Tender the work (or investigate options to deliver in house). Contract Implementation	Report to ASMG Budget Recommendations to Executive
Management				
AMS review	Annually	N/A	The Strategy will be reviewed each financial year to ensure it is compatible with other Access Selby and Council strategies	Report to Executive
General Asset Management	1) Monthly 2) Quarterly	N/A	Reporting of Asset Management Issues	1) ASMG report 2) CMT report
Housing Stock	1) Annually 2) 5-yearly	£To add	Desktop review of housing stock value	Report of value to be submitted to Executive
Housing Stock Rent Review	Annual	£To add	Annual rent review of housing stock	Report to Executive
Commercial Property Rent Review	3-yearly	£To add	Commercial rent review	Report to Executive
Other Assets Rent Review	Various subject to contracts/ agreements in place	£To add	Review of rents of other assets eg play areas, car parks	Report to Executive
Acquire land at Burn Airfield for Traveller site.	Complete by summer 2013.	£To add	Appoint Project Manager to work with HCA on acquisition and development of a traveller site at Burn Airfield. Then transfer it to a RSL to	Monthly progress reporting to ASMG.

			manage it.	
List of community assets	Various	N/A	Update List of Community Assets	Reporting to ASMG whenever there is a change.

Acquisitions				
Item	Timescale*	Value	Description	Monitoring
Retail site acquisition			Buying strategic vacant premises in Selby town centre to support businesses growth; 'Changing Places'	Periodic report to ASMG
Key development sites			Appraise options for securing delivery of key development sites in difficult/marginal locations. To help businesses grow.; part of 'Changing Places'	Periodic report to ASMG
Affordable Housing	Ongoing		Seek S106/CIL contributions and coordinate delivery of affordable housing schemes. To prevent people being priced out of the area.	Periodic report to ASMG
Traveller site at Burn Airfield.	Summer 2012 - Summer 2013		Secure land to facilitate development of a site with HRA. Part of 'tackling the tough stuff'	Periodic report to ASMG
To be considered for Disposal				
43 Kirkgate, as part of the Tadcaster project			Property surplus to requirements. Redevelop and bring back into use and/or dispose of. Action point from previous AMS.	Periodic report to ASMG
Market Barlby Depot as a strategic gateway site for high quality development	Ongoing		Depot surplus to requirements. Action point from previous review of Assets	Periodic report to ASMG

Performance measures for Access Selby are identified in the Service level Agreement.

Appendix 3: Risk Assessment For The Asset Management Strategy 2012-2015

Risk	Risk Like lihood 2008	Risk Like lihood 2010	Risk Like lihood 2012	Risk Impact	Management of the Risk
Insufficient financial resources will be available to invest in the maintenance requirements of the Asset Management Strategy	M	L	M	H	The Capital Programme identifies funds to support maintenance costs of assets. Processes are in place to consider larger capital investment.
That the timing of decisions and receipts may not match the requirement to invest in key priorities, especially in the current economic environment.	M	M	M	H	The Council will need to balance these pressures as part of the budget planning process and Medium Term Financial Strategy.
That savings made from efficiency will not be sufficient to invest in the assets.	M	L	L	M	The Council considers efficiency regularly to and assess whether this are an issue as part of the performance management system and the Medium Term Financial Strategy.

Register of Acquisitions and disposals

Item	Date	Value (£)	Notes
Portholme Road former Civic Centre and Car park	28.10.11	£2,000,000	Disposal Sale to Tesco for supermarket expansion.
Dunelm Farm	30.03.12	£720,000	Disposal Sold for housing development as capital receipt.
Doncaster Road Civic Centre and Car Parking	01.09.11	£850,000	Acquisition Community Project joint development between SDC and NHS of civic centre and hospital.
Walkers Bingo/ Profiles Gym	30.04.12	£215,000	Acquisition To provide Leisure facilities following the fire at the Leisure Centre

Public Session

Report Reference Number (C/12/13) Agenda Item No: 15

To:	Council
Date:	11th December 2012
Author:	Keith Cadman
Lead Officer:	Rose Norris
Executive Member	Cllr Chris Metcalfe

Title: CCTV Procurement – Provision of Fibre Optic Hub & Decommissioning of redundant CCTV equipment.

Summary:

Capital funding of £85,000 in 2012/13 and £13,600 in 2013/14 is required to allow the re-location of the CCTV fibre termination point and decommissioning of the redundant CCTV infrastructure. The re-location of the hub is fundamental to ensuring a compliant EU procurement exercise is carried out.

Recommendation:

The Executive recommend that £98,600 be released from the Spend to Save Reserve for the provision of a CCTV fibre network termination hub & de-commissioning of redundant CCTV infrastructure.

Reasons for recommendation

To enable a new EU compliant CCTV contract that will achieve annual revenue savings for the Council.

1. Introduction and background

- 1.1 Following the decision made by the Executive on the 1st December 2011 to go to the open market for the future CCTV service, a procurement exercise is now in progress.

- 1.2 The procurement of a new CCTV provider requires capital expenditure for the re-location of the CCTV Fibre Hub and the decommissioning of redundant CCTV infrastructure.

2. The Report

- 2.1 Re-location of the CCTV fibre termination hub is required to ensure a fully compliant procurement exercise is completed. Although this requirement was identified in the Executive report of the 1st December 2011, true costs have only now become available.
- 2.2 In addition, the procurement will include the de-commissioning of redundant CCTV infrastructure, which also requires capital funding. A report was presented to the Executive on the 4th October 2012 outlining the requirements to re-locate the hub and the associated costs. The Executive support this additional expenditure, which will achieve annual revenue savings for the Council.
- 2.3 The Executive report of the 4th October and the minutes are contained in Appendix 1.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 Contract Procedure Rules are being adhered to and Legal are being consulted on the tender documentation.

3.2 Financial Issues

- 3.2.1 To maintain the project timeline and achieve the full year effect of the revenue efficiencies from this project in 2013/2014 onwards, capital funding of £98,600 is required to construct a fibre optic network hub and decommission redundant CCTV equipment.
- 3.2.2 The project will achieve 'payback' in under 3 years and the financial consequences, at current prices and based on the best available estimated costs for the procured service, are set out in the table below:

	12/13 £	13/14 £	14/15 £	15/16 £	16/17 £	Future Years £
CCTV Fibre Hub	75,000					
Decommissioning	10,000	13,600				
	85,000	13,600				
Revenue Savings	-13,400	-36,700	-36,700	-36,700	-36,700	-36,700
Net Cost/Saving(+/-)	71,600	-23,100	-36,700	-36,700	-36,700	-36,700

- 3.2.3 In order to ensure sustainability of the service £3,750 p.a. of the net savings will be set aside in the ICT replacement reserve to provide for the future replacement of the hub.

4. Conclusion

- 4.1 The release of capital funds is fundamental to the construction and availability of a fibre hub to on-going procurement of CCTV monitoring and maintenance contracts in 2012/2013 to deliver efficiency savings in future years to the revenue account.

5. Background Documents

Executive Report E/11/16, CCTV Provision - 7th July 2011
Executive Report E/11/31, CCTV Provision – 6th October 2011
Executive Report E/11/46, CCTV Provision - 1st December 2011
Executive Report E/12/14, CCTV Provision - 5th July 2012
Executive Report E/12/30, CCTV Provision – 4th October 2012

Contact Officer:

Keith Cadman, Lead Officer Contracts (interim)
kcadman@selby.gov.uk

Appendices:

Appendix 1 - Executive Report E/12/30, CCTV Provision 4th October 2012 & relevant extract from the minutes.

Selby District Council

REPORT

Reference: E/12/30

Item 14 - Public



To: The Executive
Date: 4 October 2012
Status: Non-Key Decision
Report Published: 26 September 2012
Author: Keith Cadman, Lead Officer Contracts (Interim)
Executive Member: Cllr Chris Metcalf
Lead Officer: Rose Norris

Title

CCTV Procurement – Provision of Fibre Optic Hub & Decommissioning of redundant CCTV equipment.

Summary

To ensure a legally compliant EU procurement can be completed within the current financial year the current CCTV fibre network requires a termination point or fibre hub that is accessible to all bidders, requiring the re-location of the existing fibre termination points onto council owned property at a cost of £85,000 in 2012/2013 and £13,600 in 2013/2014.

Recommendations:

That the Executive recommend to Council approval of;

- 1. capital expenditure of £75,000 in 2012 / 2013 for the relocation of the CCTV fibre network termination point to a fibre hub and connection to an electrical supply located at Vivars way, Selby.**
- 2. capital expenditure of £10,000 in 2012 / 2013 and £13,600 in 2013 / 2014 for the decommissioning and removal of redundant CCTV equipment.**
- 3. release of £98,600 from the Spend to Save Reserve to cover the capital costs**
- 4. £3,750 p.a. from the annual revenue savings, be set aside in an earmarked reserve to cover the cost of replacing the hub at the end of its estimated 20 year life.**

Reasons for recommendations

The CCTV network has grown organically over the last 17 years using the same supplier for camera monitoring resulting in the CCTV fibre cables terminating inside the suppliers CCTV monitoring facility. To ensure a fully compliant EU procurement the contracting authority has to ensure the technical specification is not too restrictive or overly favours one supplier. Without re-locating the fibre network termination point the council would not be able to conduct a legally compliant EU procurement.

The approved reduced CCTV network requires the decommissioning and removal of redundant cameras and associated mountings, returning to stock any re-useable equipment, thereby reducing future maintenance costs. The maintenance specification includes decommissioning of redundant cameras and the current proposed contract award date will require the decommissioning project to be phased over two financial years.

1. Introduction and background

Following the decision made by the Executive on the 1st December 2011 to go to the open market for the future CCTV service a procurement exercise is now in progress.

The report presented to the Executive for decision in December 2011 provided an estimate of the capital costs associated with providing a new 'hub' and little detail on the capital required for the decommissioning. It was intended that once the technical specification was agreed and more robust financial data could be provided regarding the capital expenditure, the Executive would then make decisions on the release of the capital funds based on the most up to date information.

Through the development of the specification including the identification of CCTV network disconnections, location of the new hub and preliminary site investigations more accurate costs can now be provided

Notice and lead in period timeframes have also been factored into the project to allow for completion of the new fibre hub, decommissioning redundant fibre network cables and removal of CCTV equipment to achieve full year savings commencing in 2013 / 2014.

2. The Report

The formal procurement commenced with the issue of an OJEU notice on 4th April 2012 inviting expressions of interest from suitably experienced CCTV monitoring and maintenance organisations. The draft service specification

was used to inform the preparation of the OJEU notice whilst the full tender documentation was being prepared.

The tender advert and pre qualification questionnaire documentation both stated that;

“It is intended that connection to the camera network and barrier control will be via a secure link to a control hub situated in Selby”.

The initial estimates provided within the December report for decommissioning were based on industry standard prices whilst the installation of a fibre hub were based on initial discussions with BT redcare about the Councils general CCTV requirements rather than a specific site assessment for the location of the hub. To provide a more accurate estimate for the installation of a fibre hub officers have subsequently identified a suitable site and provided BT with full information regarding the existing network termination address and the new site address.

A budgetary quotation has been provided by BT redcare based upon a survey of the existing fibre installation within Mayfair Securities control room, a reduced fibre requirement reflecting the approved reduction in CCTV cameras and re-location of the cabling to the new hub to be located within two BT street cabinets in Vivars Way, Selby. The budgetary quotation is subject to a full site survey and assessment of the availability of the required BT fibre services. In addition the Council will have to provide an external power supply to the BT street cabinets.

In order to proceed with the Invitation Tender, the Executive are required to approve the Capital expenditure associated with the project to enable the relevant order for re-location of the hub to take place (a further survey and a 60 day lead in time period is required) with the award of contract being in this financial year.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

Contract Procedure Rules are being adhered to and Legal are being consulted on the tender documentation.

3.2 Financial Issues

To maintain the project timeline and achieve the full year effect of the revenue efficiencies from this project in 2013 / 2014 onwards, capital funding of £98,600 is required to construct a fibre optic network hub and decommission redundant CCTV equipment. The table below shows the phasing of the capital expenditure as originally reported in December 2011 and currently estimated.

	2012 / 2013	2013 / 2014
December 2011 Estimate	£47,000	£13,600
September 2012 Estimate	£85,000	£13,600

The financial consequences (at current prices) of the project based on current costs and best available estimated costs for the procured service are set out in the table below. The figures for camera replacement are based on a camera life of between 7 to 10 years with current camera ages of between 4 and 9 years. It is also estimated that the fibre hub should last a minimum of 20 years (current is 17 years old).

	12/13	13/14	14/15	15/16	16/17	Future Years
Current Cost	91,700	91,700	91,700	91,700	91,700	91,700
Procured Service*	78,300	52,000	52,000	52,000	52,000	52,000
Camera Replacement (1 per year)*	0	3,000	3,000	3,000	3,000	3,000
Cost Savings	13,400	36,700	36,700	36,700	36,700	36,700
Less contribution to reserves for replacement hub	0	3,750	3,750	3,750	3,750	3,750
Net saving	13,400	32,950	32,950	32,950	32,950	32,950
Capital Cost of Project						
CCTV Fibre Hub	75,000					
Decommissioning	10,000	13,600				
	85,000	13,600				

* Best estimates for anticipated costs and part year savings assuming contract commences 01/02/2013

4. Conclusion

Approval of the capital funding is fundamental to the issue of tender documentation and completion of the procurement of CCTV monitoring and maintenance contracts in 2012 / 2013 to deliver efficiency savings in future years to the revenue account.

5. Background Documents

Executive Report E/11/16, CCTV Provision - 7th July 2011
 Executive Report E/11/31, CCTV Provision – 6th October 2011
 Executive Report E/11/46, CCTV Provision - 1st December 2011
 Executive Report E/12/14, CCTV Provision - 5th July 2012

Contact Details

Keith Cadman, Lead Officer Contracts (interim)

kcadman@selby.gov.uk

Appendices:
None

Relevant Extract from Executive Minutes 4 October**47. CCTV Procurement**

Councillor Metcalfe presented the report which set out the latest position in respect of the Council's CCTV procurement.

The Executive considered the costs associated with providing the new hub. The Lead Officer Contracts clarified the need to relocate the hub in order to ensure a legally compliant EU procurement process.

The Executive resolved to move into private session to allow for further detailed consideration of the financial issues associated with the project.

48. Private Session**Resolved:**

In accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, to exclude from the meeting the Press and public during discussion of the following item as there is likely to be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraph 3 of Part 1 of Schedule 12(A) of the Act.

The Lead Officer Contracts provided more detailed information regarding the costs associated with the project.

49. Public Session

To return to public session

50. CCTV Procurement – Continued**Recommendation to Council:**

- i) To approve capital expenditure of £75,000 in 2012 / 2013 for the relocation of the CCTV fibre network termination point to a fibre hub and connection to an electrical supply located at Vivars way, Selby;**
- ii) To approve capital expenditure of £10,000 in 2012 / 2013 and £13,600 in 2013 / 2014 for the decommissioning and removal of redundant CCTV equipment;**
- iii) To release of £98,600 from the Spend to Save Reserve to cover the capital costs;**

- iv) To set aside £3,750 p.a. from the annual revenue savings, in an earmarked reserve to cover the cost of replacing the hub at the end of its estimated 20 year life.**

Reason for the decision:

- i) Relocation of the hub is necessary to provide a legally compliant EU procurement process.
- ii) To ensure a fit for purpose CCTV network.

Public Session

Report Reference Number

C/12/14

Agenda Item No: 16

To: Council
Date: 11 December 2012
Author: Eileen Scothern, Business Manager, Access Selby
Executive Member: Councillor John Mackman

–
Title: Potential site for the Travelling Community

Summary:

To provide an update following the Executive decision to authorise Access Selby to submit applications to facilitate the delivery of a travellers site.

Recommendation:

- I. To note the action to date and current position with regard to delivery of a suitable Gypsy & Traveller site;**
- II. To endorse the allocation of £188,000 from the approved Programme for Growth.**

Reasons for recommendations:

- i. To enable the Council to move to the implementation stage.

1. Introduction

1.1 There is a recognised homelessness need and a cultural/ethnic desire for members of the travelling community to live in caravans. The Council recognises this need for the travelling community and through the Issues and Options and Preferred Options stage of the Site Allocation Development Plan Document initiated a systematic approach to site provision based on planning principles.

1.2 Due to delays in adopting the Core Strategy the Executive have commissioned Access Selby to pursue a site early to meet the initial 5 year land supply requirement. A Gypsy and Traveller Accommodation Assessment (GTAA) will assist the Council to assess its longer term responsibilities.

2.0 **The Report**

- 2.1 The Executive Reports dated 5 July and 1 November 2012 outline a summary of the events taken place to date, the reports and minutes are available on the website.
- 2.2 Following the Executive decision on 1 November, HCA have been informed that Selby District Council's preferred option is Scheme 2. Access Selby has started formal negotiations for purchasing 2.6 hectares (6 acres) to deliver Scheme 2.
- 2.3 Access Selby commissioned AVS to carry out the consultation linked to the HCA bid, this included consultation with the residents on the Burn Gypsy Site; the wider travelling community, Burn Parish Council; managers of the existing site, NYCC, statutory authorities and attending a meeting arranged by the Parish Council in September.
- 2.4 At the Executive on 4th October Councillor Crane informed the meeting he had received a petition from residents of Burn village. The petition was in opposition to a potential second Gypsy and Traveller Site at Burn. Chris Phillipson, Chairman of Burn Parish Council, addressed the Executive. He outlined the concerns and strong opposition of local residents about a potential second site at Burn.
- 2.5 It has been reported that the consultation with the travelling community might not have been robust due to the meetings being conducted with the managers of the site present. Access Selby have instructed our planning consultant that as part of the pre application consultation to meet with the travelling community without any external representatives.
- 2.6 As mentioned above two indicative schemes were prepared. The Planning Consultant has now been instructed to prepare a detailed planning application based on Scheme 2 (subject to amendments following pre application consultation). It is envisaged the application will be submitted by 31 December 2012.
- 2.7 The Council has commissioned Access Selby to prepare the tender documents for the construction of the serviced site and the management of the proposed site. These tenders will not be issued until the HCA decision has been announced, however estimates indicate a figure of £188,000 will be the SDC contribution to the total cost of the scheme estimated to be £940,000.
- 2.8 The capital funds for this project will come from the approved 'Strategic Site Acquisition' budget within the Programme for growth and the revenue consequences will be met from existing budgets.

3. Legal/Financial Controls and other Policy matters.

Legal Issues

- 3.1 Legal expertise will be sought on any negotiations regarding the purchase of the site and conditions attached to any potential HCA grant offer letter.

Financial Issues

- 3.2 The costs of developing a serviced site with 15 pitches and an enhanced scheme including a community building, manager's office and space for stables/workshops have been assessed at £940,000. An 80% grant from the HCA is being sought towards these costs, which would mean the Council's contribution would be £188k. This will be met from the approved 'Strategic Site Acquisition' budget within the Programme for Growth.
- 3.3 It is difficult to quantify the ongoing revenue implications until a procurement exercise has been completed, however initial assessments indicate the break-even point is at 90% occupancy, which is achievable. It is therefore, assumed that the revenue consequences will be contained within existing budgets.

4. Conclusions

The Council has a difficult task in providing suitable sites for the travelling community; however the pragmatic approach of identifying a site in Burn and commissioning a new GTAA will assist the Council in delivering its legal responsibilities.

Appendices

Appendix 1 Indicative Scheme

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Background Documents

Executive Reports and Minutes 5 July and 1 November 2012

Executive Minutes 4 October 2012

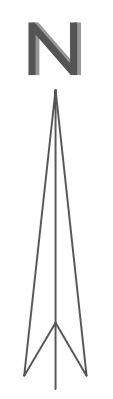
Policy Review Committee Minutes 21 November 2011

All available on the Council's website



- KEY:-**
- SC - Static Caravan
 - TC - Touring Caravan
 - P - Parking
 - AB - Amenity Block

- NOTES:-**
- Foul Water Drainage-**
Communal water treatment system (biotech) or similar approved
 - Surface Water Drainage -**
Soakaway if land conditional allow
 - Electricity Supply -**
Solar Panels- positioned on Amenity and communal building roofs
Mains electric (Not Three Phase)
 - Water Supply-**
Mains Connection to each pitch and communal buildings
 - Heating-**
Ground source heat pump in grazing field
 - General-**
In terms of fire safety we have used a minimum distance of 6m between all caravans and buildings
 - 1.8m high timber fences will split individual pitches up
 - 2m high palisade fences will also enclose the site to the South (remaining air field)
 - AREAS:-**
Site- 2.63 Hectares
Grazing- 0.83 Hectares



Rev	Date	Revision
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-	-	-
-	-	-
-	-	-

Rev	Date
-	-
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-	-
-	-

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Project	Proposed Traveller Site
Title	Scheme 2

Date	Sept 2012	Rev	-
Scale	1:500	Drwg No.	
Sheet	A2		.02