



Summons and Agenda for the
Council Meeting

to be held on

25 FEBRUARY 2014

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 25 FEBRUARY 2014** starting at **6.00pm**. The Agenda for the meeting is set out below.

A handwritten signature in black ink that reads "Mary Weastell". The signature is written in a cursive style and is positioned above a horizontal line that tapers at both ends, resembling a stylized underline or a flourish.

Mary Weastell
Chief Executive
17 February 2014

AGENDA

Opening Prayers.

1. Apologies for Absence

To receive apologies for absence.

2. Disclosures of Interest

A copy of the Register of Interest for each Selby District Councillor is available for inspection at www.selby.gov.uk

Councillors should declare to the meeting any disclosable pecuniary interest in any item of business on this agenda which is not already entered in their Register of Interests.

Councillors should leave the meeting and take no part in the consideration, discussion or vote on any matter in which they have a disclosable pecuniary interest.

Councillors should also declare any other interests. Having made the declaration, provided the other interest is not a disclosable pecuniary interest, the Councillor may stay in the meeting, speak and vote on that item of business.

If in doubt, Councillors are advised to seek advice from the Monitoring Officer.

3. Minutes

To approve as a correct record the Minutes of the meetings of the Council held on 10 December 2013. Pages 1 to 9 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.

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 10 to 17 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 18 to 23 attached.

11. Motions

To consider any motions.

12. Budget, Reserves and Balances

In respect of items 12 and 13, the Government has made regulations requiring all local authorities to record in their minutes how each Councillor voted (or abstained from voting) on the question of Budget and Council tax setting at the relevant meeting of the Council.

The Council is asked to approve the Budget, Reserves and Balances 2014/15. Pages 24 to 34 attached.

13. Council Tax 2014/15

The Council is asked to approve Council Tax 2014/15. Pages 35 to 62 attached.

14. The Treasury Management Strategy

The Council is asked to approve the Treasury Management Strategy. Pages 63 to 87 attached.

15. Pay Policy Statement

The Council is asked to approve and adopt the Pay Policy Statement. Pages 88 to 117.

16. Affordable Housing SPD

The Council is asked to adopt the Affordable Housing SPD. Pages 118 to 154 attached.

17. Asset Transfer Policy

The Council is asked approve the Asset Transfer Policy. Pages 155 to 166 attached.

18. Schedule of Meetings

To approve the Schedule of Meetings 2014/15. Page 169 attached.

19. Nominations for Chairman and Vice Chairman

To appoint Councillors to the Offices of Chairman Elect and Vice-Chairman Elect for the 2014/15 Municipal Year.

20. Urgent Action

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

21. 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.

Council

Venue: Council Chamber
Date: 10 December 2013

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63	The Medium Term Financial Strategy
64	Olympia Park
65	Affordable Housing SPD
66	Designation of Appleton Roebuck with Acaster Selby Neighbourhood Area
67	Welfare Reform – Six Month Update
68	Report of the Local Government Ombudsman
69	Appointment of a Returning Officer and Electoral Registration Officer
70	Urgent Action
71	Sealing of Documents

Present: Councillor M Dyson in the Chair

Mrs E Casling, I Chilvers, M Crane, J Crawford, Mrs D Davies, Mrs M Davis, J Deans, Mrs S Duckett, M Hobson, W Inness, Mrs G Ivey, M Jordan, C Lunn, Mrs C Mackman, J Mackman, B Marshall, J McCartney, Mrs M McCartney, Mrs K McSherry, C Metcalfe, R Musgrave, Mrs W Nichols, C Pearson, D Peart, I Reynolds, Mrs S Ryder, S Shaw-Wright, Mrs A Spetch, and J Thurlow.

Apologies for Absence: Councillors J Cattanach, K Ellis, D Mackay, Mrs P Mackay, Mrs E Metcalfe, I Nutt, R Packham, R Price, A Pound and R Sayner and R Sweeting.

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

Press: 0
Public 7

53. Declarations of Interest

There were no declarations of interest.

54. Minutes

In respect of the minutes of the Council meeting on 10 September 2013, the Council agreed to two corrections.

Firstly at minute 31, Communications, the resolution from the Campaign For Real Ale (CAMRA) letter be amended to read:

To write to Parish Councils to ask them to consider if any pubs within their area may be the subject of a request to become an Asset of Community Value.

Secondly at minute 40, Traveller Needs Assessment. It was agreed to correct the final sentence of the first paragraph to read:

‘Their report found a total need for 33 Traveller pitches split into five year blocks of 19, 7 and 7 pitches respectively.

The minutes of the meetings of the Council held on 10 September 2013, as amended, and 22 October 2013 were confirmed as a correct record.

Resolved:

Subject to the above amendments, to approve the minutes for signing by the Chairman.

55. Communication

(i) Selby Town Council

The Deputy Chief Executive read out a letter received from Selby Town Council. The letter set out the Town Council’s view of Selby District Council’s stance on government funding for Town and Parish Councils for 2014/15. The letter also questioned the calculation of the Council Tax base.

With regard to Council Tax Base, Councillor C Lunn set out that, wherever possible, properties, discounts and exemptions were calculated by individual parish to ensure that the Council Tax precept levied by individual parishes fell directly as a charge on those households living within each parish to avoid the cross subsidisation of parish precepts. These principles had been consistently applied to the calculation of Council Tax Support which was now classed as a discount alongside the other discounts that can be applied for.

He also stated that the Council's draft budget for 2014/15 included no provision for grant to be paid to parish councils in respect of Council Tax Support, this was in accordance with its indications to parishes earlier this year. Councillor C Lunn added that should central government point to a specific amount for parishes included within Selby District Council's Finance Settlement then the Council would pass this on, but to date this has not been forthcoming.

Resolved:

To note the response.

(ii) Mr Paul Bloomfield MP

The Deputy Chief Executive reported the letter received from Paul Bloomfield MP which asked for the Council to support the Charter to Stop the Payday Loan Rip-Off. The Charter was a public campaign to call on the Financial Conduct Authority to regulate the payday lending industry so that it works better for those that use it. The Council agreed to support the charter.

Resolved:

To support the Charter to Stop the Payday Loan Rip Off.

(iii) Mr Brian Percival

The Deputy Chief Executive reported correspondence received from Mr Brian Percival regarding car parking in Tadcaster. The Council agreed to consider the letter as part of the ongoing review of car parks. This would be received by the Executive in the New Year.

Resolved:

To consider the letter as part of the Council's review of car parks.

(iv) Councillor Mehboob Khan – Leader of Kirklees Council

The Deputy Chief Executive reported correspondence received from Councillor Mehboob Khan asking the Council to support a proposal to Government to use the Sustainable Communities Act to protect local

pubs. The Council noted that it had recently supported a similar objective from CAMRA.

Resolved:

To support the proposal.

56. Announcements

The Leader of the Council set out that proceedings were issued in the High Court in Leeds on the 2nd of December 2013 by Sam Smiths Old Brewery Tadcaster challenging the Selby District Core Strategy adopted on 22 October 2013.

The claim raised ten grounds of challenge to the Core Strategy which Councillor Crane summarised. The Strategy had been adopted and was lawful unless a court ruled otherwise. However, it was prudent for the Council to take stock of the situation and the implications for future planning policy and strategy and for decision making on individual applications. As a result, it would be advisable to defer the Affordable Housing SPD item on the agenda. The challenge may also result in a delay to the site allocation and policies plan.

The Leader of the Council also highlighted the recent news regarding Drax Power Station, which would convert three of its six current coal-fired generating units to biomass by 2016. It would also benefit from significant government funding for a Carbon Capture Scheme. The news could mean the creation of a large number of jobs in the Selby area. The Council welcomed the news.

Resolved:

To note the announcements

57. Petitions

No petitions were received.

58. Public Questions

No questions from members of the public were received.

59. Councillors' Questions

No questions from Councillors were received.

60. Reports from the Executive

The Leader of the Council reported on the work he had recently undertaken. He had held further meetings with BOCM regarding

Olympia Park and had been heavily involved in the development of the Council's budget for the forthcoming year. The Leader of the Council responded to questions regarding the Swimming Pool at Barlby High School and offered meet with the School.

Councillor J Crawford stated that the Community Infrastructure Levy mentioned within the report had been called in. It would be considered by Scrutiny Committee in the near future.

Councillor Mrs G Ivey, Deputy Leader of the Council and Lead Executive Member for External Relations and Partnerships, reported on her latest work which included the plans for the new leisure centre and attending the Trans Pennine Trail AGM. Through her role on the North Yorkshire Police and Crime Panel, Councillor Mrs G Ivey responded to questions regarding the North Yorkshire Police and Crime Commissioner. She would respond to a question regarding the potential employment of Communications officer outside of the meeting.

Councillor Lunn, Lead Executive Member for Finance, reported on the work he had recently undertaken. He offered his thanks to Councillor Mrs G Ivey for presenting items at the October Executive in his absence. He responded to questions regarding the lack of clear provision for parish councils within the revenue support grant.

Councillor J Mackman, Lead Executive Member for Place Shaping, reported on his latest work. Councillor J Mackman responded to questions regarding potential affordable housing development by the Housing Trust and the land at Bondgate, Selby.

Councillor C Metcalfe, Lead Executive Member for Communities, reported on his latest work. He reported that the relaxation of car parking charges in Selby Town had been well received by the Chamber of Trade. The Council also discussed the role of Selby Town Council on the Selby Local Enterprise Partnership.

Resolved:

To receive and note the reports from the Executive.

61. Reports from Committees

The Chair of Policy Review Committee, Councillor Jordan, reported on work of the Committee since the last Council meeting.

Councillor Crawford, the Chair of Scrutiny Committee, reported on work of the Committee since the last Council meeting.

Councillor Pearson, the Chair of Audit Committee, reported on work of the Committee since the last Council meeting.

Resolved:

To receive and note the reports from the Committees.

62. Motions

None received.

63. The Medium Term Financial Strategy

Councillor C Lunn presented an update to the revised Medium Term Financial Strategy (MTFS) approved by full Council in December 2012.

He set out that three scenarios had been modelled and indicated that the mid-case suggested a target of £10.7 million for the 2014/15 draft Budget. At this level cuts to the Revenue Support Grant meant total savings of £732k would be required over the coming three years. Although the ultimate level of savings would be dependent upon the forthcoming Finance Settlement and the level of Council Tax.

Resolved:

To approve the Medium Term Financial Strategy Update.

64. Olympia Park

The Leader of the Council presented the report which set out the steps to ensure an appropriate policy framework was in place to allow planning applications on the Olympia Park strategic development site to be determined.

The Leader of the Council set out the importance of the Olympia Park Site which would include up to 1000 new dwellings and 23 hectares of employment land up to 2027.

As a local councillor, Councillor Mrs S Duckett highlighted concerns with the lack of a new primary school and facilities such as the allotments. The Leader of the Council stated that the provision of a primary school had been considered by North Yorkshire County Council, he offered to arrange a meeting to discuss the issues further.

Resolved:

- i. To approve the Olympia Park Delivery Framework Document and Masterplan.**
- ii. To note the timetable for preparing a supplementary planning document.**

65. Affordable Housing SDP

The Council was asked to defer this item.

Resolved:

To move to the next item of business.

66. Designation of Appleton Roebuck with Acaster Selby Neighbourhood Area

Councillor M Crane presented the report on the designation of the proposed Neighbourhood Area for Appleton Roebuck with Acaster Selby.

As part of the Council's pilot project for Neighbourhood Plans, Appleton Roebuck together with Acaster Selby Parish Council had submitted an Area Application to the Council which requested that their existing parish boundary be designated a Neighbourhood Area. A public consultation exercise had taken place and no objections were received.

Resolved:

To approve the designation of the Neighbourhood Area for Appleton Roebuck with Acaster Selby.

67. Welfare Reform – Six Month Update

The Leader of the Council presented the report on the six month review of the Welfare Reform changes in Selby district.

The Leader of the Council set out that the report was as a result of the motion to the Council on 25th of June 2013. The Council heard that the Welfare Reform change which had the most effect on social tenants was the Housing Benefit Criteria/Spare Room Subsidy. The other significant change was the introduction of a Benefit Cap in July 2013.

The Council discussed the negative impacts of the Housing Benefit Size Criteria/Spare Room Subsidy on those affected by its introduction. The Leader of the Council explained that the Council encouraged tenants to come forward at the earliest opportunity should there be the possibility of slipping into rent arrears.

The Council noted that the Welfare Reform issue would also be scrutinised at a forthcoming Policy Review Committee.

Resolved:

To note the report.

68. Report of the Local Government Ombudsman

The Leader of the Council presented the report on the Local Government Ombudsman's decision to find the Council guilty of maladministration in its dealing with a planning application.

The Council was required to receive and consider the Ombudsman's findings and decide how to respond. The Leader of the Council responded to the findings within the report and provided details of his discussions with the Ombudsman.

Resolved:

- i. To receive and note the Report of the Local Government Ombudsman.**
- ii. To inform the Ombudsman that the Council takes all of her reports seriously and that is why the Council had tried hard to point out how she could have made this report a more balanced account of the events.**
- iii. To note that the Council reached the right planning decision in this case and that no material harm or injustice could have been caused to the complainants as a result.**
- iv. As a consequence the Council does not accept the conclusion or the remedy proposed by the Local Government Ombudsman and resolves not to make the suggested payments.**

69. Appointment of a Returning Officer and Electoral Registration Officer

Councillor M Crane presented the report on the appointment of the Electoral Registration Officer (ERO) and Returning Officer, in accordance with the requirements of the Representation of the People Act 1983. The report also asked the Council to appoint a Deputy Electoral Registration Officer (DERO).

Resolved:

- i. To appoint the Chief Executive, Mary Weastell, as Electoral Registration Officer and Returning Officer for the District in accordance with the requirements of the Representation of the People Act, 1983, with effect from 11 December 2013.**
- ii. To appoint the Democratic Services Manager as the Deputy Electoral Registration Officer.**

70. Urgent Action

The Deputy Chief Executive informed the Council that no urgent action had been taken in the time since the last Council meeting.

71. 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 7.35 pm



Cllr Mark Crane

Item 9

Leader of the Council

Report to Council on February 25th 2014

I have been involved in budget discussions, we have taken another severe loss of grant from the Government and the increase is a result of a diminishing grant level and tax base. I am pleased that the difficult decisions that we have taken in previous years have made this years budget possible.

I have been involved in a breakfast meeting with business leaders across Selby and was pleased with the number attending and the contributions made, contact made between businesses as well as with the local council. I have discussed the situation of Eggborough power station with managers and also with the MP and written to ministers. This is a worrying time for the plant and particularly the 700+ employees, I have offered the full support of this council.

I attended a Scrutiny meeting to discuss performance figures for this council and Access Selby, I am pleased that the figures are as good as they are especially given the amount we have taken out of the budget.

I have had discussions with Officers at Selby and at HCA around the Burn site, the site has potential for the future of the district either housing provision or employment land. I am pleased that planning permission has now been achieved for Olympia Park and the former Rigid paper site in Selby, both of these will see improvements to parts of Selby.

Mark Crane



Cllr Gillian Ivey

Executive Member for Partnerships and External Relations

Report to Council on February 25th 2014

Since my last report to Council in December, I have been working with officers on.....

- Plans for the new Leisure Centre.
Work has commenced on site, and the project board has met with the contractors Wates, to agree some further savings through value-engineering.
- I attended the SDC Scrutiny Committee in January, along with County Councillor Carl Les to answer questions on the annual report from the Police and Crime Panel.
I will also be at the next Scrutiny meeting in March to discuss the future role of the Community Safety Partnership.
- At the Project Board in January, the new Sports Development officer gave a brilliant presentation on the work she has been doing since joining WLCT in October 2013, reporting on the successes of the 'Midnight' football at Selby and Sherburn, also the second phase of the Move it or Lose it Campaign and that 10 schools have now signed up for the 'Active Healthy Children' programme.

In addition we are now working with Cycle Yorkshire on activity pre and post the Tour de France 2014.

The Council in Partnership

The Police and Crime Panel met with the commissioner on two occasions in January and February, and posed questions on the Budget. The Commissioner proposes a 1.96% increase to the precept which has been accepted by the Police and Crime Panel.

After raising our concerns with the Commissioner around future funding for Community Safety Projects, I recently attended a Selby Community Safety Partnership meeting and took part in discussions about the Night Marshals.

I also joined the new Chief Inspector Mark Khan on an informal 'patrol' around the centre of Selby one Friday evening in January. We were both impressed by the work undertaken and the positive and professional role played by the Night Marshals.

I am committed to working with the CSP and police in bidding for funding for a follow-on scheme

WLCT, SDC and the Chamber of Trade are now working with Selby Cycle Club to organise the second Selby Cycle Sportive on August 31st. The event has been publicised nationally and is already attracting entries for the 30, 60 and 100 mile routes – all of which will both start and finish in the centre of Selby.

Gillian Ivey



Councillor Cliff Lunn

Executive Member for Finance

Report to Council on February 25th 2014

Since the last Full Council I have attended the following meetings for SDC

18th Dec 2013

I attended the Policy Overview and Scrutiny Committee which was discussing our asset transfer policy.

Concern was expressed that the policy could lead to our housing stock falling below its critical mass. I reiterated our stance that the policy was not designed to do this and that our research indicated that there was demand for properties for older people and disabled accommodation, which we would build within the HRA and would not be subject to "right to buy". The housing trust would hopefully use our services to maintain their properties and so Access Selby's work would not fall below critical mass.

6th January 2014

I attended a meeting of the Tough Stuff Retail Project Board

Various topics were discussed including Sherburn, Tadcaster, and the Selby LEP

9th January 2014

At the executive meeting I presented a report requesting the virement of funds to bring forward the introduction of a new telephone system. It was decided to procure through NYCC saving us £15,500 on the cost of CoCo compliance and running costs of circa £3K per annum.

23rd January 2014

I attended a meeting of the Program Board, where we discussed progress on the program for growth.

This included the new leisure centre, the housing trust and gateways.

3rd February 2014

I attended a meeting of the Tough Stuff Board and received updates

6th February 2014

I attended the Executive Meeting and delivered the following:

Quarter 3 Budget Exceptions report

We have achieved a £148k surplus against a budget surplus of £129k, I proposed that any Core surpluses be transferred to the Business Rates Equalisation Reserve (rather than General Balances) up to a value of £183k which is in accordance with the approved MTFS;

Access Selby is forecasting a small deficit. However, there is £70k contingency that has not yet been spent; So if there are no unexpected calls on this funding they should return a surplus of at least £50k for the year;

We need to upgrade our HR system, which also entails an upgrade to our operating system to windows 7, this is now in progress;

£5k of this cost is included within the ICT programme for next year; but we need to allocate an extra £1K to cover the total cost of £6K

Quarter 3 Treasury Management report

Budget shortfall on investment income is now £6k, which is a further improvement on the last quarter, this is due to higher cash balances. Interest rates continue to be at an historic low.

Medium Term Financial Plan (Budget):

The draft budget proposals have been subject to public consultation and comment by Policy Review Committee

The latest budget takes into account the provisional finance settlement and the expected cuts to local government funding over the coming 3 years.

The executive propose to pay an amount equivalent to funding provided in 2013/14 but scaled back in line with the District Council's 13.4% funding cut - that is pay an amount of £113,059 (£130,553 less 13.4%);

The resulting budget shortfall will be balanced by reducing the amount set aside into the Spend to Save reserve acknowledging that other funds have been earmarked for specific projects to support our savings strategy (for example £250k for the NYCC collaboration project);

We are proposing an increase in council tax of 1.96%, which will keep us under the threshold for a referendum.

This forms the basis of our proposed budget which is on this agenda

These are undoubtedly tough financial times and we have work to do over the coming years but we remain in a relatively strong financial position and have built the necessary resilience to see our plans through.

Treasury Management Strategy:

The executive accepted an increase in our borrowing limits, to allow for the housing development programme.

The new limits are; operational limit £79M

Authorised limit £83M

Programme for Growth - Asset Transfer Policy:

The final policy following consultation and review by O&S.

The policy is now subject to full Council approval

Housing Rents:

An average rise of 5.6% was proposed, this is the maximum allowable under the government's rent restructuring policy.

Subject to a change in government policy (currently out to consultation) convergence is expected to go after 14/15.

Where properties that are currently below target rent become vacant, the government expect these to be moved up to target;

The executive requested that Policy Review be asked to look at the potential issue of tenants needing to down size being faced with higher rents.



Councillor John Mackman

Executive Member for Place Shaping

Report to Council on 25 February 2014

This report covers the period from the Council meeting on 10 December 2013. During this period I have attended Executive/Executive Briefing meetings, Selby Internal Drainage Board, North Yorkshire and York Spatial Planning and Transport Board, Leeds City Region Planning Portfolios Group and local Parish Council meetings as and when required:

Reporting on key items:

1) The Local Plan Core Strategy (CS)

As Council is aware the Selby District Core Strategy Local Plan was formally adopted by the Council on 22 October 2013.

Subsequently, a legal challenge has been made to the adoption of the Selby District Core Strategy Local Plan. This High Court challenge has been submitted by Samuel Smiths Old Brewery (Tadcaster) on a number of grounds including 'Duty to Co-operate' which came into force whilst the strategy was being examined. The Council is also aware of a second challenge from a private resident who lives near to the Olympia Park site.

It is expected that statements of case and evidence will be placed on record by the end of February and that the High Court will set a date for the hearings in Leeds around Summer of 2014.

The Council will be robustly defending any legal challenge to the adoption of the Core Strategy and will ensure that sufficient resources are in place to defend the challenge whilst still progressing the new Local Plan in a timely but robust fashion to meet statutory requirements.

Meanwhile, the Core Strategy remains part of the development plan and will continue to be used to assess planning applications alongside the National Planning Policy Framework

2) The Sites and Policies Local Plan (SAPP)

As agreed at the Executive meeting on the 9 January 2014 in order to make the most efficient and effective use of resources the previously agreed timetable for the SAPP is reconfigured in order to progress evidence gathering in 2014 prior to public participation on issues and options later in 2014, rather than the alternative of early public participation as previously envisaged in the agreed Local Development Scheme (LDS).

Delaying the first SAPP consultation until late 2014, supported by the most up to date evidence will give the greatest flexibility to adapt to any outcomes from the Core Strategy legal challenge. Regardless of the legal outcome the evidence gathered will be able to inform the SAPP in the event the Core Strategy is upheld or inform any revised comprehensive local plan should this be necessary.

Work will include the Strategic Housing Land Availability Assessment (SHLAA) which will consider the availability and deliverability of land for a range of potential purposes. This will feed into further work on the amount of development needed in settlements, site selection criteria and the green belt review methodology, reviews of development limits and strategic countryside gaps. A range of technical studies will also be undertaken all of which will inform the Duty to Co-operate and the issues and options document for public participation later in 2014.

3) Local Development Scheme (LDS)

The recently approved LDS for 2013-2016 included the Sites and Policies Plan (SAPP), the Community Infrastructure Levy (CIL) and the Appleton Roebuck and Acaster Selby Neighbourhood Plan.

In the light of the legal challenge it is intended to amend the SAPP timetable as explained in (2) above. However, it is not necessary to amend the LDS itself but to monitor progress through the Authorities Monitoring Report (AMR).

The Core Strategy challenge does not affect the Community Infrastructure Levy however the Appleton Roebuck and Acaster Selby Neighbourhood Plan group will need to consider how to take the Neighbourhood Plan forward in the light of the challenge. Ultimately the Neighbourhood Plan has to be adopted by the Council and must be consistent with the Local Plan.

4) Duty to Cooperate

I attended the February meeting of the Leeds City Region Planning Portfolios Group, the main agenda items included:-

- Discussion on the publication draft of the Bradford Core Strategy
- Draft LCR Statement of Cooperation
- Methodology for objectively assessed need for housing
- Future work programme

5) Programme for Growth

5.1 Housing Trust

Registration with the charity commission and HCA registration are proving to be demanding administrative processes which are taking longer than expected. However, they are not preventing project progress at this time.

The appointment of a Joint Council/Housing Trust Development Manager was confirmed and we welcomed Sally Rawlings onto the team in early January. Having

met the Board priority is being given to the two pilot schemes in Tadcaster and the associated business cases.

The Selby and District Housing Trust Board has met and considered the outline offers for development of the pilot schemes in Tadcaster and further work on the submitted business cases has been identified.

At the present time final approval of the development sites and the subsequent detailed business cases followed by transfer consents and legal agreements as applicable are required from the Council for the Trust Board to consider. The planning application for 43 Kirkgate is expected to go before the Planning Committee in February.

5.2 Gateways

As previously indicated Heritage make overs on the two key A63 roundabouts will commence in the near future providing planning permission and funding are confirmed.

Concurrently Officers under delegated powers will secure a contract to sell advertising on roundabouts, verges, pieces of public realm and key street scene views. The income generated will be used to maintain roundabouts and improve public realm and the street scene in general.

The sculpture design team are currently finalising the details on colour and finish prior to planning submission.

5.3 Bondgate

The Programme for Growth Board as part of the Environmental Site Acquisitions project commissioned a programme of site investigation in relation to the potential for development of the land at Bondgate

The detailed findings of the Geo-Survey report have yet to be studied.

5.4 Potential Site for Travelling Community

The Executive are reviewing all options as the Authority remains exposed to unauthorised developments and failure to meet its statutory obligations.

The Secretary of State is recovering the Planning Inspectorate reports to make the final decisions on those appeal sites with temporary permission at Byram cum Sutton and Hillam. Both sites are in the green belt and would normally be regarded as inappropriate developments in the green belt but our failure to establish a permanent site or sites makes us vulnerable to a claim of “very special circumstances”. However, even if these appeal cases went against the Authority and were approved by the Secretary of State we would still need a further 15 pitches in the immediate 5 year period.

John Mackman
Executive Member



Councillor M Jordan Chair of Policy Review Committee

Item 10

Report to Council on February 25th 2014

The Policy Board has met twice since Full Council due to specific requests and work load. We met on the 17th Dec 2013 and 14th of Jan 2014

Dec 17th.

We appointed Cllr Kay McSherry as vice chair and then went on to discuss a number of important issues. The first was to consider a report from officers on Welfare Reform and how it has affected tenants and residents alike in Selby District. Some recommendations came out of that discussion which included setting up of a Task and Finish Group consisting of 3 cllrs to look in particular at the current rent recovery policy, exceptions related to re-classifying bedrooms and related issues. It has not met yet as we await the return of one of the members.

We then discussed the Contaminated Land Strategy and the Asset Transfer Policy with regards the new Housing Trust and how it will all work. Both those report were endorsed with no additional recommendations.

Jan 14th

At this meeting we focussed on 2 subjects.

1. A set of Renewable Energy Guidelines. We have basically added to the set provided by Gov back in July last year adding relevant information specific to our area. The original plan was for a policy but for a lot of reasons such as the Core Strategy issue, the amount of time needed, the desire to do it alongside the SAPP (which will take some time in itself), it will not happen soon. This will be something we shall be looking at in the future when officers have developed such policies.

2. Draft Budget and Medium Term Financial Strategy.

Lots of discussion!! I refer you to the draft minutes on the website to view it all but one clear comment from the Policy Board was that we ask again that the Executive look at the Parish Grant issue. In this we were unanimous. If the Gov grant had gone down 13.8% then so should the Parish Grant, this, we felt, was appropriate.

Cllr Mike Jordan

Chair

Policy Board



Councillor J Crawford – Chair of Scrutiny Committee

Scrutiny Committee Update – Council 25 February 2014

The Scrutiny Committee has met twice since the last report to Council on 10 December 2013.

18 December 2013

Call In – Community Infrastructure Levy (CIL)

The Committee met to discuss the Call In of the Executive Decision on the Community Infrastructure Levy (CIL)

Officers from the Council were present along with a representative of Peter Brett Associates who had been commissioned on behalf of the Council to prepare the report on the CIL.

The Committee received a presentation which provided a background to the CIL. This was very informative and provided the Committee with useful information. Discussion also took place on a range of issues, more specifically on the concerns which had led to the Call In.

These were on the Charging Schedule and the concern of the 'North/South' divide across the district and how the north half of the district may receive a higher levy than the south. The Committee did query whether a single rate could be applied across the whole district however they were informed that this would limit the amount of levy collected. The Committee were also informed that the levies collected from the north and south zones were pooled into a central fund that could be spent on infrastructure where it was needed.

The Committee was also provided with examples of what other local authorities in the surrounding areas were doing when it came to CILs and the impact on Parish Councils.

The Committee resolved to agree with the decision made by the Executive and to move towards the consultation phase. The Committee also resolved to add the CIL onto its work programme for a future meeting.

I would like to thank everyone for attending and the officers for their work.

21 January 2014

This was a meeting with a busy agenda and we discussed the following items:

Crime and Disorder Review

Chief Inspector Mark Khan from North Yorkshire Police and Colin Moreton from the Community Safety Partnership were present to discuss the latest position with regard to crime in the district.

Although there concerns over increases in crimes reported over burglaries, shop theft and domestic abuse, the Committee were informed that overall crime was down 2.8% in the region. A useful update was also provided on how crimes which had shown an increase were being tackled.

Police and Crime Panel Update

Councillors Carl Les and Gillian Ivey were present for this item to discuss the work of the Police and Crime Panel. The Committee were informed of the some of the work completed by the Panel and some of the forthcoming work expected.

Concern was raised at the prospective new arrangements for Community Safety Partnerships and how this would impact on Selby District with specific concern around the possible loss of the Night Marshalls service. It was felt that a further discussion on this subject should take place at the provisional Scrutiny meeting on 26 March 2014.

Access Selby 2nd Interim Key Performance Indicator Performance Report: April 2013 – September 2013.

Councillor Mark Crane, Leader of the Council presented the Access Selby 2nd Interim Key Performance Indicator Progress Report.

Councillor Crane explained that the outlook was positive with regard to the performance indicators. It was explained that the Executive had provided the view that one or two of the targets were not robust enough and may have been too low. One of these examples was the target around customer service.

Discussion took place on how customer satisfaction was monitored, the impact of the new arrangements of charging for planning advice and concerns were raised around street cleanliness in Ousegate.

Transport Provision in the District

Officers from North Yorkshire County Council were present to discuss the reduction in bus subsidies and the state of the roads in Selby.

Bus Subsidies

The Committee was informed that the Executive at North Yorkshire County Council had decided to make £2m of savings to bus subsidies in North Yorkshire. This was an increase on the original proposal of £1.1m.

It was explained that some Parish Councils in their respective areas had taken over the funding for buses. The Committee also raised concerns regarding procurement where the contract was given to the cheapest tender but not necessarily the best service provider. The Officer explained that the County Council adhered to procurement regulations and that all operators had to meet quality checks.

Councillor John Cattanach was also present for this item and he spoke regarding his submission to the County Council concerning the 492/3 service. He stated that he had obtained funding from all Parish Councils on the route of the 42 service with the exception of Selby Town Council and York City Council.

The Committee were made aware of the estimated subsidy costs for a route and discussed other funding options and Community Engagement Forums were seen as perhaps an alternative method of funding.

Highways

The Committee raised the following highway concerns:

- The A1041 Selby to Camblesforth Road.
- The traffic lights at the Brayton Crossroads.
- The traffic flow and lights at the junction of Leeds Road and Doncaster Road and in particular the traffic coming from Scott Road.
- The Selby Bypass.

With regard to the Bypass, it was explained that discussions had been held with the Highways Agency who had been in discussions with the contractor, Skansa who had carried out the work. It was accepted that work was needed however this would cost a substantial amount of money. Discussions had taken place with regard to who would be funding the repairs as the cost was likely to be in the region of £5m. The officers explained that it was hoped to carry out better temporary repairs this year and hope to find the funding for major repairs to be carried out in 2015.

The Committee also discussed vehicle activated signs to deter speeding and damages to vehicles as a result of potholes.

Access Selby Service Provision – Enforcement

Helen McNeil, Lead Officer, Debt Control and Enforcement presented a report detailing the work of the Enforcement Service.

The Committee were informed of the different areas of work which included benefit fraud, housing and planning. A breakdown of the work completed in each of the areas was provided along with the team's current performance.

The Committee discussed the costs associated with fly tipping, the length of planning enforcement and dog fouling.

Access Selby Service Provision – Housing Repairs

Eileen Scothern, Business Manager, presented a report providing an overview of the housing repairs service.

The Committee raised concerns that the satisfaction figures around repairs did not necessarily reflect the reports provided by local residents. The Committee were informed that for the responses recorded, it was found that most residents were satisfied with the work that had been carried out. The Committee suggested a survey could be placed in the next tenants newsletter and that staff at the contact centre were provided with a list of questions to ask to tenants about the service they had received.

The next Committee meeting will be on Monday 24 February 2014 where Nigel Adams MP will be attending for a question and answer session.

Waste and Recycling Task and Finish Group

The Waste and Recycling Task Group has met twice since the last Council meeting. This was on 18 December 2013 and 6 February 2014. The final report of the Task Group containing its recommendations is currently being written and it is hoped this can be discussed at the Scrutiny Committee in March to make a recommendation then to the Executive.

Jack Crawford
Chair, Scrutiny Committee



Councillor Chris Pearson – Chair of Audit Committee

Report to Full Council 25th February 2014

Audit Committee Update

Since the last full council the Audit Committee met on the 15 January 2014 unfortunately neither Cllr C Mackman nor I could be present and the committee was chaired by Cllr J Cattnach.

Prior to the Audit Committee starting a training session on the role of the Audit Committee was provided by Roman Pronyszyn of *Veritau*.

Items Discussed by the Committee

1. Annual Governance Statement- Action Plan Review. Plans for disaster recovery and the incorrect Council Tax Billing for 2013/14. The statement was noted by the committee
2. Internal Audit Progress Report:- This report by *Veritau* included the period 2103-14 up to 31 December 2013. Selby received 3 High Assurances, 1 Substantial Assurance and 2 Moderate Assurance. The Emerging Audit Opinion is Substantial Assurance. The report was approved.
3. Audit Annual Letter 2012-13:- The annual audit letter from the external auditors (Mazars) had been previously circulated to all members of the committee. The committee noted the letter.
4. Certification of Claims and Returns Annual Report 2012-13
The committee noted the report.
5. External Audit Report: - The committee received a report from the external auditors, Mazars on progress to date on the 2013-14 audit. The Committee noted the report.

The committee received in private session reports on the Review of Risk Management Strategy and the Review of Corporate Risk Register by the 151 officer. These were noted by the committee.

Cllr Chris Pearson
Chairman Audit Committee



Public Session

Report Reference Number C/13/17 Agenda Item No: 12

To: Council
Date: 25 February 2014
Author: Karen Iveson – Executive Director (s151)
Lead Officer: Karen Iveson – Executive Director (s151)

Title: The Budget, Reserves and Balances 2014/15

Summary: This report confirms the robustness of the Council's budget and the adequacy of its reserves and balances having regard to a variety of factors.

Recommendations:

It is recommended that councillors consider the Executive Director's statements in paragraphs 2.6 and 2.12 when setting the Council Tax.

Reasons for recommendation

To provide Council with assurance on the proposed budget and the Council's reserves in order to formally set the budget and Council Tax for 2014/15.

1. Introduction and background

1.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer (the Executive Director for Selby) to make a formal report to the Council on the robustness of the budget and adequacy of reserves.

2. The Report

Robustness of the Budget

- 2.1 The economic climate continues to impact upon the Council's financial position, and the Council's Financial Strategy and Medium Term Financial Plan (3 year budget) have been refreshed to take account of the on-going cuts and changes in public sector funding; the introduction of localised Business Rates; and impacts of the new Council Tax Support scheme. Financial plans also include cautious assumptions on investment interest and income. Cost pressures from increasing demand for services will continue to be closely monitored and will be managed through Access Selby and the Council's Core, base budget savings plans, whilst the medium term financial position will be kept under continuous review. The Medium Term Financial Plan includes an annual contingency to help mitigate risk to both income and expenditure. This includes the usual £100k operational contingency, and £100k commissioning contingency.
- 2.2 The funding from central Government covering Revenue Support Grant and Business Rates Baseline funding will be £4.71m for 2014/15. The final 2014/15 Finance Settlement shows a cut of £728k and further cuts are expected for 2015/16 and 2016/17. Despite the significant strides we have made to reduce our cost base, further savings are likely to be needed over the next 3 years and beyond, and our work with North Yorkshire County Council will play a crucial part in our plans.
- 2.3 Access Selby Board have approved a savings plan to meet their current Business Plan targets. The level and profile of the required savings will be kept under review as the longer term financial outlook beyond 2014/15 becomes clearer.
- 2.4 There is an on-going risk that sufficient savings will not be delivered within the required timescales (in such circumstances reserves and balances would have to be used to bridge any gap between net spending and grant), although proposals aim to provide some headroom to mitigate this risk.
- 2.5 There is risk to our Business Rates income following the introduction of localised Business Rates from April 2013. A large deficit on our Business Rates Collection Fund is forecast for 2013/14 due to back dated appeals, which means that we will be at the safety for 2014/15 and will need to draw down £164k funding from the Business Rates Equalisation Reserve.
- 2.6 In terms of income for 2014/15, the Council's NNDR1 return (our estimate of Business Rates income for the coming year) suggests slightly more Business Rates income could be generated than the Government's target for Selby. In accordance with the approved Medium Term Financial Strategy, no additional resources have been included within the budget and any such income would be transferred to a new Business Rates Equalisation Reserve to help off-set any future losses.

- 2.7 In respect of the proposed Council Tax requirement for 2014/15, councillors are asked to consider the following statement:

“ The Executive Director (s151) reports that the estimates of income and expenditure forming the Council’s General Fund Revenue and Housing Revenue budgets for 2014/15 have been prepared on the basis of existing plans, known commitments and the financial implications of the proposals for savings and where necessary, service development and improvement. Where it has been necessary to do so, in the case of certain budgets such as contract payments, investment income and income from fees and charges, assumptions have been used for inflation, interest rates and demand for services which are considered to be reasonable and prudent. In addition a risk assessment is undertaken for these budgets and reserves are available to mitigate the risk within the budget and savings plan. In view of this, the Executive Director (s151) considers the Council’s budget estimates for 2014/15 to be robust.”

Reserves and Balances

- 2.8 As with most local authorities, the Council maintains a range of reserves and balances. These can be analysed into three main types:
- i) General Fund (Working) Balance – comprises of a non-earmarked balance (currently set at a minimum of £1.5m) which is set aside to cover the risk of excess inflation or unforeseen events;
 - ii) Housing Revenue Account - as with the General Fund balance but this time relating to a local authority’s housing function whilst it operates a Housing Revenue Account. The minimum balance is currently set at a £1.5m, which is set aside to cover the risk of excess inflation or unforeseen events within the HRA service;
 - iii) Specific reserves – amounts earmarked for specific items of expenditure to meet known or predicted liabilities.
- 2.8 Appendix A provides an assessment of the appropriate level of balances for the General Fund and HRA. Appendix B shows the estimated balance on each reserve at the end of 2014/15 after taking into account the impact of the agreed budget and provides a brief summary of the purpose of each reserve.

The General Fund (Working) Balance

- 2.9 As indicated above, the General Fund Balance is an un-earmarked balance. Following a review of the adequacy of this balance there are no proposals to change the minimum of £1.5m. Any estimated balance above this figure is available to support the budget and future council tax levels although the approved Medium Term Financial Strategy recognises this is unsustainable and therefore the routine use of General Fund Balances stopped with effect from 2013/14.

Housing Revenue Account Balance

- 2.10 The current minimum balance on the Housing Revenue Account is £1.5m which equates to £479.23 per property as at 1 April 2014 and is considered to be sufficient to cover a reasonable level of risk within the HRA.

Specific Earmarked Reserves

- 2.11 In relation to reserves set aside for specific items of expenditure, a review has also been conducted to determine adequate levels. This forms part of the Council's Medium Term Financial Strategy and recommendations on the use of these reserves to support the 2014/15 revenue budget and capital programme proposals are included with the budget report.
- 2.12 In respect of the adequacy of the Council's proposed financial reserves and balances councillors are asked to consider the following statement:

“The Executive Director (s151) reports that, having conducted a review of the Council's requirement for the minimum working balance, taking into consideration various matters including:-

- **the Council's spending plans for 2014/15 and the medium term financial position;**
- **a risk assessment of the main items of income and expenditure;**
- **a risk assessment of the savings plan;**
- **adequacy of estimates of inflation, interest rates;**
- **treatment of demand led pressures;**
- **the need to respond to emergencies, and**
- **other potential calls on balances.**

Therefore a minimum amount of £1.5m for the General Fund balance and a minimum of £1.5m for the Housing Revenue Account are considered adequate for this purpose.

The Executive Director (s151) also reports that the Council's earmarked reserves have been reviewed and approved as part of the Medium Term Financial Strategy and remain adequate.”

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 This report complies with Section 25 of the Local Government Act 2003, which requires the Chief Finance Officer to make a formal report to the Council on the robustness of the budget and adequacy of reserves.

3.2 Financial Issues

3.2.1 There are no financial implications as a direct result of this report.

4. Conclusion

4.1 The Council's 2014/15 budgets are robust, and based on current assumptions regarding the economic climate the Council has adequate levels of reserves and balances, however cuts in Government grants will require significant savings to be made during 2014/15. Plans are in place to achieve these savings and reserves are available to mitigate the assessed risk within these plans.

5. Background Documents

Budget reports to and associated minutes of the Executive

Contact Officer: Karen Iveson
e-mail kiveson@selby.gov.uk

Appendices:

Appendix A – Review of General Fund and HRA Balances

Appendix B – Estimated Balances on Reserves

Review of General Fund and HRA Balances

Introduction

1. The Chartered Institute of Public Finance and Accountancy (CIPFA) considers that a case for introducing a statutory minimum level of reserves, even in exceptional circumstances, has not been made. The Institute believes that Local Authorities, on the advice of their Chief Finance Officer, should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary, and there is a broad range within which authorities might reasonably operate depending on their particular circumstances.
2. There is no definitive guidance as to the minimum level of balances or reserves, either as an absolute amount or as a proportion of expenditure, since each local authority is independent, operates in a unique local environment and the decision is one of a number of inter-related decisions taken as part of its financial strategy. Section 32 of the Local Government Act 1992 requires billing authorities (such as Selby) to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Budgets are based upon forecasts of pay and price inflation, changes in interest rates, and the demand for and levels of service to be provided. The existence of balances provides for unexpected changes from these forecasts. Consequently, the provision of an appropriate level of balances is a fundamental part of prudent financial management over the medium and longer term.

Principles to Assess the Adequacy of Reserves

3. Setting the level of general reserves is just one of several related decisions in the formulation of the Medium Term Financial Strategy and the budget for a particular year. Account should be taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements. In addition to the cash flow requirements of the authority, the following factors should be considered:

Budget Assumptions

- treatment of inflation and interest rates
- a risk assessment of the main items of income and expenditure
- estimates of the level of and timing of capital receipts and general cashflows
- treatment of demand-led pressures (e.g. take-up of housing benefits and Council Tax Support)
- treatment of planned efficiencies and savings
- financial risks inherent in significant funding partnerships or major capital developments

- the availability of other funds to deal with major contingencies and the adequacy of provisions

Financial Standing and Management

- the overall financial standing of the authority
- the authority's track record in budget and financial management
- the capacity to manage in-year budget pressures
- the strength of financial information and reporting arrangements
- the authority's financial procedure rules and budgetary flexibility
- the adequacy of insurance arrangements to cover major unforeseen risks

Use of any "excess" balances

4. Any use of excess balances (i.e. those above the agreed minimum working balance) needs to be carefully considered in association with the Council's Medium Term Financial Strategy. Balances are a finite resource and can only be used once. Any application of balances should be focused on support for short-term budget restructuring and not ongoing 'base' items of expenditure. Ideally balances should be used to fund one-off expenditure, time-limited expenditure or 'invest to save' type spending.

The impact of the cuts in public sector funding will require significant savings to be made and there is an on-going risk that sufficient savings will not be delivered within the required timescales – reserves and balances would have to be used to bridge any gap between net spending and grant.

What is an appropriate level of Balances for Selby District Council?

General Fund

5. The current Council policy is for the General Fund Balance to be a minimum £1.5m. This represents approximately 14% of net expenditure or 4% of gross expenditure. The estimated balance at 1 April 2015 is £1.5m.

- *Adequacy of inflation*

Generally budgetary provision is made for inflation in respect of pay, prices and contract expenditure (in 2014/15 a 1% allowance for pay inflation has been included within the budget). An adverse variance of 1% in the assumptions made to these forms of expenditure would result in additional expenditure of **£150k** in any one year.

- *Adequacy of interest rate assumption*

The Council is a net lender. An adverse variance of 1% in interest rates would increase the budgeted expenditure by approximately **£200k**.

- *Treatment of demand led pressures*

Demand volatility can affect both expenditure (e.g. take up of housing benefits) and income (e.g. number of planning applications). Housing Benefits are a significant item of expenditure estimated at over £17m in 2014/15 the majority of which is met by government subsidy. The estimate of subsidy is complex and is therefore relatively 'high risk'. There had also been a number of regulatory changes in recent years affecting the take up and it is considered prudent therefore to allow for some fluctuation in the net cost of benefits either reflecting subsidy variations, demand changes and changes in regulations. A figure of **£100k** is considered adequate for this purpose.

With regard to income from fees and charges the major income budgets are those relating to:

- Trade waste
- Car Parks
- Planning
- Land Charges
- Industrial Unit Rents
- Court Costs

There is a risk that expected income will not materialise and a fall in demand beyond that predicted for 2014/15 of say a further 10% would lead to a reduction in income of around **£200k**.

- *Responding to emergencies*

Examples include flooding, and the outbreak of foot and mouth disease. As a local authority, the Council can, in certain cases, gain protection through the Government's Bellwin Scheme. However, this only reimburses 85% of eligible expenditure above a specified threshold. There were two major issues during 2004/5 which the Council had to fund from general balances. A figure of **£300k** is considered adequate to cover for emergencies.

- *Other Issues*

The Council also has an unusually large Non Domestic Rate debit to collect due to the power industries. The timing of receipts and any changes in debit could have a major impact on the Council's cash flow and Business rates income – an issue which will require particularly close monitoring during the economic recession. The new Business Rates Retention scheme guarantees a level of income for the Council through 'safety net' arrangements leaving around £164k funding at risk each year. The Council has currently £300k set aside in a Business Rates Equalisation Reserve but would need to draw on balances if there were insufficient resources set aside whilst revenue savings were identified – **£164k** would provide 1 year cover.

Taking all of these factors into account it would be prudent to maintain the current policy of holding minimum General Fund balances of £1.5m. This combined with the Council's internal financial controls should ensure the authority recognises financial 'issues' early and has the capacity to respond accordingly.

HRA

6. The Housing Revenue Account (HRA) suggested balance is currently £1.5m which equates to £479.23 per property at 1 April 2014 which represents 13.3% of the net HRA budget. The estimated HRA balance at 1 April 2015 is projected to be £1.5m.

The HRA does not have a contingency budget as part of its overall budget. An assessment has been made of the HRA budgets which are subject to external influence. This assessment includes the impact of additional expenditure against revenue budgets, variations in the capital programme, the impact of limiting growth bids, reduced income collection rates and an assessment of risk of the age of the stock and vulnerability for repairs planned for future years having to be brought forward.

- *Adequacy of inflation*

Generally budgetary provision is made for inflation in respect of pay, prices and contract expenditure (in 2014/15 a 1% allowance for pay inflation has been included within the budget). An adverse variance of 1% in the assumptions made to these forms of expenditure would result in additional expenditure of **£100k** in any one year.

- *Treatment of demand led pressures*

Demand volatility can affect expenditure (e.g. requests for housing repairs). Housing repairs are a significant item of expenditure estimated at £2.38m in 2014/15. The estimate of repair costs is based on prior year data however, the age of the stock and winter weather

conditions affects the need for repairs year on year. It is considered prudent therefore to allow for some fluctuation in the cost of repairs. A figure of **£300k** is considered adequate for this purpose.

- *Capital Programme*

The HRA has a substantial capital programme each year. This is based on an estimate of the amount of work and costs at a point in time. Until the programme commences and a full assessment is made of properties in the relevant element of the programme there is a degree of uncertainty to the volume of work. In addition until the contract for the works is let the costs can only be estimated. It is considered prudent to allow for some fluctuation in the capital programme for additional costs through either additional works or costs or both. A figure of **£300k** is considered adequate for this purpose.

The capital programme is spread across a number of years and elements of the programme due to resources available will be deferred until later years this in itself carries a risk that works may need to be undertaken sooner than expected or that the cost of repairs increases until such time as a particular element of the programme is delivered. It is considered prudent to allow for some fluctuation in the capital programme. A figure of **£500k** is considered adequate for this purpose.

- *Other Issues*

The value of bad debts requiring write off within the HRA is currently rising due to the current economic climate. These bad debts are met from HRA income. It is considered prudent to allow for some fluctuation in bad debts levels. A figure of **£150k** is considered adequate for this purpose.

Taking all of these factors into account it would be prudent to maintain the current policy of holding minimum HRA balances of £1.5m. This combined with the Council's internal financial controls should ensure the authority recognises financial 'issues' early and has the capacity to respond accordingly.

Reserves										
Description	Estimated Balance 31 March 14	Use	Contribs	Estimated Balance 31 March 15	Use	Contribs	Estimated Balance 31 March 16	Use	Contribs	Estimated Balance 31 March 17
	£	£	£	£	£	£	£	£	£	£
Revenue Reserves										
General Fund										
Reserves to fund future commitments:										
PFI Scheme	2,408,273	- 390,560	386,020	2,403,733	- 402,280	394,000	2,395,453	- 414,340	401,920	2,383,033
ICT	318,244	- 269,885	200,000	248,359	- 186,300	200,000	262,059	- 324,500	200,000	137,559
Building Repairs & Projects	671,744	- 93,000	130,000	708,744		130,000	838,744		130,000	968,744
Election	96,954		30,000	126,954	- 120,000	30,000	36,954		34,000	70,954
Tadcaster Central Area	215,401			215,401			215,401			215,401
Industrial Units	33,119			33,119			33,119			33,119
Open Space Maintenance	11,158			11,158			11,158			11,158
	3,754,893	- 753,445	746,020	3,747,468	- 708,580	754,000	3,792,888	- 738,840	765,920	3,819,968
Reserves to fund growth and improvement:										
Special Projects (Programme for Growth)	885,002	- 1,682,453	880,000	82,549	- 162,922	880,000	799,627		880,000	1,679,627
Special Projects (Non_PFG commitments)	317,460	- 150,000		167,460			167,460			167,460
Discretionary Rate Relief Fund	300,000			300,000			300,000			300,000
NYCC Collaboration	250,000			250,000			250,000			250,000
Spend To Save	112,353		95,120	207,473		119,070	326,543			326,543
	1,864,815	- 1,832,453	975,120	1,007,482	- 162,922	999,070	1,843,630	-	880,000	2,723,630
Reserves to mitigate financial risk:										
Pensions Equalisation Reserve*	600,000		186,120	786,120		181,120	967,240		182,820	1,150,060
NDR Equalisation	300,000	- 164,000		136,000			136,000			136,000
Planning Inquiries	100,000			100,000			100,000			100,000
Access Selby	438,310	- 287,626		150,684		163,670	314,354	- 30,000	203,024	487,378
Contingency	553,135			553,135			553,135	- 70,000		483,135
General Fund	1,673,872			1,673,872			1,673,872			1,673,872
	3,665,317	- 451,626	186,120	3,399,811	-	344,790	3,744,601	- 100,000	385,844	4,030,445
Other Reserves:										
Sherburn Amenity Land	9,992			9,992			9,992			9,992
Wheeled Bins	18,000			18,000			18,000			18,000
	27,992	-	-	27,992	-	-	27,992	-	-	27,992
Sub Total	9,313,017	- 3,037,524	1,907,260	8,182,753	- 871,502	2,097,860	9,409,111	- 838,840	2,031,764	10,602,035
HRA										
HRA Unallocated Balance	1,187,731			1,187,731			1,187,731			1,187,731
HRA Access Selby Reserve	504,000	- 18,790	32,490	517,700	- 14,090	32,410	536,020		32,410	568,430
C/fwd Budgets (HRA)	-			-			-			-
Major Repairs Reserve - Capital Programme	20,931	- 4,030,980	4,043,120	33,071	- 2,795,480	3,747,030	984,621	- 2,143,980	4,498,590	3,339,231
Major Repairs Reserve - Debt Repayment	2,350,000		929,960	3,279,960		1,590,040	4,870,000		1,260,000	6,130,000
Sub Total	4,062,662	- 4,049,770	5,005,570	5,018,462	- 2,809,570	5,369,480	7,578,372	- 2,143,980	5,791,000	11,225,392
Total Revenue Reserves	13,375,679	- 7,087,294	6,912,830	13,201,215	- 3,681,072	7,467,340	16,987,483	- 2,982,820	7,822,764	21,827,427
Capital Reserves										
Capital Receipts**	3,196,314	- 3,240,000	561,079	517,393	- 235,000	257,500	539,893	- 235,000		304,893
Capital Receipts (Programme for Growth)	227,636	- 769,057	541,421	-			-			-
	3,423,950	- 4,009,057	1,102,500	517,393	- 235,000	257,500	539,893	- 235,000	-	304,893
* Payment to Pension Fund and reserve contributions to be reconsidered following triennial valuation due 2013/14										
** Includes £3m insurance settlement re Abbey Leisure Centre										



Public Session

Report Reference Number (C/13/18)

Agenda Item No: 13

To: Council
Date: 25 February 2014
Author: Karen Iveson – Executive Director (and S151)
Lead Officer: Karen Iveson
Executive member: Cllr Cliff Lunn

Title: The Budget and Council Tax 2014/15

Summary: This report presents the Executive's recommended budget and capital programme for 2014/15 to 2016/17. The 2014/15 budgets show breakeven (after required savings) on the General Fund and a surplus of £1.01m on the HRA.

The Executive recommend a 1.96% increase in Council Tax for 2014/15 and having considered the Council's financial position following the final Local Government Finance Settlement.

The Executive also recommend the payment of £113,059 to parish and town councils towards their losses in Council Tax income as a result of the Council Tax Support Scheme.

Recommendations:

It is recommended that:

- i. the revenue budgets and capital programmes for 2014/15 at Appendices E, F and G be approved;
- ii. Council Tax is increased to £162.00 per Band D property, for 2014/15;
- iii. A total grant of £113,059 is paid to parish and town councils towards their losses in Council Tax income arising from the Council Tax Support Scheme;
- iv. the formal Council Tax resolution set out in Appendix B be considered and approved.
- v. Subject to not receiving all of the parish precept notifications in advance of the Council meeting on 25th February, Council approve the establishment of a special committee in accordance with the details set

out at Appendix H and should any parish not submit their precept by 28th February their precept be anticipated at the same level as it was for 2013/14.

Reasons for recommendation: To ensure the Executive's budget proposals are fully funded.

1. Introduction and background

- 1.1 This report presents the Executive's budget and Council Tax proposals for 2014/15 and includes the formal resolution for Council Tax setting purposes under the provisions of the Local Audit and Accountability Act 2014, the Localism Act 2011 and Local Government Finance Act 1992. The necessary calculations are set out in **Appendices A – D**. At the time of writing this report we await confirmation of the parish council precepts and therefore no information on parish precepts is contained within the appendices – these details will be circulated as soon as possible.
- 1.2 This report should be considered alongside the Executive Director's report on the robustness of the budget and the adequacy of the Council's reserves.
- 1.3 The Council's Medium Term Financial Strategy (MTFS) was approved by full Council on 10 December 2013. The MTFS covers General Fund activities and provides the strategic financial framework for medium term financial planning and annual budget setting.
- 1.4 The Housing Revenue Account (HRA) and Housing Investment Programme (HIP) are covered by the Housing Business Plan (HBP), which has been subject to a full review following the introduction of HRA self financing.
- 1.5 The MTFS assumes continuing cuts to Central Government grant funding as resources are top sliced to fund the New Homes Bonus scheme. It identifies the uncertainty surrounding the localisation of Non-Domestic Rates (NDR) and the need to deliver our savings plan as the key financial issues facing us over the next 3 years.

2. The Report

- 2.1 Summaries of the proposed revenue budgets and capital programmes are shown at **Appendices E to G**.
- 2.2 The budgets have been prepared on a current policy basis and include provision for inflation where considered necessary. There is provision for a 1% pay award in 2014/15 and 2015/16 and 2% in 2016/17. The General Fund revenue budget includes contingencies totalling £262k in the Core and £70k in Access Selby.

General Fund Revenue Budget

- 2.3 Taking the 3 elements of the Council's service delivery model together and after appropriations to and from reserves, the budget for 2014/15 is as follows:

	2014/15 Budget £000's
Core	4,833
Access Selby	6,142
Communities Selby	199
Transfer from Business Rates Equalisation Reserve	(164)
Total Net Budget	11,010
Financed By	2014/15 £000's
Council Tax	4,550
RSG/NDR (per final LGF Settlement)	4,710
New Homes Bonus	1,725
Special and Specific Grants*	115
Council Tax Collection Fund Surplus	74
Business Rates Collection Fund Deficit	(164)
Total Funding	11,010
Net Surplus/Deficit	0

*Estimate – not yet confirmed

Government Grants/Business Rates

- 2.4 The final Local Government Finance Settlement announced on 5th February 2014 shows:

	£000's
Revenue Support Grant	2,520
Plus: Baseline Funding Level (Business Rates)	2,190
Equals: Settlement funding assessment	<u>4,710</u>

- 2.5 The funding of £4.71m is a cut of 13.4% or £728k compared with an equivalent figure of £5.438m for 2013/14.
- 2.6 The 'safety net' threshold for Business Rates funding, i.e. the amount of Business Rates funding that is guaranteed, is £2,025,523 (92.5% of £2,189,755).
- 2.7 The Council's provisional 'NNDR1' return (our estimate of Business Rates income for the coming year) suggests that more Business Rates income could be generated than the Government's target for Selby. After taking off the Government's share of any extra income Selby District Council could see a further £75k in Business Rates income for 2014/15 although there is significant risk to these forecasts. In any event, the Collection Fund deficit in respect of 2013/14 due to back dated appeals will mean that Selby will be at the safety for 2014/15 and therefore the budget assumes that £164k will be drawn from the Business Rates Equalisation Reserve.

- 2.8 The Executive propose to keep the level of Business Rates income and the requirements for the Business Rates Equalisation Reserve under close review.

Council Tax

- 2.9 The MTFS mid-case scenario assumed a Council Tax increase of 2% for 2014/15. The Government has announced a further award of Council Tax Freeze Grant for those Councils who do not increase charges next year – the equivalent of 1% to be paid for 2 years (£48k p.a. for Selby). They have also indicated the level at which a referendum would be required – i.e. increases of more than 2% for 2014/15.
- 2.10 The proposed budget assumes that the Council does not take up the offer of Council Tax Freeze Grant and increases Council Tax from £158.88 to £162.00 for a band D property for 2014/15 – an increase of 1.96%, which will generate addition income of £88k p.a.
- 2.11 Councillors attention is drawn to **Appendix B** which shows the calculation of the ‘Relevant Basic Amount’ (RBA) of Council Tax for the determination of ‘excessiveness’ – the proposed increase in Council Tax results in an increase of 1.964% in the RBA which is below the Government’s threshold of 2% and as such a referendum is not required.
- 2.12 In making this calculation it should be noted that the Internal Drainage Board Levies are now included within the district council’s calculation. At this stage we have not received notification of all of the levies which means that this calculation will need to be confirmed at the Council meeting.

Parish Precepts

- 2.13 Given the proposed of Council Tax Support Grant, parishes have been asked to resubmit their precept notifications by 21 February and therefore no parish precept information is contained within this report – details will be circulated as soon as possible after the 21st February and updated at the Meeting of Council.
- 2.14 In law parishes have until the 28th February to notify us of their precepts. Should any parish not notify us of their precept by this date Selby District Council has the power to anticipate their precept for them (in such circumstances the amount can be no higher than it was in the preceding 3 years and it is proposed that this be anticipated at the same level as 2013/14).
- 2.15 Should this situation occur, in order to achieve annual billing in time for a 1st April instalment date, Council would need to establish a special committee to ratify the parish precepts and the formal calculations set out in Appendices A to D.
- 2.16 The timescales for annual billing are extremely tight and therefore it is proposed that should this be necessary, the committee meet at 9.00am on Saturday 1st March 2014. The proposed terms of reference and membership requirement for the committee are set out at Appendix H.

- 2.17 Any delays beyond 1st March are likely to mean that the 1st instalment for Council Tax payments will be delayed until 1st May which will incur additional costs for the Council and will mean disruption for those people who wish to pay over 12 instalments.

Council Tax Support Grant

- 2.18 Following consultation on the draft budget the Executive propose to pay a total of £113,059 to parish and town councils towards their loss of Council Tax income arising from the Council Tax Support Scheme. This sum is equivalent to the funding provided by central Government in 2013/14 (i.e. £130,553) scaled back in line with the 13.4% funding cut highlighted in paragraph 2.5.
- 2.19 Given the award of Council Tax Support Grant, parishes have been asked to resubmit their precept notifications by 21 February and therefore no parish precept information is contained within this report – details will be circulated as soon as possible after the 21st February.

Savings

- 2.20 Taking the proposals for Council Tax and the proposed budgets it is estimated that £25k savings will be needed from the Council's Core budget in 2014/15. Access Selby's budget assumes savings of around £380k will be achieved in 2014/15.
- 2.21 Beyond 2014/15 further grant cuts are expected and there is still much uncertainty surrounding the impact of localised Business Rates. The current savings plans anticipate some level of funding cut but a balanced and sustainable budget relies upon all parts of the Council achieving their savings targets.
- 2.22 The Council has made good progress against its savings target to date, but it is becoming increasingly difficult to achieve further savings from a reducing cost base. However, the focus on delivering planned savings must be maintained, given the importance of savings in achieving the Council's financial (and wider) objectives and to avoid the use of balances to support on-going spending which is unsustainable in the medium to longer term.
- 2.23 The Council's approach to savings covers three key strands:
- **Transforming** our business through the use of technology and flexible working to meet citizen and customer needs;
 - **Growing** our resources through charging for services and trading externally;
 - **Commissioning** from and with partners to achieve shared efficiencies and reduce the demand for public sector services.
- 2.24 In order to help implement this strategy the Council is working with North Yorkshire County Council on a long term plan to share service delivery for the benefit of our shared customers and taxpayers generally.

- 2.25 Work has started on this project and a shared Chief Executive/Assistant Chief Executive for Selby District Council/North Yorkshire County Council, is now in post.
- 2.26 However, such projects can take significant time and effort to bring to fruition so we will continue to work towards other savings in accordance with our strategy to ensure the Council's finances stay on a firm footing – plans include savings in the running costs of the new leisure centre in Selby.

Housing Revenue Account

- 2.27 The HRA budgets have been prepared using assumptions on rent rises based on the Government's formula – an average rent increase of 5.6% has been set. The current rent restructuring model has been used for 2014/15, but there is uncertainty for following years as the Government is considering changes to the rent setting rules and the move to a formula based upon CPI instead of the current RPI model.
- 2.28 Again, taking the elements of the Council's service delivery model together, the estimated position for 2014/15 is shown below. Progress against the HRA savings action plan is ahead of target and therefore no further savings are expected for 2014/15, although opportunities for efficiencies will continue to be sought wherever possible.

	2014/15 Budget £000's
Core	7,042
Access Selby	4,231
Total Net Budget	11,273
Less Dwelling Rents	12,283
Surplus / (deficit) transferred to Balances/MRR	1,010

- 2.29 A surplus position is anticipated for 2014/15 which will be required to meet the capital programme. Future surpluses will be transferred to the Major Repairs Reserve to either repay debt or spend on the future HRA capital programme, including new build projects.

General Fund Capital Programme

2.30 The General Fund capital programme includes previously approved projects as well as new growth. There is no room for additional revenue contributions to support the capital programme and therefore it is restricted to available capital receipts, external grants and earmarked reserves. The following table presents a summary of the proposed programme:

Programme	2014/15 £000's	2015/16 £000's	2016/17 £000's
All Weather Pitch	250		
Grants & loans	330	330	330
ICT Replacement	203	186	325
Portholme Rd Culvert	150		
Telephony System	67		
Lifeline Equipment	180		30
Housing Development	300	1,250	1,250
Total Programme	1,480	1,766	1,935
Funding			
Capital Receipts	185	185	185
Grants	145	145	145
Reserves	850	186	355
Borrowing	300	1,250	1,250
Total Funding	1,480	1,766	1,935

2.31 Projects include Disabled Facilities Grants and ICT projects. The latter cover a range of replacement and new systems, hardware and infrastructure (including the Customer Relationship Management System and Mobile Working solution) – funding for ICT replacement projects and the Telephony system is covered by the ICT Replacement Reserve. Housing Development projects are those to be delivered via Selby and District Housing Trust in accordance with the Council's approved Housing Development Strategy.

Housing Investment Programme

- 2.32 The Housing Investment Programme includes a number of growth proposals to ensure our homes continue to meet the decency standard. The following table presents a summary of the programme:

Programme	2014/15 £000's	2015/16 £000's	2016/17 £000's
Central heating	947	1,007	650
Electrical works	260	260	260
Roof replacements	350	210	0
Doors and windows	161	247	163
Kitchens	237	237	237
Bathrooms		180	180
Airey properties	1,722	0	0
Damp works	300	300	300
Pointing	0	300	300
New Build Programme	300	1250	1250
Other	54	54	54
Total Programme	4,331	4,045	3,394
Funding			
Revenue Contributions	3,502	2,795	2,144
Major Repairs Reserve	529		
Borrowing	300	1,250	1,250
Major repairs reserve	4,331	4,045	3,394

Programme for Growth

- 2.33 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme comprises a range of cross cutting projects designed to 'build a stronger Selby district' by investing in jobs; housing and infrastructure; retail; and the leisure economy.
- 2.34 The programme is funded largely by New Homes Bonus (up to £880k p.a.) and unallocated capital receipts. A summary of the programme shows:

Programme for Growth	2014/15 £000	2015/16 £000	2016/17 £000
Balance brought forward	879	243	155
Special projects reserve - revenue	880	0	0
Special projects reserve - capital	773	0	0
External Grant	2,032		0
Insurance Claim	1,100	0	0
Less Project spend	(5,421)	(88)	(30)
Balance carried forward	243	155	125

- 2.35 It should be noted that the original programme funds include estimated capital receipts of £1m in 2014/15 which may not be realised. To help mitigate this risk £231k has been allocated from the 2012/13 revenue budget surplus and other small capital balances have been allocated to the programme, although this still leaves £541k capital funding at risk.
- 2.36 The risk to capital receipts has been identified as part of the programme's outline business brief and the potential for prudential borrowing has been recognised. There may also be further potential to mitigate the risk by allocating other funds to the programme and a review will be conducted as part of the refresh of the Medium Term Financial Strategy in 2014/15.

Reserves

- 2.37 The Council has a robust reserves strategy which is reviewed annually as part of the refresh of the MTFs. Budgeted appropriations to and from General Fund reserves for 2014/15 (including capital/programme for growth financing) are:

Transfers to General Fund Reserves:	£000's
Building Repairs	130
ICT Replacement - GF	150
- HRA	50
PFI	386
Pension Equalisation	186
District Election	30
Spend to Save	95
Special Projects - Revenue	880
Transfers from General Fund Reserves:	£000's
PFI	(391)
ICT Replacement	(270)
Special Projects – (PFG)	(1,682)
Special Projects – (Non - PFG)	(150)
Building Repairs	(93)
Access Selby Reserve	(288)
Business Rates Equalisation	(164)
Net Appropriations from Reserves	(1,131)

- 2.38 Overall the Council's General Fund reserves are expected to reduce by £1.1m in 2014/15, to £8.2m - analysed as funds for:

- Future commitments - £3.8m
- Growth and improvement - £1.0m
- Financial risk - £3.4m
- Other - £0.03m

- 2.39 The HRA reserves are General Balances and the Major Repairs Reserve (MRR). The overall estimated surplus of £1.01m on the HRA for 2014/15 will be transferred to the MRR. The HRA capital programme will require £4.031m from the MRR in 2014/15.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 This report complies with the requirements of the Local Audit and Accountability Act 2014, the Localism Act 2011 and the Local Government Finance Act 1992.
- 3.1.2 In determining the Council's 'relevant basic amount of Council tax' for 2014/15 the Council must also determine whether this is excessive in accordance with the principles approved under section 52ZB of the Local Government Act 1992. Received by Royal Assent on 30 January 2014 under the Local Audit and Accountability Act 2014, any levies paid by an authority to an external body are now included in the calculation of the relevant basic amount.
- 3.1.3 This requirement is covered in recommendation 6 at Appendix B.

3.2 Financial Issues

- 3.2.1 As set out in the report.

4. Conclusion

- 4.1 The Executive's budget proposals present a balanced General Fund budget for 2014/15 taking into account a Council Tax rise of 1.96%, the payment of £113,059 to parish councils in respect of the Council Tax Support Scheme, necessary savings and planned contributions from earmarked reserves.
- 4.2 The HRA budget shows a surplus of £1.01m, which will be required to meet the capital programme. Future surpluses will be transferred to the Major Repairs Reserve to either repay debt or spend on the future HRA capital programme, including new build projects.
- 4.3 The on-going risk to Local Government funding and future rising demand for services, mean that additional savings will be sought wherever possible. This will be vital to ensure that the Council maintains its financial resilience and continues to deliver or enable the essential services that people need.
- 4.4 The Capital Programmes and Programme for Growth are funded through reserve contributions and capital receipts although an element of prudential borrowing is anticipated for the Housing Development Programme and an element of Programme for Growth funding remains at risk.

Contact Details:

Karen Iveson, Executive Director (and s151)

kiveson@selby.gov.uk

Appendices:

Appendix A – Council Tax Supporting Information

Appendix B – Formal Council Tax Resolution

Appendix C – Council Tax Schedule by Town and Parish Areas

Appendix D – Town and Parish Precepts

Appendix E – Revenue Estimates

Appendix F – Capital Programmes

Appendix G – Programme for Growth

Council Tax - Supporting Information**PURPOSE**

1. The purpose of this Appendix and other Appendices and Schedules is to enable the Council to calculate and set the Council Tax for 2014/15.

BACKGROUND

2. The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
3. The precept levels of other precepting bodies have been received. These are detailed below:

Town & Parish Councils

4. The Town and Parish Council Precepts for 2014/15 are detailed in Appendix D and total £x,xxx,xxx. The increase in the average Band D Council Tax for Town and Parish Councils is x.xx% and results in an average Band D Council Tax figure of £xx.xx.

North Yorkshire County Council

5. North Yorkshire County Council met on xx February 2014 and set their precept at £xx,xxx,xxx. This results in a band D Council Tax of £x,xxx.xx.

North Yorkshire Police and Crime Commissioner

6. The North Yorkshire Police and Crime Commissioner held a meeting on x February 2014 and set their precept at £x,xxx,xxx. This results in a band D Council Tax of £xxx.xx.

North Yorkshire Fire & Rescue Authority

7. North Yorkshire Fire & Rescue Authority met on xx February 2014 and set their precept at £x,xxx,xxx. This results in a band D Council Tax of £xx.xx.

Conclusions

8. The recommendations are set out in the formal Council Tax Resolution in Appendix B
9. If the formal Council Tax Resolution at Appendix B is approved, the total Band D Council Tax will be as follows:

	2013/14 £	2014/15 £	Increase %
Selby District Council	158.88	162.00	1.96
North Yorkshire County Council	1,057.48	0.00	-100.00
North Yorkshire Police and Crime Commissioner	204.55	0.00	-100.00
North Yorkshire Fire & Rescue Authority	62.10	0.00	-100.00
Sub Total	1,483.01	162.00	-89.08
Town & Parish Councils (Average)	48.84	0.00	-100.00
Total	1,531.85	162.00	-89.42

The Council is recommended to resolve as follows:

1. It be noted that the Council has calculated the Council Tax Base 2014/15
 - (a) for the whole Council area as 28,088.25 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix D
2. Calculate that the Council Tax requirement for the Council's own purpose for 2014/15 (excluding Parish Precepts) is £4,550,297
3. That the following amounts be calculated for the year 2014/15 in accordance with Sections 31 to 36 of the Act:
 - a) **£xx,xxx,xxx** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) **£51,161,129** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - c) **£x,xxx,xxx** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in 31B of the Act).
 - d) **£xxx.xx** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).
 - e) **£x,xxx,xxx** being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
 - f) **£162.00** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (19a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.
4. To note that the County Council, the Police Commissioner and the Fire & Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2014/15 for each part of its area and for each of the categories of dwellings.

The Council is recommended to resolve as follows:

North Yorkshire Precepts

Valuation Band	SDC £ p	NYCC £ p	NY Fire Authority £ p	NYPCC £ p	Aggregate £ p
A-	90.00	0.00	0.00	0.00	90.00
A	108.00	0.00	0.00	0.00	108.00
B	126.00	0.00	0.00	0.00	126.00
C	144.00	0.00	0.00	0.00	144.00
D	162.00	0.00	0.00	0.00	162.00
E	198.00	0.00	0.00	0.00	198.00
F	234.00	0.00	0.00	0.00	234.00
G	270.00	0.00	0.00	0.00	270.00
H	324.00	0.00	0.00	0.00	324.00

6. In accordance with principles approved under Section 52ZB Localism Act 2011, the Council determines it's relevant basic amount of Council Tax for the year 2014/15 is not excessive.

	2013/14	2014/15
Council Tax Requirement	£5,779,567	£x,xxx,xxx
less:- Parish Precepts	-£1,358,946	-£x,xxx,xxx
	£4,420,621	£4,550,297
Council Tax Base	27823.66	28088.25
Relevant Basic Amount*	£158.88	£162.00
Percentage Increase		1.96%

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2014/15	BANDS							
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Selby District Council	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
North Yorkshire County Council	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N Yorkshire Police & Crime Commissioner	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
North Yorkshire Fire & Rescue Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Town/Parish only (a)								
Parish/Town & District (b)								
Total including County, Police & Fire (c)								
Appleton Roebuck & Acaster Selby (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Balne (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Barkston Ash (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Barlby (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Barlow (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Beal (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Biggin (a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2014/15		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Bilbrough	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Birkin	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Bolton Percy, Colton & Steeton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Brayton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Brotherton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Burn	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Burton Salmon	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Byram cum Sutton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Camblesforth	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Carlton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2014/15		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Cawood	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Chapel Haddlesey	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Church Fenton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Cliffe	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Cridling Stubbs	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Drax	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Eggborough	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Escrick	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Fairburn	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Gateforth	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2014/15		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Hambleton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Healaugh & Catterton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Heck	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Hemingbrough	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Hensall	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Hillam	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Hirst Courtney	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Huddleston with Newthorpe	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Kelfield	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Kellington	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2014/15		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Kirk Smeaton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Little Fenton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Little Smeaton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Long Drax	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Monk Fryston	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Newland	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Newton Kyme cum Toulston	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
North Duffield	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Oxton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Riccall	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2014/15		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Ryther cum Ossendyke	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Saxton cum Scarthingwell & Lead	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Selby	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Sherburn in Elmet	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Skipwith	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
South Milford	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Stapleton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Stillingfleet	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Stutton with Hazlewood	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Tadcaster	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2014/15		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Temple Hirst	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Thorganby	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Thorpe Willoughby	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Towton (with Grimston, Kirby Wharfe & North Milford)	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Ulleskelf	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Walden Stubbs	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
West Haddlesey	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Whitley	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Wistow	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
Womersley	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00
	(c)	108.00	126.00	144.00	162.00	198.00	234.00	270.00	324.00

TOWN & PARISH COUNCIL PRECEPTS

APPENDIX D

Town / Parish Council	2013/14					2014/15			Precept £	Council Tax Band D (£)	Council Tax Increase %
	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	Tax Base	Total Parish Funding £	Grant £			
Appleton Roebuck & Acaster Selby	362.09	8,755.00	251.86	8,503.14	23.48	361.81		192.29			
Balne	87.35	1,800.00	165.60	1,634.40	18.71	84.80		129.95			
Barkston Ash	201.24	5,000.00	240.61	4,759.39	23.65	192.92		149.80			
Barlby	1,438.65	105,000.00	9,135.85	95,864.15	66.63	1,453.05		6,051.80			
Barlow	264.94	12,964.00	508.84	12,455.16	47.01	266.26		366.77			
Beal	239.86	19,000.00	1,484.31	17,515.69	73.02	250.98		966.62			
Biggin	59.05	600.00	13.24	586.76	9.94	59.84		8.72			
Billbrough	169.84	5,338.23	63.00	5,275.23	31.06	167.33		60.53			
Birkin	52.83	0.00	0.00	0.00	0.00	51.13		0.00			
Bolton Percy, Colton & Steeton	222.46	5,000.00	166.79	4,833.21	21.73	218.22		69.13			
Brayton	1,842.47	59,000.00	3,703.15	55,296.85	30.01	1,847.64		2,519.56			
Brotherton	196.09	10,000.00	1,391.07	8,608.93	43.90	192.27		1,044.06			
Burn	177.77	6,050.00	561.01	5,488.99	30.88	177.79		377.99			
Burton Salmon	188.20	4,100.00	178.95	3,921.05	20.83	191.99		125.19			
Byram cum Sutton	408.98	19,720.00	2,779.29	16,940.71	41.42	420.80		1,906.02			
Camblesforth	473.47	17,500.00	1,310.69	16,189.31	34.19	476.92		915.45			
Carlton	604.27	20,000.00	1,844.05	18,155.95	30.05	608.77		1,340.23			
Cawood	619.13	29,050.00	1,446.38	27,603.62	44.58	615.62		844.43			
Chapel Haddlesey	86.50	4,105.00	159.50	3,945.50	45.61	84.59		167.65			
Church Fenton	471.86	16,773.00	893.01	15,879.99	33.65	480.56		669.73			
Cliffe	452.69	20,781.00	1,674.07	19,106.93	42.21	471.42		841.25			
Cridling Stubbs	63.50	1,890.00	164.32	1,725.68	27.18	64.16		105.57			
Drax	135.06	5,000.00	515.39	4,484.61	33.20	132.91		356.94			
Eggborough	607.12	15,000.00	1,122.66	13,877.34	22.86	599.57		848.76			
Escrick	442.77	11,000.00	570.63	10,429.37	23.55	438.15		377.18			
Fairburn	295.94	9,838.00	746.40	9,091.60	30.72	301.96		470.16			
Gateforth	105.24	3,556.00	19.29	3,536.71	33.61	105.64		0.00			
Grimston/Kirby Wharfe & Towton	171.85	2,300.00	102.78	2,197.22	12.79	170.68		72.88			
Hambleton	701.51	30,500.00	1,390.06	29,109.94	41.50	712.03		839.93			
Healaugh & Catterton	99.53	500.00	14.24	485.76	4.88	95.01		6.28			
Heck	81.00	2,417.00	156.35	2,260.65	27.91	78.86		135.45			
Hemingbrough	675.21	22,916.00	1,545.84	21,370.16	31.65	679.12		1,078.89			
Hensall	299.85	8,755.00	476.10	8,278.90	27.61	295.43		395.11			
Hillam	321.85	11,295.00	542.56	10,752.44	33.41	320.30		282.30			
Hirst Courtney	104.84	9,300.00	335.33	8,964.67	85.51	109.09		198.47			
Huddleston with Newthorpe	31.64	200.00	14.86	185.14	5.85	32.02		10.47			
Kelfield	163.37	4,450.00	302.08	4,147.92	25.39	169.29		181.04			
Kellington	275.73	17,000.00	1,742.45	15,257.55	55.34	279.42		1,360.24			
Kirk Smeaton	196.54	5,000.00	113.41	4,886.59	24.86	196.47		53.56			
Little Fenton	42.35	0.00	0.00	0.00	0.00	43.72		0.00			
Little Smeaton	122.45	0.00	0.00	0.00	0.00	129.40		0.00			
Long Drax	44.03	950.00	20.92	929.08	21.10	42.87		25.08			
Monk Fryston	409.03	18,147.20	1,148.55	16,998.65	41.56	419.26		684.50			

TOWN & PARISH COUNCIL PRECEPTS

APPENDIX D

Town / Parish Council	2013/14					2014/15			Precept £	Council Tax Band D (£)	Council Tax Increase %
	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	Tax Base	Total Parish Funding £	Grant £			
Newland	79.10	0.00	0.00	0.00	0.00	79.61		0.00			
Newton Kyme & Toulston	113.70	2,520.00	26.19	2,493.81	21.93	114.93		0.00			
North Duffield	471.57	15,000.00	709.23	14,290.77	30.30	477.56		534.27			
Oxton	10.56	0.00	0.00	0.00	0.00	9.49		0.00			
Riccall	853.87	84,708.00	5,012.30	79,695.70	93.33	867.45		3,909.11			
Ryther	100.62	3,500.00	86.89	3,413.11	33.92	101.14		24.24			
Saxton & Lead	241.19	15,000.00	280.78	14,719.22	61.03	242.68		87.61			
Selby	3,816.36	476,449.40	85,272.54	391,176.86	102.50	3,942.30		60,744.23			
Sherburn in Elmet	2,076.51	134,000.00	11,639.18	122,360.82	58.93	2,100.97		8,760.26			
Skipwith	115.33	0.00	0.00	0.00	0.00	122.61		0.00			
South Milford	872.08	20,000.00	1,034.70	18,965.30	21.75	881.50		890.00			
Stapleton	28.15	0.00	0.00	0.00	0.00	27.22		0.00			
Stillingfleet	171.66	3,658.00	186.73	3,471.27	20.22	167.13		128.65			
Stutton with Hazlewood	354.27	7,642.50	723.12	6,919.38	19.53	348.04		543.42			
Tadcaster	2,024.66	113,609.00	10,305.14	103,303.86	51.02	2,024.40		6,882.06			
Temple Hirst	40.34	0.00	0.00	0.00	0.00	39.83		0.00			
Thorganby	136.07	3,750.00	242.46	3,507.54	25.78	137.11		116.76			
Thorpe Willoughby	864.90	35,000.00	2,430.05	32,569.95	37.66	855.23		1,869.46			
Ulleskelf	319.32	17,280.00	664.54	16,615.46	52.03	319.49		643.71			
Walden Stubbs	29.06	0.00	0.00	0.00	0.00	28.16		0.00			
West Haddlesey	83.75	2,500.00	169.95	2,330.05	27.82	85.75		91.15			
Whitley	363.19	10,500.00	669.58	9,830.42	27.07	381.18		576.10			
Wistow	490.71	11,916.08	509.15	11,406.93	23.25	488.86		351.76			
Womersley	156.54	11,363.00	1,021.99	10,341.01	66.06	155.54		676.23			
Total / Average	27,823.66	1,518,946.41	160,000.01	1,358,946.40	48.84	28,088.25	0.00	113,059.00	100.00	0.00	-100.00

REVENUE ESTIMATES 2014/2015 To 2016/2017

GENERAL FUND

	2014/2015 Estimate £	2015/2016 Estimate £	2016/2017 Estimate £
<u>Net Expenditure</u>			
Access Selby	5,615,649	5,335,343	5,433,139
Core	3,688,627	3,751,647	3,839,097
Communities Selby	218,230	218,460	218,610
Capital Charges	509,520	459,140	378,360
Net Service Budget	10,032,026	9,764,590	9,869,206
Investment Income	(250,000)	(280,000)	(300,000)
External Interest	112,100	112,100	112,100
Parish CTS Grant	113,059	-	-
Capital Accounting Adjustment	190,310	187,310	184,430
Capital A/c Adj DFG & Conservation Grants	(205,000)	(205,000)	(155,000)
Capital A/c Adjustment Capital Chgs	(509,520)	(459,140)	(378,360)
Projects	1,842,450	382,920	-
Contingencies	332,000	338,000	338,000
	11,657,425	9,840,780	9,670,376
Contribution to/ (from) Earmarked Reserves	(647,202)	1,262,580	1,567,424
Contribution to/ (from) General Balances	-	(318,594)	(326,620)
NET BUDGET	11,010,223	10,784,766	10,911,180
Formula Grant	(4,710,220)	(3,984,280)	(3,585,850)
New Homes Bonus	(1,725,110)	(2,113,000)	(2,496,000)
Special and Specific Grants	(115,000)	-	-
Business Rates Collection Fund Deficit	164,000	-	-
Council Tax Collection Fund Surplus Allocation	(73,596)	-	-
Selby District Council Ctax Requirement	4,550,297	4,687,486	4,829,330

REVENUE ESTIMATES 2014/2015 To 2016/2017

HOUSING REVENUE ACCOUNT

	2014/2015 Estimate £	2015/2016 Estimate £	2016/2017 Estimate £
<u>Net Expenditure</u>			
Access Selby	4,217,410	4,250,250	4,274,620
Core	241,250	243,340	245,170
Capital Charges	1,351,750	1,377,240	1,372,290
Net Service Budget	5,810,410	5,870,830	5,892,080
Investment Income	(40,000)	(40,000)	(40,000)
Past Service Pension Costs	189,720	200,090	208,280
HRA Debt - Payment of Interest	2,637,930	2,637,930	2,637,930
	8,598,060	8,668,850	8,698,290
Contribution to/ (from) Earmarked Reserves	2,675,450	3,035,600	2,714,700
Dwelling Rents	(12,283,090)	(12,697,000)	(13,167,000)
Surplus contribution to HRA MRR Reserve	(1,009,580)	(992,550)	(1,754,010)

CAPITAL EXPENDITURE

APPENDIX F

The tables below shows projected expenditure against available spending powers for 2014/15. Under the Prudential Code for capital finance the Council may also borrow additional funds so long as it is able to afford the repayments.

General Fund	2014/15 £'000	2015/16 £'000	2016/17 £'000
<u>Expenditure:</u>			
All Weather Sports Pitch	250		
Telephony System	67		
Collapsed Culvert	150		
Lifeline Equipment	180		30
Housing Development	300	1,250	1,250
Mobile Working Solution	55	114	-
ICT Strategy	148	72	325
Repair Assistance Loans	30	30	30
Disabled Facilities Grant	300	300	300
Projected Expenditure	1,480	1,766	1,935
<u>Funding Sources:</u>			
Capital receipts	185	185	185
Grants and Contributions	145	145	145
Earmarked Reserves	850	186	355
Borrowing	300	1,250	1,250
Projected Funding	1,480	1,766	1,935

Housing Revenue Account	2014/15 £'000	2015/16 £'000	2016/17 £'000
<u>Expenditure:</u>			
Housing Development	300	1,250	1,250
HRA Capital Programme	4,031	2,795	2,144
Projected Expenditure	4,331	4,045	3,394
<u>Funding Sources:</u>			
Revenue	3,502	2,795	2,144
Major Repairs Reserve	529		
Borrowing	300	1,250	1,250
Projected Funding	4,331	4,045	3,394

Programme for Growth

Project	Allocations		Assumed Spend Profile			Comments
	Capital	Revenue	Estimate	Estimate	Estimate	
	£	£	14/15 £	15/16 £	16/17 £	
Programme Management		93,333	40,000	10,322	-	
Housing Trust	-	180,000	30,000	30,000	30,000	Development Support to the Trust of £30k p.a. for 5 years from January 2014
Housing Policy Reviews	-	20,000	15,000	-	-	
Empty homes	100,000	26,000	63,000	31,500	-	
43 Kirkgate	-	3,540	-	-	-	
Environment - infrastructure review	-	20,000	-	-	-	
Environment - policy reviews	-	20,000	-	-	-	
Environment - Masterplan	-	50,000	-	-	-	
Environment - improvements to gatev	-	15,000	-	-	-	
Identify target sector	-	5,000	-	-	-	
Business Selby	-	40,000	10,500	-	-	
Ready 4 Work	-	72,500	37,100	16,100	-	Over 2 years plus match funding from Access Selby
Leisure Centre New Build	7,032,500	-	5,132,500	-	-	£2m P4G, £2m from Sport England and £3m insurance claim £25k on-going cost to be met by savings on ALC £126.5k p.a. - to be met by savings from WLCT contract Project supported but full costs not yet established
Affordable Access	-	-	-	-	-	
Community Delivery	-	-	-	-	-	
Selby Leisure Village	-	14,000	-	-	-	
Retail experience	-	350,000	-	-	-	
Growing enterprise	-	150,000	-	-	-	
Site acquisition fund: - 55 - 57 Bondgate	1,338,000 600,000	- -	92,910 -	- -	- -	Subject to business cases Approved May 2013
Total	9,070,500	1,059,373	5,421,010	87,922	30,000	
Total		10,129,873				
Resources		£	£			
Balance Brought Fwd			878,559	243,049	155,127	
Special projects reserve - revenue		3,716,000	880,000	-	-	Special projects reserve @ 31 March 2013 = £1.729m plus NHB for 13/14 and 14/15 @ £880k p.a. plus revenue surplus of £227k.
Special projects reserve - capital		1,266,000	773,000			Assumes capital receipts from sale of car park at old civic centre @ £1m - if this does take place within the life of the programme Prudential Borrowing would be taken on the ALC project, funded by revenue savings. To help mitigate this risk £227k Revenue Budget surplus has been allocated in 12/13.
Insurance Claim - ALC		3,000,000	1,100,000			Selby Leisure Centre
Sport England Grant		2,032,500	2,032,500			Selby Leisure Centre
Project Spend			-5,421,010	- 87,922	- 30,000	
Balance		10,014,500	243,049	155,127	125,127	
Funding contingency		- 115,373				

Parish Precept Committee

Committee of Selby District Council - established for the municipal year 2013/14

Membership – 5 councillors made up of: 4 Conservative councillors (excluding Executive members) and one Labour councillor.

Terms of Reference

To anticipate precepts for town and parish councils that have not notified Selby District Council of their precept requirement by 28th February 2014.

To ratify the amounts for parish and town council precepts for Selby District Council's council tax setting purposes.

Public Session

Report Reference Number (C/13/19)

Agenda Item No: 14

To: Council
Date: 25 February 2014
Author: Jodie Taylor – Lead Officer, Finance
Lead Officer: Karen Iveson – Executive Director (s151)
Executive member: Cllr Cliff Lunn – Lead Member for Finance

Title: Treasury Management – Treasury Management Strategy Statement 2014/15, Minimum Revenue Provision Policy Statement 2014/15, Annual Investment Strategy 2014/15 and Prudential Indicators 2014/15.

Summary:

This report presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2014/15 and Prudential Indicators 2014/15 as required by the Department of Communities and Local Government and CIPFA.

Recommendations:

It is recommended to Council that:

- i. The Operational Borrowing Limit for 2014/15 is set at £79m**
- ii. The Authorised Borrowing Limit for 2014/15 is set at £83m**
- iii. Councillors delegate authority to the Executive Director (s151) to effect movement within the agreed authorised boundary limits for long-term borrowing for 2014/15 onwards.**
- iv. Councillors delegate authority to the Executive Director (s151) to effect movement within the agreed operational boundary limits for long-term borrowing for 2014/15 onwards.**

- v. **The treasury management strategy statement 2014/15 be approved.**
- vi. **The minimum revenue provision policy statement for 2014/15 be approved.**
- vii. **The treasury management investment strategy for 2014/15 be approved.**
- viii. **The prudential indicators for 2014/15 which reflect the capital expenditure plans which are affordable, prudent and sustainable be approved.**

Reasons for recommendation

To ensure the Council's Treasury Management Strategy and associated policies are prudent and affordable.

1. Introduction and background

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested to maximise returns within a policy which prioritises security of capital and liquidity of funds.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 The Council's Treasury Management Strategy is attached at Appendix A. The strategy sets out the limits to borrowing and investments that officers will apply over the coming year in order to ensure the Council's capital investments plans are affordable, prudent and sustainable.

2. The Report

Treasury Management Strategy

- 2.1
 - The Council's 'Authorised Limit for External Debt' is £83m for 2014/15, which is the maximum that can be borrowed in the year;
 - The 'Operational Boundary' (the maximum amount that is expected to be borrowed) is £79m in 2014/15, providing £4m headroom for any unusual cashflow purposes, should this be

required;

- Officers will manage the Council's exposure to interest rate variations during the year by working within agreed upper limits for fixed and variable interest rates (variable rate borrowing will be limited to 30%);
- Within its Treasury Management Strategy, the Council will contain its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of principal sums, by setting limits for the amounts that can be invested from 1 up to 5 years (ranging from £20m down to £5m respectively);
- Following the reform of the Housing Revenue Account (HRA) in 2011/12 the Council operates 2 borrowing pools – one for the General Fund and one for the HRA.
- The Council has a range of loans with differing maturity limits in order to smooth out the repayment profile – the value of loans at 03/12/2013 is £60.333m at an average rate of 4.185%;
- Total investments are around £20.5m at an average rate of 1.00%.

Minimum Revenue Provision (MRP) Policy

- 2.2
- MRP for new borrowing will be based on the asset life;
 - Total MRP for 2014/15 is £1,719k (£1,365k for loans and £354k for leases)

Annual Investment Strategy

- 2.3
- The priorities for investing the Council's cash reserves are security of capital and liquidity of funds;
 - Credit ratings and other credit intelligence are used to inform decisions on investments;
 - Cash balances for investment are expected to range between £14m and £25m over the coming year dependent upon cashflows;
 - Interest rates are not forecast to increase over the coming months and therefore sums are being invested over a range of periods of time to try and achieve the budgeted return and to allow us to take advantage of rising rates as soon as possible;
 - An average rate of return of 1.25% has been estimated for 2014/15.

Prudential Indicators

- 2.4
- The Council plans to spend £11.232m on capital projects in 2014/15
 - This expenditure will be funded from major repairs reserve, capital receipts, grants or revenue resources & borrowing;
 - Principle (Minimum Revenue Provision or MRP) and interest repayments on current and proposed borrowing, less interest on investments, equate to 0.92% of the General Fund Budget and 31.38% of the HRA net budget in 2014/15.

- Taking into account all capital spending plans during 2014/15 there is a borrowing requirement of £300k for the General Fund and £300k for the HRA.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

There are no legal issues as a result of this report.

3.2 Financial Issues

There are no financial implications as a result of this report. However, the Executive Director (s151) and Lead Officer - Finance will, with advice from the Council's advisor (Capita Asset Services) look to maximise opportunities with the Council's investment and borrowing position.

4. Conclusion

- 4.1 The Council has a statutory duty to produce its annual treasury management and investment strategies.

5. Background Documents

Accountancy treasury management files

Contact Details

Jodie Taylor
Lead Officer - Finance
Selby District Council
accountancy@selby.gov.uk

Appendices:

Appendix A – Treasury Management Strategy 2014/15
Appendix B – Minimum Revenue Provision Policy 2014/15
Appendix C – Annual Investment Strategy 2014/15
Appendix D – Prudential Indicators 2014/15

TREASURY MANAGEMENT STRATEGY STATEMENT 2014/15

1. Introduction

1.1 Treasury management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.2 **Reporting requirements** – The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Executive.

1.3 **A Mid Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

1.5 **An Annual Treasury Report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.6 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) (included as Appendix D); this sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

1.8 The suggested Treasury Management Strategy for 2014/15 covers the following Issues

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- HRA self financing;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on the use of external service providers.

1.9 The CIPFA Code requires the Executive Director (s151) to ensure that members with responsibility for treasury management, particularly those with responsibility for scrutiny, receive adequate training in treasury management. Training has been provided to members by Capita Asset Services (formerly Sector) and further training will be arranged as required.

1.10 These elements cover the requirements of the Local Government Act 2003, the CIPFA prudential Code, the CLG MRP Guidance, the CIPFA Treasury

Management Code and the CLG Investment Guidance.

- 1.11 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its council tax requirement for each financial year to include the revenue costs that flow from capital financing decisions. This includes: -
- Increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
 - Any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.
- 1.12 The Council uses Capita Asset Services as its external treasury management advisors.
- 1.13 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. (Treasury Management Practice 11)
- 1.14 The capital expenditure plans set out in Appendix D provide a summary of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

Table 1: Current Treasury Portfolio at 03/12/13

		Principal		Ave. rate
		£m	£m	%
Fixed rate funding	PWLB	53.833		
	Market	<u>6.500</u>	60.333	4.19
Variable Rate Funding	PWLB	0		
	Market	0	0	0
Other long term liabilities	Leases	1.393	1.393	2.37
TOTAL DEBT			<u>61.726</u>	<u>4.14</u>
TOTAL INVESTMENTS			20.545	1.00

- 1.15 The Council's treasury portfolio position as at 3 December 2013 is shown in Table 1 and the forecasted position at 31 March 2014, with forward projections summarised in Table 2. The table shows the actual external borrowing (the treasury management operations), against the capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 2: Forecasted Portfolio Position

	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
External borrowing					
Borrowing at 1 April	62,084	61,726	61,406	61,503	60,711
Expected Change in Borrowing	-4	0	0	0	0
Leases	-354	-320	-354	-342	0
Actual borrowing at 31 March	61,726	61,406	61,053	60,711	60,711
CFR – the borrowing need *	61,674	59,986	58,866	59,662	60,803
Under / (over) borrowing	-53	-1,421	-2,186	-1,049	92
Investments					
Total Investments at 31 March	17,459	20,000	20,000	20,000	20,000
Investment Change	-3,571	2,541	0	0	0
Net Borrowing	44,267	41,406	41,503	40,711	40,711

* This allows for £1.175m set aside each year to repay HRA debt from 2020 onwards

2. **Treasury Limits for 2014/15 to 2016/17**

- 2.1 Selby District Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending.
- 2.2 CIPFA's Prudential code for Capital Finance in Local Authorities' includes the following key indicator of prudence;
"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and the next two financial years."
- 2.3 The Executive Director (s151) reports that the authority (General Fund) had no difficulty meeting this requirement in 2012/13, nor are any difficulties envisaged for the current (2013/14) or future years (2014/15 – 2016/17). This view takes into account current commitments, existing plans and the proposals in the budget.

- 2.4 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. In England and Wales the authorised limit represents the legislative limit specified in the Act.
- 2.5 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is ‘acceptable’. It reflects the level of external borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- 2.6 Whilst termed an “Affordable Borrowing Limit”, it incorporates the capital plans to be considered for inclusion in corporate financing by both external borrowing and other forms of liability, such as credit arrangements.
- 2.7 The Authorised Limit for external borrowing is a key prudential indicator and represents a control on the maximum level of borrowing. It is a limit beyond which external borrowing is prohibited, and this limit needs to be set or revised by the full Council on a rolling basis, for the forthcoming financial year and two successive financial years. This information is shown in table 3.

Table 3: Authorised Borrowing Limit

Authorised Limit for External Debt	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Borrowing	72,000	72,000	81,000	77,000	77,000
Other Long Term Liabilities	3,000	3,000	2,000	2,000	2,000
Total	75,000	75,000	83,000	79,000	79,000

- 2.8 The Operational Boundary is the limit beyond which external borrowing is not normally expected to exceed and within which officers will manage the Council's external debt position. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual borrowing. This information is shown in table 4.

Table 4: Operational Borrowing Limit

Operational Boundary	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Borrowing	68,000	68,000	77,000	73,000	73,000
Other Long Term Liabilities	3,000	3,000	2,000	2,000	2,000
Operational Boundary Total	71,000	71,000	79,000	75,000	75,000

- 2.9 In respect of its external debt, table 3 details the proposed authorised limits for the Council’s total external debt gross of investments for the next three financial years which councillors are recommended to approve. These limits separately identify borrowing from other long-term liabilities such as finance leases. The 2012/13 and 2013/14 figures shown above are for comparative purposes. It is also recommended that members continue to delegate authority to the Executive Director (s151), within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities. Any such changes made will be reported to the Executive at its next meeting following the change.
- 2.10 The Executive Director (s151) reports that these authorised limits are consistent with the authority’s current commitments, existing plans and the proposals in the budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Executive Director (s151) confirms that they are based on the estimate of the most likely, prudent but not worst-case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

3. Prospects for Interest Rates

- 3.1 The Council appointed Capita Asset Services as a treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. Annex 1 draws together a number of current City forecasts for short term (bank rate) and longer fixed interest rates. Table 5 gives the Capita central view.

Table 5: Capita View interest rate forecast – December 2013

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2013	0.50	2.50	4.40	4.40
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.40	4.40
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.50	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.20	5.00	5.10
Jun 2016	0.50	3.30	5.10	5.20
Sep 2016	0.75	3.50	5.10	5.20
Dec 2016	1.00	3.60	5.10	5.20
Mar 2017	1.25	3.70	5.20	5.30

- 3.2 Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth rebounded in quarter 1 and 2 of 2013 to surpass all expectations. Growth prospects remain strong looking

forward, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent.

- 3.3 A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.
- 3.4 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:
- Although Eurozone concerns have subsided in 2013, Eurozone sovereign debt difficulties have not gone away and there are major concerns as to how these will be managed over the next few years as levels of government debt, in some countries, continue to rise to levels that compound already existing concerns. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
 - Investment returns are likely to remain relatively low during 2014/15 and beyond;
 - Borrowing interest rates have risen significantly during 2013 and are on a rising trend. The policy of avoiding new borrowing on the General Fund by running down spare cash balances has been a prudent approach in recent years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs if rates continue to rise.
 - Based on these forecasts, if any new borrowing is taken which causes an increase in investments, there will remain a cost to carry as this will incur a revenue loss between borrowing costs and investment returns.

Borrowing Requirement

- 4.1 The Council is currently maintaining an under-borrowed position. This means that the General Fund capital borrowing need (the Capital Financing Requirement) has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This is a prudent strategy as investment returns are low and counterparty risk is relatively high, however, this approach will be carefully monitored during 2014/15.
- 4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2014/15 treasury operations. The Executive Director (s151) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- 4.3 If it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- 4.4 If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
- 4.5 Any decisions will be reported to the Executive at the next available opportunity.
- 4.6 The current capital programme funding forecasts for 2014/15 to 2016/17 shows that there is a borrowing requirement for both the General Fund and HRA. However there may be a further requirement to fund part of the potential Leisure Village project from borrowing and this will be confirmed once and if the project is approved. The borrowing needs for future years will be reviewed as the capital programmes are confirmed.
- 4.7 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. Tables 6 and 7 summarise these indicators which are:
- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
 - Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
 - Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Table 6: Interest Rate Exposure

Upper Limit for Fixed Interest Rate Exposure	%	%	%	%	%
Net Interest re Fixed Rate Borrowing / Investments	100	100	100	100	100
Upper Limit for Variable Rate Exposure	%	%	%	%	%
Net Interest re Variable Rate Borrowing	30	30	30	30	30
Net Interest re Variable Rate Investments	100	100	100	100	100

Table 7 : Maturity Structure Fixed Rate Borrowing 2013/142014/15

Maturity Structure New Borrowing 2013/20142014/15	Upper Limit	Lower Limit
Under 12 Months	20%	0%
12 Months and within 2 Years	20%	0%
2 Years and within 5 Years	50%	0%
5 Years and within 10 Years	50%	0%
10 Years and within 15 Years	50%	0%
15 Years and over	90%	20%

- 4.8 The Council has a policy of borrowing from the Public Works Loans Board in the first instance (over periods up to 50 years) or the money markets (over periods up to 50 years) which ever reflects the best possible value for the Council at the time. Individual loans are taken out over varying periods depending on the relative value of interest rates at the time of borrowing need and to avoid wherever possible a distorted repayment profile.
- 4.9 The Council's current debt portfolio as shown in Table 1 is made up of £53.833m of PWLB debt and £6.5m of market debt. Opportunities for debt rescheduling have been limited. Flexibility for rescheduling was put into the PWLB debt taken to fund the Community Office Project (£2.6m) and the HRA Self Financing Settlement (£50.233m) to enable opportunities to generate savings if appropriate. This element of the debt portfolio will be kept under review.
- 4.10 The reasons for any rescheduling to take place will include:
- the generation of cash savings at minimum risk;
 - help fulfil the strategy outlined in paragraph 5 above; and
 - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Maturity Structure New Borrowing 2013/20142014/15	Upper Limit	Lower Limit
Under 12 Months	20%	0%
12 Months and within 2 Years	20%	0%
2 Years and within 5 Years	50%	0%
5 Years and within 10 Years	50%	0%
10 Years and within 15 Years	50%	0%
15 Years and over	90%	20%

- 4.11 Any rescheduling of debt will be reported to Executive at the meeting following its action. The Council has a policy of borrowing from the Public Works Loans Board in the first instance (over periods up to 50 years) or the money markets (over periods up to 50 years) which ever reflects the best possible value for the Council at the time. Individual loans are taken out over varying periods depending on the relative value of interest rates at the time of borrowing need and to avoid wherever possible a distorted repayment profile.

- 4.12 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 4.13 Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism. Additional borrowing may be required during 2014/15 to fund any loans made to the Leisure Village project or to fund any additional capital expenditure incurred by the General Fund or HRA.

MINIMUM REVENUE PROVISION POLICY STATEMENT 2014/15**1****Introduction**

- 1.1 Since 2008 the Council's Minimum Revenue Provision (MRP) liability has been governed by statutory guidance issued under the Local Government and Public Involvement in Health Act 2007 and Statutory instrument 2008 no 414 rather than regulation. A general duty has been placed upon local authorities to make an amount of MRP which it considers to be prudent, with responsibility being placed upon the Council to approve an annual MRP policy statement. MRP is the minimum amount that must be charged to revenue to repay loans.

2**Minimum Revenue Provision Policy**

- 2.1 In May 2008 the Council set its MRP policy. As part of the budget setting process this policy is reviewed each year.
- 2.2 The currently agreed policy is that for all expenditure prior to 1 April 2008 which formed the General Fund Capital Financing Requirement (CFR) that is capital expenditure funded through borrowing be charged at 4% of the outstanding balance each year. The exception was public conveniences. The public conveniences element was to be charged over 15 years which was agreed as part of the funding for the refurbishment programme. The policy also agreed that all expenditure giving rise to MRP going forward would be charged over a period reasonably commensurate with the asset life.
- 2.3 The Council's MRP policy for 2014/15 is:
- CFR Method – Whereby the amount of MRP is calculated solely in relation to the CFR for the General Fund without any adjustments at the start of the year. This is the method that the Council has applied since an amendment to the regulations in 2006.
- And
- Asset Life Method – for the public conveniences project completed in 2006/07 which is being repaid over 15 years and all other projects funded from borrowing since April 2008.
- 2.4 It is proposed that this policy continues for 2014/15. However, in the case of long term debtors arising from loans or other types of capital expenditure incurred by the Council which will be repaid under separate arrangements, there will be no MRP made. The Council is satisfied that a prudent provision will be achieved after exclusion of these capital expenditure items.
- 2.5 The Council does not charge MRP on its non-operational assets i.e. those currently under construction. This option is in line with the principle that MRP should only be charged when assets are completed / become operational.
- 2.6 In 2014/15 MRP chargeable to the General Fund will relate to historic debt liability of £1.875m, public conveniences of £0.074m and the new civic centre £2.392m. This gives rise to an MRP liability of £190k for 2014/15 (£193k for 2014/15).

- 2.7 Should any expenditure incurred by the Council not be capable of being related to an asset because for example it is a grant to another organisation's capital project then an asset life will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.
- 2.8 Any finance lease that comes onto the balance sheet via the requirements of International Financial Reporting Standards will already have taken capital financing into account as part of their revenue charges. For this reason they will be excluded from MRP calculations.
- 2.9 Repayments included in finance leases are applied as MRP.
- 2.10 No revenue charge is currently required for the HRA. However under HRA reform the HRA is required to charge depreciation on its assets, which will have a revenue effect. In order to address any possible adverse impact, regulations allow the Major Repairs Allowance to be used as a proxy for depreciation for the first five years.

ANNUAL INVESTMENT STRATEGY STATEMENT 2014/15

1. **Introduction**

- 1.1 The Council will have regard to the CLG's Guidance on Local Government Investments ("the Guidance"), and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

2. **Investment Principles**

- 2.1 All investments will be in sterling. The general policy objective for this Council is the prudent investment of its treasury balances. The Council's investment priorities are:
- the security of capital and
 - liquidity of its investments.
- 2.2 The council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. The risk appetite of the Council is low in order to give priority to security of its investments.
- 2.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.
- 2.4 Investment instruments identified for use in the financial year are listed in Annex 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

3. **Creditworthiness Policy**

- 3.1 The Council uses the creditworthiness service provided by Capita Asset Services. This employs a sophisticated modelling approach with credit ratings from all three agencies – Fitch, Moody's and Standard and Poors, forming the core element. The credit ratings of counterparties are supplemented with the following overlays:-
- Credit watches and credit outlooks from rating agencies
 - Credit Default Swaps (CDS) spreads to give an early warning of likely changes in credit ratings. CDS spreads are a risk mitigation tool used by the financial markets to help assess the creditworthiness of financial institutions. A CDS is an insurance against debt default.
 - Sovereign ratings to select counterparties from only the most credit worthy countries.
- 3.2 This modelling approach combines credit ratings, credit watches, and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative credit worthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council is satisfied that this service along with information from other sources such as the financial press and markets gives an additional level of security for its investments. It is also a service that the Council would not be able to replicate

using in-house resources.

- 3.3 The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Sector's weekly credit list of worldwide potential counterparties. The Council will use counterparties within the following durational bands:
- Yellow – up to 5 years (this is for AAA rated Government debt or its equivalent, including local authorities)
 - Purple – up to 2 years
 - Blue – up to 1 year (nationalised/semi nationalised UK banks only)
 - Orange – up to 1 year
 - Red – up to 6 months
 - Green – up to 3 months
 - No Colour – not to be used
- 3.4 The Council will not use the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties as this would leave the Council with very few banks on its lending list, meaning that the value of total deposits would rise thus increasing counterparty exposure risk. The Capitaservice uses a wider array of information and provides a balanced score for counterparties.
- 3.5 All credit ratings are monitored on a weekly basis and at the time that the Council wishes to lend. The Council is alerted to changes to ratings of all three agencies as they happen through the use of the Capita creditworthiness service.
- If a down grade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as for new investment will be withdrawn immediately
 - In addition the Council will be advised of movements in CDS status and other market movements, which could result in an institution being removed from the list.
- 3.6 The Council does not place sole reliance on the use of this service from Capita. Other information from a number of sources is also used to assist in forming a view on suitable counterparties.
- 3.7 The Council will only use approved counterparties from countries with a minimum sovereign rating of AA from Fitch Ratings. The list of countries that currently qualify using this credit criteria are shown in Annex 2. This list will be added to, or deducted from by officers should ratings change in accordance with this policy.

4. **Investment Strategy**

- 4.1 The Council's funds are managed in-house and are a mixture of cash-flow derived and a core balance available for investment up to 5 years if the market conditions are appropriate. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Core cash balances are derived from reserved capital receipts which are required for repayment of borrowing at a future date of more than 12 months.
- 4.2 Based on its cash flow forecasts, the Council anticipates its cash balances for investment in financial year 2014/15 to range between £14m and £25m. Cash

balances consist of capital receipts, earmarked reserves General Fund and HRA balances and the Council's forecast cash flow. Balances will fluctuate during the year due to income being received in advance of expenditure occurring.

- 4.3 The bank rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank rate forecasts for financial year ends (March) are as follows: -
- 2013/14 0.50%
 - 2014/15 0.50%
 - 2015/16 0.50%
 - 2016/17 1.25%
- 4.4 There are risks to these forecasts if economic growth remains weaker for longer than expected then rates will remain lower for longer. However, should growth pick up more sharply than expected then rates could increase sooner than forecast.
- 4.5 The Council has budgeted for an average return of 1.25% on its investments for 2014/15. This has been based on the rates currently being offered for investments using a mixture of shorter periods for non-core balances and longer periods (if appropriate) for core balances.
- 4.6 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (over night to three months) in order to benefit from the compounding of interest.
- 4.7 The Council is required to set limits for its investments it would need to contain its exposure to long-dated investments to avoid losses on forced early redemptions. This framework provides a balance between caution and the freedom to take advantage of suitable market opportunities that may arise. Advice is always sought from market information available through the Council's treasury management advisors (Capita Asset Services) before making such a commitment for investment periods of longer than 364 days. This is shown in Table 1.

Table 1: Limit Principal Sum Investments Greater Than 364 Days

Upper Limit for Total Principal Sums Invested for Over 364 Days	£'000	£'000	£'000	£'000	£'000
1 to 2 Years	20,000	20,000	20,000	20,000	20,000
2 to 3 Years	15,000	15,000	15,000	15,000	15,000
3 to 4 Years	5,000	5,000	5,000	5,000	5,000
4 to 5 Years	5,000	5,000	5,000	5,000	5,000

Table 2: Analysis of Core Cash Investments at 3 December 2013.

Institution	Amount £'000	Start Date	Maturity	Rate
Fife Council	1,000	05/01/12	06/01/14	1.30
Lloyds TSB	3,000	16/10/12	16/10/14	0.98
Lloyds TSB	2,000	01/08/12	01/08/14	3.20
Nat West	1,000	01/10/13	30/09/14	0.79
Nat West	1,000	15/11/13	14/11/14	0.78
Newcastle City Council	3,000	29/11/12	07/05/15	1.00
Newcastle City Council	1,000	21/01/13	28/09/15	1.00
Handelsbanken	3,000	N/A	Call	0.60
Nat West	2,000	N/A	30 Day Notice	0.55
Nat West	795	N/A	Call	0.50
Money Market Funds - Ignis	2,750	N/A	Call	0.39
Total	20,545			

4.8 Table 2 shows an analysis of the Councils cash balances investments as at 3 December 2013.

4.9 Investment instruments identified for use in the financial year are listed at Annex 3 under the following categories:-

- 'Specified Investments' – which are defined as
 - Investments denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
 - The investment is not a long term investment, i.e. it is only up to 1 year.
 - The making of the investment is not defined as capital expenditure by virtue of regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 31456 as amended].
 - The investment is made with a body or in an investment scheme of high credit quality, the UK government or with a UK public sector body.

and

- 'Non-Specified Investments' are defined as those not meeting the definition of a Specified Investment.

- 4.10 Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

5 **Investments Defined as Capital Expenditure**

- 5.1 Investments in “money market funds” which are collective investment schemes and bonds issued by “multilateral development banks” – both defined in SI 2004 No 534 – will not be treated as capital expenditure.
- 5.2 A loan or grant or financial assistance by this Council to another body for capital expenditure by that body will be treated as capital expenditure.

6 **End of Year Investment Report**

- 6.1 At the end of the financial year, the Council will prepare a report on its investment activity as part of its Annual Treasury Report.

7 **Policy on the Use of External Service Providers**

- 7.1 The Council uses Capita Asset Services as its external treasury management advisers.
- 7.2 Treasury Management services are also provided by North Yorkshire County Council as part of a wider range of accountancy services provided by the County Council. Services include, but are not limited to supporting the cashflow forecasting, investment decisions, review of lending criteria and quarterly reporting requirements. The potential use of a pooled investment arrangement will also be considered in early 2014/15.
- 7.3 The Council recognises that the responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed on our external service providers.
- 7.4 The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

THE CAPITAL PRUDENTIAL INDICATORS 2014/15 – 2016/17**1. Introduction**

- 1.1 The 'Prudential Code' provides Council's with a regime of self-regulation for borrowing money for capital purposes. A local authority can borrow as much as it wishes as long as it can afford the repayments. The Code outlines four key objectives relating to the capital investment plans and treasury management procedures of local authorities. To demonstrate that these objectives are being fulfilled the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account.
- 1.2 The Code prescribes how the issue of affordability is measured using a set of prudential indicators. The four key objectives of the Code are to ensure that capital investment plans of local authorities are affordable, prudent and sustainable, and to ensure that treasury management decisions are taken in accordance with good professional practice. The indicators are mandatory but the figures used in the calculations are a matter for each local authority.
- 1.3 The prudential indicators required by the Code are designed to support and record local decision-making. They are not designed to be comparative performance indicators and the use of them in this way would be likely to be misleading and counter productive.
- 1.4 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators which are designed to assist members overview and confirm capital expenditure plans.

2. Capital Expenditure:

- 2.1 This prudential Indicator is a summary of the Council's capital expenditure plans. Members are asked to approve the capital expenditure forecasts summarised in Table 1.

Table 1: Capital Expenditure

Capital Expenditure	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
General Fund	1,166	5,502	6,901	1,854	1,965
HRA	5,486	4,342	4,331	4,045	3,394

- 2.2 Other long term liabilities. The above financing need excludes other long term liabilities, such as leasing arrangements which already include borrowing instruments (this includes the leases the councils contractors have for vehicles and equipment within the Street Scene and Leisure Contracts). Table 2 below includes these costs.
- 2.3 As part of our aspirations for Selby District the Council has approved a

'Programme for Growth' which includes a number of revenue and capital initiatives aimed at stimulating activity associated with jobs, housing, infrastructure, retail and leisure. While these strategic initiatives have been included in the capital expenditure plans shown in Table 1, any changes may require the Council to reconsider its borrowing requirements, depending on the external resources it is able to lever towards the programme

- 2.4 The Development Strategy for the Selby and District Housing Trust set out initial proposals on the funding of the Trust by the County Council and HRA. As a result, additional borrowing may be required during 2014/15 to fund any loans made to the Housing Trust or additional capital expenditure incurred by the General Fund and/or HRA.

Table 2: Financing of Capital Expenditure

Capital Expenditure	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
General Fund	1,166	5,502	6,901	1,854	1,965
HRA	5,486	4,342	4,331	4,045	3,394
Total	6,652	9,844	11,232	5,900	5,358
Financed By:					
Revenue & Reserves	3,396	6,650	6,340	3,070	2,528
Capital Receipts	827	250	185	185	185
Grants	276	2,050	3,578	145	145
Major Repairs Allowance / Reserve	2,143	895	529	0	0
Borrowing - Debt	16	0	600	2,500	2,500
Borrowing - Leases	0	0	0	0	0
Total	6,652	9,844	11,232	5,900	5,358

- 2.3 Table 2 summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

3. The Council's Borrowing Need (the Capital Financing Requirement):

- 3.1 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR. This is summarised in Table 3.

Table 3: Capital Financing Requirement

	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
CFR General Fund	4,534	4,340	4,450	5,513	6,758
CFR GF Leases	1,393	1,073	719	377	377
Total CFR General Fund	5,926	5,413	5,169	5,890	6,955
CFR HRA	55,747	54,572	53,697	53,772	53,847
TOTAL CFR	61,674	59,986	58,866	59,662	60,803
Movement in CFR	-1,463	-1,688	-1,119	796	1,141
Movement in CFR represented by					
Net Financing need for the year	263	0	600	2,500	2,500
Less MRP & Other financing movements	-1,726	-1,688	-1,719	-1,704	-1,359
Movement in CFR	-1,463	-1,688	-1,119	796	1,141

- 3.2 Following accounting changes the CFR includes any other long term liabilities (e.g. finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. These are also shown in Table 3.
- 3.3 Selby District Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast the capital financing

requirement reflects the authority’s underlying need to borrow for capital purposes.

- 3.4 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Table 4 shows the estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Table 4: Year End Resources

	2012/13 Actual £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000
GF Fund Balances / Reserves	8,160	9,313	8,195	8,641	8,919
HRA Fund Balances / Major Repairs Reserve	2,749	4,063	4,985	7,558	11,225
Capital Receipts	859	3,424	517	540	305
Other (Grants)	228	228	228	35	35
Total Core Funds	11,996	17,028	13,925	16,774	20,484
Working Capital	14,900	19,000	18,000	21,000	25,000
Expected Investments	17,459	20,000	20,000	20,000	20,000

4. Affordability Prudential Indicators

- 4.1 The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council’s overall finances. The Council is asked to approve the following indicators:
- 4.2 The indicator of actual and estimates of the ratio of financing costs to net revenue stream identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. These are shown in Table 5. The estimates of financing costs include current commitments and the proposals in this report.

Table 5: Ratio of Financing Costs to Net Revenue Stream

	2012/13 Actual	2013/14 Forecast	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
	%	%	%	%	%
GF	10.97	8.71	9.16	9.83	6.63
HRA *	31.67	30.73	28.67	27.63	26.63

- 4.3 * This is the impact of the HRA settlement. The Council no longer pays into the housing subsidy system and keeps all of its income stream to service the debt.
- 4.4 In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:
- Affordability, e.g. Implications for the Council Tax
 - Prudence and sustainability, e.g. implications for external borrowing
 - Value for money, e.g. option appraisal
 - Stewardship of assets, e.g. asset management planning
 - Service objectives, e.g. strategic planning for the authority
 - Practicality, e.g. achievability
- 4.5 A key measure of affordability is the incremental impact on the Council Tax, and the Council could consider different options for its capital investment programme in relation to their differential impact on the Council Tax.
- 4.6 The estimate of the incremental impact of capital investment decisions agreed as part of the budget, over and above capital investment decisions that have previously been taken prior to the 2014/15 budget setting round are shown in table 6.

Table 6: Incremental Impact of Capital Investment Decisions

Capital Investment Impact Upon:	2013/14	2014/15	2015/16	2016/17
	£	£	£	£
Annual Band D Council Tax	1.30	1.16	0.04	0.10
Average Annual Housing Rent	0.01	0.00	0.00	0.00

- 4.7 The impact on Council Tax represents the cost of additional revenue financing of capital spending (or any prudential borrowing less any revenue savings or income).
- 4.8 Housing rents are effectively fixed by rent restructuring any extra revenue costs due to capital investment have no impact on HRA rents. The figures for rent therefore show the element of rent required to support capital projects.



Report Reference Number C/13/20

Agenda Item No: 15

To: Council
Date: 25 February 2014
Author: Jackie Humphries – Lead Officer Human Resources
Lead Officer: Keith Dawson – Director
Executive Member Councillor Mark Crane

Title: Pay Policy Statement

Summary:

The purpose of this report is to seek approval to implement the Council's Pay Policy Statement 2014/15 in accordance with section 38 of the Localism Act 2011.

Recommendations:

- i. That Council approve the Pay Policy Statement for 2014/15 (Appendix 1)**
- ii. That Council endorse the Terms and Conditions relating to Pay (Appendix 2)**

Reasons for recommendation

To comply with Localism Act 2011 (the Act) to prepare a Pay Policy Statement articulating the Council's policy towards the pay of the workforce.

1. Introduction and background

Local Authorities are required under section 38(1) of the Localism Act 2011 (the Act) to prepare a Pay Policy Statement (Appendix 1). The Statement must articulate the Council's policy towards the pay of the workforce, particularly senior staff and lowest paid employees.

2. The Report

- 2.1 Each local authority is an individual employer in its own right and has the authority to make decisions on pay that are appropriate to local circumstances and which deliver value for money for local taxpayers.**

The provisions of the Act do not seek to change this or to determine what decisions on pay should be taken but they require individual employing authorities to be more open about their own policies in relation to pay and how decisions are made in this regard.

- 2.2 Section 40 of the Act requires authorities in developing their Pay Policy Statement to have regard to any guidance published by the Secretary of State. This includes Communities and Local Government guidance on Openness and Accountability in Local Pay and the Code of Recommended Practice for Local Authorities on Data Transparency.
- 2.3 The government has taken steps to increase transparency on the pay and reward of public sector employees and the Code of Recommended Practice for Local Authorities on Data Transparency which amongst other things asks councils to consider the way they release data on senior salaries.
- 2.4 In March 2011 the Hutton Review of Fair Pay was published which made several recommendations for promoting pay fairness in the public sector by tackling disparities between the lowest and highest paid in the public sector.
- 2.5 A table detailing the Terms and Conditions relating to pay can be found at Appendix 2.
- 2.6 The Organisational Structure indicates the current vacancies and salary grades, Appendix 3.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

The Localism Act 2011, Chapter 8 refers to 'Pay Accountability' and sets out the requirements for councils to determine and publish annual pay policy statements.

The pay policy statement must set out an authority's policies relating to;

- Chief Officer remuneration
- Remuneration of its lowest paid employees
- The relationship between chief officer remuneration and that of other staff

An authority may amend its pay policy statement during the period but must comply with the statement in force in making decisions on relevant remuneration.

4. Conclusion

The provisions contained in the Act bring together the need for increasing accountability, transparency and fairness in the setting of pay which has culminated in the formalisation of the Council's Pay Policy Statement which outlines the pay and reward of the most senior employees set within the context of the pay of the wider workforce.

Contact Officer: Jackie Humphries

Appendices:

- Appendix 1 Statement Of Pay Policy**
- Appendix 2 Terms and Conditions of Pay**
- Appendix 3 Organisational Structure**

SELBY DISTRICT COUNCIL/ACCESS SELBY
STATEMENT OF PAY POLICY FOR THE PERIOD 1 APRIL 2014 TO 31
MARCH 2015

Introduction

Sections 38 -43 of the Localism Act 2011 require that the authority produce a policy statement that covers a number of matters concerning the pay of the authority's staff, principally Chief Officers. This policy statement meets the requirements of the Localism Act in this regard and also meets the requirements of guidance issued by the Secretary of State for Communities and Local Government to which the authority is required to have regard under Section 40 of the Act. This policy was considered and approved by the full council at the Council meeting which took place on 25 February 2014. This policy also has some connection with the data on pay and rewards for staff which the authority publishes under the Code of Recommended Practice for Local Authorities on Data Transparency and the data which is published under The Accounts and Audit (England) Regulations (2011). It should be noted that the requirements to publish data under the Secretary of State guidance, the Code of Practice and the Regulations do differ, the data requirements of the Code of Practice and the Accounts and Audit Regulations are summarised at Appendix 1 to this Policy Statement.

Definition of officers covered by the Policy Statement

This policy statement covers the following posts:

- Head of Paid Service, which in this authority is the post of Chief Executive.
- Statutory Chief Officers, which in this authority are the posts of Deputy Chief Executive (Monitoring Officer) and Executive Director (Section 151 Officer)
- Non-statutory Chief Officers (those who report directly to the Head of Paid Service) which in this authority are the posts of Executive Director, Managing Director, Directors.

Policy on remunerating Chief Officers

The Authority's policy on remunerating Chief Officers is set out in the schedule that is attached to this Policy Statement at Appendix 2. It is the policy of this Authority to establish a remuneration package for each Chief Officer post that is sufficient to attract and retain staff of the appropriate skills, knowledge, experience, abilities and qualities that is consistent with the authority's requirements of the post in question at the relevant time.

Policy on remunerating the lowest paid in the workforce

The Authority applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment. The lowest pay point in this authority relates to spinal column point 10 which is currently £14,013 per annum thus becoming an hourly rate of pay of £7.26 per hour. This pay point was agreed as a fixed point within a salary band during the restructure which took place in 2011 and determined by the Authority as part of the pay salary bands for employees employed on Local Government Services Terms and Conditions. The pay rate is increased in accordance with any pay settlements which are reached through the National Joint Council for Local Government Services.

Policy on the relationship between Chief Officer remuneration and that of other staff

The highest paid salary in this authority is £92852 which is paid to the Chief Executive. The average median salary is £21734. The ratio between the two salaries, the 'pay multiple' is 4.27:1. This Authority does not have a policy on maintaining or reaching a specific 'pay multiple'. Senior Officers' salaries are subject to review and all other employees are subject to pay rates determined in accordance with National Conditions of Service and local pay determination. The authority's approach to the payment of all staff is to pay that which the authority needs to pay to recruit and retain staff with the skills, knowledge, experience, abilities and qualities needed for the post in question at the relevant time, and to ensure that the authority meets any contractual requirements for staff including the application of any local or national collective agreements, or authority decisions regarding pay.

Policy on other aspects of Chief Officer remuneration

Other aspects of Chief Officer remuneration are appropriate to be covered by this Policy statement, these other aspects are defined as recruitment, pay increases, additions to pay, performance related pay, earn back, bonuses, termination payments, transparency and re-employment when in receipt of an LGPS pension or a redundancy/severance payment. These matters are addressed in the schedule that is attached to this Policy Statement at Appendix 2.

Approval of Salary Packages in excess of £100k

The authority will ensure that, at the latest before an offer of appointment is made, any salary package for any post that is in excess of £100k will be considered by Full Council. The salary package will be defined as base salary, any bonuses, fees, routinely payable allowances and benefits in kind that are due under the contract.

Flexibility to address recruitment issues for vacant posts

In the vast majority of circumstances the provisions of this policy will enable the Authority to ensure that it can recruit effectively to any vacant post. There may be exceptional circumstances when there are recruitment difficulties for a particular post and where there is evidence that an element or elements of the remuneration package are not sufficient to secure an effective appointment. This policy statement recognises that this situation may arise in exceptional circumstances and therefore a departure from this policy can be implemented without having to seek Full Council approval for a change of the policy statement. Such a departure from this policy will be expressly justified in each case and will be approved through an appropriate authority decision making route.

Amendments to the policy

It is anticipated that this policy will not need to be amended during the period it covers (April 2014 – end March 2015). However if circumstances dictate that a change of policy is considered to be appropriate during the year then a revised draft policy will be presented to Full Council for consideration.

Policy for future years

This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

APPENDIX 1

Selby District Council **Pay Policy Statement**

The Secretary of State for Communities and Local Government Code of Recommended Practice for Local Authorities on Data Transparency indicates that local authorities should publish the following data concerning staff:

- Salaries, names (with an option for individuals to refuse to consent to this), job descriptions, responsibilities, budgets (including overall salary cost of staff reporting), and numbers of staff for all staff in receipt of a salary of more than £58,200
- An organisational chart of the staff structure of the authority including salary bands and details of current vacant posts
- The 'pay multiple' – the ratio between the highest paid salary and the median average salary of the whole authority workforce

The Accounts and Audit (England) Regulations (2011) require that the following data is included in the authority's accounts:

- Numbers of employees with a salary above £50K per annum (pro-rata for part-time staff) in multiples of £5K
- Job title, remuneration and employer pension contributions for senior officers, Senior officers are defined as Head of Paid Service, Statutory Chief Officers and Non-Statutory Chief Officers by reference to Section 2 of the 1989 Local Government & Housing Act
- Names of employees paid over £150K per annum

For the above remuneration is to include:

- Salary, fees or allowances for the current and previous year
- Bonuses paid or receivable for the current and previous year
- Expenses paid in the previous year
- Compensation for loss of employment paid to or receivable, or payments made in connection with loss of employment
- Total estimated value of non-cash benefits that are emoluments of the person

For the above pension contributions to include:

- The amount driven by the authority's set employer contribution rate
- Employer costs incurred relating to any increased membership or award of additional pension

Appendix 2

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£92852	Travel and other expenses are re-imbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	Not applicable	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities are reimbursed through normal authority procedures	There are no plans for the postholder to receive any ex-gratia payments	Election duty fees are paid to the postholder when due	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2014/15
Deputy Chief Executive	£72012	Travel and other expenses are re-imbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	Not applicable	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities are reimbursed through normal authority procedures	There are no plans for the postholder to receive any ex-gratia payments	Election duty fees are paid to the postholder if applicable when due	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2014/15

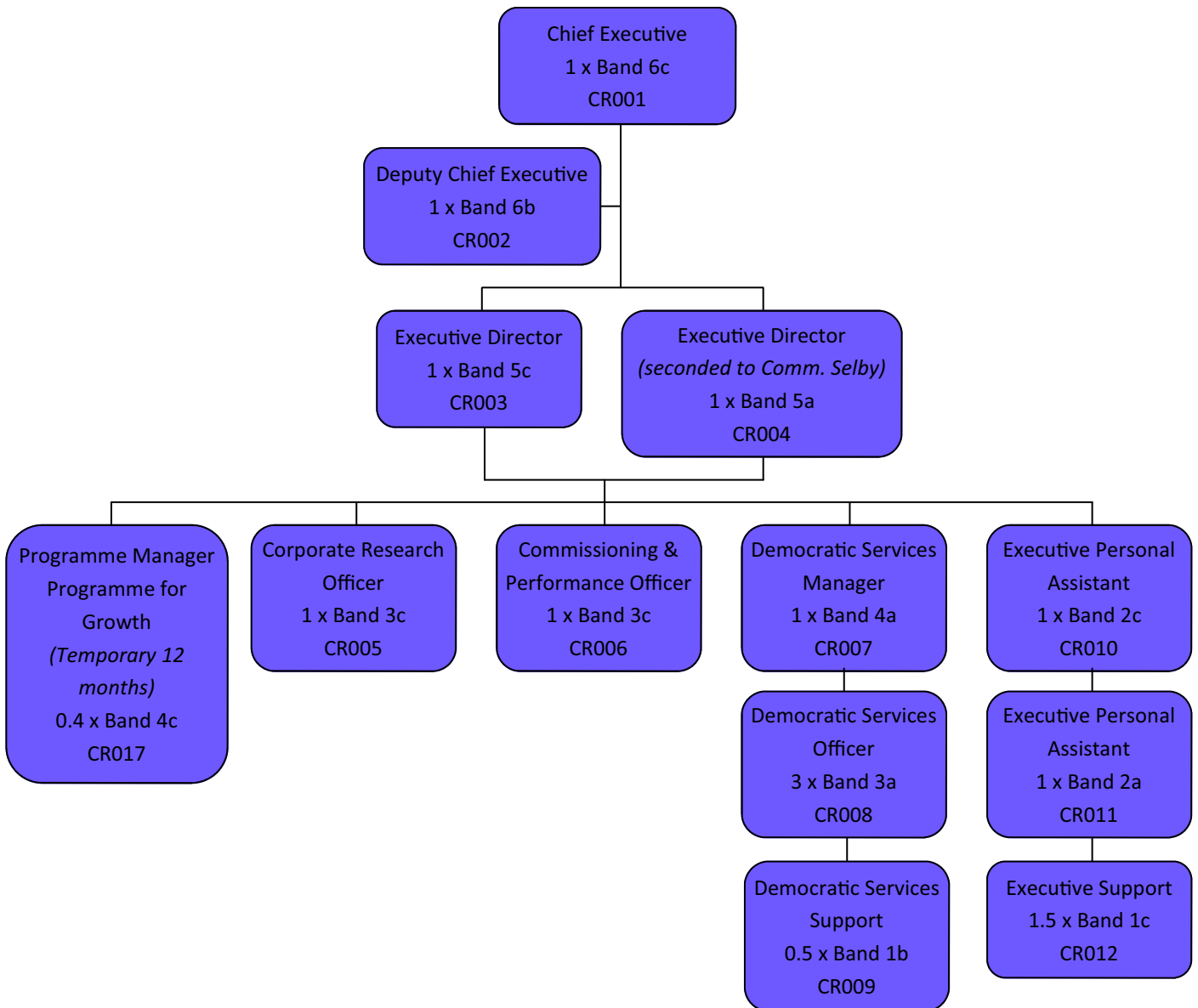
Executive Director (Section 151 Officer)	£56203	Travel and other expenses are re-imbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	Not applicable	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities are reimbursed through normal authority procedures	There are no plans for the postholder to receive any ex-gratia payments	Not applicable	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2014/15
Executive Director	£50799	Travel and other expenses are re-imbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	Not applicable	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities are reimbursed through normal authority procedures	There are no plans for the postholder to receive any ex-gratia payments	Not applicable	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2014/15

Managing Director	£56203	Travel and other expenses are re-imbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	Not applicable	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities are reimbursed through normal authority procedures	There are no plans for the postholder to receive any ex-gratia payments	Not applicable	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2014/15
Director	£50799	Travel and other expenses are re-imbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	Not applicable	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance	Honoraria payments for any increased duties and responsibilities are reimbursed through normal authority procedures	There are no plans for the postholder to receive any ex-gratia payments	Not applicable	There are no payments related to joint authority duties	The authority's normal policies regarding redundancy and early retirement apply to the postholder. No payments were made in the last year and none are anticipated for 2014/15

Aspect of Chief Officer Remuneration	Authority Policy
Recruitment	These posts will be advertised and appointed to at the appropriate approved salary for the post in question level unless there is good evidence that a successful appointment of a person with the required skills, knowledge, experience, abilities and qualities cannot be made without varying the remuneration package. In such circumstances a variation to the remuneration package is appropriate under the authority's policy and any variation will be approved through the appropriate authority decision making process.
Pay Increases	The authority will apply any pay increases that are agreed by relevant national negotiating bodies and/or any pay increases that are agreed through local negotiations. The authority will also apply any pay increases that are as a result of authority decisions to significantly increase the duties and responsibilities of the post in question beyond the normal flexing of duties and responsibilities that are expected in senior posts.
Additions to Pay	The authority would not make additional payments beyond those specified in the contract of employment.
Performance Related Pay	The authority does not operate a performance related pay system.
Earn-Back (Withholding an element of base pay related to performance)	The authority does not operate an earn-back pay system as it believes that it has sufficiently strong performance management arrangements in place to ensure high performance from its senior officers. Any areas of under performance are addressed rigorously.
Bonuses	The authority does not pay bonus payments to senior officers
Termination Payments	The authority applies its normal redundancy payments arrangements to senior officers and does not have separate provisions for senior officers. The authority also applies the appropriate Pensions regulations when they apply. The authority has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. Any costs that are incurred by the authority

	regarding senior officers are published in the authority accounts as required under the Accounts and Audit (England) Regulations 2011.
Transparency	The authority meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that is open and transparent regarding senior officer remuneration.
Re-employment of staff in receipt of an LGPS Pension or a redundancy/severance payment	The authority is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post. The authority will therefore consider all applications for candidates to try to ensure the best available candidate is appointed. If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the authority. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist. The authority will apply the provisions of the Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

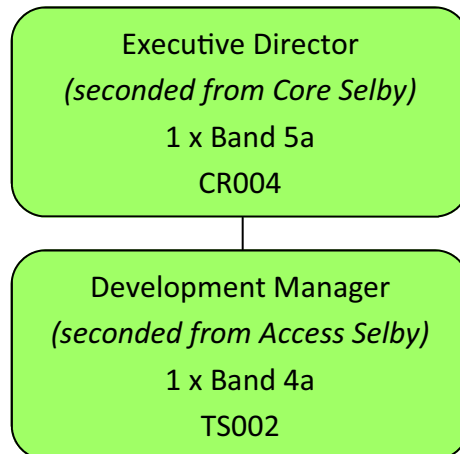
SELBY DISTRICT COUNCIL
Core Selby Structure

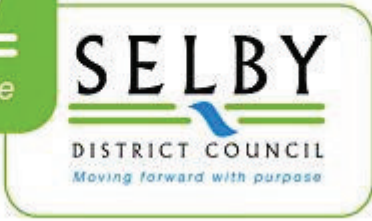


Vacancy - 1 x Democratic Services Officer

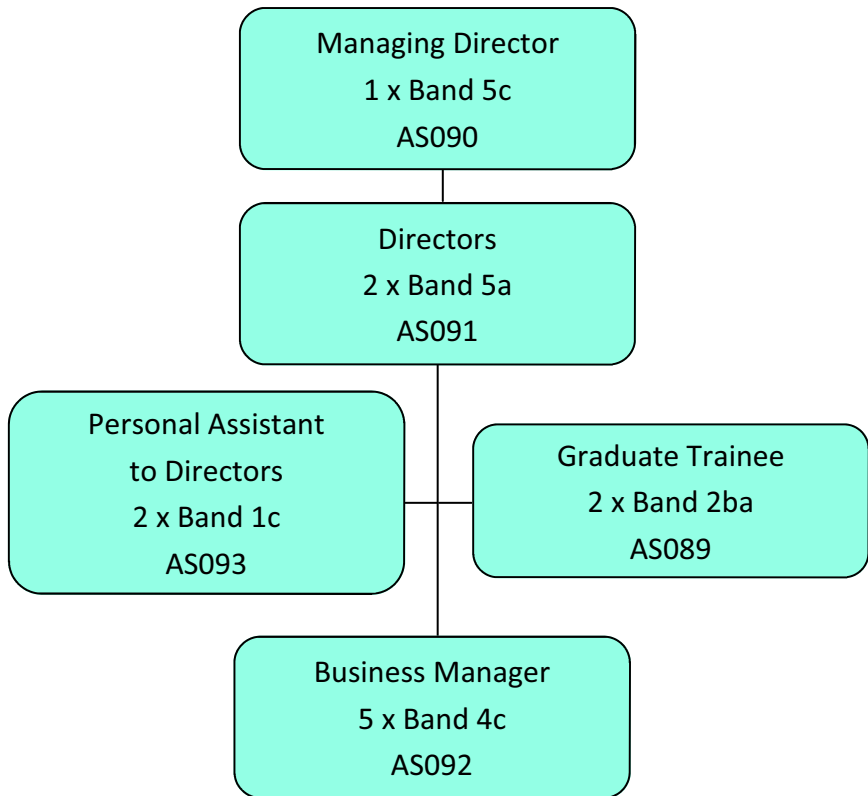


SELBY DISTRICT COUNCIL
Communities Selby Structure

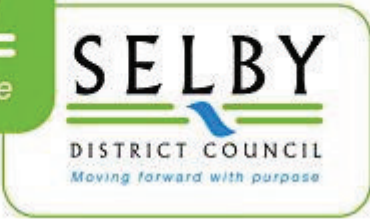




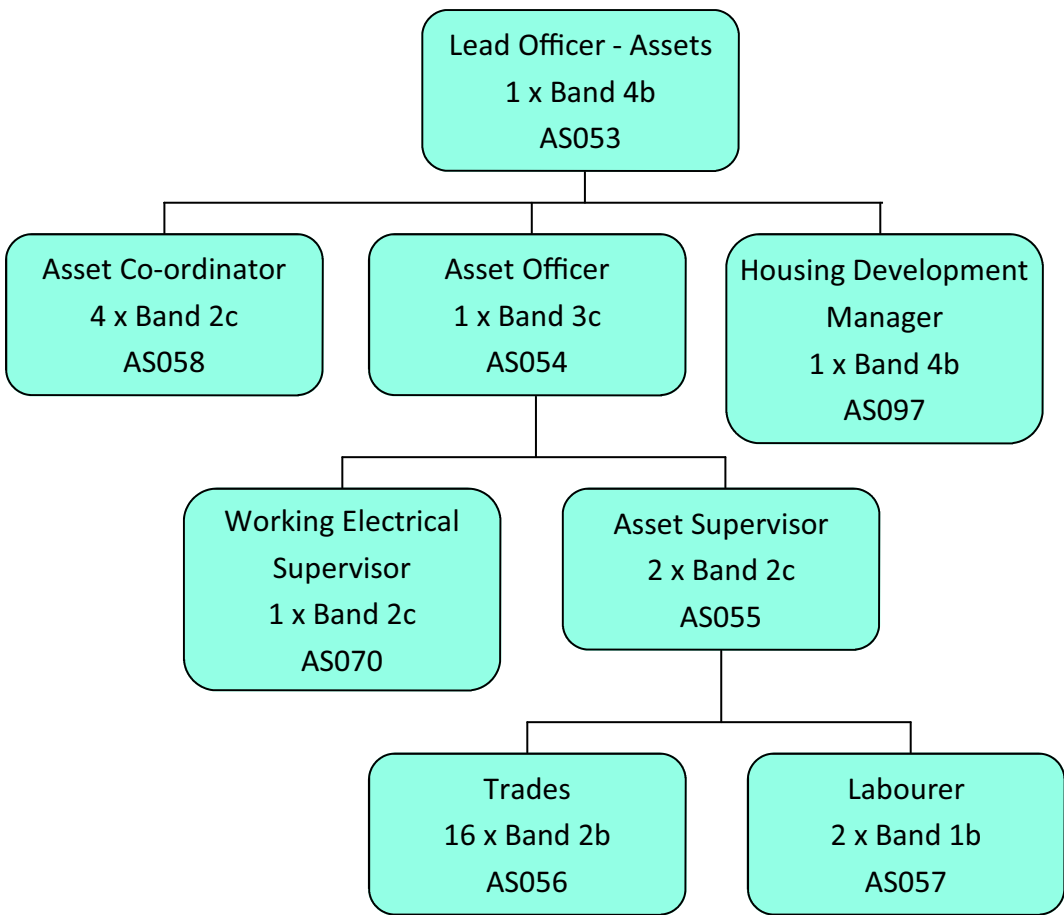
SELBY DISTRICT COUNCIL
Access Selby Senior Management Structure

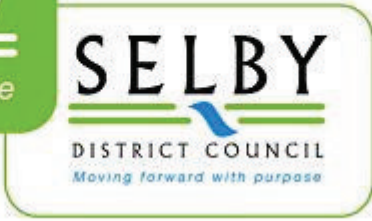


Vacancies - 3 x Business Manager

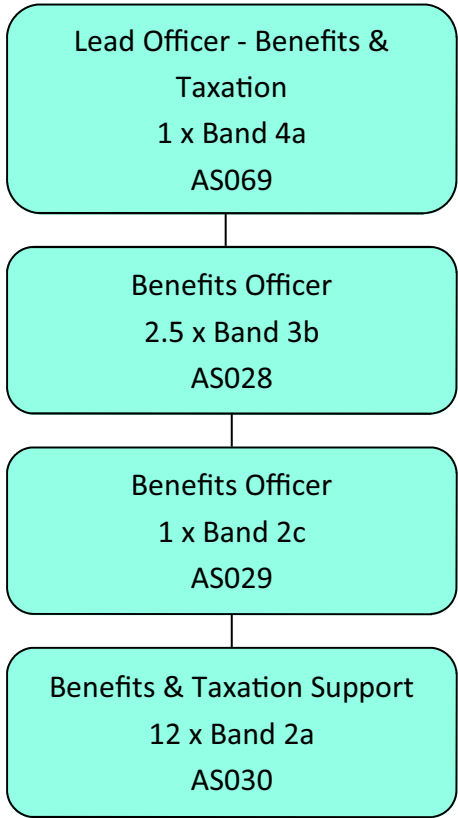


SELBY DISTRICT COUNCIL
Access Selby Asset Management Structure

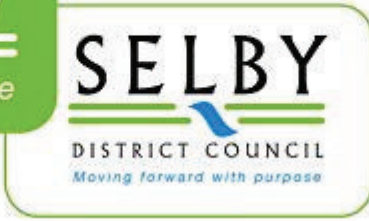




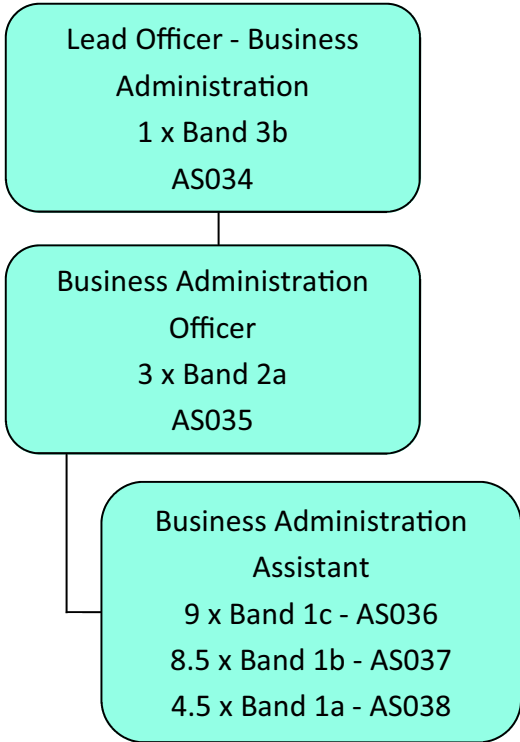
SELBY DISTRICT COUNCIL
Access Selby Benefits & Taxation Structure

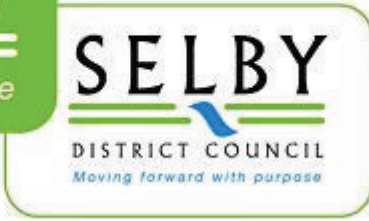


Vacancy - 0.81 x Benefits & Taxation Support

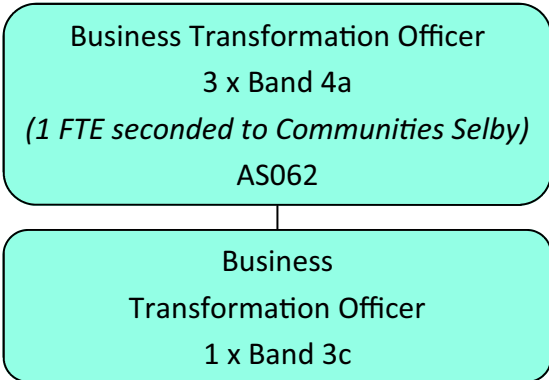


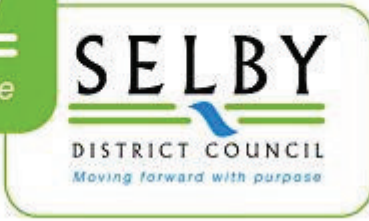
SELBY DISTRICT COUNCIL
Access Selby Business Administration Structure



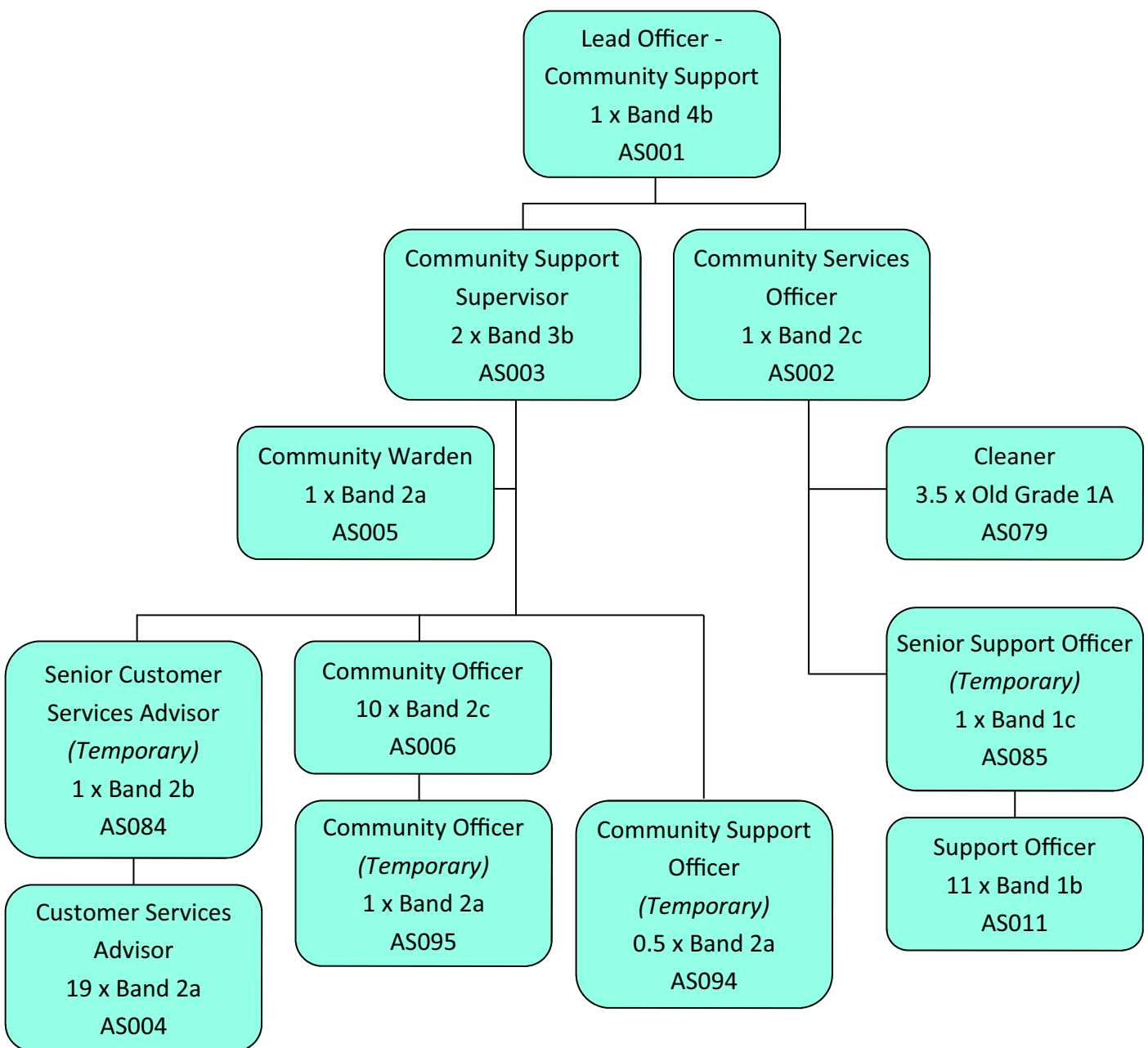


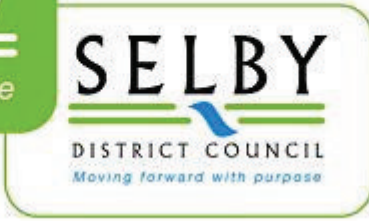
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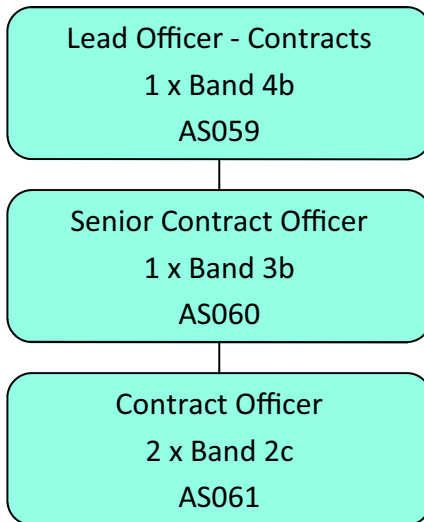


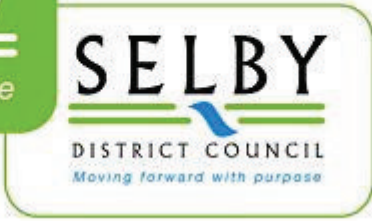
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Access Selby Community Support Structure



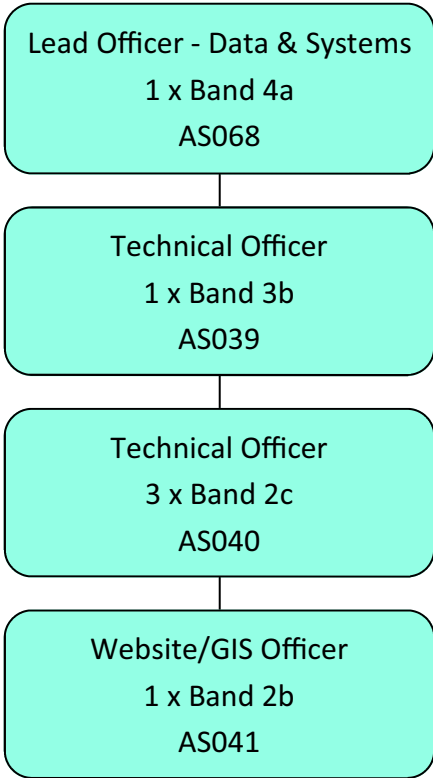


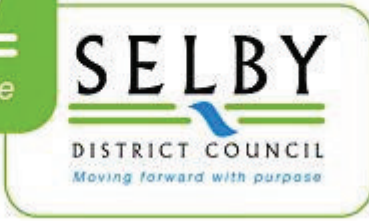
SELBY DISTRICT COUNCIL
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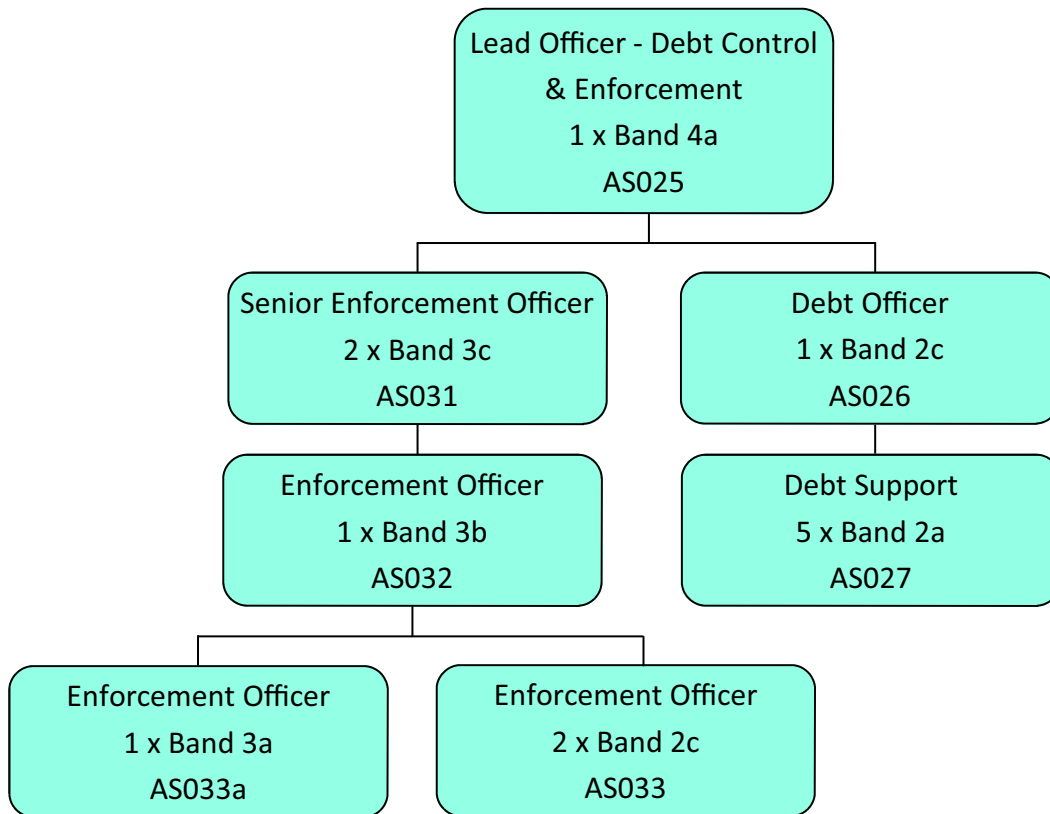


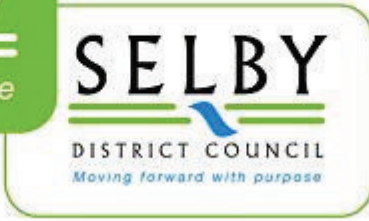
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Access Selby Data & Systems Structure



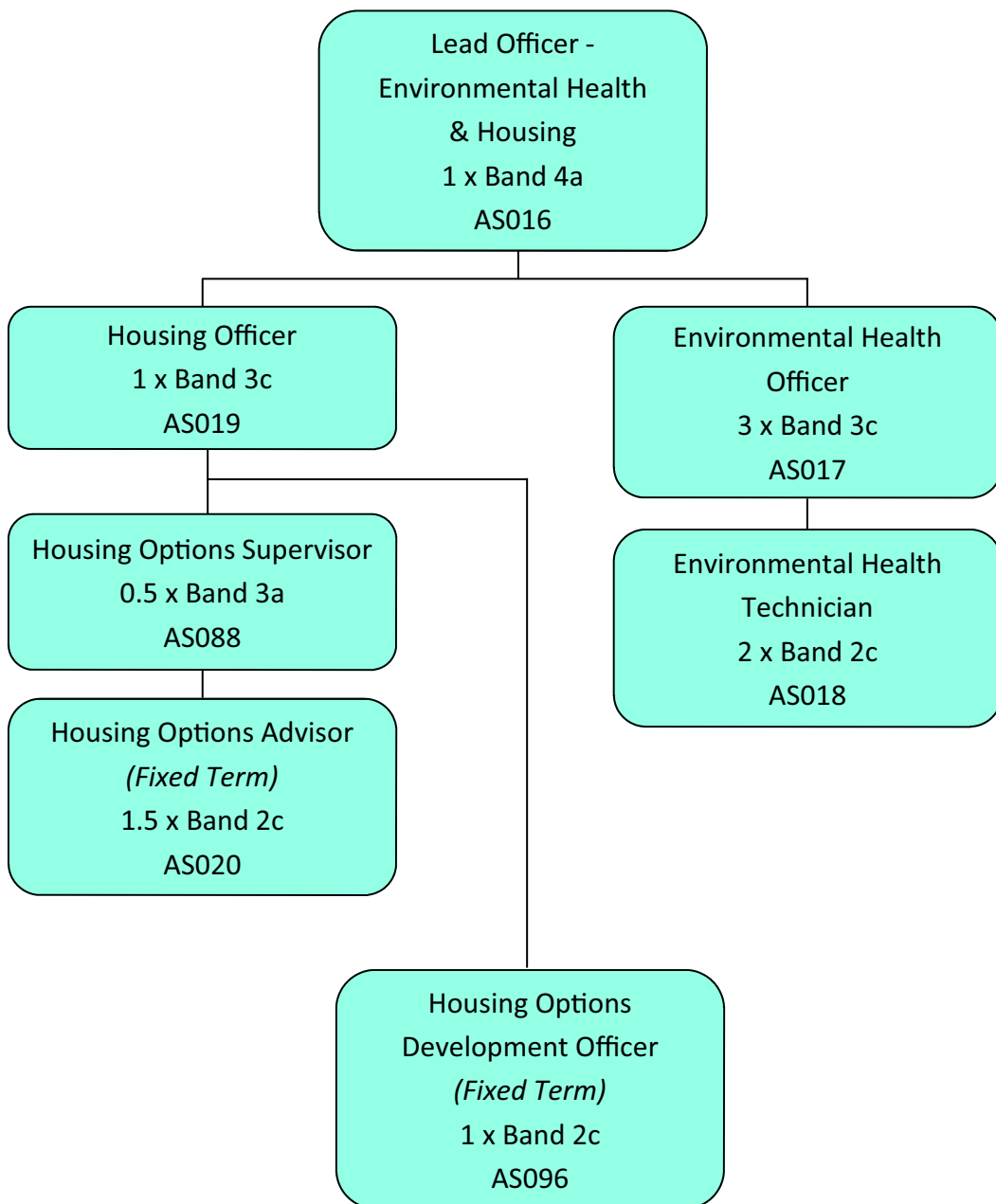


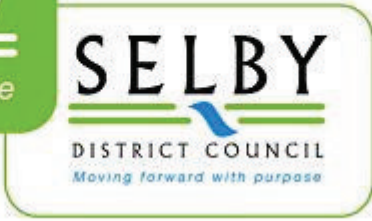
SELBY DISTRICT COUNCIL
Access Selby Debt Control & Enforcement Structure



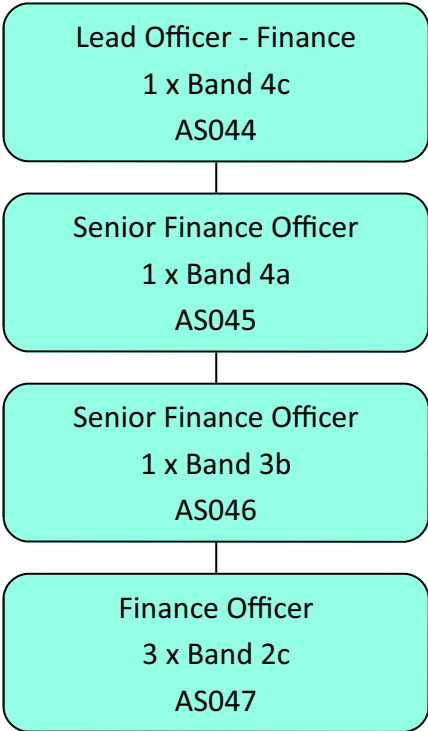


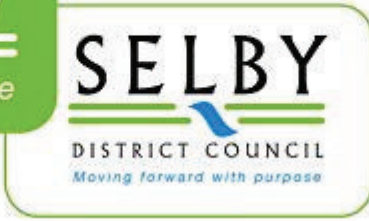
SELBY DISTRICT COUNCIL
Access Selby Environmental Health & Housing Structure



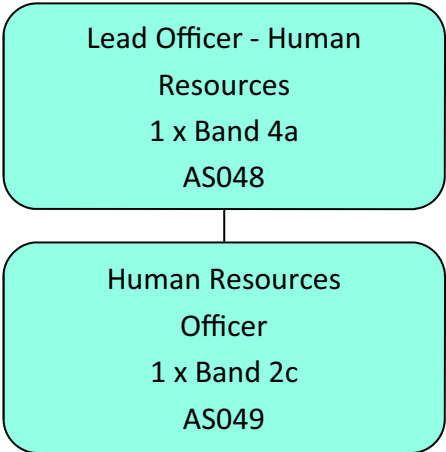


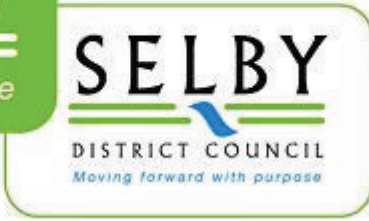
SELBY DISTRICT COUNCIL
Access Selby Finance Structure



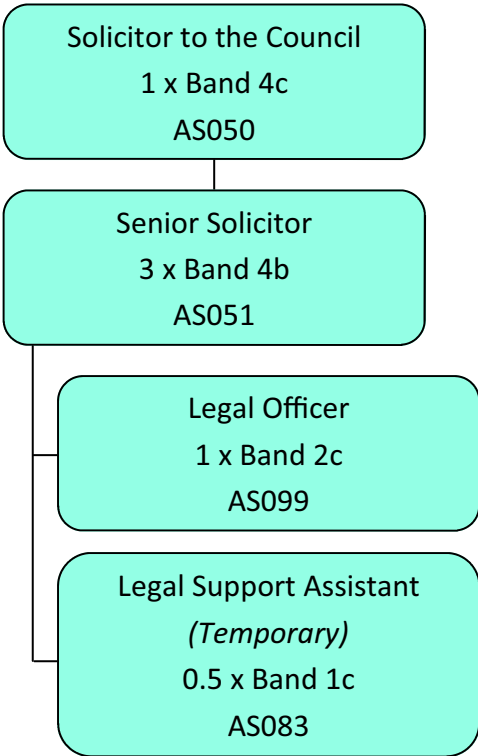


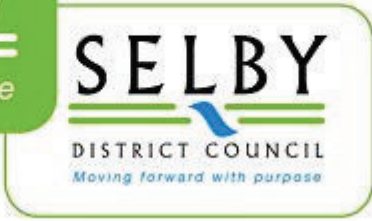
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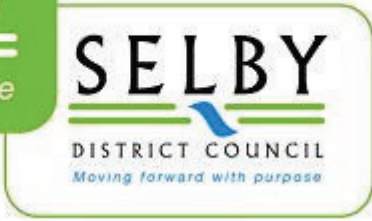
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Access Selby Legal Services Structure



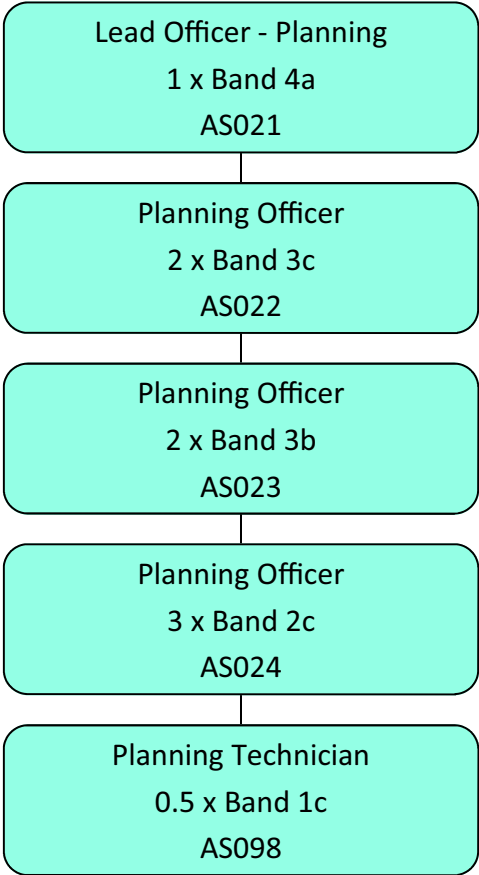


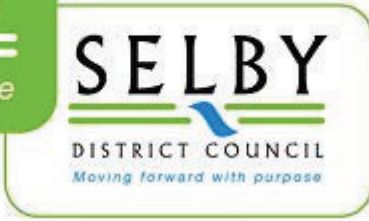
SELBY DISTRICT COUNCIL
Access Selby Marketing & Communications Structure





SELBY DISTRICT COUNCIL
Access Selby Planning Structure





SELBY DISTRICT COUNCIL
Access Selby Policy & Strategy Structure



Vacancy - 1 x Policy Officer (Band 3b)



Public Session

Report Reference Number C/13/21 Agenda Item No: 16

To: Council
Date: 25th February 2014
Author: Julia Jennison – Policy Officer
Lead Officer: Keith Dawson – Director of Community Services
Executive Member: Councillor Gillian Ivey

Title: Selby Affordable Housing Supplementary Planning Document

Summary: The Affordable Housing Supplementary Planning Document (AHSPD) will support policy implementation by informing negotiations on schemes to deliver a proportion of affordable housing on all market housing sites following the adoption of the Core Strategy.

Recommendation:

i. To adopt the Affordable Housing Supplementary Planning Document

Reasons for recommendation

To assist in the implementation of the Council's policies in the Core Strategy for delivery of affordable housing to meet identified need in the District following its adoption on 22nd October 2013.

1. Introduction and background

- 1.1 The Affordable Housing Supplementary Planning Document (AHSPD) sets out the Council's approach to delivering affordable housing in accordance with the Selby District Core Strategy Policy SP9 (Affordable Housing) and Policy SP10 (Rural Exceptions) and the National Planning Policy Framework (NPPF).
- 1.2 It aims to assist a range of stakeholders on the Council's approach, standards and mechanisms required to deliver affordable housing which meets local needs.

- 1.3 It will support policy implementation by informing negotiations on all market sites following the adoption of the Core Strategy on 22nd October.
- 1.4 It will also provide clear advice on the Council's expectations for any necessary s106 agreements, and sets out the methods used to calculate the commuted sums where required by the Core Strategy in appropriate circumstances.

2. The Report

- 2.1 The AHSPD has been developed through an officer/member working group, and the draft SPD was formally consulted in accordance with Regulation 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012, and in conformity with the Council's Statement of Community Involvement.
- 2.2 On 7th November, following analysis of the consultation results, and final amendments to the AHSPD, Executive resolved:
 - i. To note the responses to the consultation on the Affordable Housing Supplementary Planning Document and approve the revised document.
 - ii. To delegate authority to officers to make final minor changes to the document.
 - iii. To recommend the Affordable Housing Supplementary Planning Document to Council for adoption.

3. Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1 The AHSPD sets out the Council's approach to negotiations for affordable housing, and there has been legal representation at the working group meetings.
- 3.2 Commuted sums negotiated under S106 Agreements must be used for affordable housing, and should be ring fenced for this purpose. The Agreements generally provide for the repayment of unused sums after a certain period of time. Officers must ensure that mechanisms are in place for sums to be allocated in accordance with the provisions of the individual Agreements, and that spend and any pooling of contributions is robustly monitored.
- 3.3 The Affordable Housing SPD is supplementary to the Selby District Core Strategy Local Plan. Councillors will recall that there is a legal challenge pending in respect of the Core Strategy, expected to be heard by the High Court in Summer 2014. As a result of that challenge being lodged on 2 December 2013 this SPD was withdrawn from the 10 December 2013 meeting of Council for legal advice to be sought on whether to adopt the SPD at this time. If the Core Strategy is quashed in its entirety by the Court then this supplementary document would cease to have effect. Legal advice has

now been obtained and the stance of the Council is that the Core Strategy is the lawfully adopted development plan for the District and will remain so unless it is quashed by the Court. It is being given substantial weight in decision making. This SPD is designed to assist with the delivery of the affordable housing elements of the Core Strategy and as such it should be adopted to aid decision making notwithstanding the legal challenge and its possible implications of this SPD.

Financial Issues

- 3.4 All costs associated with the production of the Affordable Housing SPD can be met from current budgets.
- 3.5 Once the SPD is adopted, it will be transparent to developers the formula used to ensure there is a balance between viability and the need to support affordable housing provision throughout the district. Upfront expression on the Council's expectations will be set out, enabling the planning process to be streamlined. The cost of the viability assessments lies with developer/applicant.
- 3.6 The SPD also proposes the collection of commuted sums in lieu of on-site contributions on smaller sites (and in certain circumstances potentially in cases of commuted sums on larger developments) and that these monies could be used for the provision of more affordable housing across the District. Consideration will need to be made of the mechanisms for this to be effected in a way which meets the requirements of each S106, and allows the Council to meet its own aims and objectives for the district.

4. Conclusion

- 4.1 Supplementary planning documents add further detail to policies in the Local Plan (the Adopted Core Strategy). The AHSPD will be used to provide further guidance for development and will help applicants make successful applications and support the delivery of affordable housing to meet identified needs.
- 4.2 The AHSPD will form the basis for successful negotiation to maximise affordable housing provision within the scope of the Council's policy set out in the Core Strategy.

5. Background Documents

Draft Affordable Housing SPD 2010
Selby District Adopted Core Strategy 2013

Contact Officer:

Julia Jennison – Policy Officer
jjennison@selby.gov.uk

Appendices: Appendix A
Affordable Housing Supplementary Planning Document Dec 2013

Selby District Council

**Affordable Housing
Supplementary Planning Document**

Final: December 2013



If you require any further help or advice or if you need this document in a different format, for example large print, audio, Braille or in another language, please contact the Policy and Strategy Team on (01757 292034) or email ldf@selby.gov.uk

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Section 1: Introduction

- 1.1 The Council believes that everyone should have the opportunity of a decent home which they can afford in a community in which they want to work or live. Selby District Council is committed to providing high quality affordable housing for people who cannot access or afford market housing in the Council's administrative area ("the District").
- 1.2 Housing affordability is one of the biggest challenges facing the District. House prices are higher than regional average, and almost tripled over the period 1996 to 2011¹ from £66,364 in 1996 to £182,443 in 2011. However average house prices in Selby are lower than the North Yorkshire average of £218,113.
- 1.3 Affordability ratios (house price to earnings) are also significantly higher than the 'Affordable Definition' of 3.5 (an affordable mortgage being three and a half times annual income)² particularly in the northern part of the District. In 2011 the affordability ratio for Selby District was 6.02³. This means that average house prices are 6 times the average annual household income for Selby District.
- 1.4 The latest Strategic Housing Market Assessment (2009) ("SHMA") identifies the scale of need for affordable housing in the District over the Local Plan period. The SHMA establishes an overall target of 30-50% intermediate housing and 50-70% social rented housing. To meet identified need, affordable housing needs to be the right kind of housing in the right locations. Following the introduction of the Government's Affordable Rent category, the Council will be gathering evidence to establish the identified need and tenure split of rented housing. This will be set out through a combination of this SPD, future Strategic Housing Market Assessments (SHMAs) and future development plan documents (as appropriate).

Section 2: Purpose and Status of this Supplementary Planning Document

- 2.1 Supplementary Planning Documents ("SPD") were introduced by the Planning and Compulsory Purchase Act 2004, amended by the Localism Act 2011.
- 2.2 Central Government requires local planning authorities to help tackle the shortage of affordable housing by securing the provision of affordable housing as a proportion of the total housing on residential and mixed use development sites. Affordable housing provision will be required where site size thresholds,

¹ DCLG Live Table 585 Housing market: mean house prices based on Land Registry data, by district, from 1996 - 2011

² DCLG (2007) Strategic Housing Market Assessment- Practice Guidance (Version 2)

³ DCLG Live Table 576 Ratio of lower quartile house price to lower quartile earnings by district, from 1997 - 2011

set out in this SPD are reached or exceeded, in accordance with Policy SP9 of the Selby District Core Strategy (“the Core Strategy”).

- 2.3 The purpose of this SPD is to set out the Council’s approach to delivering affordable housing in accordance with the Local Plan and national policy. It includes the range of approaches, standards and mechanisms required to deliver affordable housing which meets local needs and contributes to attaining mixed sustainable communities.



- 2.4 It provides a clear and consistent approach to assist development management officers, the Planning Committee, landowners, developers, applicants, Registered Providers (RPs), Parish and Town Councils and members of the public in understanding the requirements for the provision of affordable housing on all residential and mixed use development sites in the District.
- 2.5 Following the guidance contained in this SPD and discussing proposals with the Council at an early stage, so that affordable housing requirements are taken into account at site acquisition and scheme design stages, means applications are more likely to be validated expediently as the need for the Council to request additional information (which inevitably delays progress) would be minimised.
- 2.6 As set out in Policy SP1 of the Core Strategy, when considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained within the National Planning Policy Framework (NPPF). It will always work proactively with applicants to find solutions which mean that proposals can be approved (and affordable housing need can be delivered) wherever possible.

Section 3: National Planning Policy

- 3.1 The National Planning Policy Framework (NPPF) was issued in March 2012. This provides the national planning policy guidance for the preparation of Local Plans and provision of affordable housing. The affordable housing policies contained within the Core Strategy SP9 and SP10 align with the NPPF guidance on affordable housing.
- 3.2 The NPPF Glossary definition of SPDs states that they add further detail to the policies in the Local Plan and *‘they can be used to provide further guidance for development on specific sites, or on particular issues, such as design⁴’*. Paragraph 152 of NPPF states that *‘Supplementary planning documents should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development.’* The NPPF also confirms that SPDs are capable of being a material consideration in planning decisions, but are not part of the development plan.
- 3.3. Paragraph 204 sets out the National Policy on planning obligations. This paragraph is relevant as planning obligations are a mechanism for delivering affordable housing. Paragraph 204 states that *‘planning obligations should only be sought where they meet all of the following tests:*
necessary to make the development acceptable in planning terms;
directly related to the development; and
fairly and reasonably related in scale and kind to the development’.
- 3.4 These tests are also contained in Regulation 122 of the Community Infrastructure Regulations 2010 (“the CIL Regulations”).
- 3.5 The affordable housing policies included in the Core Strategy are consistent with guidance set out in the National Planning Policy Framework.

Section 4: Affordable Housing

Affordable Housing Definition

- 4.1 The Council’s definition of affordable housing is set out in the Core Strategy (para 5.90), and is in accordance with the definition in national guidance. The current national guidance definition is contained within National Planning Policy Framework and provided in the Glossary of the NPPF, the Core Strategy and this SPD as follows:

‘Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible

⁴ Glossary at end

households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable Rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.’

Rural Exception Sites Definition

- 4.2 A Rural Exception Site is a site where planning permission will only be granted for small scale rural affordable housing, as an exception to normal planning policy to meet an identified local need. Rural Exception Sites must be in scale and keeping with the settlement they are within or adjoining, and its setting. The Council’s adopts the NPPF definition of Rural Exception Sites, which is:

‘Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural Exception Sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority’s discretion, for example where essential to enable the delivery of affordable units without grant funding (NPPF, Glossary)’.

- 4.3 Core Strategy Policy SP9 provides the criteria that must be met for a site to be considered a Rural Exception Site. Local need has to be evidenced by the results of a local (parish) housing needs survey, and the proposed scheme must demonstrate that it meets the evidenced local needs, as well as being in line with the Selby evidence base (set out in Section 6: Evidence).



- 4.4 The Rural Housing Enabler is a resource available to Selby District Council, to work with landowners, local communities and Registered Providers to enable rural affordable housing schemes. Landowners who wish to develop their land as a rural exception site should seek the advice of the Rural Housing Enabler.
- 4.5 Specific allocations of rural exception sites within or adjoining Development Limits in the case of Secondary Villages, and adjoining development limits in Designated Service Villages, will be considered through the forthcoming Sites and Policies Local Plan.
- 4.6 The Council's policy on allowing a small number of market units on rural exception sites is set out in Policy SP9 of the Core Strategy (see section 5 below). Further detailed policies and proposals will be considered as part of the Sites and Policies Local Plan. In the interim, the Council's approach on mixed market / affordable housing rural exception sites is set out in Section 7 (7.22-7.23) of this SPD (in line with the NPPF and Core Strategy).

Section 5: Local Plan Context

Selby District Core Strategy Overview

- 5.1 The Council Adopted the Selby District Core Strategy Local Plan on 22 October 2013.
- 5.2 The Core Strategy includes two policies on affordable housing provision, these being Policies SP9 and SP10.
- 5.3 The Core Strategy policies have been prepared based on evidence of need from the Selby District Strategic Housing Market Assessment (SHMA, 2009)⁵, an Economic Viability Assessment (EVA, 2009)⁶ and the Small Sites Threshold Testing (2010)⁷.

⁵ Selby District Strategic Housing Market Assessment (SHMA) 2009 by consultants, Arc4 for the Council http://www.selby.gov.uk/service_main.asp?menuid=&pageid=&id=1743

⁶ Affordable Housing Economic Viability Assessment by consultants DTZ for the Council , August 2009 http://www.selby.gov.uk/service_main.asp?menuid=&pageid=&id=1821

⁷ Affordable Housing Small Sites Threshold Testing – DTZ October 2010 http://www.selby.gov.uk/upload/Affordable_Housing_Small_Sites_Threshold_Testing.pdf

- 5.4 The EVA provides evidence on the viability of different sized affordable housing schemes at a range of different locations. The study base date of mid 2009 coincides with the low point of the economic downturn which occurred from 2008 onwards.
- 5.5 As a consequence of the timing of the Study, 10% affordable housing was found to be an appropriate requirement across the District. However, the Study assessed conditions over a range of scenarios including consideration of viability in very good market conditions similar to those which existed immediately prior to the economic downturn (2006/07). The equivalent percentage requirement in this case was 50%. The Study also considered variations in viability in differing areas of the District which illustrated substantial variations between the rural areas in the north and north-western parts and the south-east part of the District. The three towns of Selby, Sherburn in Elmet and Tadcaster fall between the two extremes in viability terms.
- 5.6 Consequently, the indication from the EVA is that in good market conditions 40% affordable housing should be achievable on a high proportion of sites and this figure is therefore included as an upper target level in the Adopted Core Strategy.
- 5.7 It is open to developers to discuss these requirements on a site by site basis having regard to the particular circumstances prevailing at the time of application for permission, and to any particular abnormal and unforeseeable site related issues which may impact on viability. Reductions will be negotiated when developers demonstrate these target requirements are not viable.

Affordable Housing Policy

- 5.8 The two main aims of the Core Strategy affordable housing policy are:
- To establish the overall target for the provision of affordable housing in the District in accordance with national guidance on the definition and provision of affordable housing; and
 - To set the broad framework within which developer contributions towards meeting affordable housing need will be sought in association with normal market housing.
- 5.9 Policy SP9 in the Core Strategy sets a requirement for up to a maximum of 40% affordable housing on housing schemes of 10 units or above (or on housing schemes comprising 0.3 hectares or more). In exceptional circumstances, commuted sums may be acceptable where there are clear benefits in relocating all or part of the affordable housing.
- 5.10 For small sites below the 10 dwellings threshold a commuted sum in lieu of on-site provision of affordable housing will be sought. The basis of the calculation for the commuted sum is set out in this SPD (at Appendix 1).
-

5.11 The exact wording of Policy SP9 is set out below:

Policy SP9 Affordable Housing

A. The Council will seek to achieve a 40/60% affordable/general market housing ratio within overall housing delivery.

B. In pursuit of this aim, the Council will negotiate for on-site provision of affordable housing up to a maximum of 40% of the total new dwellings on all market housing sites at or above the threshold of 10 dwellings (or sites of 0.3 ha) or more.

Commuted sums will not normally be accepted on these sites unless there are clear benefits to the community/or delivering a balanced housing market by re-locating all or part of the affordable housing contribution.

C. On sites below the threshold, a commuted sum will be sought to provide affordable housing within the District. The target contribution will be equivalent to the provision of up to 10% affordable units.

D. The tenure split and the type of housing being sought will be based on the Council's latest evidence on local need.

E. An appropriate agreement will be secured at the time of granting planning permission to secure the long-term future of affordable housing. In the case of larger schemes, the affordable housing provision will be reviewed prior to the commencement of each phase.

The actual amount of affordable housing, or commuted sum payment to be provided is a matter for negotiation at the time of a planning application, having regard to any abnormal costs, economic viability and other requirements associated with the development. Further guidance will be provided through an Affordable Housing SPD.

5.12 The requirement for an affordable housing contribution also applies to refurbishment and conversions where additional units are added to the housing stock. For example, if a house was converted to provide 3 flats, contributions would apply to the additional 2 units. However, it does not apply to new agricultural workers dwellings.

Future Local Plan Documents, Affordable Housing

5.13 The required tenure split of affordable housing is currently set out in the Core Strategy through the Strategic Market Housing Assessment. This will be updated through future development plan documents (as appropriate) based on the Council's latest evidence of need. (See Section 7)

Rural Housing Exceptions Sites

- 5.14 The Core Strategy also includes a policy on Rural Housing Exceptions Sites. This enables small sites to be developed specifically for affordable housing in small rural communities. The policy is set out below:

Policy SP10 Rural Housing Exceptions Sites

In the Designated Service Villages and the Secondary Villages, planning permission will be granted for small scale 'rural affordable housing' as an exception to normal planning policy provided all of the following criteria are met:

- i) The site is within or adjoining Development Limits in the case of Secondary Villages, and adjoining development limits in the case of Designated Service Villages;
- ii) A local need has been identified by a local housing needs survey, the nature of which is met by the proposed development; and
- iii) The development is sympathetic to the form and character and landscape setting of the village and in accordance with normal development management criteria.

An appropriate agreement will be secured, at the time of the granting of planning permission to secure the long-term future of the affordable housing in perpetuity.

Small numbers of market homes may be allowed on Rural Exception sites at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding in accordance with the NPPF. Future Local Plan documents will consider introducing a detailed policy and / or specific allocations for such sites.

- 5.15 Exception sites must be in scale and keeping with the settlement they are within or adjoining and its setting. Rural Exception sites will seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. See Paragraph 7.17 for more detail.

Future Local Plan Documents, Rural Exception sites

- 5.16 The Sites and Policies Local Plan will consider further detailed policies and the allocation of Rural Exceptions Sites in line with the Core Strategy. Any rural exception allocations would be within or adjoining Development Limits in the case of Secondary Villages, or adjoining development limits in Designated

Service Villages as per Core Strategy Policy SP10. Any allocations will also consider the national requirements set out in the NPPF.

Section 6: Evidence

- 6.1 The Council recognises that housing need and market conditions vary over time, depending on economic circumstances. This is reflected in the flexible Core Strategy policies on affordable housing.
- 6.2 The Core Strategy sets out the Affordable Housing requirements, which are based on the latest evidence on housing need in the Strategic Housing Market Assessment (SHMA) 2009 (and the North Yorkshire SHMA (NYSHMA) 2011 and an Economic Viability Appraisal (EVA) 2009⁸. The EVA demonstrates that in good market conditions 40% affordable housing should be achievable on a high proportion of sites and as such is included in the Core Strategy as an upper target level over the plan period. For further information see the Core Strategy (Section 5 – Creating Sustainable Communities).
- 6.3 Negotiations on affordable housing provision on specific sites will also be informed by any further up to date evidence, which will include the latest Strategic Housing Market Assessment (SHMA), current information from the Selby District / North Yorkshire Housing Register, and evidence of existing affordable housing provision in the locality, including the Census 2011.
- 6.4 The Council intends to review and update both the SHMA and the Affordable Housing Economic Viability Appraisal at appropriate intervals. This will ensure that the evidence base remains up to date, and they will be made available on the Council's website.

Section 7: Detailed Affordable Housing Requirements

- 7.1 Applicants should consider this SPD in tandem with the Council's website which will contain the most up to date evidence (See Section 6 above).

Site Size and Suitability

- 7.2 In accordance with the Core Strategy, Policy SP9, the Council will seek up to a maximum of 40% affordable housing on all market housing sites at or above the threshold of 10 dwellings (or sites of 0.3ha) or more.

For example for a planning application of 150 new dwellings, the Council will seek on-site affordable housing of a maximum of 60 affordable units.

- 7.3 On sites below the threshold of 10 dwellings (or sites of less than 0.3ha) a commuted sum in lieu of on site provision of affordable housing will be sought to provide affordable housing within the District. The contribution sought will

⁸ Also Small Sites Threshold Testing 2010

be equivalent to the provision of up to 10% on-site affordable housing units. For example, a 9 unit scheme would pay the cost of 0.9 of an affordable unit.

A commuted sum will be sought for planning applications for between one and nine residential units. For details on how these commuted sums will be calculated, please see Appendix 1.

Type, Size and Tenure

- 7.4 The exact type, size and tenure of affordable housing will be based on an assessment of need in the District. It will be based on the Council's latest evidence, which may include information from the most up to date Strategic Housing Market Assessment (SHMA), current information from the Selby District / North Yorkshire Housing Register, and evidence of existing affordable housing provision in the locality, including the Census 2011.
- 7.5 The starting point for negotiation on the type, size and tenure of affordable housing will be based on the current evidence base (SHMA 2009), until superseded by the Council's new evidence. The most up to date evidence base should be the starting point for negotiation:
- A tenure split of 30 – 50% intermediate tenure (shared ownership, discounted sale and fixed equity products and intermediate rented options) and 50 – 70% social rent; and
 - A focus on 2-3 bed family housing to meet a range of need in flexible housing solutions in the longer term.
- 7.6 On developments where the affordable housing provision is subject to a service charge, most likely relating to shared communal areas, the charge should not be so great as to make occupancy unaffordable. The preferred approach by Registered Providers is to have limited shared areas within new developments, therefore resulting in no requirement for service charges to be payable. The Council will consider the levels of service charges in the context of prices, rents and overall affordability in relation to the findings of the latest SHMA.
- 7.7 North Yorkshire County Council has a programme to provide Extra Care housing for older people through a procurement programme led by their Extra Care Project Team. On larger sites, where the location is suitable and the proposed scheme would meet identified housing need, it may be appropriate for the developer's affordable housing requirement to be met through the provision of a site for an Extra Care scheme. This would need to be explored on a scheme by scheme basis with both Selby District Council and North Yorkshire County Council.

Design and Layout

- 7.8 The Council expects affordable housing to be built to the same high standard of design and amenity as market housing. Affordable housing units within new residential developments should be of a similar quality to the open market housing and should be visually indistinguishable.



- 7.9 Applicants should meet the design requirements set out in the Core Strategy (Policies SP15, SP16 and SP19) and any other future Selby District Council Development Management policies and guidance relating to design. Applicants should work with Registered Providers early to ensure that design standards meet their requirements on a scheme by scheme basis.
- 7.10 Core Strategy Policy CP16 states that *'development schemes should seek to reflect the principles of nationally recognised design benchmarks to ensure that the best quality of design is achieved'*. The Core Strategy notes the Council is keen to encourage all new housing developments to attain LifetimeHomes standards and meet the Code for Sustainable Homes as well as supporting the key principles of the Building for Life scheme.

Distribution of Affordable Housing

- 7.11 In order to create mixed and balanced communities, affordable housing should be dispersed through the application site, which depending on the scale of the scheme, may mean in small groups of units. Selby District Council would encourage developers to engage with RPs as early as possible, to understand their distribution requirements. There may be circumstances where Registered Providers have management reasons for seeking a proportion of the affordable housing to be sited together e.g. flatted schemes, but this should not prevent the remainder of the provision being distributed across the development.

Registered Providers

- 7.12 In order to ensure the long term retention, management and availability of the affordable housing the Council's preferred model is that applicants work in partnership with Registered Providers (RPs).
- 7.13 The Council recommends that applicants put forward proposals with a partner Registered Provider in order that they can be involved in the negotiation at the earliest possible stage and preferably be party to the Section 106 Agreement which will be required (see below).
- 7.14 A list of approved Registered Providers operating in the Selby District is provided at Appendix 2 and on the Council's website, in order to assist applicants. The list is not restricted and applicants may work with an RP that is not included in Appendix 2. However, the proposed RP must be agreed in advance by the Council before any contract with the RP is entered into, as all affordable housing units must be able to be allocated through the Council's allocation scheme (North Yorkshire HomeChoice or other future arrangements approved by the Council).
- 7.15 The Council's preferred approach as set out in Core Strategy Policy SP9 is that the applicant builds and transfers the completed units to an RP at the transfer price (see Section 8) for that particular dwelling. In some circumstances the applicant may transfer serviced land to the RP to enable the building of each affordable unit; this will be considered by the Council on a case by case basis. The key requirement will be that the Council must be satisfied that the affordable housing scheme will be delivered to meet the need and be retained as affordable in the long term.

Local Connection

- 7.16 Selby District Council is part of North Yorkshire sub-regional Choice Based Lettings Partnership ("the North Yorkshire Homechoice"). This sets an agreed North Yorkshire wide approach for partner Councils and Registered Providers to selecting new occupiers for their properties.
- 7.17 In addition, Rural Exception Sites by their nature will require a local (parish) connection for applicants in the first instance, (see Section 5.15) prior to the property being allocated on a cascade e.g. firstly with a connection to adjacent parishes, to the wider Selby district next and to the North Yorkshire partnership area last. This could be a residential or work based connection. Details will be contained in the Section 106 Legal Agreement (see below).

Section 106 Legal Agreement

- 7.18 The provision of affordable housing is a requirement for all housing and mixed use developments to contribute to meeting the shortage of affordable housing in the District.
- 7.19 Affordable housing will be secured through planning obligations under Section 106 of the Town and Country Planning Act 1990.
- 7.20 The Council's model Section 106 Agreements for sites of 10 units and above (or of 0.3 hectares or more) and sites under 10 units are available on request. The model agreements detail affordable housing obligations only and will therefore need to be tailored to individual site specific requirements and include other non-affordable housing planning obligations (including, for example, recreational open space, education, transport and highways and enhancement of the public realm) as may be required to make the proposed development acceptable in planning terms.
- 7.21 Applicants may submit a draft Section 106 Agreement (or Heads of Terms), based on the appropriate model agreement with the planning application.

Small Number of Market Dwellings on Rural Exception Sites

- 7.22 In line with the National Planning Policy Framework and Selby Core Strategy Policy SP10, the Council may also consider rural exception sites that have a cross-subsidy from a small number of open market sales on the same site.
- 7.23 In considering such schemes the applicant would need to demonstrate to the Council's satisfaction that the open market element is essential to the delivery of the affordable housing development. This would need to be confirmed through dialogue with the Council's Rural Housing Enabler, with consideration of whether the scheme would meet local needs demonstrated through a local (parish) needs survey. The forthcoming Sites and Policies Local Plan will consider the allocation of Rural Exception Sites and the need for further detailed policy.

Section 8: Transfer Prices

- 8.1 The NPPF and Core Strategy Policy SP9 sets out a clear preference for affordable housing to be provided as completed units on site, for schemes of 10 dwellings (or 0.3ha) or more.
- 8.2 Selby District Council work closely with Registered Providers to set transfer prices by property type, size and tenure. The transfer prices will be updated annually and can be found on the Selby District Council website at:

[include link – when available]

- 8.3 The transfer prices at the date of publication of this SPD (2013) are included in Appendix 1.

Section 9: Development Viability

- 9.1 The Council expects that wherever possible applicants should consider the overall cost of development, including the required planning obligations and any abnormal costs, prior to negotiating the purchase of land or the acquisition or sale of an option.



- 9.2 On certain sites, development viability may be affected by a range or combination of factors not identified prior to purchase, such as high abnormal costs⁹ and/or competing or existing land values. It is acknowledged that the level of affordable housing that a scheme can accommodate, and associated viability assessment must be dependent on it creating a land value that provides a competitive return for a land owner and developer so they are willing to bring the site forward for development.
- 9.3 Where the applicant considers that development viability is affected, the applicant should identify these issues and associated costs and submit a financial appraisal (at the applicant's own expense) to the Council at the earliest opportunity, and at the latest as part of any submitted planning application. The preferred SDC approach is for an agreed deliverable level of affordable housing to be negotiated through the results of a financial appraisal prior to submission of a planning application. This will avoid delay of the planning application as a result of on-going negotiation and result in a reduced level of costs from the District Valuer (see 9.4), from continuing amendments to the appraisal. The Appraisal should cover all of the costs and expected receipts arising from the development to provide a net residual valuation.

⁹ Abnormal costs can broadly be described as site conditions which a competent purchaser, having undertaken the necessary investigation, could not have reasonably foreseen prior to the acquisition of a site.

- 9.4 The Council will refer the submitted financial appraisal to a suitably qualified viability expert adviser (“the Valuer”) for consideration and will require an open and co-operative approach between the applicant, the Council and the Valuer. The Valuer should be reasonable, transparent and fair in objectively undertaking and reviewing financial viability assessments. The Valuer’s costs will be met by the applicant, and will be reasonable and justified. As part of this co-operative process, the valuer will provide an independent assessment of the appraisal and the instruction will be jointly between the applicant and the Council' Further guidance on Financial Appraisals is set out in Appendix 3 of this SPD.
- 9.5 The Council will view the Valuer’s report, and if the conclusion of the report is that the scheme is not deliverable when 40% affordable housing is provided on site, then the Council would agree to a reduction in the overall numbers of affordable housing, or changes to mix (unit types and tenures) or the commuted sum (as the case may be). The valuer’s report will consider other development costs, such as major infrastructure costs and other S106 costs when confirming the viability of the scheme.

Section 10: Commuted Sums

- 10.1 The Core Strategy Affordable Housing Policy SP9 requires all developments to contribute in some way towards meeting housing need. As outlined at 3.3, planning obligations should only be sought where they meet all of the necessary tests ie they are necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind to the development.

Residential schemes of less than 10 dwellings

- 10.2 For schemes providing less than 10 dwellings Core Strategy Policy SP9 requires a commuted sum; the target contribution is equivalent to up to 10% affordable units. The commuted sum calculation for schemes of less than 10 dwellings is included in Appendix 1 of this SPD and the mechanism for payment will be secured through the Section 106 Agreement.

Residential schemes of 10 dwellings or more

- 10.3 For schemes providing 10 or more dwellings, Core Strategy Policy SP9 clearly states that Selby District Council’s preference is for those units to be provided on site, in line with national policy. The relocation of all or some of the affordable housing provision, or commuted sums will not normally be accepted.
- 10.4 Policy SP9 makes provision for applicants to provide a commuted sum only in exceptional circumstances, where an applicant can demonstrate that the provision of a commuted sum rather than on-site provision will result in clear benefits to the community/or delivering a balanced housing market.

- 10.5 Applicants must make a case to the Council regarding the provision of a commuted sum for some or all off-site provision, as a better alternative to on site provision. A key factor will be that off-site provision is not merely an alternative, but provides a better solution, a clear benefit or betterment than provision of on-site built units would deliver.
- 10.6 Selby District Council plans to update its Strategic Housing Market Assessment (SHMA) and the new SHMA will seek to provide a detailed definition of what constitutes a balanced housing market. In the interim; for the purposes of implementing Core Strategy Policy SP9 and to provide applicants with guidance, Appendix 4 sets out some examples of the factors which might be considered to deliver clear benefits to the community and support the delivery of a balanced housing market. However, existing evidence in the 2009 SHMA considers the whole District to be a single housing market area and as such the contribution of schemes anywhere in the District will help meet the District wide affordable housing requirements and will deliver a balanced housing market. Therefore the Council does not accept that there are settlement based or sub-area based local housing markets which need balancing within themselves or against each other. The requirement for affordable housing is District wide and provision to meet that need is appropriate District-wide.
- 10.7 A financial contribution will be only be acceptable in-lieu of on-site provision if both the applicant and the Council agree that this is the preferred approach e.g. where the management of the affordable housing on site cannot be effectively secured. The commuted sum calculation can be found in Appendix 1 of this SPD and the mechanism for payment will be secured through the section 106 agreement.

Pooling of Commuted Sums

- 10.8 Contributions received in lieu of affordable housing on site will be held in a fund and used to meet the provision of affordable housing in the District.

Section 11: Procedures for Applications

- 11.1 Applicants are advised to reflect the Council's affordable housing requirements at the earliest opportunity within the site development process and identify these in proposed S106 Heads of Terms. If possible this should be prior to the land acquisition stage and must be prior to the submission of a planning application. This is consistent with the Selby Validation Requirements for Planning and Other Applications submitted under the Town and County Planning Act, April 2011.
- 11.2 All relevant planning applications must be accompanied by the information outlined in Appendix 5, based on the approach set out in section 9.3 of this SPD.

- 11.3 SDC would prefer all applications which include affordable housing to be accompanied by S106 Heads of Terms, and a draft S106 agreement. If this is not possible a draft S106 agreement should be provided four weeks before the target determination date (committee date or through delegated officers powers). This will allow the S106 to be finalised swiftly following determination.
- 11.4 The Council's Model Section 106 agreements (for the provision of affordable housing for schemes of 10 dwellings or more (or of 0.3 hectares or more) and schemes of less than 10 dwellings) are available on request.
- 11.5 A key element of this proactive approach is the provision of this SPD to guide applicants. In addition it is expected that applicants ensure that sufficient information is provided with applications and as such the Council requires that outline planning applications must be accompanied by an indicative layout plan showing the location of the proposed affordable housing.
- 11.6 A 'Phasing Plan' will be required identifying the phases of the development (if the development is intended to be developed in phases), which will be part of the S106 Agreement.
- 11.7 For single phase developments the proportion, mix (unit types, sizes and tenures) and locations (specific plot numbers) of affordable housing will be agreed at the time of a full application or at the time of reserved matters application for outline applications.
- 11.8 For multi-phase developments, the maximum and minimum amounts of affordable housing will be agreed at the time of the outline application. The proportion, mix (unit types, sizes and tenures) and locations (specific plot numbers) of affordable housing on each individual phase will then be agreed at the commencement of each phase.
- 11.9 Full planning applications and (in the context of outline planning applications) applications at the reserved matters stage must be accompanied by the information outlined in Appendix 5.
- 11.10 Planning applications that accord with the policies in the Local Plan and the guidance included in this SPD will be determined without delay, unless material considerations indicate otherwise.

Appendix 1

Market Value, Transfer Prices and Commuted Sums

- A1.1 The NPPF and Core Strategy Policy SP9 set out a clear preference for the delivery of affordable housing on site. SP9 states that ‘commuted sums will not normally be accepted on these sites unless there are clear benefits to the community / or delivering a balanced housing market by relocating all or part of the affordable housing contribution’.
- A1.2 Only in those exceptional circumstances, where clear benefits to the community/ or delivering a balanced housing market can be demonstrated, will a commuted sum in lieu of on-site affordable housing be considered.
- A1.3 The following sets out the methodology, which would be used to calculate the commuted sums in those exceptional circumstances.

a) Determining the Market Value Methodology

Market Value for schemes of 1-9 dwellings or more

- A.1.4 Transfer Prices and Commuted Sum provisions require a market value to be determined, except for schemes of 1-9 units where the SPD sets out a fixed sum. This is contained in Table 2 in this Appendix 1.

Market Value for schemes of 10 dwellings or more

- A.1.5 For schemes of 10 dwellings or over (or of 0.3 hectares or more), applicants will be required to demonstrate the market value of the types of housing equivalent to the types proposed as affordable housing for the Council to consider and approve.
- A.1.6 Valuation for schemes of 10 or more dwellings (or of 0.3 hectares or more) may be achieved by:
- Three separate estate agent/ surveyor valuations; or
 - Average value of past sales for equivalent dwelling types proposed as affordable housing and the source of this evidence (Zoopla / Rightmove). Values should originate from average sales within the last 12 months within the same settlement as the application site, and should be provided for each individual dwelling type proposed.

b) Establishing Transfer prices – Methodology

- A1.7 The transfer price is the amount of money that a Registered Provider will pay to the developer to buy the affordable unit which will be built. Partner RPs provide the Council with information on prices that could be paid to the developer for a range of property types (by number of bedrooms), based on the projected rental income and borrowing limits. From this evidence the Council will set indicative average transfer prices on an annual basis; these

will be published on our website. Transfer prices vary by property type (number of bedrooms) and also relate to the final tenure type to be provided.

The transfer prices below have been averaged from values provided by seven RP partners in 2013. These have been used to calculate the commuted sum for 1 – 9 unit schemes. However for schemes of 10 units or more the applicant is able to set their own transfer value through negotiation with RPs. The below transfer values are provided for guidance and can be used if an applicant is not able to provide a bespoke calculated transfer value.

Table 1: Current Transfer Values

Unit Type	Indicative Size Sq m	Average Transfer Values Social Rent	Average Transfer Values Intermediate/ Affordable Rent
1 bed flat	50	£38,000	£43,408
2 bed flat	65	£47,733	£50,750
2 bed house	75	£53,221	£58,454
3 bed house	85	£61,744	£67,029
4 bed house	100	£70,957	£76,483

[Note: figures in table based on seven RP responses]

A1.8 For all schemes, these values and sizes provide an indicative benchmark for transfer prices. However, Registered Providers and developers have the flexibility to work together to set transfer prices and units sizes on a scheme by scheme basis. It is important to note that unit size will be critical to the RP to enable potential occupancy levels to be assessed; early discussion between RPs and developers will ensure that the units are acceptable to the RP. These Transfer Prices will be updated annually and published on our website.

Calculating Commuted Sums

A1.9 The Council has developed the following approach to the calculation of commuted sums based on the size of the proposed scheme.

1) Approach for Small Sites (Schemes of 1 to 9 units) Commuted Sum Calculation

A1.10 Fixed commuted sums will be required for small sites of 1 to 9 units.

A1.11 The commuted sum required is based on transfer prices and a market value specific to 2013, and the values used are detailed below in Table 2. These values will be Index Linked upwards from adoption of the SPD to the date of payment of the commuted sum.

A1.12 The following calculation has been used for schemes of 2-9 dwellings

(A-B) x10% proportion of total dwellings

A is the market value of a dwelling

B is the transfer value of a dwelling to RP

Table 2: Schemes of either 1 – 9 units, or less than 0.3 hectares.

Scheme Size	Required contribution	Cost to applicant for scheme
1 unit	nominal	£5,000
2 units	0.2	£19,194
3 units	0.3	£28,791
4 units	0.4	£38,388
5 units	0.5	£47,986
6 units	0.6	£57,583
7 units	0.7	£67,180
8 units	0.8	£76,777
9 units	0.9	£86,374

The values used are based on 2013 - average transfer value of £67,029¹⁰ and market value of £163,000^{11,12}

A1.13 Applications for a single dwelling will be required to contribute only a nominal commuted sum. The calculation of a contribution of 10% affordable housing on a single dwelling results in a potential maximum payment of £9,597, but the Council propose a reduced sum of £5,000. This is because the Council, whilst seeking to ensure the provision of affordable housing also wish to

¹⁰ Based on seven Selby District Registered Social Landlord responses for an average affordable rent for a 3 bedroom dwelling.

¹¹ Based on Zed-Index for Selby. The Zed- Index is the average property value in a given area based on current Zoopla Estimates

¹² Figures will be revised annually.

reduce any additional burdens on individual developments of just one dwelling in order to support such developments which address the needs of different groups in the community such as but not limited to, people wishing to build their own homes.

2) Approach to Larger Sites (10 dwellings or more) Commuted Sum Calculation

A1.14 For schemes of 10 dwellings or more, where the Applicant has demonstrated to the Council that there are clear benefits to the community by re-locating all or part of the affordable housing contribution, the following calculation will be used.

A1.15 The second part of the calculation captures the market gain achieved from the provision of additional market dwellings on any given site as a result of the affordable housing being provided off site. This would also be subject to the affordable housing requirement of up to 40% or 0.4

A1.16 The payment triggers for the commuted sum will need to be agreed based on the proposed phasing programme.

$$((A-B) \times (C \times D)) \text{ plus } (A-B) \times (C \times E) = \text{Commuted Sum}$$

A is the market value of a dwelling

B is the transfer value of a dwelling to a RP

C is the affordable housing percentage

D is the total number of dwellings

E is the number of additional market units on site

Example calculation based on

Market value of a dwelling is £163,000¹³

Transfer value of a dwelling is £67,029¹⁴

The example assumes 40% or 0.4 affordable housing, but this may be a different % to reflect any other negotiated % on any given scheme.

The planning application is a 20 unit scheme

Part 1 To capture the contribution required from the scheme

$$(A-B) \times (C \times D)$$

$$(\pounds163,000 - \pounds67,029) \times (0.4 \times 20) = (\pounds95,971) \times (8) = \pounds767,768$$

Part 2 To capture the uplift as per A1.15

$$(A-B) \times (C \times E)$$

$$(\pounds163,000 - \pounds67,029) \times (0.4 \times 8) = (\pounds95,971) \times (3) = \pounds287,913$$

¹³ Based on Zed-Index for Selby. The Zed- Index is the average property value in a given area based on current Zoopla Estimates.

¹⁴ Based on seven Selby District Registered Social Landlord responses for an average affordable rent for a 3 bedroom dwelling

Part 3 The total commuted sum

$$£767,768 + £287,913 = £1,055,681$$

Table A3.2: Comparison of on/off site provision for schemes of 20 and 50 units

Scheme Size	Affordable units required on site (based on 40% on site provision)	Cost of provision on site	Affordable units for off site calculation	Total cost of provision off site
20 units	8	£767,768	8+3=11	£1,055,681
50 units	20	£1,919,420	20+8=28	£2,687,188

Note: This table does not factor in a range of housing units and has been used to provide an indication of the required levels of commuted sum and to explain the calculation.

Appendix 2 – List of Registered Providers currently operating in the Selby District

<p>Broadacres Housing Association Broadacres House Mount View Standard Way Northallerton DL6 2YD</p> <p>Andi.McLoughlin@broadacres.org.uk 01609 767958</p>	<p>Jephson Housing Association Jephson House Lowfields Business Park Old Point Way Elland HX5 9DE</p> <p>Alison.day@jephson.org.uk 01422 313777 Diana.dickinson@jephson.org.uk 01422 313783</p>
<p>Home Knight House 2 Sandbeck Court Wetherby LS22 7BA</p> <p>Teresa.Snaith@homegroup.org.uk 07736 097588</p>	<p>Chevin Housing Group (Together Housing) Harrison St Wakefield WF1 1PS</p> <p>wendy.malone@togetherhousing.co.uk 0300 555 5561</p>
<p>Yorkshire Housing 6 Innovation Close Heslington York YO10 5ZF</p> <p>joel.owen@yorkshirehousing.co.uk +44 (0) 113 8256030</p>	<p>Hanover (Elderly persons accommodation) The Wave 1 View Croft Road ShIPLEY BD17 7DU</p> <p>Tom.brown@hanover.org.uk 01274 599686</p>
<p>York Housing Association 2 Alpha Court, Monks Cross Drive, Huntington, York YO32 9WN</p> <p>PaulAtkins@yorkha.org.uk 01904 540158</p>	<p>The Guinness Partnership Ltd Guinness Northern Counties 1 Tudor Court Tue Greenway Thorntree Middlesborough TS3 9PZ</p> <p>Nigel.Graham@guinness.org.uk 0114 2288464</p>
<p>Leeds and Yorkshire Housing Association 2 Shire Oak Road Leeds LS6 2TN</p> <p>Joanna.chambers@lyha.co.uk 0113 2033014</p>	<p>Connect Housing 205 Roundhay Road Harehills Leeds LS8 4HS</p> <p>Phil.lacey@connecthousing.org.uk 0113 2850422</p>
<p>Extra Care enquiries@extracare@northyorks.gov.uk 01609 532600</p>	

Appendix 3 - Financial Appraisals

A4.1 To justify the provision of less than the target for affordable housing, the Council requires a Financial Appraisal to be submitted with the planning application. The information contained in the Appraisal will only be made available to the Planning Officer and the viability expert advisor. It will not be placed on the public file nor made available to any third party.

A4.2 The information to be supplied should include the value of the completed development proposed by this application, and all costs incurred or expected to be incurred in order to achieve this value. The information should ideally include the following as a minimum guide, but may also cover other items specific to the proposed development.

Value

- Gross internal area of units excluding garages and conservatories. Habitable roof-space should be listed separately.
- The value used per unit of area. Alternatively, valuations of the completed buildings.
- The cost of sales or lettings, broken down into marketing/estate agents' fees and legal fees.
- Affordable housing should be shown at the value to be paid by a Housing Association/Registered Provider or as published on the Selby District Council website (and shown in Appendix 1 of this SPD).
- The physical state and use of the site, which are authorised and require no consent to continue.

Costs

- Build costs. Give the gross external area multiplied by the unit cost per square metre or square foot. State whether this is a tendered sum or an estimate.
- Preliminaries allowed for. State what is included.
- External works where applicable. Broken down, e.g. X ms of road @ £Y per m. Include boundary treatment, landscaping, demolition and site preparation costs as appropriate.
- Standard Planning Costs – Planning and Building Regulation fees, commuted sums.
- Professional fees – Architects, QS, CDM supervisor etc.
- Contingency allowance.

- Cost of finance. Indicate the period and interest rate.
- Community Benefits. If the scheme includes any exceptional benefits such as the restoration of a listed building or the provision of public open space above what is required, please state the cost of providing this.
- Abnormal costs if any, found since acquisition of site. What are these (e.g. contaminated land remediation) and when you became aware that there were potentially abnormal costs and what the costs are anticipated to be?
- Developers Profit – the amount or percentage included.
- Acquisition price as appropriate

Any other relevant items should be clearly defined and costed.

Appendix 4: Exceptional Off-site provision

A5.1 This Appendix provides a broad review of the criteria which the Council would take into account when considering whether there is justification for all or part off-site provision of affordable housing or a commuted sum calculation; the list is not exhaustive. As set out in Core Strategy Policy SP9, Selby District Council's clear preference is for the delivery of affordable housing on site in accordance with the NPPF. It states that 'commuted sums will not normally be accepted on these sites (10 dwellings or more) unless there are clear benefits to the community / or delivering a balanced housing market by relocating all or part of the affordable housing contribution'.

Defining a Balanced Housing Market and Clear Benefit to the Community

a) Justification of a proposal delivering a Balanced Housing Market

- A5.2 Selby District Council plan to update their Strategic Housing Market Assessment (SHMA) which will seek to provide a detailed definition of what constitutes a balanced housing market.
- A5.3 However, existing evidence in the 2009 SHMA considers the whole District performs as a single housing market area and as such the contribution of schemes anywhere in the District will help meet the District-wide affordable housing requirement and will deliver a balanced housing market. The Council does not accept that currently there are either settlement based or sub area based local housing markets which need balancing within themselves or against each other. The requirement for affordable housing is District wide and provision to meet that need is appropriate District wide.
- A5.4 In the interim; for the purposes of implementing Core Strategy Policy SP9 the Strategic Housing Market Assessment (SHMA) confirms that the Selby District constitutes a single housing market area. It is therefore not possible to set criteria to assess if a commuted sum would result in a balanced housing market, as the District can only be assessed as a whole.
- A5.6 Therefore based on current evidence, the Council cannot foresee that the exceptional circumstances for off-site provision can be demonstrated within the context of the balanced housing market test within Policy SP9. As such the only potential justification for off-site provision or commuted sum would be for an applicant to demonstrate a clear benefit to the community, as set out below.

b) Justification of a proposal delivering a clear benefit to the community

- A5.7 As set out in the main part of this SPD (section 10) a key factor will be that off-site provision is not merely an alternative but provides a better solution, clear

benefits or betterment compared to the provision on-site built would deliver.

A5.8 For the purposes of implementing Core Strategy Policy SP9 and to provide Applicants with guidance on the situations when partial off-site, off-site or commuted sum contributions might be considered, the Council would consider the following factors might form part of the assessment of any case put forward in terms of possible indicators of whether an off-site solution might deliver a clear benefit to the community.

A5.9 The alternative must provide an improved offer in comparison to on-site provision. This is not a checklist against which proposals will be tested – i.e. just because it falls within one of the categories below it does not automatically qualify for being an acceptable alternative to on-site provision, and equally the list is not exhaustive:

- The proposal would support the Core Strategy development strategy's aims, objectives and policies, which seek to focus development in Selby Town, then Local Service Centres and then Designated Service Villages.
- The proposal results in the provision of affordable units in a location that is considered to have good access to local services, facilities and access to public transport.
- If the proposal results in empty homes being brought back into use for affordable housing on an identified site.
- The proposed off site development would allow affordable housing to be delivered on an identified site, which would otherwise not be delivered by other means, including the delivery of specialist or supported units.
- The delivery of affordable units off site is within the same timescale as the provision of market units on site, defined in the S106 agreement.
- If a mechanism for delivery / delivery partner is identified to provide the affordable housing.

Appendix 5

Information to accompany a planning application – the Affordable Housing Statement

- A6.1 The Council require all planning applications for schemes of 10 dwellings or more to be submitted with an Affordable Housing Statement and indicative layout plan, for full applications (or at reserved matters stage for outline applications). The detail will be dependent on the scheme.
- A6.2 The information submitted should at least comprise the following:
1. The proportion of dwellings provided to be affordable (target of 40% on schemes of 10 units or more).
 2. The proportion of affordable dwellings to be provided as affordable rent and intermediate housing (outline and full planning application).
 3. Identify the affordable dwellings by number, type, size, location, phasing (as applicable) and tenure (for full or reserved matter planning applications).
 4. Details of the Registered Provider who will be partnering on the site (if known).
 5. Timing/trigger arrangement for the transfer of the affordable dwellings to the identified Registered Provider.
 6. S106 Heads of Terms.
 8. A financial appraisal if the 40% target is not achieved.
 9. Off-site or commuted sum details if the applicant has agreed with the Council that this is acceptable, with the justification meeting the criteria set out at Appendix 4.
- A6.3 For schemes of between 1 and 9 units, it is not considered necessary to provide a separate Affordable Housing Statement due to the more narrowly focussed scope for affordable housing on smaller sites. Instead, where a commuted sum is payable, the Design and Access Statement should include a statement to confirm the applicant's approach to the payment of the commuted sum.

Glossary

Affordable Housing: The Council defines AH in the Core Strategy and uses the national policy definition. Currently this is provided in NPPF (2012) as follows: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Affordable Housing Statement: A document submitted with a planning application which includes affordable housing detailing the numbers of residential units, the mix of units with numbers of habitable rooms and/or bedrooms, or the floor space of habitable areas of residential units, and plans showing the location of units. The statement needs to include financial viability appraisal information (if 40% affordable housing is not being provided) based on approach set out in section 9.3 of this SPD. The affordable housing statement should also include details of any Registered Providers acting as partners in the development (if known).

Affordable Rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Choice Based Lettings: or CBL, are allocations schemes designed to introduce an element of choice for people who apply for council and housing association homes. They allow people applying for a home to bid for properties which are advertised as available, and bids are assessed on a needs basis.

Core Strategy: This is the key strategic local development document required under planning law, which sets out plans relating to the development and use of land in a local planning authority's area

Index Linked: The Commuted Sum will be adjusted in accordance with upwards changes in the All In Tender Price Index published by the Building Cost Information Service of Chartered Surveyors (or any other index as the Council may determine from time to time) from the date of adoption of this SPD to the date of payment

Indicative Layout Plan: an indicative plan setting out the location of the affordable housing units confirming that the Applicant is providing 40% affordable housing (for outline applications where the detail is reserved)

Intermediate housing / Shared Ownership: is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.’

Local Development Framework (LDF): is a suite of documents which together will guide development within the Selby district.

Local Housing Needs Survey: a local (parish) housing needs survey will need to accompany a planning application for a Rural Exception Site. The survey will need to set out the identified local needs and how the proposed development will meet these identified needs. This will normally be carried out in partnership with the Rural Housing Enabler and relevant Parish Council.

Long Term Affordable Housing: It is considered that long term affordable housing means affordable housing that is available as such in perpetuity.

North Yorkshire HomeChoice: is North Yorkshire's new way of allocating council and partner housing association (or Registered Provider) properties for rent, and shared ownership properties for sale. See also Choice Based Lettings

Registered Providers: a registered provider of social housing as defined in Part 1 of the Housing Act 1996 who is registered with the Homes & Communities Agency

Rural Exception Sites: Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current or former residents or those who have an existing family or employment connection. Small numbers of market homes may be allowed as part of a scheme at the local authority’s discretion, for example where essential to enable the delivery of affordable units without grant funding.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Supplementary Planning Documents: Documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary Planning Documents are capable of being a material consideration in planning decisions but are not part of the development plan.

Public Session

Report Reference Number C/13/22 Agenda Item No: 17

To: Council
Date: 25 February 2014
Author: Julia Jennison – Policy Officer
Lead Officer: Karen Iveson – Executive Director
Executive Member Councillor Cliff Lunn

Title: Asset Transfer Policy

Summary: This Policy allows for consideration of the Transfer of Assets from Selby District Council to Selby and District Housing Trust.

Recommendation:

That Council approves the policy

Reasons for recommendation

The Asset Transfer Policy will assist with delivery of the Housing Development Strategy by allowing consideration of Council assets for possible transfer to the Housing Trust. These assets would be developed to help deliver additional affordable housing in the district.

1. Introduction and background

- 1.1 The Executive report of 7th November 2013 set out the background to the Asset Transfer Policy, which will enable the transfer of SDC owned buildings, land or void housing subject to individual business cases and the relevant approvals.
- 1.2 The diagram at 4.3 of the Policy shows the process by which these development mechanisms would be considered, and should be read alongside the flowchart at 5.2.

- 1.3 An Evaluation sheet is provided to align with the requirements of the Asset Management Strategy, and a checklist is provided at 5.11.
- 1.4 Once a potential opportunity has been identified, the business case will dictate the best way forward, and establish whether or not transfer to the Trust is appropriate.
- 1.5 Any transfers to the Trust would be by means of private sale subject to the relevant authority and consents. As part of a business case the Council may impose conditions, covenants, buy-back clauses, overage clauses and any other terms or conditions upon any asset transfer as it considers appropriate
- 1.6 Most transfers will require Executive approval as a key decision, whether the asset sits in the HRA or General Fund. In addition, various central government consents may be needed according to the type of land/asset.
- 1.7 Public consultation on the draft Policy ran between 18th November and 30th December 2013.

2. The Report

- 2.1 The draft Asset Transfer Policy was advertised on the Council's website from 18th November to 30th December 2013, but no responses have been received.
- 2.2 It was also considered on the agenda of the regular Registered Provider Liaison meeting on 14th November 2013. The Homes & Communities Agency commented that if local authority owned sites are not available to Registered Provider partners, affordable housing delivery will be difficult. Attendees also expressed concern generally regarding future Section 106 opportunities for them once the Trust is up and running.
- 2.3 A short presentation was given to the Tenant Scrutiny Panel when they met on 26th November 2013, and they were invited to respond to the consultation either individually or as a group.
- 2.4 Policy Review considered and discussed the draft Asset Transfer Policy on 17th December, with no proposed amendments or additions.
- 2.5 Executive recommended the Asset Transfer Policy for approval on 6th February 2014.
- 2.6 The Asset Transfer Policy should be read in conjunction with the Asset Management Strategy.
- 2.7 An Equality Impact Assessment has been completed on the Policy.

Timescale

2.8 The time line for the progression of the Asset Transfer Policy is scheduled below.

Date	Event	Action
7 November	Executive	Consideration of draft Policy
18 November to 30 December	Public Consultation	
14 November	Registered Provider consultation	As part of consultation
26 November	Tenant Scrutiny Panel consultation	As part of consultation
17 December	Policy Review	As part of consultation
6 February 2014	Executive	To consider results of consultation and recommend policy to Council
25 February 2014	Council	Policy Adopted

3. Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1 This policy is referred to Council for approval as it relates to the Asset Management Strategy which is one of the documents in the policy framework of the Council.
- 3.2 Ongoing legal advice will be sought to inform our approach to transfers in line with the policy, and will be required as part of each business case.
- 3.3 The Council will need to be clear that the disposal or transfer represents Best Value.

Financial Issues

- 3.4 Financial input will be required as part of each business case.
- 3.5 The Council will need to be clear that the disposal or transfer represents Best Value.

4. Conclusion

- 4.1 The Asset Transfer Policy will provide an opportunity for the Council to manage its assets more effectively, to deliver additional affordable housing in the district in accordance with the Housing Development Strategy.

5. Background Documents

Executive Report 6th February 2014
Executive Report 7th November 2013
Housing Development Strategy 2013
Asset Management Strategy 2010-15
Housing Revenue Account (HRA) Business Plan 2012-17

Contact Details

Julia Jennison – Policy Officer
jjennison@selby.gov.uk

Appendices

Appendix A – Final Asset Transfer Policy 2014

Selby District Council Asset Transfer Policy 2014 (A Policy for the Transfer of Assets to Selby & District Housing Trust)

1 Introduction and Purpose

- 1.1 To enable transfers of land and property to Selby & District Housing Trust (the Housing Trust) in order to make best use of the Council's assets.
- 1.2 The policy will enable the transfer of Selby District Council (SDC) owned buildings, land, void housing or any other assets, subject to individual business cases and the relevant approvals.

2 Policy Context

- 2.1 There are a number of existing plans and strategies which provide the framework for asset transfer within the context of Selby District Council's strategic aims.
- 2.2 **Selby District Council's Corporate Plan 2011-2015**
The Council is committed to achieving five big things for the district:
 - We want to be a stronger council, fighting for our communities and getting everyone working together.
 - We want to change the perception people have of Selby district as a place to live, work, bring up their families and spend their time and their money.
 - We will strive to ensure that people are living well by providing better opportunities for learning, training, jobs, housing and leisure.
 - We want to be confident in our ability to tackle the tough stuff that holds back our potential and that of our communities, and
 - We want to be switched on to what's happening around us, knowing what's important to the people we serve and being fit to deliver it.
- 2.3 Building on these five targets, we launched our **Programme for Growth** in 2012, which focusses on the key issues of new jobs, housing, local infrastructure, retail and leisure.
- 2.4 As part of this programme, an independent Housing Trust will be set up to deliver new and refurbished affordable homes in the district, to meet need, support local construction and increase opportunities for jobs and wealth creation.
- 2.5 Our **Asset Management Strategy** 2010-15 provides a plan whereby the Council can balance the investment required with the resources available to achieve the objectives of the Corporate Plan and other Council strategies.
- 2.6 It requires the Council's assets to be managed in the most effective, efficient and economical manner, with the objective to ensure that every opportunity is taken to fully utilise the benefits of assets.
- 2.7 The **Housing Revenue Account (HRA) Business Plan** 2012-17 sets out how the Council, as the major landlord in Selby District, plans to manage its stock.

- 2.8 In addition to investing £15m million in our 3,150 homes over the next 5 years, it sets out our commitment to consideration of the wider use of our land and property holdings in the context of the abolition of the old Housing Subsidy System in favour of self-financing.
- 2.9 This will include looking at the opportunities presented either by developing new affordable housing ourselves within the HRA, or by working with the new Housing Trust to enable them to develop affordable homes.
- 2.10 Our **Empty Homes Strategy** 2013-16 identifies the scale of empty homes in Selby district, and explores the approaches and resources required to bring them back into use.
- 2.11 As part of this work, we will review best use of void Council homes and properties, as well as working with the owners of other public and privately owned stock.
- 2.12 An element of funding for the development of affordable homes, either new build or refurbished, will be made available through our emerging planning policies; see below.
- 2.13 The **Core Strategy** was adopted in 2013, Policy SP9 (formerly CP5) requires all new housing developments to contribute in some way towards meeting housing need, wherever the viability of the development allows. For schemes providing less than 10 dwellings, a commuted sum is required with a target contribution equivalent of up to 10% affordable units.
- 2.14 For schemes providing 10 or more dwellings, in certain circumstances, a commuted sum may be accepted as all or part of the affordable housing contribution (detail is set out in the AHSPD, Appendix 1).
- 2.15 An **Affordable Housing Supplementary Planning Document (AHSPD)** 2013, is being developed to deliver the Core Strategy, which includes the range of approaches, standards and mechanisms required to deliver affordable housing which meets local needs
- 2.16 Contributions received by way of commuted sums will be held in a fund and used to meet the provision of affordable housing in the District in accordance with the S106 requirements for each sum.
- 2.17 The **Housing Development Strategy** 2013, sets out Selby District Council's plans to contribute to the development of additional affordable housing in the district, concentrating on the contribution the Council itself can make.
- 2.18 It outlines two mechanisms for the Council to increase its affordable housing stock; initially concentrating on the opportunities provided by using Council owned land.
- 2.19 Building on these plans and strategies, this Asset Transfer Policy will provide the framework for consideration of when transfer to the Housing Trust would be beneficial to the Council's vision and objectives.

3 Strategic Consideration of Asset Disposal/Transfer

3.1 The Asset Management Strategy (extracts in italics) sets out that:

To manage the assets of the Council effectively, economically and efficiently in a manner which supports the delivery of the Council's Corporate Plan, Access Selby will pursue the following objectives:

- *To ensure the assets are fit for purpose and maintained to the required standard;*
- *To utilise assets in a sustainable way to support the Council's strategic policies;*
- *To work with partners and community groups to maximise the use of assets for the benefit of the local community;*

3.2 *All assets will be periodically evaluated through an **Asset Value Survey** to consider their:*

- *Condition*
- *Suitability – or fitness for purpose*
- *Sufficiency –reflecting both demand for and sustainability of an asset*
- *Net Costs – of running the asset*
- *Accessibility –Firstly linked to the Disability Discrimination Act and the extent to which the asset is accessible to service users and people with disabilities, and secondly concerned with accessibility more generally*
- *Value*

3.3 The asset is re-valued every 5 years with a desktop revaluation every year. Further detail is provided in the Asset Management Strategy.

3.4 In addition to this periodic consideration, assets may be reviewed at other stages, such as to enable a scheme or project to progress, or when HRA housing stock comes void.

3.5 Following review, the strategy may recommend any of the following actions:

- *Re-evaluation of rental value; or*
- *Incentives such as rent free periods, bespoke lease terms outside of the standard lease agreement (such as non-Full Repairing and Insuring leases), short term lets; or*
- *Professional assistance (such as planning advice, legal advice etc); or*
- *Waiving of fees; or*
- *Decorating, repairs and/or alterations*
- *Disposal*

3.6 *Where monitoring or review demonstrates that retention of assets is no longer in the public's interest, for example:*

- *where the costs of maintaining the asset are beyond its market value; or*
- *where the income from the asset is less than could be achieved through other means (such as bank interest on the capital achieved through sale); or*
- *where the sale of the asset would enable alternative assets to be acquired or provide the opportunity for an acquisition*
- *where the asset has ceased to be of use to the Council or Access Selby, but still has a useful life; or*
- *for other justified reason*

consideration may be given to the disposal of the asset.

3.7 *Disposal means to sell either*

- *the Council's freehold interest in the land, property or void home or*
- *to grant a leasehold interest to a buyer with the Council retaining its freehold interest in the land, property or void home.*

3.8 *Disposals of assets will be made in accordance with:*

- *statutory provisions;*
- *Corporate objectives;*
- *the policies and procedures recorded in the Council's Constitution and this policy document;*
- *the proper council authority having been obtained*
- *external consents obtained*

Transfers to the Trust would be by means of private sale.

3.9 The asset may be transferred by way of sale or gift to the Trust at less than market value, subject to business case which should include reference to state aid. Where assets are disposed of for less than the best price the Council can achieve, it will only do so in accordance with the guidance set out in Circular 06/03 Local Government Act 1972: General Disposal Consent (England) 2003.

3.10 Where a disposal forms part of a mixed transaction involving the procurement of public "works", "supply" or "services the Council must consider whether the disposal amounts to procurement rather than a simple land transaction in which case the Council's Contract Procedure Rules and EU Procurement Regulations may apply. Legal advice must be sought from the Council's Solicitor.

3.11 Conditions may be applied to a sale (the section in italics is from the Asset Management Strategy):

As part of a business case the Council may impose conditions, covenants, buy-back clauses, overage clauses and any other terms or conditions upon any asset transfer as it considers appropriate. Such actions would be placed in the interest of the community, either to ensure best value, or in the interests of public safety/security. Each transfer will be considered on its own merits and any conditions would be agreed as part of the sale prior to conclusion and with the consent of the Secretary of State.

4 **Options**

4.1 The Council works in partnership with Registered Providers in the district to enable the development of affordable homes to meet identified housing need.

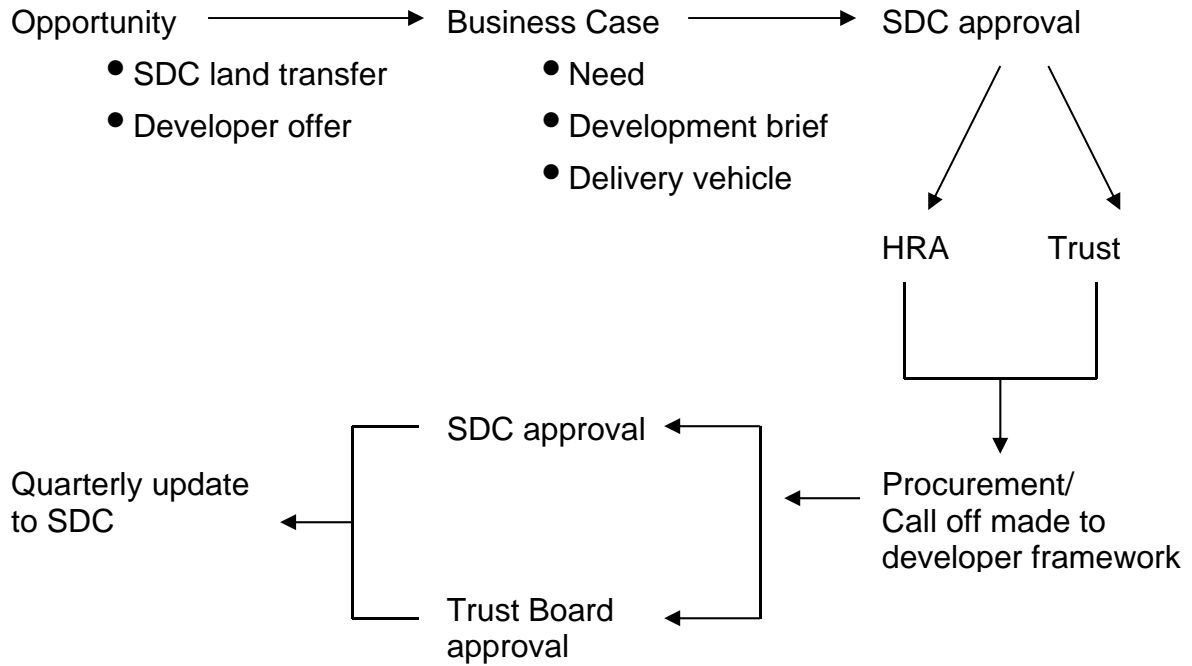
4.2 In addition, there are two mechanisms available to the Council to increase affordable housing stock; properties could be

1. developed and financed through the HRA, or
2. developed through a Housing Delivery Vehicle, Selby Housing Trust, established to develop affordable homes in Selby District.

4.3 The diagram below shows the process by which these development mechanisms would be considered. Once a potential opportunity has been

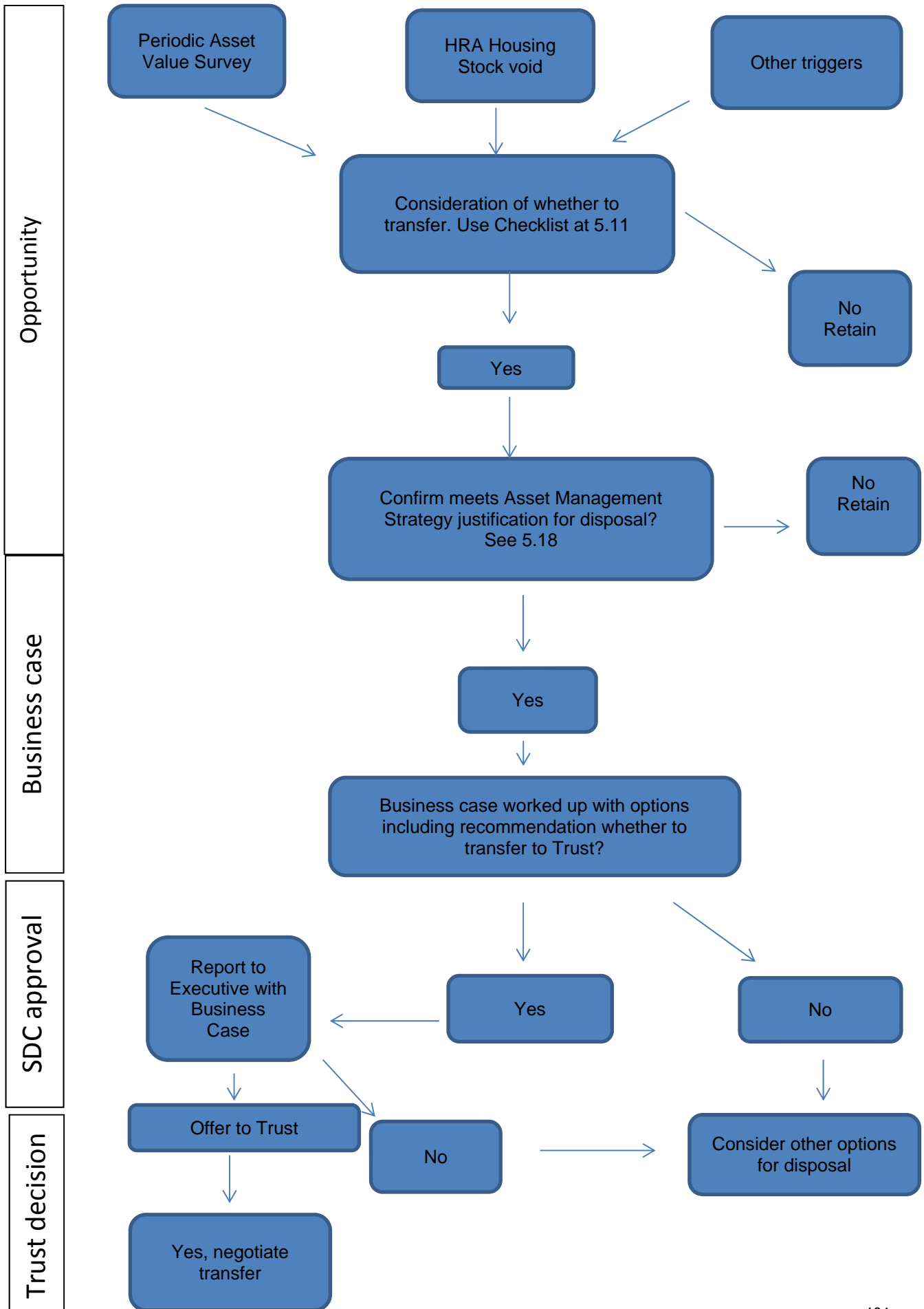
identified, the business case will dictate the best way forward, and establish whether or not transfer to the Trust is appropriate.

Development Mechanisms



5 Disposal/transfer to the Trust - Issues to consider

5.1 Set out in the previous section, taken from the Asset Management Strategy, are the processes by which an asset may be selected for disposal or transfer; either as part of a periodic review, or as a result of a particular trigger. Building on the diagram above, the flowchart below sets out the process.



- 5.3 Criteria must be identified to enable clarification of the reason for the Council initially to consider the asset for disposal. With reference to the Asset Management Strategy, it is likely that the triggers would be:

Periodic Asset Value Survey

- 5.4 *All assets are periodically evaluated (as set out in the Strategic Asset Management Plan) to consider their:*

- *Condition – This considers the physical state of the asset and evaluates the repairs required to keep the asset in continued use. It may be more cost effective to replace an asset outright than to continually repair it.*
- *Suitability – This measure effectively reflects fitness for purpose of an asset and encompasses views of those involved in front line service delivery, and taking into account the needs of service users. It goes beyond condition and is concerned with how well or otherwise the asset is suited to its current purpose.*
- *Sufficiency – This measure reflects both demand for and sustainability of an asset. Sufficiency is concerned with asset use now and in future. It is a crucially important indicator as it helps to identify both under-utilised assets for possible disposal or reconfiguration, and situations where there is a developing risk of over-utilising an asset and the need for additional/alternative assets to meet demand.*
- *Costs – The costs of running the asset must be compared with the revenue it generates.*
- *Accessibility – This covers two distinct areas. The first is linked to the Disability Discrimination Act and the extent to which the asset is accessible to service users and people with disabilities. The second is concerned with accessibility more generally e.g. specialist equipment that can only be utilised by suitably trained staff.*
- *Value – A list of financial values of assets acts as a reliable inventory check and provides accurate, appropriate valuation information to assist in decision making.*

HRA Void Housing Stock

- 5.5 When a home comes void, consideration could be given to whether its continued use should sit with the Council, or whether wider strategic aims might be met by transferring it to the Trust, for instance where major works are required, in order to facilitate wider development, or where the stock of affordable housing needs to be preserved eg where it sits in a rural location where the development of additional affordable housing would be unlikely. For practical purposes, it may be necessary to set out some parameters for this – see 5.8.

Other triggers

- 5.6 Over time it may be established that some assets are low demand, and a reassessment of their use and potential may be appropriate. Ongoing project work or review such as a Stock Condition Survey may flag up the need for a wider consideration of an asset, its use and ownership

General

- 5.7 Initially, the concentration will be on the use of council owned land, and whether it provides opportunities for the development of new affordable housing through the Trust.

- 5.8 For void housing stock, it may be practical to identify certain types of hard to let or low demand units (for example by unit size, or by specified locations in the district) where transfer might be considered, in order to avoid consideration of each individual property coming void. This would reduce delays in re letting (existing HRA stock or as new lets through the Housing Trust, dependent on the outcome) to potential residents in need of housing, and minimise the loss of income.
- 5.9 For other assets this may not be so critical, and review would generally be led by the periodic asset value survey.
- 5.10 An evaluation sheet should be used to ensure that the requirements of the Asset Management Strategy are met. If at any point it becomes apparent that there is no opportunity for additional affordable housing to be developed through the Trust, the process will cease.
- 5.11 The checklist should include:

Evaluation	Comments	Existing Housing stock
Consideration of current use and possible alternative use, including any planning constraints, flood risk, knowledge of the immediate area		n/a
Does the alternative use provide an opportunity for the Trust to provide affordable housing?		n/a
Cost and best value in proceeding		
Financial issues including potential loss to the General Fund or HRA and repayment of the debt		
Potential to enable other Trust schemes to progress eg adjacent to other Trust landholdings, potential access to sites, ransom strips		
Whether it would be a freehold or leasehold transfer and the advantages/disadvantages of each		
Other Legal issues		
Wider benefit to the community		
Other considerations		

- 5.12 With the benefit of this evidence a Business Case can be made for the transfer/disposal of the asset, and consideration of whether the asset would be suitable for transfer to the Trust. Opportunities should enable the development of affordable housing either directly through the disposal of a void property or the provision of land to build affordable housing, or indirectly through the transfer of land or property which would enable an affordable scheme to progress.
- 5.13 Where Council owned land is identified for affordable housing development, the type of scheme developed will be led by identified housing need, including evidence from the latest Strategic Market Housing Assessment and the Council's Housing Register. More information can be found in the Councils Affordable Housing Supplementary Planning Document.
- 5.14 Where a decision is made to transfer an asset to the Trust, the valuation will include consideration of whether the transfer should be freehold or leasehold, and include the cost/benefit of each. Reference should be made to Circular 06/03.
- 5.15 As the owner of the asset, the Council will have the opportunity of setting out its requirements of the proposed development in terms of
- the type and size of housing to be developed
 - the development timescale
 - design/quality assurance
 - covenants on land where appropriate
 - overage agreements where applicable
 - option/pre-emption agreements
 - loan agreements where applicable
- 5.16 However, it will not be possible to use a buy-back clause without express approval from the Secretary of State.
- 5.17 Where assets are transferred to the Housing Trust it may be necessary for affordable schemes to be cross subsidised by market housing, and consideration of this option would be considered in the usual way through the planning process, and set out in the business case.
- 5.18 As part of the Business case, *where monitoring or review demonstrates that retention of assets is no longer in the public's interest, for example:*
- *where the cost of maintaining the asset are beyond its market value; or*
 - *where the income from the asset is less than could be achieved through other means (such as bank interest on the capital achieved through sale); or*
 - *where the sale of the asset would enable alternative assets to be acquired or provide the opportunity for acquisition*
 - *where the asset has ceased to be of use to the Council or Access Selby, but still has a useful life; or*
 - *for other justified reason*

this will need to be clearly evidenced.

6 Process

- 6.1 This document has outlined a framework for the above process to ensure full consideration by officers and Members, and fit with the processes laid out in the Asset Management Strategy

Internal approvals.

- 6.2 Most transfers will require Executive approval as a key decision.
- 6.3 The report to Executive will need to set out
1. the reason that the disposal is in the public interest, and
 2. a breakdown of the costs of disposal and how these will be funded
 3. whether the asset will be replaced and how it will be funded

Officer delegation

- 6.4 Where an asset is valued at less than £15k, directors have delegated powers in consultation with S151 Officer/Solicitor to the Council

External approvals

- 6.5 Various central government consents may be needed according to the type of land/asset.

7 Potential Risks

- 7.1 Risks which the Council will need to take into consideration are;
- any longer term opportunity which might be provided by the asset, including possible ransom strip or strategic transfers
 - the financial impact on the HRA of the Council reducing its housing assets, or on the General Fund
 - the impact on the practical management arrangements for its housing stock
 - any economies of scale relating to housing management
 - ensuring that opportunity is taken to protect any long term interest in the asset in the terms of the transfer/disposal
 - emerging projects considered by different teams

Each case will need to be fully evaluated to ensure risk is minimised.

- 7.2 In terms of Council housing stock, the new Right to Transfer (Autumn 2013) gives tenants the right to the transfer of their homes to a Housing Association (Registered Provider) and to request new homes be built. If this were to happen, the Council would own fewer individual homes which could be considered for transfer to the Trust.

8 Potential Benefits

- 8.1
- The policy will enable additional affordable housing to be developed to meet housing need in the district
 - It will help the Council sustain the HRA through external property management
 - It will provide employment opportunities in the district

ⁱ Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained

ⁱ General Consents 2003 and 2013; Housing and Regeneration Act 2008, Local Government Act 1988

2014/15 Schedule of Meetings

		2014													2015													
	May	June		July		August		September		October		November		December		January		February		March		April		May				
M		2	Licensing					1	Licensing			3	Licensing	1	Licensing			2	Licensing	2	Licensing				M			
T		3	Western CEF (F)	1	Western CEF (B)			2	COUNCIL			4		2	Western CEF (F)			3		3					T			
W		4	Central CEF (F)		Central CEF (B)			3		1		5		3	Central CEF (F)			4		4		1	School Hols		W			
T	1	Executive	5	Executive	3	Executive		4	Executive	2	Executive	6	Executive	4	Executive	1	Bank Hol	5	Executive	5	Executive	2	Executive		T			
F	2		6		4		1	School Hols	5		3		7		5		2	School Hols	6		6		3	Bank Hol	1	F		
M	5	Bank Hol	9	Access Selby Board	7	Licensing/Tadcaster CEF (F - Annual Meeting)	4	School Hols	8	Access Selby Board	6	Licensing	10		8	Access Selby Board	5	Licensing	9		9	Access Selby Board	6	Bank Hol	4	Bank Hol	M	
T	6		10		8		5	School Hols	9	Western CEF (F)	7	Western CEF (B)	11		9	COUNCIL	6		10		10		7	School Hols	5		T	
W	7	Planning	11	Planning/Eastern CEF (F)	9	Planning/Eastern CEF (B)	6	School Hols	10	Planning/Central CEF (F)	8	Planning/Central CEF (B)	12	Planning	10	Planning/Eastern CEF (F)	7	Planning	11	Planning	11	Planning	8	Planning	6		W	
T	8		12	Southern CEF (F)	10	Southern CEF (B)	7	School Hols	11		9		13		11	Southern CEF (F)	8	Executive	12		12		9	School Hols	7	Election	T	
F	9		13		11		8	School Hols	12		10		14		12		9		13		13		10	School Hols	8	Count	F	
M	12	Licensing	16		14	Access Selby Board/Tadcaster CEF (B)	11	School Hols	15		13	Access Selby Board	17	Tadcaster CEF (B)	15		12	Access Selby Board	16	School Hols	16	Tadcaster CEF (B)	13	Licensing/Access Selby Board/Tadcaster	11		M	
T	13	ANNUAL COUNCIL	17	POLICY REVIEW (provisional)	15	POLICY REVIEW	12	School Hols	16	POLICY REVIEW	14	COUNCIL	18	POLICY REVIEW (provisional)	16	POLICY REVIEW (provisional)	13		17	School Hols	17	POLICY REVIEW (provisional)	14	POLICY REVIEW	12		T	
W	14		18	AUDIT	16	Member Briefing	13	School Hols	17	Eastern CEF (F)	15	Eastern CEF (B)	19		17		14	AUDIT	18	School Hols	18		15	AUDIT	13		W	
T	15	Executive BRIEFING	19	Executive BRIEFING	17	Executive BRIEFING	14	School Hols	18	Executive BRIEFING/Southern CEF (F)	16	Executive BRIEFING/Southern CEF (B)	20	Executive BRIEFING	18	Executive BRIEFING	15	Executive BRIEFING	19	Executive BRIEFING	19	Executive BRIEFING	16	Executive BRIEFING	14		T	
F	16		20		18		15	School Hols	19		17		21		19		16		20	School Hols	20		17		15		F	
M	19	Tadcaster CEF (B - Annual Meeting)	23		21		18	School Hols	22	Tadcaster CEF (B)	20		24	Tadcaster CEF (F)	22	School Hols	19	Tadcaster CEF (B)	23		23		20		18		M	
T	20	POLICY REVIEW (provisional)	24	COUNCIL	22	SCRUTINY (provisional)	19	School Hols	23	SCRUTINY	21	SCRUTINY (provisional)	25	SCRUTINY (provisional)	23	SCRUTINY (provisional)	20	POLICY REVIEW	24	COUNCIL	24	SCRUTINY	21	COUNCIL	19	ANNUAL COUNCIL	T	
W	21	SCRUTINY (provisional)	25	SCRUTINY	23	School Hols	20	School Hols	24	AUDIT	22	POLICY REVIEW (provisional)	26	Member Briefing	24	School Hols	21	Member Briefing	25	SCRUTINY (provisional)	25	Member Briefing	22	SCRUTINY (provisional)	20		W	
T	22	European Election	26		24	School Hols	21	School Hols	25	Member Briefing	23		27		25	Bank Hol	22		26		26		23		21		T	
F	23		27		25	School Hols	22	School Hols	26		24		28		26	Bank Hol	23		27		27		24		22		F	
M	26	Bank Hol			28	School Hols	25	Bank Hol	29		27	School Hols		29	School Hols	26						30	School Hols	27		25	Bank Hol	M
T	27	School Hols			29	School Hols	26	School Hols	30	Western CEF (F) - Funding Event	28	School Hols		30	School Hols	27	SCRUTINY					31	School Hols	28		26	School Hols	T
W	28	School Hols			30	School Hols	27	School Hols			29	School Hols		31	School Hols	28							29		27	School Hols	W	
T	29	School Hols			31	School Hols	28	School Hols			30	School Hols				29							30		28	School Hols	T	
F	30	School Hols				29	School Hols				31	School Hols					30							29	School Hols	F		