



Summons and Agenda for the
Council Meeting

to be held on

24 FEBRUARY 2015

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 24 FEBRUARY 2015** starting at **6.00pm**. The Agenda for the meeting is set out below.

Mary Weastell
Chief Executive

Recording is allowed at Council, committee and sub-committee meetings which are open to the public, subject to:- (i) the recording being conducted under the direction of the Chairman of the meeting; and (ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact, prior to the start of the meeting, Palbinder Mann – Democratic Services Manager via pmann@selby.gov.uk or 01757 292207. Any recording must be clearly visible to anyone at the meeting and be non-disruptive.

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 meeting of the Council held on 9 December 2014. Pages 1 to 6 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 7 to 18 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 19 to 25 attached.

11. Motions

To consider any motions.

12. Budget, Reserves and Balances

The Council is asked to consider the Executive Director's (s151) statements in sections 2.7 and 2.12 of the report when setting the Council Tax. Pages 26 to 36 attached.

13. The Budget and Council Tax 2015/16

In accordance with The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, all local authorities must record in their minutes how each Councillor voted (or abstained from voting) on the question of Budget and Council tax setting at the 'Budget Decision Meeting' of the Council. This rule will therefore apply to item 13 and a recorded vote will be taken on this item.

The Council is asked to consider the Executive's recommended revenue budgets, capital programmes and Programme for Growth, for 2015/16 to 2017/18. Pages 37 to 56 attached.

14. Housing Revenue Account Business Plan Refresh 2015

The Council is asked to approve the financial assumptions and implications contained within the refreshed HRA Business Plan. Pages 57 to 108 attached.

15. The Treasury Management Strategy

The Council is asked to approve the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2015/16 and Prudential Indicators 2015/16 as required by the Department of Communities and Local Government and CIPFA. Pages 109 to 146 attached.

16. Selby District Corporate Plan 2015 – 20

The Council is asked to approve a new Corporate Plan covering the years 2015-2020. Pages 147 to 169 attached.

17. Pay Policy Statement

The Council is asked to approve the Pay Policy Statement 2015/16. Pages 170 to 181 attached.

18. Housing Replacement Software

The Council is asked to approve the replacing of the Council's existing housing and asset management systems and to procure a new consolidated software system that integrates with other key critical systems. Pages 182 to 185 attached.

19. Review of Council Representation on Outside Bodies

The Council is asked to receive the report on the review of Council representation on outside bodies. Pages 186 to 193 attached.

20. Councillor Code of Conduct – Councillor John McCartney

The Council is asked to consider a report from the Monitoring Officer outlining an issue relating to the Councillor Code of Conduct. Pages 194 to 198 attached.

21. Schedule of Meetings

To approve the Schedule of Meetings 2015/16. Page 199 attached.

22. Nominations for Chairman and Vice Chairman

To appoint Councillors to the Offices of Chairman Elect and Vice-Chairman Elect for the 2015/16 Municipal Year.

23. 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.

24. 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.

25. Private Session

In accordance with Section 100(A)(4) of the Local Government Act 1972, in view of the nature of the business to be transacted, the meeting be not open to the Press and public during discussion of the following item as there will be disclosure of exempt information as defined in Section 100(1) of the Act as described in paragraph 3 of Part 1 of Schedule 12(A) of the Act.

26. Selby Leisure Village Final Tender

The Council is asked to approve the final tender for the Selby Leisure Village. Pages 200 to 239 attached.

Council

Venue: Council Chamber
Date: 9 December 2014

71	Apologies for absence
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77	Public Questions
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80	Reports from Committees
81	Motions
82	Leisure Landlord Planned Maintenance – Revised Cost
83	Polling District & Polling Place Review 2014
84	Community Governance Review 2014
85	Sealing of Documents
86	Urgent Action

Present: Councillor J Cattnach in the Chair

Councillors L Casling, I Chilvers, M Crane, J Crawford, Mrs D Davies, Mrs S Duckett, M Dyson, K Ellis, M Hobson, W Inness, Mrs G Ivey, M Jordan, C Lunn, D Mackay, Mrs P Mackay, Mrs C Mackman, J Mackman, B Marshall, J McCartney, Mrs M McCartney, Mrs K McSherry, Mrs E Metcalfe, R Musgrave, W Nichols, I Nutt, B Packham, C Pearson, D Peart, I Reynolds, Mrs S Ryder, S Shaw-Wright, R Sweeting and J Thurlow.

Also Present: Chief Executive, Deputy Chief Executive, Executive Director (S151), Director, Solicitor to the Council and Democratic Services Manager.

Press: None
Public: 6

71. Apologies

Apologies for absence were received from Councillors Mrs M Davis, J Deans, C Metcalfe, A Pound, R Price, R Saynor and Mrs A Spetch.

72. Declarations of Interest

There were no declarations of interest.

73. Minutes

The minutes of the meetings of the Council held on 14 October and 18 November 2014 were confirmed as a correct record.

Resolved:

To approve the minutes for signing by the Chairman.

74. Communications

The Chief Executive informed Council of her recent visit to an event at the House of Lords. The aim of the event was to showcase potential opportunities for new investment with Chinese investors. The Chief Executive had attended the event with the developers of Olympia Park to promote the site and the opportunities for investment within the district.

Resolved:

To note the communication.

75. Announcements

The Chairman invited all councillors to join him for Christmas drinks at the conclusion of the meeting.

76. Petitions

No petitions were received.

77. Public Questions

No questions from members of the public were received.

78. Councillors' Questions

No questions from Councillors were received.

79. Reports from the Executive

The Leader of the Council reported on the work he had recently undertaken. He praised the work of those officers involved in securing the £550k government funding for work on the Better Together Project with North Yorkshire County Council. He also stated that on behalf of the Council, he was part of a wider lobbying effort to ensure the route of the Tour de Yorkshire came through Selby District. The Council was supportive of the Leader in efforts in this regard and he responded to questions on the Tour de Yorkshire, a housing development at Eggborough and the role of the Council's Enforcement Team.

Councillor Mrs G Ivey, Deputy Leader of the Council and Lead Executive Member for External Relations and Partnerships, updated the Council on a recent meeting of the Strategic Housing Board at which the announcement regarding S106 monies and small development sites was discussed. She also updated Council on the recent issues at Laurie Backhouse Court and the improvement works that had been undertaken.

Councillor C Lunn, Lead Executive Member for Finance, reported on the work he had undertaken since the last meeting of the Council.

Councillor J Mackman, Lead Executive Member for Place Shaping, provided an update on housing delivery and the various pieces of work being undertaken as part of the Programme for Growth. The Council discussed the visibility of the recently erected roundabout structure in Brayton. Councillor J Mackman stated that he had recently presented PLAN Selby to Leeds City Region where it had been well received.

The Leader of the Council presented Councillor Metcalfe's report in his absence. The Council discussed the effectiveness of the ticket machines within Selby car parks. The Leader of the Council stated that new ticket machines had been provided for in the 2015/16 budget.

Resolved:

To receive and note the reports from the Executive.

80. Reports from Committees

Councillor J Crawford, the Chair of Scrutiny Committee, reported on work of the Committee since the last update to Council. The report referred to the Call In of the Executive decision to refurbish Tadcaster Bus Station. The Committee agreed to take no further action and supported the decision made by the Executive. Councillor J Crawford confirmed that Yorkshire Wildlife Trust would be in attendance at a forthcoming Scrutiny Committee. In response to a question it was noted that matters related to the operation and provision of care homes was primarily scrutinised by North Yorkshire County Council.

The Chair of Policy Review Committee, Councillor M Jordan reported that the Committee had not met since the last update to Council.

The Chair of Audit and Governance Committee, Councillor C Pearson reported that the Committee had not met since the last update to Council.

Resolved:

To receive and note the reports from the Committees.

81. Motions

None received.

82. Leisure Landlord Planned Maintenance – Revised Cost

Councillor C Lunn presented the report on the additional funding required for the Leisure landlord maintenance programme in 2014/2015 in order to award a roofing contract for work on Tadcaster Leisure centre.

Councillor C Lunn set out that in order to award the roofing contract additional funding of £25,000 was required. The Executive, at its meeting on 4 December 2014, agree to recommend to Council that the funds be drawn from the Buildings Repairs Reserve.

Resolved:

To fund the balance of the cost from an additional drawdown of funding from Building Repairs Reserve in 2014/15.

83. Polling District & Polling Place Review 2014

The Deputy Chief Executive presented the report on the review of Polling Districts and Polling Places. The Council heard that the review needed to be complete by 1 February 2015 and that any changes would be in place for the parliamentary and local elections on 7 May 2015.

The Council discussed the recommendations within the report and the potential use of Selby Town Hall as a voting station in the future. Councillors asked that any potentially confusing issues for voters, as a result of this review or the Boundary Review, be clearly explained as part of the Council's election communications.

Resolved:

- i) To approve a change from Selby High School to Selby Rugby Club for the Selby West Polling Station.**
- ii) To approve a change from Manor Farm Youth Centre to Riley Smith Hall for the Tadcaster St Joseph's East and West Polling Stations.**

- iii) **To approve the move of Hirst Courtney and Temple Hirst polling places to St John's Chapel, Main Road, Temple Hirst YO8 8QN following the closure and sale of Hirst Courtney Primary School.**
- iv) **To create a Polling Place at the Selby – Staynor Hall Polling District and site a temporary mobile Polling Station at the Staynor Hall estate until such time as a more permanent building is available.**
- v) **To move the Polling Place for Oxton from Rosemary House, Tadcaster to the Parish Room Bolton Percy.**
- vi) **Subject to the changes set out above to approve the continued use of all other Polling Stations as laid out in Appendix A.**
- vii) **To authorise the Chief Executive to approve any further changes necessary to respond to material considerations received between the Council meeting and the close of consultations on 31 December 2014.**

84. Community Governance Review 2014

The Deputy Chief Executive presented the report which set out the proposals from the Review of Community Governance Arrangements (CGR) within the Selby Local Authority area.

The Deputy Chief Executive set out the process that had been followed and outlined that the CGR offered the opportunity to correct any anomalies to ensure clearly defined parish boundaries.

The Council noted that since the publication of the report a further anomaly had been identified at Hanover Green within Womersley Parish.

Resolved:

- i) **To approve the necessary changes laid out in Appendix B relating to submissions put forward in the Community Governance Review for:**
 - **Clog Mill Gardens (re-drawing of boundary between Wistow and Selby)**
 - **South Milford (re-drawing of boundary between South Milford and Sherburn in Elmet)**
 - **Burton Salmon (re-drawing of boundary between Burton Salmon and Brotherton)**
 - **Tadcaster Town Council (Warding arrangements)**
 - **Brotherton Parish Council (Number of Seats)**
 - **Walden Stubbs (naming of Parish)**
- ii) **To note the apparent anomaly arising from the boundary which places properties at Hanover Green within the Parish of Womersley when they are more closely associated with the community at Cridling Stubbs.**

- (a) **To consult, as a matter of urgency, the Womersley and Cridling Stubbs Parish Councils and the residents in Hanover Green on the possibility of revising the boundary to address the anomaly.**
- (b) **To give delegated authority to the Deputy Chief Executive to amend the boundary and make any consequential amendments to the draft Community Governance Order, if appropriate following the consultation.**
- iii) **To make a Selby District Council (Reorganisation of Community Governance) Order in accordance with the above recommendations and to be effective from 31 March 2015.**
- iv) **To note the findings on the remaining submissions as shown in Appendix B of the report.**

85. Urgent Action

The Chief Executive reported that she had not taken any urgent action since the last meeting of Council.

86. 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 7.06pm.

Cllr Mark Crane

Leader of the Council

Report to Council

This report covers the period from the Council meeting on 9 December 2014. During this period I have attended Executive, Executive Briefings, and Scrutiny Committee.

Reporting on key items:

Tour de Yorkshire

The complete route for the first ever Tour de Yorkshire international cycling race has now been announced and all three stages confirmed.

I am pleased to confirm that Selby will be hosting the start of stage two of the event. This will cover a total distance of 175km and will take in the number sights including Selby, Beverley and York. The first stage of the race will begin in Bridlington and finish in Scarborough. The final stage will begin in Wakefield and finish in Leeds.

The race will take place over the weekend of 1-3 May and is expected to become a key event in the British Cycling calendar. It is expected that a number of the top international team and cyclists will compete in the three day event due to the high race classification (UCI-approved 2.1 race). The coverage of the race will also be broadcast live on national TV and throughout Europe.

The Proving Ground at Sherburn

Council will recall that Olympia Park has been allocated over £16m in funding from both the North Yorkshire & East Riding and the Leeds City Region Local Enterprise Partnerships and the Homes and Communities Agency.

The Proving Ground at Sherburn has now also received approval from the NYorks LEP for £2.5Million of funding to provide essential infrastructure to open up the site for development. This means both strategic development projects supported by this Council have been offered the funds they need.

District Council Network

I attended District Council Exec meetings in London; I have raised the issue of co-terminosity of combined authority areas and in particular the issues affecting Selby.

Following my intervention the DCN has amended their submission to Government. I continue to believe that this issue will have repercussions for this district.

Mark Crane
Leader



Cllr Gillian Ivey

Executive Member for Partnerships and External Relations

Report to Council

1) Tour de Yorkshire

I am sure that the whole Council will want to welcome the fact that Selby has been chosen to be the start town for Stage 2 of the Tour de Yorkshire on 2 May. The race is being organised by Amaury Sport Organisation (ASO) and Welcome to Yorkshire (WTY), supported by British Cycling. This is an exciting opportunity for the council to draw people to the town, showcase its assets and encourage more people, of all ages, to get on their bike and get active. The council has set up a steering group to ensure that the planning and preparation for the event runs smoothly and that opportunities to promote the area and healthy lifestyles are not missed. The part of the Tour which passes through the town will be the non-competitive preliminary stage, with the competitive race commencing on the A163 just onto Market Weighton Road; this gives us an excellent opportunity to have the cyclists have an extended ride around the town as part of their warm-up.

A proposed figure of 8 has been recommended to WTY and the ASO, which will pass along Gowthorpe twice, taking in Union Lane, Portholme Road, Scott Road, and New Millgate before leaving the town on the Toll Bridge and then heading through Barlby. The council and its partners are planning a complementary event on 2 May to make the town an attractive place for people to spend the day.

2) Community Safety Partnership

A new county-wide Community Safety Partnership (CSP) has been set up, chaired by Mary Weastell as part of her joint role with NYCC. The partnership is a strategic body, with senior representation from local authorities, the police, the Office of the Police and Crime Commissioner (PCC), other criminal justice organisations and health. The partnership will develop and monitor the delivery of the North Yorkshire Community Safety Partnership Plan and will therefore have a key role in developing priorities, tackling cross-cutting issues, representing Local Delivery Teams, influencing the PCC and providing challenge and feedback. An early piece of work for the CSP will be the development of a Joint Strategic Intelligence Assessment to help the partnership identify key issues and priorities.

At Selby District level, a Local Delivery Team has been set up – ‘Safer Selby District’ – to bring together the operational managers of the responsible authorities, supported by other relevant organisations, to co-ordinate and ensure the delivery of the North Yorkshire Community Safety Partnership Plan in the district. The Team is chaired by Rose Norris, Executive Director, who also represents SDC on the county-wide CSP.

Note. Responding to my question at the Police and Crime panel in February, the Commissioner has confirmed that the county-wide funding remains at the same level of £630,000 per annum.

3) Selby Leisure Centre

The Leisure Centre is now nearing completion. By the date of our Council meeting the keys to the building will have been handed over to our partners at WLCT and they will be busy commissioning the plant and mechanical systems, installing equipment and furniture, delivering training for the returning and new leisure staff and finalising their operational procedures and health and safety arrangements.

The additional works to the car park and landscaping are due to be complete by 3 March 2015.

The Grand Official Opening is being planned for Saturday 21 March 2015 and I am delighted that Double Olympic Gold Medallist Swimmer Rebecca Adlington OBE will be our guest of honour. In addition to opening the new leisure centre Rebecca will also lead a number of swimming sessions including one for the Selby Tiger Sharks.

We plan to open the leisure centre to the public sometime before the official opening and I will confirm the date as soon as possible.

I also attended a Scrutiny Committee meeting on 20 January 2015 where the executive's decision to provide an additional budget sum to deliver a revised car park layout was called in for discussion. The revised layout literally paves the way for consideration of the proposed Selby leisure Village project which is elsewhere on tonight's agenda and I was delighted that the Scrutiny Committee endorsed the Executive's decision.

4) Selby Leisure Village

The potential to provide additional development alongside the new leisure centre, which would both complement the activities inside the leisure centre and provide additional facilities that would draw people to visit the town and spend more time here, has been our ambition since shortly after the fire at Abbey Leisure Centre.

The proposals before Council later tonight represent the final stages of a long competitive dialogue process. We will be asked to consider supporting an exciting range of activities that will have regional significance – indoor extreme sports, aerial climbing, indoor skiing, VerTgo safe climbing for younger people, ten pin bowling, family fun and a café/restaurant. Planning permission was granted for the proposals on 11 February 2015 and it now remains for Council to decide if it supports the scheme.

5) Police and Crime Panel

The Panel has met twice in the past 6 weeks to discuss and consider the Police & Crime Commissioners proposed Budget for 2015/16.

Although her original intention had been to freeze the precept, the Commissioner explained that she now felt able to propose a 1.99% increase in the precept for 2015/16, as over 60% of the 1527 residents who had responded to the consultation had supported an increase. It was stated that support for this was consistent across the county.

In response to my questioning the Commissioner also confirmed that there is to be a major review of the 101 system, with new investment in the system by the end of 2015/16 and improvements to website and text facilities in the shorter term.

6) Draft York, North Yorkshire and East Riding Housing Strategy 2015-21

The draft strategy has now been published and is open for consultation. The consultation period closes on 9 March 2015. The draft strategy is available to view via a link on the Council's website or by visiting

<http://www.northyorkshirestrategichousingpartnership.co.uk/>

I would encourage all interested Councillors to have a look at the draft and submit their comments and views before the deadline. If you do decide to respond I would appreciate it if you could also let me have a copy of your response so that I am aware of the views submitted by Selby Councillors when the outcome of the consultation is considered at the Housing Strategy Board.

Gillian Ivey



Councillor Cliff Lunn

Executive Member for Finance and Resources

Report to Council on 24th February 2015

The following reports have been considered since our last Council meeting:

Executive Reports - January

Housing Rents 2015/16 – the Executive approved an average rent increase for our HRA homes of 2.2% for 2015/16. This followed the Government's formula for social rent increases of CPI+1%.

HRA Business Plan – this report presented the proposed refresh of the Housing Revenue Account Business Plan following public consultation. The proposed plan is later on this agenda.

Housing Management System Replacement – this report presented the case for replacing the Council's existing housing and asset management systems. The new system will provide an integrated solution, improved operational efficiency and on-going revenue savings.

Executive Reports – February

Medium term Financial Plan - this report presented the Executive's proposals for the revenue budget, capital programmes and Programme for Growth for 2015/16 to 2017/18, which are submitted for approval later on this evening's agenda.

3rd Interim Budget Exceptions Report – another positive quarter with surpluses forecast on the Council's and Access Selby's revenue accounts. Good progress was being made on the Capital Programme although there was some slippage on the roofing scheme due to negotiations with leaseholders.

3rd Interim Treasury Management Report – as anticipated at the end of the previous quarter, bank rates have remained low over the last quarter and are not expected to rise until later in 2015. Consequently investment returns are forecast to be lower than estimated although this is being managed within the Council's overall budget.

Treasury Management Strategy – the framework for managing the Council's investments, debt and Prudential Indicators is later on this evening's agenda.

Partnerships

North Yorkshire Building Control Partnership – The partnership continues to focus on market share and income generation and is currently forecasting a marginal return to the partner authorities in 14/15. Expansion of the partnership is being actively progressed within North Yorkshire which if successful would generate further economies of scale.

Other issues

I also attended an LGA finance meeting which discussed the future funding outlook for local government – no comfort on the horizon!

Cliff Lunn



Councillor John Mackman

Executive Member for Place Shaping

Report to Council on 24 February 2015

This report covers the period from the Council meeting on 9 December 2014. During this period I have attended Executive/Executive Briefing meetings, Selby Internal Drainage Board, Leeds City Region Planning Portfolios Group, CEF 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 and a High Court legal challenge was subsequently dismissed on the 27 October 2014 by the appeal Judge. However, leave to appeal directly to the Court of Appeal is still pending.

The Council adopted Core Strategy continues to be part of the Development Plan and carries full weight alongside the National Planning Policy Framework in the determination of planning applications. However, given the housing delivery situation some of the housing supply policies are now considered to be out-of-date and the presumption in favour of sustainable development applies.

2) Housing Monitoring and Delivery

As previously reported in line with Policy SP6 (Managing Housing Land Supply) of the adopted Core Strategy, housing monitoring figures for 2014 indicate that there is a sustained shortfall in housing delivery within the district and the adopted housing target of 450 dwellings per annum is not being achieved. In short the Council does not have a 5 year housing land supply.

In light of the above, officers are actively working on a programme to identify the issues which could result in significant under delivery if remedial action is not taken and an action plan to address this issue.

After the end of the current financial year, the council will carry out a further examination of the 5 year housing supply position as quickly as possible. In the event that there is a sharp increase in the number of dwellings permitted in the 2014-15 financial year, then the Council may regain a 5 year supply. If there is found to be more than a 5 year supply of housing in the authority, then housing policies within the Core Strategy would regain full weight.

3) The Sites and Policies Local Plan (SAPP)

Extraordinary Council approved 'PLAN Selby' and a suite of associated Documents on 18 November 2014 for Initial Consultation.

Initial Consultation was carried out in December and January. All the representations will be evaluated together with a substantial evidence base over the next few months and PLAN Selby will be progressed towards the next stage scheduled for Further Consultation at the end of this year.

4) Duty to Cooperate (DTC)

The Localism Act, 2011, and the NPPF (2012) introduced a duty to cooperate with other local Planning Authorities and prescribed public bodies and other stakeholders when preparing Development Plan documents.

The DTC is a continuous process of engagement on Strategic Cross Boundary issues through the Plan Preparation process.

Officers continue to attend joint meetings with our adjoining local authorities and other bodies in the Leeds City Region and North Yorkshire and York as well as the on-going work we do with the NYCC. Further contact will be arranged with other Local Authorities and/or bodies where potential strategic issues in PLAN Selby may be identified through the recent consultation or the on-going evidence base work. I attend the Planning Portfolios Board in the Leeds City Region which specifically addresses duty to cooperate issues in the LCR and I presented PLAN Selby to the Board in December 2014.

The LCR has approved a DTC Statement which will support the local plan work being undertaken by constituent authorities.

5. Programme for Growth

5.1 Housing Trust

The Trust has submitted a formal application for registration as a Registered Provider with the HCA (Homes and Communities Agency), and this is being progressed. The HCA will consider whether the Trust meets the statutory eligibility conditions before a final decision is reached.

Following the acceptance by the Trust Board of the development offer from SDC for the redevelopment of 43 Kirkgate the tender for the redevelopment scheme was accepted by the Board in October. The site was acquired on the 6 November, the building contract was signed shortly after and the contractors started work on site on 24 November 2014.

Practical completion and handover of the new residential accommodation is scheduled for the end of April 2015.

Contracts for the development of St Joseph's Street, Tadcaster are about to be signed with work on site due to commence in February.

5.2 Gateways

The makeovers on the two roundabouts on Selby by-pass was completed and a launch event was held on 5 December.

The Managing Agent now has planning permission for the sponsorship boards. This element of the project will pass into the Council's business as usual arrangements.

Welcome sign designs are to be finalised in discussion with the Selby STEP who are developing the unique selling point (USP) for the town.

6. Flood Risk Supplementary Planning Document

The Council's approach to flood risk in terms of determining planning applications has been reviewed to bring it up to date in line with the Core Strategy. It is proposed through the new draft consultation Supplementary Planning Document (SPD) that planning applications will still need to sequentially search for sites in the lowest flood zones, but that the area of search is reduced.

With the support of The Environment Agency, the SPD balances flood risk with other sustainability factors such as access to services and facilities, public transport etc., rather than treating flood risk as an absolute constraint.

Consultation has now closed on the document and officers are evaluating the responses.

John Mackman
Executive Member



Councillor Chris Metcalfe

Executive Member for Communities

Report to Council on 24 February 2015

Tough Stuff/Retail Board Update

Improving the environment was a key issue in the Retail Research Study and as a result, a number of environmental improvements continue to be made around the town centre, including new street name plates and the improvement work on litter bins. In the Central Area Car Park a series of finger posts will be installed by the end of February. Information boards featuring a map of the town and its key attractions will also be installed in both council-run car parks at the same time. The work to refurbish Tadcaster Bus Station, in partnership with NYCC, has begun. The improvements will be to the structure and the adjoining block paved standing area used by waiting buses, and resurfacing will take place in the early spring. NYCC have project managed the refurbishment and contributed a substantial sum towards the work.

As part of the Board's review of Retail and Car Parking in the town, an initial survey of the usage of the Central Area Car Park and the Britannia Car Park has been undertaken to show patterns of length of stay of vehicles and the availability of spaces for shoppers. The Tough Stuff Board has undertaken this first study as part of its evidence base to develop a Retail and Car Parking Strategy for Tadcaster. A second data collection is to take place in the coming weeks. The findings of the Retail Research Study undertaken in 2013 will also be used to help shape the priorities in the forthcoming strategy.

The Board has undertaken an initial assessment of the potential options for improving two sites in Tadcaster where there are opportunities to provide housing. More work will be undertaken to look at the options in detail in the coming weeks.

The Tough Stuff Board has been undertaking a review of the leisure offer in Tadcaster in partnership with WLCT. The review is looking at the package of outdoor facilities around the town and surrounding villages and how they could be enhanced to provide a better offer for all ages. Three potential areas have been agreed upon and WLCT have been requested to provide a framework by which site suitability can be assessed, along with a guide as to the potential cost to install a skate/bmx park.

The Tadcaster Riverside Project is now in its delivery phase in partnership with Tadcaster Town Council. The Tadcaster Historical Society has made a successful funding application to the Heritage Lottery Fund and an archaeological dig is due to take place in early April. Following this a planning application for elements of the proposed work will be submitted. Once planning permission for the scheme is received, an application will be made to the Environment Agency for their consent.

STEP/Retail/Growing Enterprise Update

The Selby Town Enterprise Partnership (STEP) continues to deliver on its strategy for the town through six major pieces of work. In early February the STEP received the results of a major Retail and Leisure study commissioned by Selby District Council. The results will be used to help the STEP focus on its future priorities and projects. Linked to this, the STEP is also working on developing the town's unique selling point or USP. As part of its work on encouraging enterprise amongst young people, the STEP held a second Dragons' Den event in January with students from Selby College. The two finalist teams from the first session pitched their business plans to the STEP Board and both were successful in securing a total of £500 funding per team (co-funded through the College and the STEP) to implement their proposals. Both teams will receive a package of mentoring support through STEP representatives and local business networks. The STEP has set up a sub-group to work on delivering a plan for how the town and its businesses can benefit from the Tour de Yorkshire on 2 May 2015.

The Growing Enterprise programme of support to new and existing businesses continues. This includes training sessions, opportunities for incubation units, pop-ups, mentoring and other support.

In Sherburn, £100k Programme for Growth funding has been allocated to the Heart of the Village Centre Group, hosted by Sherburn in Elmet Parish Council, to implement key improvements for the retail area in the village centre. Selby District Council will also fund the removal of the toilet block, which will enable the environmental improvements to be made. An official request for a variance to the contract for the public convenience has been sent to Healthmatic, and the disconnection of the facilities is due to take place in the coming weeks. A planning application to demolish the public convenience block in the centre of the village is to be submitted. Planning consent will also be sought for the improvement works.

Empty Homes Strategy Update

Community Officers continue to work with owners to support them on returning their properties back into use. The first steps have been taken on enforcement action on a problem property. Progress is slow due to the lack of cooperation of the owner but officers are following a clear path towards securing re-occupation. The Community Teams are having positive dialogue with a major landowner and hope to confirm some progress regarding re-occupation of a number of the empty properties in their portfolio.

The Future of the CEFs

The design group which is working on the future of the CEFs held a joint meeting in December with the CEF Chairs to discuss options for taking forward the work of the CEFs in the light of key opportunities for further community delivery, whilst recognising the impact the reduction in the number of councillors will make to the capacity of partnership boards. The council's Legal team is now taking forward the views of the design group and developing an options appraisal on the most appropriate way forward.

Chris Metcalfe



Councillor Mike Jordan – Chair of Policy Review Committee

Policy Review Committee Update – Council February 2015

There have been two meetings since the last Full Council meeting

Policy Review Committee – 16th December 2014

The meeting was held to look at Section 106 agreements.

The Solicitor to the Council presented the report which outlined the legal powers, local policies and procedures for seeking contributions under a section 106 (s106) agreement, applicable to Selby District Council, as the local planning authority. The Committee were informed that since 2008, the criteria for which s106 money could be used had been tightened up. A further policy change had been the introduction of three legal tests in the Community Infrastructure Levy Regulations 2010 (CIL) with which a planning obligation must comply.

The Committee were made aware of the Affordable Housing Supplementary Planning Document (AHSPD) which set out the Council's approach to affordable housing and that there had been a recent change in guidance from the Government which instructed Councils not to request s106 contributions for small developments of 10 dwellings or less.

The Committee were told of the recent temporary appointment to an s106 and CIL Monitoring Officer post. It was explained that this officer would be reviewing existing s106 agreements to ensure that information on balances and the purposes for which the money may be spent was up to date. The Committee were supportive of this appointment and felt this would lead to better communication with Parish Councils. The Committee felt it would be beneficial to have an update from the appointed officer at a future meeting.

Councillors discussed the position on Affordable Housing policy whereby the Council sought an overall 60%/40% split between market and affordable housing development subject to viability as set out in Core Strategy Local Plan policy SP9. Concerns were expressed that the headline figure may have the effect of discouraging development although it was recognised that major developers were very familiar with the viability appraisal process and many major developments had been assessed as requiring a lower than 40% contribution. It was noted that better communication and a review of how the Council assesses viability could ensure that developers were aware of the actual process used and not simply the headline figure.

The Committee felt that there should be more effective communication with Members during the pre-application stage of planning applications as it was felt developers were willing to engage with local Members. It was also felt local Members could offer a better insight into their areas.

The Committee also discussed the proposed adoption of the CIL and the impact on s106 agreements. It was felt that the most recent proposals adversely impacted on Selby Town despite the fact that the majority of development was to be located there. It was noted that the CIL had not yet been adopted and that the Committee's comments could feed into the decision making process.

The Committee resolved the following:

- Ask officers to ensure that the Committee's view that it was inappropriate for any area to receive no CIL money be fed into the decision making process;
- Recommend that officers seek greater communication with local Members during the planning application process;
- That the Policy Review Committee recommend (as part of the Plan Selby initial consultation) that a comprehensive review of the DCSPD be undertaken including consideration of collecting sums relating to public realm and community facilities where these were appropriate to the local areas either instead of, or in addition to, the recreational open space contributions;
- Ensure that the communication and messages relayed concerning affordable housing is tailored towards ensuring that people are aware that the 40% figure is a target which is subject to negotiation on each case;
- And that the s106 and CIL Monitoring Officer attend a future Policy Review Committee to provide an update on their work in the role.

Policy Review Committee – 20th January 2015

Welfare Reform

The Lead Officer for Benefits & Taxation talked through the several different aspects of Welfare Reform, explaining Housing Benefit Size Criteria, Discretionary Housing Payments and the Benefit Cap in turn. The Lead Officer outlined the details and effect of the changes on residents, explaining that there has been a gradual decline in the number of residents affected, and cited national trends to explain this, such as individuals going into work and lettings policies discouraging residents from taking properties that were bigger than necessary. The Committee agreed that the regular 6 month update on Welfare Reform would continue, to monitor the effect of the future introduction of Universal Credit.

Draft Revenue Budget and Capital Programme 2015/16 and Medium Term Financial Plan

The Executive Member, Councillor Lunn and the Executive Director (s151), were in attendance to present the Draft Budget and Capital programme for 2015/16 and the Medium Term Financial Plan to 2017/18. The Executive Director (s151) advised that the Council was trying to encourage feedback from the public as well as receiving views from members, which would inform the final proposals from the Executive to full Council in February. The Committee were informed of the context of the budget - that funding cuts were expected to continue, resources were expected to reduce over time, and that there would likely be a spending review from Central Government after the general election. The Budget and MTFP were discussed, including planned savings and the position of the HRA. It was noted that

appropriate reserves were held for the risks the Council carried, and that the Capital Programme was in a healthy condition; however funding cuts were still expected for at least three years, and more savings were planned. The committee were supportive of the proposals.

Mike Jordan
Chair, Policy Review Committee



Councillor Jack Crawford – Chair of Scrutiny Committee

Scrutiny Committee Update – Council 24 February 2015

The Scrutiny Committee has met twice since the last report to Council on 9 December 2014.

20 January 2015

The Committee met to discuss the call in of decision E/14/62 by the Executive regarding the Selby Leisure Centre Report. Councillor Gillian Ivey was in attendance for this item.

The Committee were concerned that the original decision had been made without taking all relevant matters into account and that all the relevant rules and particularly the Council Procedure Rules, Financial Procedure Rules, Contract Procedure Rules and Access to Information Procedure Rules may not have been complied with.

The Committee were informed of the reasoning behind the decision to revise the car park plans at Selby Leisure Centre and the reasoning additional funding was needed.

Concern was raised at the lack of detailed discussion at the Executive meeting where it was considered. The Deputy Leader of the Council acknowledged that the discussion on the decision was limited at the meeting, but she reassured the Committee that extensive discussions had taken place between officers and the Executive previously and all issues had been taken in account when making the decision.

Discussion took place on the potential for sending the relocation of the car park out to tender however it was agreed that the time constraints rendered this impossible.

Upon consideration of all the issues and explanation from Councillor Ivey, the Committee agreed to take no further action and agree with the original decision made by the Executive.

27 January 2015

North Yorkshire Fire and Rescue Service

Dave Dryburgh, Group Manager North Yorkshire Fire & Rescue Service, updated the Scrutiny Committee on the progress of the Fire Cover Review currently being undertaken

Community Support Team Task and Finish Group

The Task and Finish Group are still undertaking this review at the current time. A meeting was held on 20 November and a further final meeting to agree the recommendations will be held in due course. The Committee were informed that the review was currently at internal consultation stage, and the proposals were due to go

to be considered by the Fire Authority in June. It was agreed a further update would be brought to the Committee after consideration from the Fire Authority.

Access Selby 2nd Interim Key Performance Indicator Progress Report: April 2014 – September 2014

Councillor Mark Crane, Leader of the Council, presented the Access Selby second interim key performance indicator progress report.

Concern was raised around cleanliness in central Selby over the Christmas period which contrasted to the cleanliness rating given in the report. Another area of concern highlighted was around the time taken to re-let local authority housing. It was explained however that some properties in certain areas were very difficult to let.

The Committee also stated that they should be considering the reports sooner after their publication and agreed to amend their work programme to this effect.

Barlow Common Nature Reserve

Kevin Bayes of Yorkshire Wildlife Trust (YWT) presented an updated report for Barlow Common Local Nature Reserve. Mr Bayes summarised the work of Yorkshire Wildlife Trust and their role at Barlow Common.

The Committee raised concerns about the accessibility of the whole site to visitors and residents, and the lack of presence seen on site by YWT. Further concern was expressed by the Committee that there was not enough information at the site for members of the public and that some of the footpaths needed improving.

The Committee were informed that YWT had limited resources available with regard to attending the site however would look into the improvements concerning the footpaths. The Committee accepted that it was impossible to maintain the common at the same level with the level of funding and resources, however stated that improvements concerning the footpaths and accessibility could be made.

It was agreed that a further update would be provided to the Committee at a future meeting.

Reviewing Customer Satisfaction

The Lead Officer for Marketing and Communications presented the report on reviewing customer satisfaction. It was explained that the customer pledge card was currently used to measure satisfaction at the point of receiving service.

Discussion was held around the different options available for the Committee including mystery shopper exercises and independent market research. The option of independent market research was discussed in more detail, including the results of research carried out in autumn 2014, and it was agreed that the Committee would recommend carrying out biannual independent market research to the Executive to achieve the best measurement of customer satisfaction.

Jack Crawford
Chair, Scrutiny Committee



Councillor Chris Pearson – Chair of Audit Committee

Audit Committee Update to Full Council 24th February 2015

Since the last Full Council meeting, the Audit committee have met once.

14 January 2015

Information Governance

The Solicitor to the Council presented the Information Governance report that detailed progress towards achieving agreed actions following the review by the internal auditors into information governance and data protection arrangements at the Council.

The Solicitor confirmed that all staff had been asked to undertake mandatory training on information governance before the end of January and there was the ability to monitor which staff had completed the training.

Annual Governance Statement 2013/14 – Action Plan Review

The Executive Director (s151) presented the Action Plan for the Annual Governance Statement 2013/14. It was explained that satisfactory progress against the actions had been made to date and work was on track for completion by the end of the financial year.

Counter Fraud Annual Review

The Audit Manager, Veritau presented the Counter Fraud Annual Review which updated the Committee on new guidance on countering fraud and corruption, counter fraud activity, and the outcomes from a self-assessment of the Council's current arrangements.

The Committee were informed that the Chartered Institute of Public Finance and Accountancy (CIPFA) had issued a new code of practice on managing the risk of fraud and corruption.

Internal Audit Progress Report 2014/15

The Audit Manager, Veritau presented the Internal Audit progress report which provided the Committee with an update on progress made on delivering the internal audit work-plan for 2014/15.

The Committee requested information on the two cases of actions which had not been implemented following the 2013/14 audits.

Annual Audit Letter 2013/14

The Senior Manager, Mazars presented the Annual Audit Letter 2013/14 that summarised the main outcomes from the 2013/14 audit. The Manager outlined that there were a number

of future challenges for local government such as pressure on finances however it was felt that the Council was suitably prepared for future challenges.

The Committee were also informed that that the final fee charged for certification work was £2,500 which was suitably lower than the estimated fee quoted in the report.

Certification of Claims and Returns Annual Report 2013/14

The Senior Manager, Mazars presented the Certification of Claims and Returns Annual Report 2013/14 and explained that the largest claims had resulted in the Housing Benefits service and from the sample testing a high number of errors had been discovered compared to previous years. The Committee was informed that had the errors been classified as local authority errors the Council would have been able to claim an additional £30k in housing benefit subsidy. The Committee was also informed that the identified issues had been raised with the team and additional training had been provided.

Audit Progress Report

The Senior Manager, Mazars presented the Audit Progress Report and informed the Committee informed that the Department for Local Government and Communities (DCLG) had proposed changes to the dates on which accounts must be submitted by, which could come into effect for the 2017/18 financial year onwards and outlined the changes to the Committee.

Risk Registers

The Committee also at this meeting considered the Risk Management Strategy, Corporate Risk Register and Access Selby Risk Register.

Chris Pearson
Chair, Audit Committee



Public Session

Report Reference Number: C/14/16

Agenda Item No: 12

To: Council
Date: 24 February 2015
Author: Karen Iveson – Executive Director (s151)
Lead Officer: Karen Iveson – Executive Director (s151)

Title: The Budget, Reserves and Balances 2015/16

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 2.7 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 2015/16.

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. 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 an operational contingency, and a commissioning contingency.
- 2.2 The funding from central Government covering Revenue Support Grant and Business Rates Baseline funding will be £3.988m for 2015/16. The final 2015/16 Finance Settlement shows a cut of £728k and further cuts are expected for 2016/17 and 2017/18. Despite the significant strides we have made to reduce our cost base, a further £1m savings are expected to be needed over the next 3 years in addition to those already planned. The budget includes proposals for new savings to meet this target.
- 2.3 The level and profile of the required savings will be kept under review as the longer term financial outlook beyond 2015/16 becomes clearer. 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.
- 2.4 Based on the savings targets outlined above there is headroom within the future General Fund budget which is intended to provide capacity to cover the revenue implications for the proposed Leisure Village in Selby.
- 2.5 There is risk to our Business Rates income following the introduction of localised Business Rates from April 2013. However, a surplus on our Business Rates Collection Fund is forecast for 2014/15 which means that we will be able to increase our Business Rates Equalisation Reserve to help mitigate future losses.

- 2.6 In terms of income for 2015/16, the Council's NNDR1 return (our estimate of Business Rates income for the coming year) suggests 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, indeed given the inherent risk within the system, the budget assumes a pessimistic forecast, with resources being drawn from the reserve each year. Should the Council achieve growth above the baseline any such income would be transferred to the Business Rates Equalisation Reserve to help off-set any future losses. We will review the balance on this reserve as part of the refresh of the Medium Term Financial Strategy in 2015/16.
- 2.7 In respect of the proposed Council Tax requirement for 2015/16, 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 2015/16 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 2015/16 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 2015/16 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 £483.25 per property as at 1 April 2015 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 2015/16 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 2015/16 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 2015/16 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 2015/16. 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 2016 is £1.5m.

- *Adequacy of inflation*

Generally budgetary provision is made for inflation in respect of pay, prices and contract expenditure (in 2015/16 a 2% 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 2015/16 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 2015/16 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.

- *Savings delivery*

The Council has a strong track record for savings delivery but as the target increases it becomes more challenging to deliver. A degree of headroom is factored into the savings plans but it would be prudent to provide for a level of slippage. A figure of **£300k** (equivalent to around 20% of the total target) is considered reasonable to provide temporary cover should the need arise.

- *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 £168k funding at risk each year. The Council has currently circa £700k 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 – **£168k** 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) minimum working balance is currently £1.5m which equates to £483.25 per property at 1 April 2015 which represents 13.4% of the net HRA budget. The estimated HRA balance at 1 April 2016 is projected to be £2.0m.

A £75k contingency is included within the HRA 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 2015/16 a 2% 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 £2.88m in 2015/16. 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.

Appendix B																	
Reserves	Estimated Balance	Use	Contribs	Estimated Balance	Use	Contribs	Estimated Balance	Use	Contribs	Estimated Balance	Use	Contribs	Estimated Balance				
Description	31 March 14	£000's	£000's	31 March 15	£000's	£000's	31 March 16	£000's	£000's	31 March 17	£000's	£000's	31 March 18	£000's			
Revenue Reserves																	
General Fund																	
Reserves to fund future commitments:																	
PFI Scheme	2,406	-	391	386	2,401	-	400	380	2,381	-	412	399	2,368	-	423	401	2,346
ICT	630	-	520	200	310	-	248	200	262	-	263	200	199	-	293	200	106
Building Repairs & Projects	673	-	524	130	279	-	38	130	371	-	65	130	436	-	3	130	563
Election	97	-		30	127	-	80	30	77	-		34	111	-		34	145
Tadcaster Central Area	273	-	273		-	-			-	-	-		-	-	-		-
Industrial Units	60	-	24		36	-			36	-			36	-			36
Open Space Maintenance	11	-			11	-			11	-			11	-			11
	4,150	-	1,732	746	3,164	-	766	740	3,138	-	740	763	3,161	-	719	765	3,207
Reserves to fund growth and improvement:																	
Special Projects (Programme for Growth)	2,417	-	2,482	2,239	2,174	-	2,705	999	468	-	174	880	1,174	-	170	880	1,884
Special Projects (Non_PFG commitments)	567	-	567		-	-			-	-	-		-	-	-		-
Discretionary Rate Relief Fund	300	-			300	-			300	-			300	-			300
NYCC Collaboration	250	-			250	-	100		150	-	100		50	-	50		-
Business Development (Spend To Save)	272	-		228	500	-			500	-			500	-			500
	3,806	-	3,049	2,467	3,224	-	2,805	999	1,418	-	274	880	2,024	-	220	880	2,684
Reserves to mitigate financial risk:																	
Pensions Equalisation Reserve	600	-	600	186	186	-		181	367	-		183	550	-		183	733
NDR Equalisation	3,610	-	3,282	361	689	-	164		525	-	164		361	-	164		197
Planning Inquiries	100	-	100		-	-			-	-	-		-	-	-		-
Access Selby	640	-	432		208	-	92	79	195	-		114	309	-	50	150	409
Contingency	553	-	53		500	-			500	-			500	-			500
General Fund	1,674	-	174		1,500	-	33		1,467	-		227	1,694	-		192	1,886
	7,177	-	4,641	547	3,083	-	289	260	3,054	-	164	524	3,414	-	214	525	3,725
Other Reserves:																	
Sherburn Amenity Land	10	-	10		-	-			-	-	-		-	-	-		-
Wheeled Bins	18	-	18		-	-			-	-	-		-	-	-		-
	28	-	28		-	-			-	-	-		-	-	-		-
Sub Total	15,161	-	9,450	3,760	9,471	-	3,860	1,999	7,610	-	1,178	2,167	8,599	-	1,153	2,170	9,616
HRA																	
HRA Unallocated Balance	1,188	-			1,188	-			1,188	-			1,188	-			1,188
HRA Access Selby Reserve	911	-		14	925	-	160	47	812	-	160	59	711	-	160	87	638
Major Repairs Reserve - Capital Programme	91	-	3,691	3,713	113	-	2,883	3,934	1,164	-	2,164	4,167	3,167	-	2,124	4,350	5,393
Major Repairs Reserve - Debt Repayment	2,350	-		1,260	3,610	-		1,260	4,870	-		1,260	6,130	-		1,260	7,390
Sub Total	4,540	-	3,691	4,987	5,836	-	3,043	5,241	8,034	-	2,324	5,486	11,196	-	2,284	5,697	14,609
Total Revenue Reserves	19,701	-	13,141	8,747	15,307	-	6,903	7,240	15,644	-	3,502	7,653	19,795	-	3,437	7,867	24,225
Capital Reserves																	
Capital Receipts**	3,616	-	3,240	561	937	-	175	665	1,427	-	175	510	1,762	-	145	510	2,127
Capital Receipts (Special Projects P4G)	493	-	721	228	-	-			-	-		1,000	1,000	-			1,000
	4,109	-	3,961	789	937	-	175	665	1,427	-	175	1,510	2,762	-	145	510	3,127

Public Session

Report Reference Number: C/14/17

Agenda Item No: 13

To: Council
Date: 24 February 2015
Author: Karen Iveson – Executive Director (and s151)
Lead Officer: Karen Iveson
Executive member: Cllr Cliff Lunn

Title: The Budget and Council Tax 2015/16

Summary: This report presents the Executive's recommended revenue budgets, capital programmes and Programme for Growth, for 2015/16 to 2017/18 following public consultation. Subject to approval of a Council Tax freeze, the 2015/16 budgets show a forecasted deficit of £33k (after planned savings) on the General Fund and a £1.3m surplus on the HRA, which is required to fund the capital programme. The report identifies a number of budget pressures and presents savings proposals for dealing with these pressures. The report also formalises the provision to introduce an 'Empty Homes Premium' in accordance with the Council's approved Empty Homes Strategy and recommends that a 150% Council Tax charge be applied to homes that have been empty for more than 2 years, with effect from 1 April 2015.

Recommendations:

It is recommended that:

- i. the revenue budgets, savings, capital programme and programme for Growth at Appendices E to H be approved;**
- ii. Council Tax is frozen at £162.00 for 2015/16;**
- iii. Council approve an empty homes premium equivalent to 50% of the Council Tax charge i.e. to charge 150% of the Council Tax liability on a property that has been empty and substantially unfurnished for more than 2 years, with effect from 1 April 2015.**
- iv. The formal Council Tax resolution set out in Appendix B be considered and approved.**

Reasons for recommendation: To ensure the Executive's budget proposals are fully funded for 2015/16 and to put into effect the Empty Homes Premium as included within the approved Empty Homes Strategy.

1. Introduction and background

- 1.1 This report presents the Executive's budget and Council Tax proposals for 2015/16 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 four parish council precepts and therefore **these appendices will be tabled at the meeting**.
- 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 approved its Medium Term Financial Strategy (MTFS) on 14 October 2014. 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). The HBP was approved by the Executive on 8 January 2015 and the financial implications have been included within the proposed HRA revenue budget and capital programme.
- 1.5 The General Fund MTFS assumes continuing cuts to Central Government formula funding as resources are top sliced to fund the New Homes Bonus scheme. It recognises continuing austerity, 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, new savings proposals, the capital programmes and Programme for Growth are shown at **Appendices E to H**.
- 2.2 The budget has been prepared on a current policy basis and includes provision for inflation where considered necessary. The budget includes the pay award in 2015/16 and provision for a further 1% in 2016/17 and 2017/18. The General Fund revenue budget includes contingencies totalling £256k in the Core and £51k in Access Selby. The HRA includes a Core contingency of £75k.

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 estimated position for 2015/16 is as follows:

	2015/16 Budget £000's
Core	4,932
Access Selby	5,682
Communities Selby	193
Total Net Budget	10,807
Council Tax	(4,717)
RSG/NDR	(3,988)
Council Tax Freeze Grant	(49)
New Homes Bonus	(2,078)
Other Specific Grants	(22)
Collection Fund Surplus – Council Tax	(84)
Collection Fund Deficit – Business Rates	164
Total Funding	(10,774)
Deficit transferred from balances	33

- 2.4 The draft budget includes committed growth where necessary along with proposals for discretionary growth.
- 2.5 The estimated deficit of £33k for 2015/16 is subject to planned savings of £418k, which is an improved position on that forecasted in the MTFs, largely due to the increase in the Council Tax Base for 2015/16 and a Collection Fund surplus.

Local Government Finance Settlement

- 2.6 The Local Government Finance settlement was announced on 18 December and was open for consultation to 15 January 2015 – at the time of writing this report the final settlement is awaited.
- 2.7 A key feature of the settlement is the use of ‘Spending Power’ to determine the relative change from year to year. ‘Spending Power’ includes:
- Council Tax Requirement
 - Settlement Funding Assessment (RSG/NNDR)
 - New Homes Bonus
 - Specific Grants rolled in
- 2.8 ‘Spending Power’ forecasts show a figure of £10.934m for 2015/16 against £11.327m (adjusted) for 2014/15 – an overall reduction of 3.47% (the overall reduction nationally is 1.8%). It is important to note that ‘Spending Power’ is a notional figure which does not reconcile to actual funding.
- 2.9 The following shows the final settlement for Selby compared with our assumptions within the draft budget:

Final Settlement	2015/16 £000's
RSG	1,756
Plus Business rates Baseline Funding	2,232
Equals Settlement Funding Assessment	3,988

- 2.10 The settlement equates to a 15.3% reduction compared to the equivalent figure for 2014/15 (i.e. £4.710m in 2014/15). Looking forward reductions of 10% are assumed for both 2016/17 and 2017/18. In addition £22k has also been awarded for specific grants (new burdens etc) for 2015/16.

Business Rates

- 2.11 For 2015/16 the Government has specified that Business Rates paid by ratepayers will increase by 1.91% to 48p instead of 48.2p. For local authorities, this has the impact of reducing the amount of funding generated through the Business Rates Retention scheme. In order to compensate us for this loss of revenue, Selby will receive £33k in addition to our general grant.
- 2.12 The proposed budget assumes Business Rates are in line with the Baseline set by Government:

	2015/16 £000's	Comments
Business Rates Collectable	42,323	
SDC Share	16,929	40% of rates collectable
Less Tariff	14,697	Fixed
Baseline Funding Level	2,232	Rates retained

- 2.13 Any gains above Baseline are shared with the Government 50:50 and the Council stands the first £168k of any losses. There remains risk within the Business Rates scheme (for example from outstanding appeals) but the Council's Business Rates Equalisation Reserve, which is planned to be sustained by Business Rates gains for the foreseeable future, provides resources to mitigate losses down to the safety net if required.

New Homes Bonus

- 2.14 Details of New Homes Bonus allocations were announced in December. For 2015/16 Selby has been awarded £2.078m - an additional amount of £353k for 2015/16. This is **£3k short of our original estimate** of £2.081m but £189k less than the award for 2014/15, which demonstrates the volatility within the scheme.
- 2.15 There is uncertainty over the scheme after 2015/16 and the Council's current strategy of using £880k p.a. to fund the Programme for Growth, with the rest being used to support the revenue budget, will be reviewed in light of any changes that may be announced in the Spending Review anticipated later this year.

Council Tax

- 2.16 The approved MTFs assumes a Council Tax increase of 2% for 2015/16. However, following the consultation period the Executive propose that Council take up the offer of Council Tax Freeze Grant for 2015/16. This is likely to require further savings in the longer term although the draft budget shows a

level of headroom (subject to savings delivery). The proposed budget therefore includes a Council Tax increase of 0% and £49k in Council Tax Freeze Grant, which is equivalent to a 1% rise.

- 2.17 A 0% increase will see the Council average Band D charge stay at £162.00 for 2015/16. Thereafter a 2% rise is assumed in accordance with the approved MFTS.
- 2.18 The Council's approved Empty Homes Strategy provides for the introduction of an Empty Homes Premium in Council Tax and it is proposed to introduce this from April 1st 2015. This will allow the Council to charge 150% of the Council Tax liability on a property that has been empty and substantially unfurnished for more than 2 years, regardless of how long the current owner has been liable.
- 2.19 Public consultation on the proposed premium brought 4 responses, all from individuals who had just one property that was empty and who had mainly inherited the property. All respondents felt that cases should be considered on an individual basis to allow the waiving of the premium where it was considered that the liable party was not readily able to bring the property back into use or dispose of it.
- 2.20 The proposal to apply the premium to properties that have been empty for more than 2 years is considered to be a reasonable time frame and therefore it is recommended that the premium be applied as proposed.

Savings

- 2.21 A number of savings have already been identified as part of the budget process and are included within the proposed budget.
- 2.22 However, taking the proposals for Council Tax, growth, and reserve transfers it is estimated that, subject to future Formula Grant settlements, a further circa £1m savings will be needed by 2017/18.
- 2.23 The Council had 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.
- 2.24 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.
- 2.25 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.

- 2.26 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 rent rises based on the Government's formula. From 2015/16 a new method is to be used for a 10 year period using CPI + 1% both for actual and target (formula) rent increases. Using this method a 2.2% increase in rents has been set by the Executive (8 January 2015) and is included within the proposed budget.
- 2.28 The estimated position HRA for 2015/16 is shown below. Progress against the HRA savings action plan is ahead of target and therefore no further savings are expected for 2015/16, although opportunities for efficiencies will continue to be sought wherever possible to ensure continued viability of the HRA.

	2015/16 Budget £000's
Core	6,952
Access Selby	4,269
Total Net Budget	11,221
Less Dwelling Rents	(12,489)
(Surplus) / deficit transferred to Balances/MRR	(1,268)

- 2.29 A surplus position is anticipated for 2015/16 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 limited room for additional revenue contributions to support the capital programme and therefore it is largely supported by capital receipts, external grants and earmarked reserves. The following table presents a summary of the proposed programme:

Programme	2015/16 £000's	2016/17 £000's	2017/18 £000's
Asset Management works	3	13	3
Car Park Machines		52	
Grants & loans	330	330	300
ICT Replacement	249	262	292
Lifeline Equipment			50
Housing developments	1,250	1,250	1,250
Total Programme	1,832	1,907	1,895

Funding			
Capital Receipts	175	175	145
Grants	155	155	155
Reserves	252	327	345
Borrowing	1,250	1,250	1,250
Total Funding	1,832	1,907	1,895

- 2.31 Projects include Selby and District Housing Trust developments, Disabled Facilities Grants and ICT projects. The latter cover a range of replacement and new systems, hardware and infrastructure (including a Mobile Working solution) – funding for ICT replacement projects is covered by the ICT Replacement Reserve.

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	2015/16 £000's	2016/17 £000's	2017/18 £000's
Electrical works	260	260	260
Central heating	850	650	650
Roof replacements	210		
Damp works	250	250	250
Doors	134	50	50
Kitchens	237	237	237
Bathrooms	180	180	180
Pointing	300	300	300
New Build Programme	1,250	1,250	1,250
Laurie Backhouse Court	200		
Environmental improvements	160	160	160
Other	262	237	197
Total Programme	4,293	3,574	3,534
Funding			
Revenue Contributions	1,550	925	860
Major Repairs Reserve	1,333	1,239	1,264
Access Selby Reserve	160	160	160
Borrowing	1,250	1,250	1,250
Major repairs reserve	4,293	3,574	3,534

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 capital and revenue projects designed to 'make Selby a great place' by investing in economic development; housing; 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. There is also the potential for additional

borrowing subject to approval of the tender and funding package for the proposed new leisure village in Selby. At this stage further economic development initiatives are anticipated but more detailed work on the proposals is needed. A project contingency of £313k will allow the Executive to allocate funding when full project briefs have been prepared. A summary of the programme shows:

	2015/16 £000's	2016/17 £000's	2017/18 £000's
Balance brought forward*	2,174	468	1,294
Special projects reserve**	999	1,000	
Project spend	-2,392	-174	-170
Project Contingency	-313		
Balance carried forward	468	1,294	1,124

*The opening balance is subject to final project costs in 2014/15;

**£1m resources in 2016/17 relates to capital receipts from land sales.

- 2.35 In addition to the project costs and funding shown above there is also the potential for an additional £4.5m borrowing for leisure village – subject to Council's consideration of the final tender and approval of the project.

Reserves

- 2.36 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 2015/16 (including the proposed capital/programme for growth financing) are:

General Fund Reserves	£000's
Transfers to:	
Building Repairs	130
ICT Replacement - GF	150
- HRA	50
PFI	380
Pension Equalisation	181
District Election	30
Special Projects - Revenue	999
Access Selby	79
Transfers from:	
NYCC Collaboration	(100)
ICT Replacement	(248)
PFI	(400)
Special Projects – Programme for Growth	(2,705)
Building Repairs	(38)
District Election	(80)
NDR Equalisation	(164)
Access Selby Reserve	(92)
General Fund Balance	(33)
Net Appropriations from Reserves	(1,861)

- 2.37 Overall the Council's General Fund reserves are expected to reduce by £1.9m in 2015/16.

- 2.38 The HRA reserves are General Balances and the Major Repairs Reserve (MRR). The overall estimated surplus of £1.3m on the HRA for 2015/16 will be transferred to the MRR. The HRA capital programme will require £2.9m from the MRR in 2015/16.

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.
- 3.1.3 This requirement is covered in recommendation 6 at Appendix B.
- 3.1.4 Section 12(2) of the Local Government Finance Act 2012 allows local authorities in England to set a Council Tax rate for long-term empty properties of up to 150% of the normal liability. This has been called the 'Empty Homes Premium'. A 'long-term empty property' must have been unoccupied and substantially unfurnished for at least two years.
- 3.1.5 The premium may be applied when a given property has been empty for two years, irrespective of how long its current owner has owned it. Therefore, it is possible for an individual to buy a property which has already been empty for two years and be liable for the premium immediately.
- 3.1.6 Occupancy of a long-term empty property for more than six weeks 'resets the clock' for this purpose.
- 3.1.7 Regulations specify that the premium cannot apply to:
- homes that are empty due to the occupant living in armed forces accommodation for job-related purposes; *or*
 - to annexes being used as part of a main property

3.2 Financial Issues

- 3.2.1 As set out in the report.

3.3 Impacts

- 3.3.1 The draft budget has been subject to public consultation and no significant issues have been raised through this process. Policy Review Committee were supportive of the proposals and in particular highlighted their support for the Skate park in Selby that is included as part of the Programme for Growth.
- 3.3.2 The proposed Council Tax freeze will have a positive impact on taxpayers generally although the impact on the Council's on-going resources will have to be managed in light of future funding cuts.

- 3.3.3 The introduction of an Empty Homes Premium will impact on home owners with properties that have been left empty for more than 2 years but it is hoped that this will provide an incentive to bring back into use much needed homes within the district and in doing so improve the street scene and vitality of affected neighbourhoods.

4. Conclusions

- 4.1 The draft General Fund revenue budget for 2015/16 assumes a Council Tax freeze and in total requires 'one-off' support from Balances of £33k for the Core and £92k for Access Selby.
- 4.2 The budget provides for a capital programme to meet General Fund and HRA needs and also includes a Programme of Growth to support the Council's new Corporate Plan.
- 4.3 An additional savings target of circa £1m (beyond our current plans) will be required to balance the budget over the next 3 years given our assumptions on central Government funding.
- 4.4 The continuing 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.

Contact Details:

Karen Iveson, Executive Director (and s151)
kiveson@selby.gov.uk

Appendices:

- A – Council Tax Supporting Information – to be tabled at the Meeting
- B – Formal Council Tax Resolution – to be tabled at the Meeting
- C – Council Tax Schedule by Town and Parish Areas – to be tabled at the Meeting
- D – Town and Parish Precepts – to be tabled at the Meeting
- E – Revenue Budgets
- F – Savings
- G – Capital Programmes
- H – Programme for Growth

REVENUE ESTIMATES 2015/2016 To 2017/2018

GENERAL FUND

	2015/2016 Estimate £	2016/2017 Estimate £	2017/2018 Estimate £
<u>Revenue Budget</u>			
Core	4,932,430	4,737,730	4,521,290
Access Selby	5,682,190	5,641,860	5,623,340
Communities Selby	192,680	192,680	192,680
Net Revenue Budget	10,807,300	10,572,270	10,337,310
<u>Funding</u>			
Council Tax	(4,716,951)	(4,859,402)	(5,006,157)
Grant RSG / NDR	(3,988,013)	(3,589,210)	(3,230,294)
Council Tax Freeze Grant	(49,296)	(49,296)	(49,296)
New Homes Bonus	(2,078,368)	(2,465,460)	(2,407,760)
Other Specific Grants	(22,000)	-	-
Collection Fund Surplus - Council Tax	(83,660)	-	-
Collection Fund Deficit - Business Rates	164,000	164,000	164,000
Total Funding	(10,774,288)	(10,799,368)	(10,529,507)
Deficit / (Surplus) transferred to / from balances	33,012	(227,098)	(192,197)

REVENUE ESTIMATES 2015/2016 To 2017/2018

HOUSING REVENUE ACCOUNT

	2015/2016 Estimate £	2016/2017 Estimate £	2017/2018 Estimate £
<u>Revenue Budget</u>			
Core	6,951,980	6,753,290	6,799,510
Access Selby	4,268,570	4,307,030	4,393,170
Net Revenue Budget	11,220,550	11,060,320	11,192,680
Dwelling Rents	(12,489,000)	(12,750,000)	(13,015,000)
(Surplus) / deficit transferred to Balances / MRR	(1,268,450)	(1,689,680)	(1,822,320)

New Savings Proposals

Option	Value Per Annum £000's	Comments/Issues/Impacts/ Risks etc	Link to corporate priorities
Transforming			
Better Together Core/Access Selby	£200k	Review of functions to achieve efficiencies in collaboration with NYCC. At this stage £200k is suggested as an overall target across the whole organisation and will be subject to feasibility/approval. Medium risk (Amber)	Great value – this saving assumes internal efficiencies are achieved by working in partnership.
Electronic Payments Access Selby	£25K	Savings expected from 2016/17 Medium risk (Amber)	Great value – this saving assumes internal efficiencies through improved processes and IT
Improved Revs & Bens Value for Money Access Selby	£50k	Subject to further options for service Soft Market testing has indicated potential £50k p.a. plus share of income generation Medium risk (Amber)	Great value – opportunity for efficiencies through joint working or different service delivery
Further internal efficiencies Access Selby	£50k	Opportunities for further process improvement through a transformation and VFM programme Front facing services not covered by BT programme of work: <ul style="list-style-type: none"> • Planning • Environmental Health and Housing • Enforcement / Licencing (there will be an impact on staffing as a result of the new Single Fraud 	Great value – this saving assumes internal efficiencies through improved processes and IT

		<ul style="list-style-type: none"> Investigation Service) • Transformation • Policy <p>Review internal working eg reduction in mileage due to more efficient working practices, reduction in absence levels, more flexible working would increase productivity levels</p> <p>Medium risk (Amber)</p>	
<p>Access Selby Commercialisation</p> <p>Access Selby</p>	£50k	<p>Indicative target using spare capacity to generate additional income – It is expected that £50k will be generated over a 3 year period. This is over and above other income streams e.g. Better Together and P4G</p> <p>High risk (Red)</p>	<p>Do business and great value – this seeks to generate income for reinvestment</p>
Growing			
<p>Green Energy</p> <p>Core</p>	£150k	<p>Potential to consider Council assets for generating electricity. Subject to detailed feasibility work and business case.</p> <p>High risk (Red)</p> <p><i>(Also part of Programme for Growth)</i></p>	<p>Enjoy life and great value – opportunity for tenants to benefit from reduced price electricity and for the Council to achieve a return on its investment.</p>
<p>General fund housing development</p> <p>Core</p>	£50k	<p>Up to £100k with £5m invested at 2% over standard SDC investment yield. Subject to interest rates and schemes.</p> <p>High/Medium risk (Amber)</p> <p><i>(Also part of Programme for Growth)</i></p>	<p>Enjoy life and great value – additional affordable homes delivered on underused council land achieving improved return on investments</p>

Commissioning			
Leisure Management Contract Core	£150k	<p>This saving is anticipated from March/April 2015. Work on the variation to the existing leisure contract is complete and a saving of around £300k p.a. has been identified.</p> <p>A figure of £150k assumes the redirection of part of this saving into the proposed leisure village (which is still subject to tender approval and exact requirements not yet known).</p> <p>The new contract seeks to deliver an improved leisure offer which will increase participation in physical activities – a performance framework will form part of the new arrangements with targets for participation targeted at improved health outcomes (evidenced by needs assessment).</p> <p>Low risk (Green)</p>	<p>Enjoy life and great value – higher than average adult obesity and rising childhood obesity in Selby means that encouraging healthy, active lifestyles is a priority for the Council. The saving significantly reduces the cost to taxpayers of this discretionary service.</p>
Community/Pooled Budgets Core	£10k	<p>To reflect the potential for efficiency by working across sectors to achieve shared outcomes – for example with CEFs/NYCC/NHS/Police/AVS etc and communities themselves. By pooling budgets and joining up services, together we should be able to meet communities' needs for less.</p> <p>High risk (Red)</p>	<p>Make a Difference and Great value – this saving assumes efficiencies are achieved by working in partnership.</p>
Improved waste/recycling value for money Core/Access Selby	£200k	<p>To match 'near neighbour' performance – would also require additional cost avoidance and to identify opportunities for service transformation and income generation.</p> <p>High/Medium risk (Amber)</p>	<p>Do business and great value – this seeks to improve value for money</p>

<p>Maximise use of civic centre office space</p> <p>Access Selby</p>	<p>£45k</p>	<p>Based on additional 30 desks occupied by partners (Linked to Better Together and other opportunities) – It is expected that it will take a number of years to reach full capacity utilisation.</p> <p>High/Medium risk (Amber)</p>	<p>Great value – this saving assumes efficiencies are achieved by working in partnership.</p>
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CAPITAL EXPENDITURE**APPENDIX G**

The tables below shows projected expenditure against available spending powers for 2015/16. 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	2015/16 £'000	2016/17 £'000	2017/18 £'000
<u>Expenditure:</u>			
Leisure Asset Management Plan	3,350	12,500	2,940
Replacement Car Park Ticket Machines	-	52,000	-
Lifeline Equipment	-	-	50,000
Housing Development	1,250,000	1,250,000	1,250,000
Mobile Working Solution	113,800	-	-
ICT Strategy	134,500	262,500	292,500
Repair Assistance Loans	30,000	30,000	-
Disabled Facilities Grant	300,000	300,000	300,000
Projected Expenditure	1,831,650	1,907,000	1,895,440
<u>Funding Sources:</u>			
Capital receipts	175,000	175,000	145,000
Grants and Contributions	155,000	155,000	155,000
Earmarked Reserves	251,650	327,000	345,440
Borrowing	1,250,000	1,250,000	1,250,000
Projected Funding	1,831,650	1,907,000	1,895,440

CAPITAL EXPENDITURE

APPENDIX G

Housing Revenue Account	2015/16 £'000	2016/17 £'000	2017/18 £'000
<u>Expenditure:</u>			
Electrical Rewires	260,000	260,000	260,000
Central Heating Systems	850,480	650,480	650,480
Roof Replacement	210,000	-	-
Damp Surveys & Works	250,000	250,000	250,000
Door Replacements	134,000	50,000	50,000
Kitchen Replacements	237,000	237,000	237,000
Bathroom Replacements	180,000	180,000	180,000
Pointing Works	300,000	300,000	300,000
Laurie Backhouse Court Refurbishment	200,000	-	-
Environmental Improvement Plan	160,000	160,000	160,000
Other Capital Works	261,500	236,500	196,500
Housing Development	1,250,000	1,250,000	1,250,000
Projected Expenditure	4,292,980	3,573,980	3,533,980
<u>Funding Sources:</u>			
Revenue	1,550,080	925,160	860,310
Access Selby Reserve	160,000	160,000	160,000
Major Repairs Reserve	1,332,900	1,238,820	1,263,670
Borrowing	1,250,000	1,250,000	1,250,000
Projected Funding	4,292,980	3,573,980	3,533,980

Programme for Growth 12/13 to 14/15

Projects	Capital £	Revenue £	Assumed Spend Profile		
			Actual 12/13 £	Actual 13/14 £	Estimate 14/15 £
Programme Management	-	93,333	3,011	23,585	40,000
Housing Trust	-	180,000	3,600	2,594	61,306
Empty homes	100,000	26,000	-	525	63,000
43 Kirkgate	65,584	3,540	-	-	69,124
St Josephs Street	31,000	-	-	-	31,000
Environment - policy reviews	-	20,000	-	-	20,000
Environment - Masterplan	-	50,000	-	-	50,000
Environment - improvements to gateways	-	15,000	-	4,150	10,850
Identify target sector	-	5,000	-	-	5,000
Business Selby	-	40,000	-	-	10,500
Ready 4 Work	-	72,500	-	19,264	37,100
Leisure Centre New Build	7,272,850	9,200	-	950,673	6,322,177
Selby Leisure Village	-	75,500	-	3,000	72,500
Retail experience	-	359,992	-	287	359,713
Growing enterprise	-	150,000	-	6,841	143,159
Site acquisition fund:	859,000	-	5,090	-	-
- 55 - 57 Bondgate	600,000	-	-	575,990	-
Total	8,928,434	1,100,065	11,701	1,586,910	7,295,429
Total		10,028,499			

Funding Sources	£	£	£	£
Balance Brought Fwd		836,540	5,429,205	5,197,931
Special projects reserve - revenue	5,314,906	1,111,366	1,128,000	2,239,000
Special projects reserve - capital	720,636	493,000	227,636	
Insurance Claim - ALC	3,000,000	3,000,000		
Sport England Grant	2,032,500			2,032,500
Project Spend		- 11,701	- 1,586,910	- 7,295,429
Balance	11,068,042	5,429,205	5,197,931	2,174,002

Programme for Growth 15/16 to 19/20

Projects	Capital £	Revenue £	Estimate 15/16 £	Estimate 16/17 £	Estimate 17/18 £	Estimate 18/19 £	Estimate 19/20 £
Programme Management	-	10,300	10,300	-	-	-	-
Healthy living - concepts fund	-	175,000	35,000	35,000	35,000	35,000	35,000
Leisure Village*	1,500,000	-	1,500,000	-	-	-	-
Selby Skate Park	75,000	-	75,000	-	-	-	-
Empty homes	25,000	6,500	31,500	-	-	-	-
Ready 4 Work	-	16,136	16,136	-	-	-	-
Growing enterprise	-	175,000	69,000	39,000	35,000	32,000	-
Market Selby's USP	-	60,000	20,000	20,000	20,000	-	-
Community skills/capacity building	-	100,000	100,000	-	-	-	-
Housing Trust	-	112,500	30,000	30,000	30,000	22,500	-
Green energy	-	30,000	30,000	-	-	-	-
Strategic sites	-	285,000	185,000	50,000	50,000	-	-
Town masterplanning	-	250,000	250,000	-	-	-	-
Green infrastructure	-	20,000	20,000	-	-	-	-
Economic Development Projects arising from ERYC peer review	-	-	-	-	-	-	-
Construction skills hub	-	20,000	20,000	-	-	-	-
Contingency	-	-	312,636	-	-	-	-
Total	1,600,000	1,260,436	2,704,572	174,000	170,000	89,500	35,000
Total		2,860,436					

Funding Sources	£	Estimate 15/16 £	Estimate 16/17 £	Estimate 17/18 £	Estimate 18/19 £	Estimate 19/20 £
Balance Brought Fwd	2,174,002	2,174,002	468,500	1,294,500	1,124,500	1,035,000
Special projects reserve **	1,999,070	999,070	1,000,000	-	-	-
Project Spend	-	3,173,072	2,704,572	174,000	170,000	89,500
Balance	1,000,000	468,500	1,294,500	1,124,500	1,035,000	1,000,000

*Potential for up to additional £4.5m borrowing for leisure village – subject to final tender and approval

**£1m resources in 2016/17 relates to capital receipts from land sales



Public Session

Report Reference Number: C/14/18

Agenda Item No: 14

To: Council
Date: 24 February 2015
Author: Julia Jennison – Policy Officer
Lead Officer: Karen Iveson – Executive Director (and s151)

Title: Housing Revenue Account Business Plan Refresh 2015

Summary:

Executive approval was given on 8th January 2015 to the Housing Revenue Account Business Plan refresh 2015, with a recommendation for approval of the financial assumptions and implications by Council in February 2015.

Recommendations:

- i. To approve the financial assumptions and implications contained within the refreshed HRA Business Plan**

Reasons for recommendation

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

1. Introduction and background

- 1.1 The current Housing Revenue Account (HRA) Business Plan covers the period 2012-2017 but since this was approved, there have been significant government reforms including the move to self-financing and revised proposals for rent convergence. The Council also has the opportunity to be more involved in the development of new affordable homes in the district.
- 1.2 A new Stock Condition Survey was commissioned and completed in 2014 to inform our plans, and consultation was carried out between September and December 2014.

2 The Report

- 2.1 A revised HRA Business Plan 2015 has been prepared which sets out the Council's vision for its housing service to 2017.
- 2.2 Consultation on the draft Business Plan was carried out between 10th September and 11th December 2014, and a new Stock Condition Survey was commissioned and completed in 2014 alongside. To a large degree the Survey confirmed our general view of the stock; it identified around £2.8 million of works to external walls, gable ends, lintels and sills, which we had already identified as likely to be required, and which is included in the capital programme. With the benefit of this information we have revised our longer term forecasts.
- 2.3 Funding to maintain the stock will be limited and work required will be prioritised. The HRA, as part of the reform arrangements, has a significant debt to service (£57.7m) spread over a period up to 50 years. Treasury Management decisions have been made to establish an appropriate payment plan which could conflict with the funding available to maintain the stock, especially in the shorter term. As rents increase, headroom for the continued maintenance of the stock will be created.
- 2.4 Following additional financial planning as a result of the survey and changes to how rents are set, the Business Plan has been finalised. The feedback received will help inform a programme of works, the most critical work prioritised accordingly. This work will need to run in parallel with the debt repayment profile to ensure that funds are allocated appropriately and affordability in the HRA is maintained whilst delivering front line services.
- 2.5 The Council plans to build homes which will meet the needs of those on its waiting list, in particular those with a disability. Up to £5.3m of borrowing is available for new build within the HRA for the development of non-general needs homes and a target of 53 homes has been set; general needs homes will be built by the new Selby & District Housing Trust.
- 2.5 The draft HRA Business Plan was approved by Executive on 8th January 2015.

3 Legal/Financial Controls and other Policy matters

Legal Issues

- 3.1 The revised HRA Business Plan meets the requirements as set out in the Localism Act.

Financial Issues

- 3.2 The key financial issues for the HRA are highlighted in the main body of the report. The financial strategy for the HRA has been reviewed in the context of

major changes in housing finance arrangements and the results of the latest Stock Condition Survey.

- 3.3 The draft Business Plan acknowledges the Government's enhanced 'Right to Buy' scheme and the aim for 'one-for-one' replacement of additional homes sold nationally. The implications for the HRA and its long term viability have been assessed in light of our experience of sales over the last two years and the plan has been updated over the summer to reflect this change.
- 3.4 As part of these arrangements we are able to retain more capital receipts by entering into an agreement with the Government to reinvest receipts in new affordable rented homes, although the amount is subject to the level of capital receipts achieved compared to the Government's estimates. We will continue to monitor the volume of sales and will report to Councillors once the appropriate level of receipts has been generated and a suitable development opportunity has been identified to contribute to the requirement for 'one to one' replacement nationally.

Impact Assessment

- 3.5 An Equalities Impact Assessment has been completed which identifies that with an ageing population we may need to make provision for a growing number of adaptations to our properties. Over recent years there has been an increasing call on our budgets for this purpose, and we will continue to try to relet adapted properties to those who need them wherever possible. The opportunity to build new homes within the HRA will enable us to address more specific needs and level access.

4. Conclusion

- 4.1 The revised Business Plan has been finalised following consultation and the addition of both the refreshed information regarding rent levels from 2015/16 onwards and the results of the Stock Condition Survey. It will continue to be kept under review to ensure that we can deliver the various elements of our Action Plan.

5. Background Documents

HRA Business Plan 2012-17
Tenancy Policy 2013
Equalities Impact Assessment

Contact Officer:

Julia Jennison
Policy Officer
Selby District Council
jjennison@selby.gov.uk

Appendices:

Appendix A - Housing Revenue Account Business Plan refresh 2015

Selby District Council Housing Revenue Account Business Plan 2012-17

Refresh 2015

Foreword

Welcome to Selby District Council's HRA Business Plan refresh for 2014.

Since approval of the current Housing Revenue Account Business Plan 2012-17 there have been significant government reforms including the move to self-financing and revised proposals for rent convergence.

In particular this Business Plan refresh takes into account the results of the Stock Condition Survey 2014, and looks at the opportunities provided for the Council to be more involved in the development of new affordable homes in the district.

As major landlord in Selby District, this offer sets out our aims and describes what we will do to help our tenants live healthy lives.

Councillor C. Lunn
Executive Member

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Appendix A – HRA Business Plan 2014-17 Key Deliverables

Appendix B – Selby District Profile

Appendix C(i) – Selby DC – HRA Business Plan Revenue Operating Account

Appendix C(ii) – Selby DC – HRA Business Plan – Capital Programme and Major Repairs Reserve

Appendix C(iii) – Financial Assumptions

Appendix D – Risks

1. Introduction

- 1.1 The Housing Revenue Account (HRA) Business Plan is our plan for managing our housing service between 2012-2017. The Business Plan is a key element in ensuring the effective management and maintenance of our housing stock.
- 1.2 In developing this Business Plan we have taken into account the views of our tenants, our Housing Strategy, the demand for social housing and the likely availability of resources. This 2014 refresh includes a review of our long term financial position, informed by a new Stock Condition Survey 2014 which confirmed our own view of stock condition, and provided confirmation that our longer term financial planning for the repair and maintenance of our stock is on track.
- 1.3 This Business Plan is set in the context of major change – financial reform with the abolition of the old Housing Subsidy System in favour of self-financing, which has allowed us to be more involved in the development of new affordable homes in the district. The risk of reducing stock numbers within the HRA as a result of the Government’s enhanced Right to Buy (RTB) scheme will continue, particularly with the introduction of larger discounts and a shorter eligibility period.
- 1.4 Self-financing has seen local housing authorities take on central Government housing debt in return for keeping all of the rents their tenants pay; putting control of housing services into the hands of local councils and strengthening the link between the rent we collect and the services we provide to our tenants and leaseholders. However, rent levels are still governed centrally.
- 1.5 The Council, through its operational arm ‘Access Selby’, manages 3,105 homes across Selby District (at 1st Dec 2014). We will continue to try to engage with and work together with consultative tenant and leaseholder groups to develop our housing service to meet the challenges that lie ahead. We believe that only by listening to and understanding our customers can we improve services and ensure they meet their needs.

2. Our Vision

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

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

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

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

Our key aims are to:

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

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

2.4 The Council is currently preparing a new Corporate Plan, with refreshed corporate priorities, which will be adopted early in 2015.

3. The context for our housing service

The national policy environment

- 3.1 In broad terms, the primary emphasis of national housing policy over the past 30 years has been on extending owner occupation. In the public sector the Government has introduced a range of reforms to the way social housing is delivered.
- 3.2 These include giving greater flexibility to social landlords to determine the types of tenancies they grant to new tenants. The Council developed a Tenancy Policy in 2013, which sets out our strategic aims for the management of our stock, including the use of flexible, fixed term tenancies from 1 April 2015. The rights of existing secure and assured tenants are protected.
- 3.3 With the introduction of Affordable Rent (at up to 80% market rent) charged as part of a delivery agreement with the Homes and Communities Agency (HCA), the rents of Registered Providers (RPs) generally have increased. Councils have become the housing provider for those who are most vulnerable and judged to be in greatest need, through the continuing offer of lower social rent. The impact of the recession continues to produce high demand for low cost homes to rent, and further to the review of our allocations scheme which has identified those in greatest need, we will consider whether higher rents will be affordable to those applicants with low incomes. Our new Strategic Housing Market Assessment (SHMA), commissioned early in 2015 will include an assessment of affordability.

Housing in the district

- 3.4 In 2012, most homes in the district (78%) were lived in by the owner; higher than the national average of 68%. Approximately 10% of all households in the district lived in Council owned properties and approximately 3% lived in properties managed by Registered Providers.
- 3.5 The average house price in Selby district was £178,917 in 2010, rising to £189,650 in quarter 2 of 2013 (up almost 6%, the most recent data). Comparative figures in North Yorkshire were higher, at £223,065 in 2010 but dropping to £212,641 in quarter 2 of 2013 (down almost 5%).
- 3.6 Quarterly data since 2007 shows Selby prices consistently below those for North Yorkshire, and increasing at a faster pace in 2013:



- 3.7 Despite the reduction in house prices during the recession, housing affordability still remains an issue. In April 2014, lower quartile house prices in Selby were approximately 6.6 times higher than lower quartile earnings. The ratio that is generally used to define 'affordable' is 3.5. Selby District's affordability ratio is considerably higher than this¹.

Supply and demand for affordable housing

- 3.8 The Council currently retains and manages 3,105 properties let at social rents:

¹ Source: STREAM (Statistics, Research and Mapping for North Yorkshire & York) data April 2014

Stock by Property Type as at 01/12/2014

Code	Description	Properties
BD1	First Floor Bedsit	8
BDG	Ground Floor Bedsit	27
BG1	1 Bed Bungalow	520
BG2	2 Bed Bungalow	622
BG3	3 Bed Bungalow	11
FL1	1 Bed First Floor Flat	75
FL2	3 Bed First Floor Flat	1
FL3	1 Bed Ground Floor Flat	108
FL4	2 Bed First Floor Flat	180
FL5	1 Bed Second Floor Flat	5
FL6	2 Bed Second Floor Flat	8
FL7	2 Bed Ground Floor Flat	183
HS1	1 Bed House	8
HS2	2 Bed House	266
HS3	3 Bed House	1038
HS4	4 Bed House	37
HS5	5 Bed House	2
MA2	2 Bed Maisonette	6

3105

Of
which

Sheltered Accommodation	48
Designated for Older People	1233
General Needs	1824

3.9 There are currently 622 active applicants (at 15th December 2014) on the Housing Register (including transfers). The number of active applicants for Selby has reduced substantially from 1,788 in 2012, following the HomeChoice policy review in 2013, due to the introduction of stricter criteria on household income and equity, and a local connection requirement for applicants, with homeowners who have no housing need being excluded from the list. Applications from homeowners will each be considered on their individual circumstances.

3.10 However, mainly as a result of the continuing squeeze on our residents' personal finances caused by welfare changes, numbers have risen by 145 in the last 3-4 months, from 477 immediately after the review was completed.

3.11 The profile of our applicants² now is:

2012	2014	
25%	0%	of applicants on the Housing Register were under 18
22%	20%	of applicants were over 60
Nearly 60%	55%	of lead applicants are female
1.6%	11.9%	of applicants were Black and Minority Ethnic Groups
21%	31%	of applicants had a disability

It is likely that the increased percentages of applicants from Black and Minority Ethnic Groups and those with a disability, reflects the characteristics of those who are able to remain on the Housing Register following the introduction of the revised HomeChoice policy. The reduction in the numbers of applicants aged over 60 reflects the provision of the revised policy, whereby homeowners are deemed to be adequately housed unless there are particular circumstances under which they need to access social housing, such as being unable to access housing with their own resources, unable to use the stairs in their existing home, or needing to be near to support networks. The proportion of older people generally in the district is predicted to rise, and it is likely that this increase will be reflected in the demand for affordable housing, with more households over 60 joining the list over time. We need to ensure that our offer to this group in the future meets their increasing expectations, and we will seek to do so through our development programme within the HRA.

3.12 More generally, our Strategic Housing Market assessment (SHMA) 2009 established a demand for smaller, 2 and 3 bed properties. However, further work is being undertaken to ensure that there is still demand from applicants for this type of home, and that it remains affordable following changes to welfare provision.

3.13 A new Strategic Housing Market Assessment (SHMA) is to be commissioned early in 2015 which will inform our plans for affordable housing development for 2015 onwards. This will include a focus on the needs of older people, and provide an affordability assessment relating to the charging of higher, Affordable Rents by social landlords in the district (at up to 80% market rent).

² Choice based letting

- 3.14 There were the following new build affordable housing completions between 1st April 2011 and 31st March 2014, shown as a percentage of all new build completions.

New build completions	All houses	Affordable housing completions*	% affordable against all new build completions
2011-12	338	73	22%
2012-13	248	89	36%
2013-14	319	39	12%

Our target for affordable housing, set out in our Core Strategy 2013, is up to 40% affordable housing on market schemes. However, in the table above, the figures for all new build completions include schemes where no affordable contribution is required.

*Numbers of affordable housing completions ignore any commuted sum contributions for affordable housing in lieu of onsite provision, and this will reduce the percentage out turn. However, this will be compensated in future years by the development of affordable homes funded by these contributions.

Housing strategy and policy changes

- 3.15 The Localism Act placed a new duty on councils to develop a Tenancy Strategy which registered providers of social housing are expected to have regard to. The Strategy provides an overview of what the authority expects of partners in their own individual Tenancy Policies. Selby District Council has worked in partnership with local authorities across North Yorkshire to produce a combined strategy which was finalised in 2012.
- 3.16 As a stock holding council, in 2012 Selby District Council developed its own Tenancy Policy relating to the management of its housing stock, which addresses specific questions in relation to management and allocations.
- 3.17 In particular, the Tenancy Policy introduces the use of flexible fixed term tenancies, generally for five-year periods, which will provide opportunities to address under/over occupation, and potentially free up a scarce resource (in particular larger homes and those with major adaptations) to those in need on the waiting list. However, it may result in additional void turnover and associated costs should tenancies be brought to an end.
- 3.18 At 2011/12 void turnover was 10%, reducing to 7.5% in 2012/13, and 8.2% in 2013/14. In the short term it was anticipated that there may be additional stock turnover as a result of welfare reform and the spare

room subsidy, with tenants seeking smaller or cheaper accommodation, but this does not appear to have been the case. However, it is considered that a number of tenants may be delaying moving whilst they are able to claim Discretionary Housing Payments.

- 3.19 Alongside the introduction of flexible fixed term tenancies, lifetime (secure) tenancies will still be available to certain applicants –
- Applicants for sheltered housing, whatever age
 - Applicants of state pensionable age
 - Applicants who are deemed to be vulnerable

More detailed information can be found in our Tenancy Policy 2013.

- 3.20 Revised equality and diversity objectives were consulted on in April 2012 and these are applied to all new and reviewed policies to ensure they are non-discriminatory. These issues are particularly important as the district experiences some changing demographics due to varying numbers of migrant workers.
- 3.21 The Council is continuing to monitor the implications of welfare reform and this has included consideration by Policy Review of how tenants who downsize might be affected by variations in rent as a result of work progressing towards convergence. Policy Review concluded that there is no evidence which would suggest a new policy is required relating to this particular issue, but this will be kept under review. In particular we will continue to monitor how welfare changes may impact on individual tenants' ability to manage their finances, levels of arrears, and the impact of Discretionary Housing Payments.
- 3.22 A profile of Selby district which has a bearing on our approach to our housing service is set out at **Appendix B**.

4. Our housing service today

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

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

- We have worked with partners across North Yorkshire to develop a county wide Housing Strategy which has enabled us to take a co-ordinated approach to housing. This was updated in 2013 and is undergoing a further refresh in 2014/15.
- We have operated 'choice based lettings' through HomeChoice, with partners across North Yorkshire, making it easier for applicants to find a home that suits their needs. The scheme was reviewed in 2013 in order to ensure that scarce housing resources are allocated to those in greatest need.
- We have maintained our average void turnaround time at 24 days in 2013/14
- We plan to commission a new SHMA at the start of 2015 which will provide us with evidence on housing need and affordability to enable us to plan for the development of the right affordable housing in the right place.

4.1.2 Ensuring that decent and affordable housing is available to everyone

- We had a target to achieve the government's 'Decency' standard by December 2010 which we exceeded, delivering our 'Decency Plus' standard (which included new kitchens) to those properties in need.
- We removed all the concrete panels from our Airey homes (84no) and replaced them with brick block and insulation, bringing them up to modern thermal efficiency standards. This work is now complete.
- We are going through a programme to replace old and inefficient boilers and last year fitted over 400 new 'A' rated boilers.
- We replaced over 100 electric heating systems where homes are not on the gas network.
- We removed all our inefficient warm air units.

- We have improved our performance on dealing with responsive repairs. Over the last three years there has been a vast improvement in repairs completed, with 99% of emergency repairs completed on time and 98% of non-urgent repairs completed on time.
- We have worked with Registered Providers and developers to secure 325 additional affordable homes in the district over the last 5 years (2009/10 – 2013/14) to complement our own housing stock.

4.1.3 Promoting social inclusion, respect and sustainable communities

- We have an established Tenant Participation Strategy and Community Engagement framework to encourage more people to be involved in making a difference to where they live.
- Since 2012 we have carried out 65 adaptations to our own stock in order to help more tenants to remain living in their own home, which is most commonly their first choice of option.
- Additional support is provided through regular contact, and emergency assistance through our Lifeline service which has recently been reviewed.

4.2 Providing a customer focussed service

- We have improved our responsive repair service as set out at 4.1.2.
- Our customer contact centre continues to deal with service issues at first point of contact, and has achieved high satisfaction levels with the service we provide. 91% of all enquiries are dealt with at the first point of contact, and during 2013/14 waiting times have been reduced, despite an increase in calls, to an average of 1 minute 35 seconds.

4.3 Providing value for money

- Our home improvements continue to help tenants save on energy costs into the future.
- We have achieved significant cash savings and efficiencies within the HRA service over the last 5 years, improving value for money for our tenants, ensuring the on-going viability of the HRA and allowing us to re-invest in our homes.
- We have reduced the need for depot accommodation which has, in turn, reduced our overheads. In addition we have introduced

new working practices for our operatives and have achieved additional efficiencies through the 'Better Together' partnership work with North Yorkshire County Council (NYCC) by sharing depot accommodation with NYCC highways, which will further reduce our overheads.

- The new working practices have seen operatives working directly from home rather than reporting into the depot at the start of each day. They also receive their instructions through mobile hand held devices, further reducing the need to attend at the depot – giving them more time to spend on asset management and maintenance.
- We continue to use a collaborative procurement approach for purchasing materials and procuring contactors which allows us to utilise the buying power of larger organisations whilst sharing expertise and also saving money.

4.4 Much has been achieved over the last 5 years, not least of which has been the continued viability of the HRA, which previously had been forecasted to be in deficit by 2012/13. Tenants gave the Council a mandate in 2006 to continue to provide the housing service. However the changes in Government policy and on-going economic uncertainty mean that further challenges lie ahead.

5. Our housing service looking forward

5.1 As part of the Business Plan for years 2012 to 2017 we continue to consider the aspirations of the Council and our tenants and how these can be achieved within the financial resources available.

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

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

5.3 Opportunities are available for tenants, leaseholders and residents to get involved through the offer of Area Panels, the Tenant Scrutiny Panel, and the Repairs and Maintenance Group (all for tenants), and Tenant and Resident Associations (TARAs). Work is continuing with input from TPAS (the Tenant Participation Advisory Service) to encourage a greater take up of this offer.

5.4 We aim to build tenants' pride in their homes and where they live through actively engaging with them, and our Tenant Participation Strategy identifies a number of actions we will continue to work on together with tenants over the coming years. As part of this work we will explore opportunities to improve the lives of our tenants and leaseholders including consideration of the built environment and better use of shared spaces.

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

5.5 In addition to improving current homes, we will look for opportunities to utilise the HRA asset base in a more innovative way to achieve a reshaping of the housing stock to help meet the needs of current and future tenants, taking into account in particular our aging population and demand for adapted homes. Subject to available resources we will consider new build, buy-backs, reconfiguration of existing stock, redevelopment, buying up poor condition private property, refurbishing and letting. This may include consideration of the use of surplus green spaces, garage sites and plots, and the options for making alternative provision.

5.6 We will consider targeting allocations for such schemes at suitable SDC tenants who live nearby and who are under/over occupying their homes, in order to manage the wider stock more effectively and in particular make larger units available to families on our waiting list.

- 5.7 In 2013 we set up Selby & District Housing Trust (the Trust) to help deliver additional affordable homes in the district to meet identified general needs, by developing council-owned land (subject to individual business cases).
- 5.8 We will continue to review the profile of our stock as part of our asset management plan; making sure that we have the right homes in the right places to meet the district's needs. Following review, strategic transfers to the Trust will be considered on a case by case basis in accordance with the provisions of our Housing Development Strategy 2013 to facilitate the development of additional affordable homes. In addition we plan to build homes within the HRA with a target of 53 new homes by 2019. Our review will include consideration of the more general offer to our tenants and leaseholders in terms of the wider infrastructure and improve underutilised land which still provides an important public open space function.
- 5.9 From April 2014, the government confirmed that councils will have more flexibility to sell land for new development. Vacant land can now be sold at below market value to a broad range of organisations provided it is then used to build affordable homes. This may also provide the opportunity to develop specific areas where land may be underused.
- 5.10 As part of our response to this change we are considering how we might achieve the Government's objectives for 'one-for-one' replacement of homes sold, along with a continuing viable HRA. Our Housing Development Strategy 2013, section 4, and Asset Transfer Policy 2014 set out the mechanisms for the development of new homes, by identifying the route from initial identification of suitable SDC land through to its appraisal and final development either through the HRA or via the Trust.
- 5.11 The Government's enhanced Right to Buy scheme, which has increased the maximum discount for tenants wishing to buy their council owned home (from £24,000 in Selby district to the new national discount of £75,000), and the reduction in the time period for eligibility, means that more tenants will be able to buy their homes in future. For more information see 6.39 – 6.44.

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

- 5.12 Our capital investment programme is estimated to average £2.8 million per year over the next five years, allowing us to maintain our 'Decent Plus' standard.
- 5.13 Improving the lives of our tenants is a key driver in targeting spend. Our approved capital programme for the next three years focuses on

energy efficiency measures which aim to improve living conditions and reduce energy consumption such as new roofs, windows and heating systems.

- 5.14 We are continuing to replace old and inefficient boilers and to replace electric heating systems where homes are not on the gas network.
- 5.15 We will continue to look at ways of bringing efficient heating to all our properties.
- 5.16 We will consider the opportunities provided by the Green Deal to implement further energy efficiency measures including consideration of solar panels and community oil purchase networks.
- 5.17 We will also consider how we might improve the streetscene on our estates and look at whether smaller areas of land might be better used either through redevelopment or an improved offer for our tenants and leaseholders.
- 5.18 Capital investment in years four and five will be subject to review and prioritisation alongside the range of issues identified in this Business Plan; however we aim to continue to improve our stock.
- 5.19 We will need to consider how we can continue to meet requests for adaptations to our stock particularly with resources being limited, at a time when we have an increasingly aging population and an increase in the percentage of applicants on the waiting list with an identified disability.

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

- 5.20 Through self-financing we have much greater flexibility to plan for the long-term than has been possible under the old subsidy system. Whilst there will be an on-going need to balance the repayment of debt and additional investment in stock, there is now the potential for us to consider new build through our Programme for Growth, either within the HRA or through the Trust, to buy back former council houses or pursue other initiatives to increase the housing stock. Where necessary, in order for an affordable housing development to progress, we will consider the development of a small number of market units for sale or discounted sale in order to subsidise a scheme, or the addition of Section 106 commuted sum contributions where appropriate.
- 5.21 Part of our response to growing housing need will be to sensitively tackle the under-occupation of our homes and review those property types which are generally hard to let. Various approaches have been taken to improve the attractiveness of these homes, many of which are 1 bedrooled bungalows in Tadcaster. Demand among older people (60+) for these units is limited as they are located on a hill, and

generally there is a preference for 2 bedrooms to allow for family to stay, or for couples to sleep in separate rooms. Decoration allowances have been offered, but in some properties the small room sizes and bathroom facilities are also an issue. General needs accommodation in Byram is also difficult to let and ongoing work by our Assets team includes the development of options appraisals.

- 5.22 Most importantly we will target our resources to help meet the needs of vulnerable people within our communities.

Deliver value for money to our tenants and stakeholders with efficient responsive and viable housing services

- 5.23 The HRA is a self-contained business which relies on the rental income from council-owned homes to provide the on-going maintenance and management resources needed to sustain our housing stock. In order to maximise investment in our homes and sustain the service to our tenants it is vital that our operations are as efficient and effective as possible.
- 5.24 We aim to reduce demand for responsive repairs by having a clear three-year investment plan in place. We will do this by improving the time taken to respond to emergency repairs through ensuring lean, customer focussed processes that make best use of modern technology.
- 5.25 When properties become vacant we aim to use the opportunity to bring forward major improvement works before re-letting, thereby benefiting future tenants.
- 5.26 The Council will consider registering with the Homes and Communities Agency to assist new affordable housing development within the HRA. Funding from Section 106 affordable housing contributions will contribute to the development of additional affordable homes.

Impact of Community Right to Bid and Right to Challenge

- 5.27 **Right to Bid.** This aims to facilitate community focused, locally-led action by providing an important tool to help communities looking to take over and run local assets. This has been effected through Part 5 Chapter 3 of the Localism Act, and the Assets of Community Value (England) Regulations. The scheme will give communities the opportunity to identify assets of community value and have them listed. The list will be published on our website. If these assets are put up for sale at some time in the future, the community will have the opportunity to raise finance and prepare to bid for them.
- 5.28 It is possible that one of these community assets may belong to the HRA, although no bids have been received to date.

- 5.29 **Right to Challenge.** This allows voluntary and community groups, charities, social enterprises, parish councils, local and fire and rescue authority staff to bid to run authority services where they believe they can do so differently and better. This could be the whole service or part of a service, and groups need to submit a written expression of interest to do so. Local authorities must consider and respond to expressions of interest which, if accepted, will trigger a procurement exercise for that service. The interested group will then take part in the procurement exercise, alongside others. The Community Right to Challenge was also introduced by the Localism Act 2011.
- 5.30 It is open to tenants or other groups to bid to run either all or part of the housing service should they so wish.

6. Our Finances

- 6.1 The Housing Revenue Account (HRA) aims to provide the financial environment to support our landlord responsibilities over the medium to longer term, as well as our strategic objectives for the housing service.
- 6.2 As a local authority landlord we are required by Government to maintain a 30 year financial forecast of income and expenditure on our housing service. This Business Plan refresh focuses on the next three years but also takes a long term view to ensure on-going sustainability of the service. A summary of income and costs for the HRA (including the key assumptions used) is shown at **Appendix C**.
- 6.3 The recently completed Stock Condition Survey has not had a significant impact on our forecasts; we know that our existing stock is getting older and will require greater investment to maintain a suitable standard for occupancy. This, coupled with increases in Right to Buy on the back of greater discounts, means less rental income available in the future to reinvest in homes whilst meeting the requirements of servicing self-financing debt.
- 6.4 The table below demonstrates the potential impact of the Stock Condition Survey over the next 30 years coupled with consistent Right to Buy sales. The scenarios assume that the 2014/15 capital programme is not affected.

Scenario	Average Annual Cost (£000's)	30 Year Capital Cost (£000's)	Increase (£000's)
Current Cost (App C (ii))	4,731	141,933	-
10% Increase	5,204	156,120	14,187
25% Increase	5,913	177,390	35,457

Self-financing

- 6.5 The financial framework for the HRA has undergone major reform with the introduction of 'self-financing' from April 2012. The aims of 'self-financing' are to:
- give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long-term and to drive up quality and efficiency; and
 - give tenants the information they need to hold their landlord to account, by replacing the previous opaque system with one which

has a clear relationship between the rent a landlord collects and the services they provide.

- 6.6 These reforms replace the former redistributive housing system which set a level of cost allowances (including the capital programme) for running the HRA on an annual basis. From April 2012 the Council has had to take on £57.733m of Central Government housing debt but is no longer required to make an annual payment into the national housing subsidy pool. The amount of debt we had to take on was calculated using a methodology that values the stock over 30 years, and aims to leave the Council with a long term sustainable business plan with full responsibility for the expenditure on the management and maintenance of our homes.

HRA income

- 6.7 The HRA is a 'ring-fenced' account which means that all of the costs associated with maintaining our homes, financing improvement works and running the service, are met from the rental and other associated income generated from the houses and garages we let to tenants. We cannot use this income for any other Council services.
- 6.8 Under the Government's rent restructuring policy, formula data was provided by the Department for Communities and Local Government (DCLG) to ensure similar rents for similar properties in similar areas are calculated over a transitional period. At convergence, Registered Providers and Local Authorities will use the same formula for setting rent levels, which will ensure that tenants pay similar rents for similar properties regardless of whether the landlord is a Registered Provider (RP) or a Local Authority.
- 6.9 The government has recently made a number of changes to the way rents for social housing will be managed from 2015.

Rents for Social housing from 2015

- 6.10 The transitional period for convergence is coming to an end, and it is now proposed that 2014/15 will be the final year instead of 2015/16. From 2015/16 the model for rent calculation is set to change to increases of CPI plus 1% (this increase applies to both formula and actual increases).
- 6.11 The Government plans to commit to this policy for ten years until 2024/25, which is intended to give long term certainty and stability on rents.
- 6.12 For many landlords and tenants this change will not be significant as the consumer prices index has historically risen at a rate of about 0.5% less than the retail price index. Many landlords and tenants will also

welcome the announcement as bringing more certainty to future rent policy in the long-term.

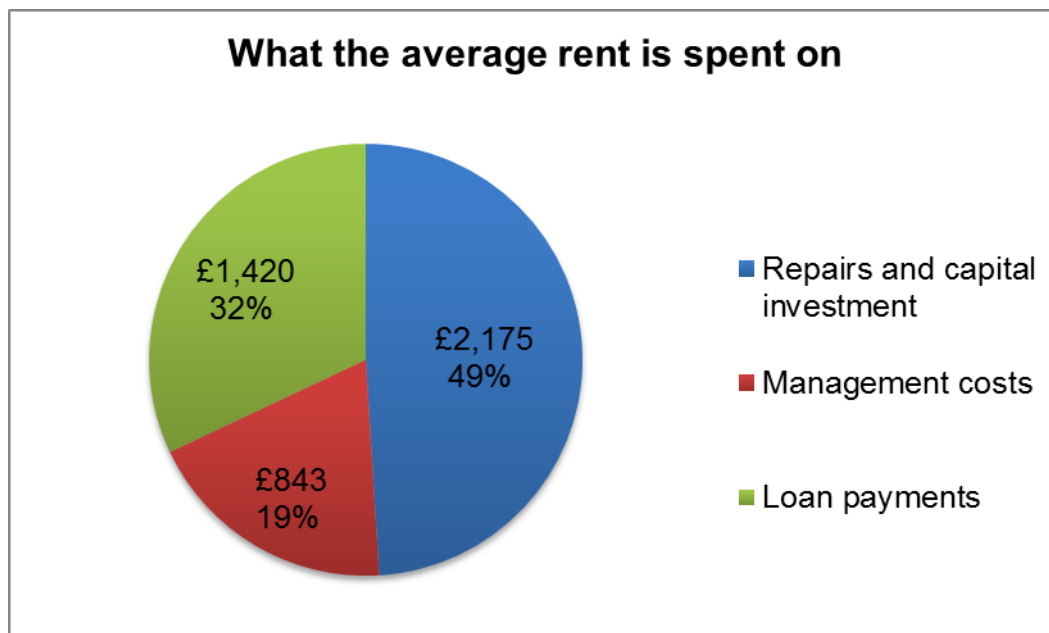
- 6.13 However, where landlords have yet to achieve rent convergence the new approach will prevent them from doing so in future. This mainly affects local authorities that have not been able to converge their rents with formula rents either because of the operation of the 'caps and limits' in the existing rent policy framework or because of historic policy decisions such as very low rents already in the District. This is especially significant in that the debt settlement with self-financing was based on the assumption that rents would converge.
- 6.14 Rent generated is utilised to service the debt incurred, invest in maintaining our housing stock and new build opportunities as well as cover the running costs of our Housing Revenue Account service. The move to a CPI based increase will give lower increases going forward which is good headline news for tenants but has a negative impact against the self-financing business plan, meaning that in the longer term there will be less resource for re-investment in our housing stock. The business plan originally assumed increases of 5% but CPI at September 2014 (for 15/16 rent setting) is 1.2% which would give a total increase of 2.2%.
- 6.15 Target rents will be charged for new tenants from 1 April 2015. Where a property is not at formula rent by 2014/15, the Government expects that from April 2015 following a vacancy, the property will be re-let at formula.
- 6.16 On 6 February 2014, the Council's Executive resolved to approve the proposed 5.6% average rent increase for 2014/15. Approval of the rent increase is fundamental to the continuation of funding of the HRA. A rise of 5.6% is higher than the current level of inflation but is necessary to assist in meeting the financial commitments of the HRA including debt repayment and maintenance of stock.
- 6.17 The Executive also requested that Policy Review Committee consider the implications for existing tenants wishing or needing to downsize, of re-letting vacant properties at target rents, and whether recommendations are required for an appropriate policy in such circumstances – see 3.20.
- 6.18 The 2014/15 weekly average rent for a three-bedroomed property in Selby district (set on a 52 week basis) is £85.35. Approximately 60% of our tenants are in receipt of some element of Housing Benefit.
- 6.19 Garage rents are increased by RPI each year, in line with the Council's policy for fees and charges, generating around £120k a year, although this will reduce if sites are redeveloped for affordable homes.

6.20 After allowing for void (vacant) properties and an element of bad debt, we estimate HRA rental income for 2014/15 to be £12.3m (95% of the total income to the HRA). Overall income to the HRA is £12.9m with Supporting People income, hostel and garage rents and interest etc. making up the remaining £650,000.

6.21 In the future, if the Council was to enter into a delivery agreement with the HCA for the development of new homes, Affordable Rent (at 80% market rent) would be able to be charged on those new units. This will be considered as new schemes are assessed.

Running Costs

6.22 Based on 2014/15 estimates, the average rent of £4,438 per year is spent on the following:



6.23 Nearly half of HRA costs (49%) are on repairs and investment in our housing stock, with 32% of costs associated with principal and interest on borrowing. Management and support costs account for around 19% of total costs. Comparing these costs with 2012/13, through efficiencies, we have reduced the management element from 25% to 19%, investment in our homes has increased from 45% to 49%, and interest payments have increased slightly from 30% – 32%.

Borrowing

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

Summary borrowing position for self-financing

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

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

Loan analysis

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

- 6.26 The business plan model assumes that borrowing is repaid at the earliest opportunity, in order to demonstrate viability. In reality the Council will be able to review the plan regularly and make decisions about the use of surpluses, balancing the repayment of borrowing and additional investment in the stock. This will give the Council greater flexibility in its long term planning than has been possible under the previous subsidy system. In 2014/15 interest charges are estimated to be £2.66m and money has been set aside to cover future principal repayments of £1.26m. As part of our Treasury Management Strategy we are also planning to use our growing cash balances to fund investment in new build homes (both HRA and Selby and District Housing Trust homes) through internal borrowing.

Stock investment needs

- 6.27 A new Stock Condition Survey was carried out in 2014 to inform the capital programme, and provide revised financial information to support this Business Plan. The survey was a sample to reflect our varied housing stock, and covered around a third of our homes. We surveyed around 850 properties, at least one of every “archetype” (property type, age and street) concentrating on external condition. We also collected kitchen and bathroom data on 10% of the surveys.
- 6.28 To a large degree the stock condition survey confirmed our general view of the stock. It identified around £2.8 million of works to external walls, gable ends, lintels and sills, which we had already identified as likely to be required, and which is included in the capital programme. None of this work is urgent, so bids over 5 years from 2016/17 will cover the costs.
- 6.29 The survey also identified the remaining timber door replacements to the value of £394k, which are already in the 30-year plan.
- 6.30 We expect kitchen and boiler replacements to slow down over the coming 5 years (which is reflected in the 30-year plan)
- 6.31 With the benefit of this information we have revised our longer term forecasts and assessed any opportunity for further improvement to our stock. Analysis of information relating to the community centres will be completed in readiness for the next budget cycle.
- 6.32 Funding will be limited to maintain the stock and work required will be prioritised. The HRA as part of the reform arrangements has a significant debt to service (£57.7m) spread over a period up to 50 years. Treasury Management decisions have been made to establish an appropriate payment plan which could conflict with the funding available to maintain the stock, especially in the shorter term. As rents increase, headroom for the continued maintenance of the stock will be created.
- 6.33 Following a review of our financial planning as a result of the survey, a programme of works can be formulated, the most critical work prioritised accordingly. This work will need to run in parallel with the debt repayment profile to ensure that funds are allocated correctly and affordability in the HRA is maintained whilst delivering front line services.
- 6.34 The table below summarises the capital investment estimates for the next five years. Resources for investment in our stock come from the depreciation charges set aside in our Major Repairs Reserve along with any in-year surpluses generated. These surpluses can also be set aside with a view to repaying debt at the earliest opportunity.

- 6.35 The programme of works for 2014/15 – 2018/19 was approved as part of the 2014/15 budget process. Capital investment in years four and five of the plan is subject to review and prioritisation alongside the range of strategic issues identified in this Business Plan.

Capital investment forecasts

	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Programme of Works	3,711	2,865	2,251	3,766	3,858
New Development	300	1,250	1,250	1,250	1,250
Total capital Investment	4,011	4,115	3,501	5,016	5,108

- 6.36 Over the initial three years of the plan, our planned replacement programme saw tenants benefiting from measures to improve the energy efficiency of their homes – ensuring we fulfil our landlord responsibilities whilst cutting our tenants' energy bills.
- 6.37 The cost of improving the stock beyond this level will need to be the subject of further review and consultation taking into account the resources available and the Council's Asset Management Strategy, although we aim to begin a programme to replace bathrooms once we have completed our planned kitchen upgrades.
- 6.38 The total projected expenditure to improve and maintain the stock and related assets has been adjusted following the Stock Condition Survey, and feeds into a revised programme of works. Information on the estimated investment needs and resources available over 30 years is be shown at **Appendix C(ii)**.

Right to Buy

- 6.39 RTB sales in Selby district were 60% higher in 2013/14 than in 2012/13, but are yet to reach the levels they achieved before the recent recession.
- 6.40 Within the HRA Business Plan we had initially assumed right to buy sales at two per annum for 2012/13 and 2013/14, five per annum for 2014/15 to 2019/20 and 10 per annum thereafter.
- 6.41 However, from the baseline of 2010-11 and 2011-12 when there were three sales per year, there were 10 completions in 2012-13 and 16 during 2013-14. At the end of December 2014 there have been 20 RTB sales for 2014-15. It is likely that these numbers will continue to

increase, and assumptions have been made within our financial planning to take account of additional sales. The following table shows an estimate of receipts from the sale of council houses and the amount Selby District Council can retain for debt repayment and new build projects.

	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Estimated Receipt from sales	773	812	852	892	934
Estimated Government share	373	389	412	436	461
Selby share	400	423	440	456	473

6.42 From April 2012 the Government's enhanced 'Right to Buy' scheme brought a new maximum discount of £75,000 for eligible tenants (against the previous maximum of £24,000 for Selby), and from late 2014, there is a reduced qualifying period of three years from five previously. The Government's proposal indicates that net receipts from these sales should be used to replace the additional homes sold due to the increase in discount.

6.43 The net receipt can be adjusted for allowable costs, and repayment of debt, although debt repayment is not mandatory. The 'one-for-one' replacement rules state that no more than 30% of the cost of replacement homes can be funded from RTB receipts, with the rest coming from other funding opportunities, such as borrowing against future rental income of the dwelling, or working in partnership with other social landlords.

6.44 There is a recognition that this may have a detrimental impact on the self-financing business plans of local authorities and as part of our response to this change we will be preparing a local funding plan to help us demonstrate how we will work towards the Government's objectives for the replacement of homes sold, along with a continuing viable Housing Revenue Account. This will include a risk assessment of which properties are more susceptible to the RTB.

Impact of Local Enterprise Partnership and Local Investment Fund

6.45 House building is vital for local economic growth, and the Council will continue to work closely with the North Yorkshire Local Enterprise

Partnership (LEP) when preparing bids for extra borrowing powers, which will form part of the government's Local Growth Fund.

- 6.46 Increasing the supply of affordable homes is a priority for the Government and it is a critical element in wider economic growth. Work is progressing with LEPs for North Yorkshire and Leeds City Region to agree local Growth Deals. In many areas, a key part of the local strategies developed by LEPs will be investment for housing growth.
- 6.47 Since the introduction of self-financing for local government in 2012, many stockholding councils are starting to look again at the opportunities it offers to build new homes for their local communities. However, many councils have said that they can do more if they can undertake additional borrowing. The government therefore announced in the Autumn Statement in 2013, that local authority HRA borrowing limits would be raised by £150 million in 2015-16 and £150 million in 2016-17, allocated on a competitive basis to drive value for money. In July 2014 the government announced an increase of £60 million in additional HRA borrowing to help bring forward additional affordable homes, and will be holding a second bid round for new schemes in 2016/17. We will consider this opportunity for additional funding.
- 6.48 Local authorities who had a proposal agreed by their LEP were able to bid for additional borrowing. Selby bids through the LEPs included Riccall as a key growth site for North Yorkshire, Olympia Park and Papyrus Works, Newton Kyme, as key growth sites for Leeds City Region.

Risks

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

Interest Rates

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

Inflation – Economic Uncertainty

- Inflation is a key issue for the Council especially when rates are high relative to income growth.
- High inflation impacts on the rent modelling which from 2015/16 will be CPI plus 1%.
- The self financing business plan financial model has been modelled using a prudent inflation rate consistent with the rates used by the Council of 3.0% from 2013/14.

Assets – Council Houses

- The viability and affordability of the HRA business plan when originally developed, was based on the stock numbers reducing with then current forecasts of Right to Buys (RTB). This business plan refresh also considers the impact of government policy relating to increased discounts and reduced eligibility periods on the number of RTB sales, and the forecast takes account of this.
- Increased asset disposals would result in reduced rental income but also reduced maintenance liabilities and affect the repayment of associated debt. The Council has taken a range of loans over a mix of maturity dates to allow flexibility for repayment and will prepare a local funding plan to forecast the impact of this change and to help mitigate the associated financial risks.

Rents (Income)

- Rent increases could result in a lower collection rate. Welfare reform, unemployment, inflation and other economic factors could affect tenants' ability to afford higher rent increases. Rents have been modelled using social rent policy and to keep within guideline rent for 2014/15.

Reserves

- 6.50 As part of the budget setting process the Council is required to review the adequacy of its reserves and this includes the HRA reserve. The Council confirmed in February 2012 that the HRA reserve should be £1.5m. This level is deemed adequate to provide financial resource for any unforeseen circumstances within the HRA that may require additional funds. This equates to approximately £480 per dwelling.

Financial Outlook to 2016/17 and beyond

- 6.51 Following the move to self-financing the financial forecasts show that, based on original assumptions on 'Right to Buy' sales, there were sufficient resources over the five-year period of the plan to maintain a viable Housing Service, maintain the Decent Homes plus standard, and carry out the necessary planned repairs to our housing stock, although this did put pressure on the ability to repay debt over 30 years. The original financial model showed the need to increase principal set-aside from year 11 onwards to maintain a 30 year payback.
- 6.52 The financial forecast at **Appendix C** suggests that, subject to the assumptions within the model, there is some modest headroom in years 1 to 5. This provides some level of contingency as the impacts of this change become clearer.
- 6.53 We have the opportunity to increase borrowing up to our 'debt cap' which would cost in the region of £240k per year in interest charges plus principal repayments of around £178k per year based on a 30

year term. With this additional borrowing, the plan is to build an additional 50 homes over the next 5 years.

- 6.54 The balance of using resources to repay debt and maintain and/or extend the housing stock will be an on-going feature of the Business Plan and will require careful consideration as the further impacts of the changes to 'Right to Buy' emerge. That said, the ability to invest in our housing stock over the life of the plan will continue to improve the quality of the homes we provide. Within the available resources there will be the ability to focus spending on those things which will have greatest impact on achieving the Council's objectives whilst improving the quality of life for our tenants.
- 6.55 The Council has entered into an agreement with central government to keep the capital receipts from right to buy sales, but this is unlikely to be possible until 2017/18. Decisions will also need to be made regarding the priority for repaying debt against using capital to build.

Increasing Local Authority housing

- 6.56 Demand for affordable homes remains high, although there is a reduced number of 622 active applicants on the waiting list for Selby following the HomeChoice policy review in 2013, which sets out stricter criteria on household income/equity, local connection, and reduced numbers due to homeowners with no housing need being excluded from the list.
- 6.57 Since April 2012, stock owning local authorities have had flexibility to increase housing supply. Under the Housing Revenue Account self-financing system, authorities can keep their rental income and manage their housing stock in the most effective way. Additionally, they may also use finance and surplus revenue to directly fund capital work and have borrowing approval which could be used to raise private finance to support the building of more local authority homes.
- 6.58 Our Housing Development Strategy 2013 provides a framework for the Council to deliver affordable housing itself, either through the HRA, or through the Trust.
- 6.59 We are keen to ensure that opportunities for the development of affordable housing in the district are maximised. Consideration will be able to be given to whether individual schemes are better progressed within the HRA or through the Trust and a number of Council owned sites have already been approved for affordable housing development.

- 6.60 A contingency amount of £75k per year is in the plan from 2015/16. This is to be utilised to support rent losses from void properties on sites earmarked for redevelopment.
- 6.61 The Council will build homes to meet the needs of those on its waiting list, in particular those with a disability. The sum of £300k will be available initially for new build within the HRA for the development of non-general needs homes; general needs homes will be built by the new Trust. Our Housing Development Strategy 2013 sets out that an indicative funding plan assuming an average build of £100k per property could be:

	Year 1 £000's	Year 2 £000's	Year 3 £000's	Year 4 £000's	Year 5 £000's
Resources required	600	2,500	2,500	2,500	2,500
Financed by:					
HRA Debt	300	1,250	1,250	1,250	1,250
S106	0	0	500	500	500
GF Debt	300	1250	750	750	750
Total Funds	600	2,500	2,500	2,500	2,500

- 6.62 The Council will consider registering with the Homes and Communities Agency to become a Registered Provider, which would offer the opportunity to bid for funding for the development of new affordable homes. If we were to enter into a delivery agreement with the Homes & Communities Agency (HCA) under the Affordable Homes Programme, with their agreement we would be able to consider offering new homes at a higher Affordable Rent (up to 80% market rent) (See 6.21). The additional income from higher rents, together with Section 106 affordable housing contributions could assist in funding more affordable homes in the district.
- 6.63 Our Affordable Housing Supplementary Planning Document (AHSPD) approved in 2014 did provide for commuted sums to be collected from developers in lieu of them providing affordable housing under certain circumstances, including on sites of less than 10 units. It was planned that such monies would be available to contribute to the funding of affordable housing in the district. However on 29th November 2014, the Government revised the national Planning Practice Guidance (PPG) to the effect that affordable housing and tariff style contributions on residential sites of 1 -10 dwellings should not be sought. Despite this, there may still be contributions on larger sites and affordable housing developers (potentially including SDC, the Trust and RP partners)

would be able to bid for these. The mechanism for this approach is under consideration.

- 6.64 The Trust is already bringing forward two sites in Tadcaster where land has been provided by the Council, for the development of up to five affordable homes, and a further site in Riccall is out to consultation.
- 6.65 The Council also has the potential to buy back former Council houses as they come on the market, subject to a local housing need being identified. This option has been considered in the Council's Development Strategy 2013 (see clause 4.4.4). These homes would be of a good size and standard, usually located near existing Council stock for ease of management, and could be let to new tenants at target rent. Each purchase would be dependent on an individual business case.

7. Delivery

Operations

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

Housing Strategy and Policy Changes

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

Service performance

- 7.4 Although the past few years have brought many challenges, we have strived to deliver excellent services to our customers and we have provided:
- quick and easy access to services by phone, in person and on line with customer satisfaction at 95% improving to 98.7% for 2013/14, and 92% of enquiries continuing to be dealt with at the first contact during 2014;
 - community officers to provide better coordinated services affecting tenants and the communities in which they live;
 - extended opportunities for community engagement through the Tenant and Resident Association (TARA) network;
 - opportunities for tenants Area Panels to be set up;
 - choice-based lettings (CBL), to support easier access to housing information, and to improve choice and mobility;
 - quick repairs, mostly by appointment at a time that suits the customer;
 - support to vulnerable people, with aids and adaptations provided quickly;
 - a high level of rent collection from current tenants, remaining high at just over 98% of rent due collected in both 2011/12 and 2013/14;
 - generally low cost and high quality services; with significant improvements made during the last year to the turnaround of re-

lets to maximise availability of accommodation. For voids, the target re-let time for 2013/14 was 24 days, and this was achieved with an outturn of 23.6 days.

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

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

Standard	Covers
Tenant involvement and empowerment standard	Customer service and choice; Involvement and empowerment; Equality and diversity; Tenants with additional support needs; Complaints.
Home standard	Repairs and maintenance; Quality of accommodation.
Tenancy standard	Allocations; Rents and tenure.
Neighbourhood and community standard	Neighbourhood management; Local area co-operation; Anti-social behaviour.
Value for money standard	Value for money services.
Governance	Decision making & governance.

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

7.7 These, and the issues outlined in Section 5, will be taken forward through the Service Level Agreement the Council has with Access Selby and we will monitor progress in these key areas.

7.8 The headline risks associated with this Business Plan are set out in **Appendix D**.

8. Consultation

- 8.1 Tenants were consulted on the original 2012-17 Business Plan (as required by s105 Housing Act 1985) through the Tenants and Leaseholder Scrutiny Panel which will continue to have an important role in making sure that tenants have all the information they need.
- 8.2 This draft Business Plan has been brought to the attention of all tenants and leaseholders through the 'Open Door' newsletter delivered to each of them, it was available at each of the Community Engagement Forum meetings and Tenant and Resident Associations, with a copy on-line for comment (hard copies available on request). There were also a number of press releases.
- 8.3 This draft HRA Business Plan 2014 was consulted between 10th September – 11th December 2014.

HRA Business Plan 2015-17 Key Deliverables

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
Stronger Council				
Increased tenant and leaseholder participation	More tenants and leaseholders getting actively involved	Although tenants were invited through their newsletter, CEFs, Community Officers, Councillors to form Area Panels during 2013, there was no take up.	The offer is still open for tenants to form Area Panels	Ongoing
		The Tenant Scrutiny Panel currently has 4 members and is recruiting a 5 th . Repairs and Maintenance group continue to meet despite reduced numbers.	We are assisting the Scrutiny Panel to recruit more members to groups through Open Door and Community Officer contacts	Work is ongoing
		TARAs for Flaxley Rd and South Selby continue to meet.	In order to progress this we are now working with TPAS (Tenant Participation Advisory Service) although there is already a wide range of opportunities	Ongoing in 2014/15
		Tenants Editorial Panel still operating	Support TARAs	Ongoing
		Tenants were surveyed through Open Door as to their preferred method of communication, which was found to be paper	Continue to deliver a hard copy of Open Door to all our tenants and leaseholders	Ongoing
		Weekly housing surgeries are held in Sherburn and Tadcaster	Continue to offer surgeries	Ongoing
The Customer pledge was rolled out by April 2013	Consider additional options provided by new Tenants Leading Change guide	By January 2015		

	Improved appearance of 'estates'	<p>Quarterly estate walkabouts continue to be held for tenants and leaseholders to identify local issues</p> <p>A programme of garage contents clearance has begun to tidy areas and relet garages</p> <p>The garden at Laurie Backhouse Court has been redesigned.</p> <p>We have targeted overgrown gardens for improvement</p>	<p>Walkabouts to continue</p> <p>Continue with garage clearance programme</p> <p>We will continue to target overgrown gardens and will take enforcement action in the worst cases to demonstrate our commitment</p> <p>Continue to identify areas in need of action</p>	<p>Quarterly</p> <p>2015</p> <p>Focus 2014 and ongoing</p> <p>Ongoing</p>
	Reduced incidence of anti-social Behaviour	<p>Consider how small areas of land might be better used</p> <p>Personal, environmental and nuisance related complaints (including overgrown trees, gardens etc across all tenures) has increased due to our increased focus on these issues – 2012/2013 - 676 2013/2014 - 959</p> <p>The planned review of the Anti-social behaviour policy in 2013 was re-timetabled to Autumn 2014 when new legislation will be implemented.</p>	<p>Assess viability for development with/without adjacent opportunities</p> <p>It is likely that reporting will increase following policy review as the policy is now aimed at the district generally and not just at tenants</p> <p>2014 Review and development of ASB policy with procedures completed early 2015</p>	<p>Ongoing</p> <p>Ongoing</p> <p>2015</p>

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
Changing places				
Homes stock that better meets the needs of our changing communities	'New' properties that match our assessed need	Since 2012 we have carried out 65 adaptations to our own stock	Implement effective Asset Management Strategy for Council owned homes	Annually by 31 March
	More tenants buying their homes	16 tenants bought their homes under RTB during 2013/14, with 20 during 2014/15 so far	Consider how additional affordable homes might be developed through the HRA	2015
	Local funding plan in place that demonstrates viability of RTB and 'one-for-one' replacement	Insufficient receipts have been generated to date	We will continue to assist tenants who apply to buy their home	Ongoing
	Review our approach to lettings of Tadcaster bungalows and Bryam flats	Offers of assistance to new occupants of bungalows	We will need to further consider any opportunities for replacement homes	2015+
		Options appraisal for Byram flats	Continue to monitor lettings	Ongoing
			Consider options	2015
Living well				
Improved quality of life of our tenants and leaseholders	'Decent Plus' standard maintained	We have maintained the Decent Homes standard and increased energy efficiency through the insulation of 84 Airey homes	Continue to maintain stock intelligence – a new Stock Condition Survey has been completed. Approx a third of our homes were visited	Annually by 31 March
	More tenants with reduced heating costs	We have installed 500 boilers/new heating systems	Deliver Council's approved capital programme	Ongoing
			We will consider the opportunities	

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
	<p>Increased satisfaction in the service</p> <p>Adaptations continuing to be provided where required</p>	<p>Customer satisfaction with our service in general remains high at over 98% in both 2012/13 and 2013/14</p> <p>We spent £130k during 2013/14, mainly on wet rooms, ramps and handrails</p>	<p>provided by the Green Deal to implement further energy efficiency measures</p> <p>Continue to deliver a customer focussed responsive repairs service</p> <p>Consider how we can continue to meet demand for adaptations</p>	<p>2015 onwards</p> <p>Ongoing</p> <p>Annually</p>

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
Tackling the tough stuff				
Help meet the affordable housing needs across the district	Net increase in housing stock	There were an additional 128 affordable completions in 2012/13 and 2013/14.	Continue to implement effective Asset Management Strategy for Council owned homes	Annually by 31 March
	Ratio of occupancy bedrooms improved in fixed term tenancies	Tenancy Policy 2013 has introduced the use of Fixed term tenancies.	Consider the development of additional affordable housing through the HRA with a target of 53 new homes by 2019	Ongoing
	Reduction in number of 'hard to let' properties	With focussed allocations most homes can be let – we have no long term voids.	More effective tenancy allocations through fixed terms When the first of these come to an end (potentially in 6 years time) we will have the opportunity to review occupancy	Introduced 1 April 2015, first effect will be in 2021
	Local funding plan in place to demonstrate replacement of homes sold	New Stock Condition Survey completed and revised receipts trajectory following enhanced RTB	Continue to consider new approaches to letting these homes Assessment of 'hard-to-let' homes is ongoing including assessment of redevelopment potential	Ongoing
	Consider opportunities for additional HRA borrowing	Housing Development Strategy and Asset Transfer Strategies put in place	Consider ways in which new AH might be funded Assess what opportunities there are and consider good practice elsewhere	2015 and ongoing 2015 and ongoing

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
	Develop a mechanism for distribution of affordable housing S106 contributions	Ongoing discussions and consideration of best practice	Publish details of how these monies are to be distributed	2015
Switched on				
Value for money delivered to our tenants and stakeholders	Improved performance across key performance measures (including responsive repairs) Reduced management costs	Annual reviews are undertaken. Recently void turnover has reduced from 10% in 2011/12 to 8.2% in 2013/14 Average void turnaround time was maintained in 2013/14 at 24 days Savings have been achieved by Community Officers providing a generic service Overall savings on management have been generated through the Access Selby structure	Annual review of HRA Business Plan We will continue to focus on the cost of void turnover Further savings will continue to be identified and implemented eg procurement Further savings will continue to be identified and implemented eg vehicles	September each year Ongoing 2015 and Ongoing 2015 and Ongoing
Effective and transparent decision making demonstrated	Information easily available to tenants and leaseholders about how we manage their homes	Annual report to tenants and leaseholders published in Open Door and delivered to all Scrutiny Panel has the opportunity to challenge and discuss our service	Annual report to be circulated Continue to support the Scrutiny Panel to engage with us	Annual and ongoing

Extracts from Selby District Profile /Needs Assessment 2014

Place

Selby is mainly a rural district that covers an area of 602 square km, made up of countryside that is broken up by the three market towns of Selby, Sherburn in Elmet and Tadcaster, and supplemented by a range of larger villages that provide some services, access to larger towns and employment opportunities, plus many smaller rural villages and hamlets. Historically the district's economy has been dominated by agriculture, coal mining and energy industries, with Selby being the main employment centre, supplemented by industrial and distribution based growth in Sherburn in Elmet.

Between 2001 and 2011 the district's population increased by 9.0%; and the mid-2012 population estimates put the current population at 84,144³, and it is expected to continue to grow. This equates to almost 14% of the total North Yorkshire population – showing a steady and expected level of growth. Projections show that between 2012 and 2037 the population of North Yorkshire is expected to increase by 6.6% - with an average yearly increase of 1,580 people. Growth is expected in all Districts, but Selby is due to see the largest increase at 17.9% by 2037. Approximately a third of the population live in the market towns, with the remaining residents living in the 60 or so villages and hamlets.⁴

Housing

There is currently an undersupply of all types of housing in the district. According to the Council's Core Strategy, a minimum of 450 new homes is required each year to meet current and future residential requirements (up to 2027). Land has been identified in the district over the next five years to accommodate the type and volume of homes necessary (SHLAA 2011 and 5 Year Housing Land Supply). The need for additional housing is recognised by a number of CEFs.

³ ONS Mid-Year Population Estimates

⁴ SDC Core Strategy

Housing Affordability

The table below shows that in order to buy a modest home in the district, a lower paid worker would need to spend over six times their salary. This multiple is the second lowest in the county, with only Scarborough being lower, and is comparable with national levels.

In accordance with the national picture more affordable housing⁵ is needed in the district. In 2008 it was estimated that an additional 409 homes per year would be necessary for a five year period to accommodate the affordable housing need. Currently supply does not meet demand.

Affordability of housing: Ratio of lower quartile house prices to lower quartile earnings (Ratio) (North Yorkshire) [2013]

North Yorkshire	North Yorkshire Code	Ratio of lower quartile house prices to lower quartile earnings (Ratio)
North Yorkshire County	36	7.20

Comparators

Area Name	Area Code	Ratio of lower quartile house prices to lower quartile earnings (Ratio)
Scarborough District	36UG	5.99
England	064	6.45
Selby District	36UH	6.63
Ryedale District	36UF	7.36
Craven District	36UB	7.38
York	00FF	7.89
Harrogate District	36UD	8.60
Hambleton District	36UC	8.69
Richmondshire District	36UE	8.95

The data below is from the Selby District Council Annual Monitoring Report. It demonstrates that affordable dwellings supplied through market housing schemes over the past seven years have contributed an average of just under 80% of all such homes built in the district. As 409 affordable homes are estimated to be required each year in the district during the six year period, supply represents just under 19% of this aim, and makes up just under 19% of the total homes built in the district.

⁵ Social rented, affordable rented and intermediate housing for sale or rent, provided to eligible households whose needs are not met by the market.

People

Changing demographics

The population of Selby is projected to increase and age along with the rest of North Yorkshire, with a projected population of 103,400 by 2035, and 35% increase in the over 65 years age group by 2021 (JSNA Selby Summary 2012) – recent longer term projection expect this to increase to be at 62.6% by 2037. This is important as many conditions (eg stroke, diabetes and dementia) are associated with increasing age. Suffering from such conditions will impact on people's ability to live independently, with people requiring more home adaptations or support to remain healthy and safe within their own home, social or supported housing. The latter often falls within the classification of affordable housing.

Ethnic Diversity

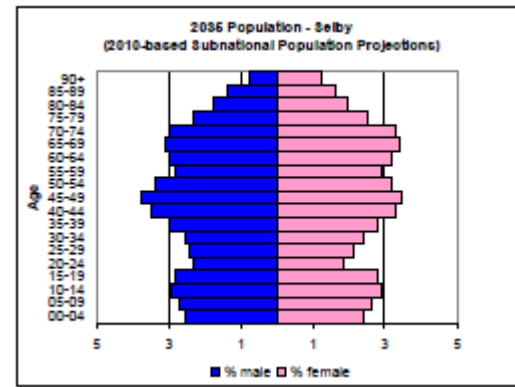
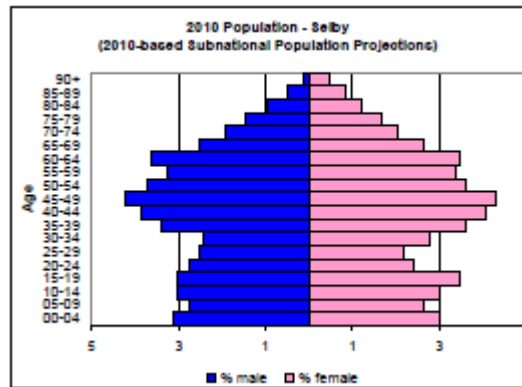
According to national statistics, Selby's community, from a race and religious perspective, is becoming more diverse. The 2011 Census updates indicate that 95.5% of residents in the district are White British – this shows a rise in residents who come from other ethnic groups of 4% from pre-census figures.

Participation

Public sector budget cuts have already had an impact on local services. In the next few years this pressure will considerably increase, Selby District Council budgets are under pressure with central government funding cuts estimated to 1.5m over the next few years. North Yorkshire Country Council is also in a four year programme of cuts, faced with saving 94m by 2015. In order to meet the challenge of this austerity, the Council needs to collaborate with a range of public and private sector partners, but there is also a growing necessity to work closely with voluntary and community organisations to develop resilience and adapt to face the challenges ahead.

People are living much longer than previously which means that the population will continue to expand – the charts below show the effect of these changes on the projected population age profile.

This issue is budget squeeze, and a support services for the disadvantaged - the vast currently rely on state maintain their quality of



compounded by the growth in the need for disabled, vulnerable and majority of which support and services to life.

In the future such a need will become more reliant on a range of community based solutions. To achieve this we need people to participate, be active in their communities, look after their own health, as well as getting involved in supporting those that need assistance in their own families, and within local communities.

Another way of giving communities better value access to services is to develop the use of technology, enabling people to self-serve when accessing services online.

Selby DC - HRA Business Plan Revenue Operating Account

APPENDIX C(i)

		Income				Expenditure						Annual Surplus
Year		Rent Income	Other income	Investment Interest	Total Income	Running Costs	Repairs & Maintenance	Depreciation Costs	Loan Interest Charges	Loan Repayment Contribution	Total Expenses	Transferred to MRR
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
1	2014/15	12,248	650	31	12,928	-3,008	-2,363	-1,328	-2,661	-1,260	-10,620	2,308
2	2015/16	12,389	656	83	13,128	-3,159	-2,427	-1,355	-2,691	-1,260	-10,891	2,237
3	2016/17	12,539	662	227	13,427	-3,240	-2,527	-1,383	-2,701	-1,260	-11,111	2,317
4	2017/18	12,785	678	317	13,780	-3,324	-2,580	-1,415	-2,701	-1,260	-11,279	2,501
5	2018/19	13,160	695	328	14,182	-3,413	-2,635	-1,449	-2,701	-1,260	-11,457	2,725
6	2019/20	13,545	711	343	14,600	-3,504	-2,691	-1,483	-2,701	-1,260	-11,639	2,961
7	2020/21	13,941	729	296	14,966	-3,598	-2,748	-1,519	-2,206	-1,260	-11,331	3,635
8	2021/22	14,314	746	277	15,337	-3,692	-2,804	-1,552	-2,123	-1,260	-11,431	3,906
9	2022/23	14,665	764	351	15,781	-3,786	-2,859	-1,584	-2,123	-1,260	-11,612	4,169
10	2023/24	15,024	783	431	16,238	-3,882	-2,915	-1,616	-2,123	-1,260	-11,796	4,442
11	2024/25	15,392	802	517	16,711	-3,981	-2,972	-1,649	-2,123	-1,260	-11,985	4,726
12	2025/26	15,768	822	609	17,198	-4,082	-3,030	-1,682	-2,123	-1,260	-12,178	5,020
13	2026/27	16,153	842	707	17,701	-4,186	-3,089	-1,716	-2,123	-1,260	-12,375	5,326
14	2027/28	16,546	862	811	18,220	-4,293	-3,150	-1,751	-2,123	-1,260	-12,576	5,643
15	2028/29	16,949	883	922	18,755	-4,402	-3,211	-1,786	-2,123	-1,260	-12,782	5,972
16	2029/30	17,361	905	1,041	19,307	-4,514	-3,273	-1,822	-2,123	-1,260	-12,993	6,314
17	2030/31	17,783	927	1,166	19,876	-4,630	-3,337	-1,859	-2,123	-1,260	-13,208	6,668
18	2031/32	18,214	950	1,300	20,463	-4,748	-3,401	-1,896	-2,123	-1,260	-13,428	7,035
19	2032/33	18,655	973	1,441	21,069	-4,869	-3,467	-1,934	-2,123	-1,260	-13,653	7,416
20	2033/34	19,107	997	1,591	21,694	-4,993	-3,534	-1,973	-2,123	-1,260	-13,883	7,811
21	2034/35	19,568	1,021	1,749	22,338	-5,120	-3,602	-2,013	-2,123	-1,260	-14,118	8,221
22	2035/36	20,040	1,046	1,917	23,003	-5,251	-3,671	-2,053	-2,123	-1,260	-14,358	8,645
23	2036/37	20,523	1,072	2,094	23,688	-5,385	-3,741	-2,094	-2,123	-1,260	-14,603	9,085
24	2037/38	21,017	1,098	2,280	24,395	-5,522	-3,813	-2,136	-2,123	-1,260	-14,854	9,541
25	2038/39	21,522	1,125	2,477	25,123	-5,663	-3,886	-2,179	-2,123	-1,260	-15,111	10,013
26	2039/40	22,038	1,152	2,684	25,874	-5,808	-3,960	-2,222	-2,148	-1,260	-15,398	10,476
27	2040/41	22,566	1,181	2,902	26,648	-5,956	-4,036	-2,266	-2,159	-1,260	-15,676	10,972
28	2041/42	23,105	1,210	2,920	27,236	-6,108	-4,112	-2,311	-2,146	-1,260	-15,938	11,298
29	2042/43	23,657	1,239	2,953	27,850	-6,264	-4,190	-2,357	-1,558	-1,260	-15,629	12,221
30	2043/44	24,221	1,270	3,211	28,702	-6,424	-4,270	-2,404	-1,560	-1,260	-15,917	12,785
Total		524,796	27,448	37,975	590,220	-136,802	-98,294	-54,789	-66,148	-37,800	-393,833	196,387

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

Year	Contributions & Expenditure - Capital Programme					Loan Repayments		
	Depreciation Transferred to MRR £,000	Additional Contributions to MRR £,000	Total Contributions to MRR £,000	Estimated Capital Programme £,000	Additional MRR Funds Available for Investment £,000	Debt Repayment Contributions £,000	Debt Repayment Schedule £,000	MRR Debt Repayments Balance £,000
1 2014/15	-1,328	-2,399	-3,727	3,711	-16	-1,260		-1,260
2 2015/16	-1,355	-2,237	-3,592	2,865	-744	-1,260		-2,520
3 2016/17	-1,383	-2,317	-3,700	2,251	-2,192	-1,260		-3,780
4 2017/18	-1,415	-2,501	-3,915	3,766	-2,342	-1,260		-5,040
5 2018/19	-1,449	-2,725	-4,174	3,858	-2,657	-1,260		-6,300
6 2019/20	-1,483	-2,961	-4,444	3,934	-3,167	-1,260		-7,560
7 2020/21	-1,519	-3,635	-5,154	4,011	-4,309	-1,260	6,500	-2,320
8 2021/22	-1,552	-3,906	-5,458	4,090	-5,678	-1,260		-3,580
9 2022/23	-1,584	-4,169	-5,753	4,170	-7,261	-1,260		-4,840
10 2023/24	-1,616	-4,442	-6,058	4,252	-9,066	-1,260		-6,100
11 2024/25	-1,649	-4,726	-6,375	4,335	-11,106	-1,260		-7,360
12 2025/26	-1,682	-5,020	-6,703	4,425	-13,384	-1,260		-8,620
13 2026/27	-1,716	-5,326	-7,042	4,516	-15,910	-1,260		-9,880
14 2027/28	-1,751	-5,643	-7,394	4,609	-18,695	-1,260		-11,140
15 2028/29	-1,786	-5,972	-7,759	4,704	-21,750	-1,260		-12,400
16 2029/30	-1,822	-6,314	-8,136	4,795	-25,091	-1,260		-13,660
17 2030/31	-1,859	-6,668	-8,527	4,888	-28,730	-1,260		-14,920
18 2031/32	-1,896	-7,035	-8,932	4,982	-32,680	-1,260		-16,180
19 2032/33	-1,934	-7,416	-9,351	5,078	-36,952	-1,260		-17,440
20 2033/34	-1,973	-7,811	-9,784	5,176	-41,561	-1,260		-18,700
21 2034/35	-2,013	-8,221	-10,233	5,275	-46,520	-1,260		-19,960
22 2035/36	-2,053	-8,645	-10,698	5,376	-51,841	-1,260		-21,220
23 2036/37	-2,094	-9,085	-11,179	5,479	-57,541	-1,260		-22,480
24 2037/38	-2,136	-9,541	-11,676	5,584	-63,634	-1,260		-23,740
25 2038/39	-2,179	-10,013	-12,191	5,690	-70,135	-1,260		-25,000
26 2039/40	-2,222	-10,476	-12,698	5,799	-77,035	-1,260		-26,260
27 2040/41	-2,266	-10,972	-13,238	5,909	-84,364	-1,260		-27,520
28 2041/42	-2,311	-11,298	-13,609	6,021	-91,952	-1,260	16,833	-11,947
29 2042/43	-2,357	-12,221	-14,578	6,135	-100,395	-1,260		-13,207
30 2043/44	-2,404	-12,785	-15,189	6,251	-109,333	-1,260		-14,467
Total	-54,789	-196,478	-251,267	141,933		-37,800	23,333	

Financial Assumptions

Forecasted costs and income are based on the Councils 2014/15 budgets and the following assumptions:

1. 2014/15 Rents increase in line with government policy, to converge with target rents increasing at inflation (RPI) +0.5%, from 2015/16 a new rent policy commences with rents increasing at CPI + 1% for a ten year period.
2. Non-dwelling income increases in line with the Council's policy for fees and charges of inflation as at September each year.
3. The void rate is set at 1% and the bad debt provision at 1%
4. The day to day maintenance costs increase in line with inflation and do not vary with small stock losses from right to buy.
5. General inflation based on RPI at 2.5%
6. Cost of borrowing 4.18%
7. Any surplus funds generated through efficiencies or additional income is allocated to the major repairs reserve to be available for use either to repay borrowing or additional investment in stock.
8. Increased discounts for tenants to purchase homes under right to buy has led to increased assumptions in the number of annual sales to 16 per year.
9. Capital programme is based on stock survey data held and includes inflation.
10. The HRA unallocated reserve minimum level remains at £1.5m.

Risks

The key risks associated with this Business Plan are:

Political – whether the existing programme and new initiatives would deliver the Council's vision and aspirations, and the impact of any national policy changes

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

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

Technological – ensuring our providers have the skills to deliver this Business Plan;

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

Public Session

Report Reference Number : C/14/19

Agenda Item No: 15

To: Council
Date: 24th February 2015
Author: Jodie Taylor – Lead Officer Finance
Lead Officer: Karen Iveson – Executive Director (s151)
Executive Member: Councillor C Lunn – Lead member for Finance & Resources

Title: Treasury Management – Treasury Management Strategy Statement 2015/16, Minimum Revenue Provision Policy Statement 2015/16, Annual Investment Strategy 2015/16 and Prudential Indicators 2015/16.

Summary:

This report presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2015/16 and Prudential Indicators 2015/16 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 2015/16 is set at £71m**
- ii. The Authorised Borrowing Limit for 2015/16 is set at £79m**
- iii. Councillors delegate authority to the Executive Director (s151) to effect movement within the agreed authorised boundary limits for long-term borrowing for 2015/16 onwards.**
- iv. Councillors delegate authority to the Executive Director (s151) to effect movement within the agreed operational boundary limits for long-term borrowing for 2015/16 onwards.**
- v. The treasury management strategy statement 2015/16 be approved.**

- vi. **The minimum revenue provision policy statement for 2015/16 be approved.**
- vii. **The treasury management investment strategy for 2015/16 be approved.**
- viii. **The prudential indicators for 2015/16 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 £79m for 2015/16, which is the maximum that can be borrowed in the year;
 - The 'Operational Boundary' (the maximum amount that is expected to be borrowed) is £71m in 2015/16, which includes £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 12/12/14 is £60.333m at an average rate of 4.185%;
- Total investments are around £32.7m at an average rate of 0.69%.

Minimum Revenue Provision (MRP) Policy

2.2

- MRP for new borrowing will be based on the asset life;
- The MRP policy has been updated for 2015/16 to enable MRP to be determined using the Annuity Method, where charges are linked to the flow of benefits from an asset;
- Total MRP for 2015/16 is £1,809k (£1,396k for loans and £413k for leases)

Annual Investment Strategy

2.3

- The Council's day to day investments are now managed as part of an overall investment pool operated by North Yorkshire County Council (NYCC);
- Several of the Council's fixed term deposits remain in place and will mature throughout 2015, at which point they will transfer to the pooled investment with NYCC;
- In order to facilitate the pooling of investments with NYCC, the Council's Annual Investment Strategy and Lending List has been aligned to that of NYCC;
- While it is recognised that there is value in pooling investments, responsibility for risk management lies wholly with the Council and officers of the Council and NYCC are explicitly required to follow Treasury Management policies and procedures;
- The priorities for investing the Council's cash reserves remain the security of capital and liquidity of funds;
- Cash balances for investment are expected to range between £10m and £30m over the coming year dependent upon cashflows;
- An average rate of return of 1.00% has been estimated for 2015/16.

Prudential Indicators

- 2.4
- The Council plans to spend £12.225m on capital projects in 2015/16
 - 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 5.18% of the General Fund Budget and 27.78% of the HRA net budget in 2015/16.
 - Taking into account all capital spending plans during 2015/16 there is a borrowing requirement of £5.750m for the General Fund and £1.250m 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 2015/16
Appendix B – Minimum Revenue Provision Policy 2015/16
Appendix C – Capital Prudential Indicators 2015/16
Appendix D – Borrowing Strategy 2015/16
Appendix E – Annual Investment Strategy 2015/16

TREASURY MANAGEMENT STRATEGY STATEMENT 2015/16**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 polices, estimates and actuals.

1.3 **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

1.4 **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. In addition the Executive will receive quarterly update reports.

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 **Scrutiny** – The above reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Executive.

1.7 The suggested Treasury Management Strategy for 2015/16 covers the two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;

- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

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

- 1.8 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 and further training will be arranged as required.
- 1.9 The Council uses Capita Asset Services, Treasury Solutions as its external treasury management advisors.
- 1.10 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. (Treasury Management Practice 11)

MINIMUM REVENUE PROVISION POLICY STATEMENT 2015/16**1. Introduction**

- 1.1 The statutory requirement for local authorities to charge the revenue account each year with a specific sum for debt repayment is governed by statutory guidance issued under the Local Government and Public Involvement in Health Act 2007 and Statutory instrument 2008 no 414. The statutory duty requires that the Council shall determine for the financial year an amount of minimum revenue provision (MRP) that it considers prudent, with responsibility being placed upon the Council to approve an annual MRP policy statement.

2. Minimum Revenue Provision Policy

- 2.1 In May 2008 the Council set its MRP policy. It is therefore appropriate that the annual review of the MRP policy is undertaken as part of this Annual Treasury Management Strategy.
- 2.2 The Council's MRP policy is based on the Governments Statutory Guidance and following a review the policy has been updated for 2015/16 to enable MRP to be determined by reference to the life of the asset using the Annuity Method where capital expenditure is financed wholly or partially by borrowing. No other changes are considered necessary and the policy for 2015/16 is therefore as follows:

- (a) For all **Capital expenditure incurred before 1 April 2008** which formed the General Fund Capital Financing Requirement (CFR) that is capital expenditure funded through borrowing will be charged at 4% of the outstanding balance each year.

The exception to this is for the 2006/07 Public Conveniences Capital Project. The public conveniences scheme is charged over 15 years, which was agreed as part of the funding for the refurbishment programme, in line with the asset life method.

- (b) For **locally agreed Prudential Borrowing on capital expenditure incurred after 1 April 2008**, MRP will be calculated based either on equal annual instalments over the estimated useful life of the asset for which the borrowing is undertaken; or the annuity method where MRP is linked to the flow of benefits from an asset where the benefits are expected to increase in later years, Where additional voluntary provision is made in any year it may be matched by an appropriate reduction in a subsequent year's MRP.

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.

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.

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.

- (c) 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. Repayments included in finance leases are applied as MRP.
- 2.3 In 2015/16 MRP chargeable to the General Fund will relate to historic debt liability of £1.800m, public conveniences of £0.062m, the new civic centre of £2.288m and an estimated £1.700m for Burn Airfield. This gives rise to an MRP liability of £221k for 2015/16 (£190k for 2014/15).
- 2.4 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.

THE CAPITAL PRUDENTIAL INDICATORS 2015/16 – 2017/18**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 is 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	2013/14 Actual £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
General Fund	2,873	10,102	7,932	1,907	1,895
HRA	3,977	4,139	4,293	3,574	3,534

- 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 proposals on the funding of the Trust by the Council and HRA. The Housing Development scheme is also included in the capital expenditure programme shown in Table 1.

Table 2: Financing of Capital Expenditure

Capital Expenditure	2013/14 Actual £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
General Fund	2,873	10,102	7,932	1,907	1,895
HRA	3,977	4,139	4,293	3,574	3,534
Total	6,850	14,241	12,225	5,481	5,429
Financed By:					
Revenue & Reserves	3,552	6,010	3,562	1,412	1,366
Capital Receipts	148	3,242	175	175	145
Grants	1,722	1,246	155	155	155
Major Repairs Allowance / Reserve	1,428	1,443	1,333	1,239	1,263
Borrowing - Debt	0	2,300	7,000	2,500	2,500
Borrowing - Leases	0	0	0	0	0
Total	6,850	14,241	12,225	5,481	5,429

- 2.5 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.
- 3.2 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

Table 3: Capital Financing Requirement

	2013/14 Actual £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
CFR General Fund	4,340	7,750	8,741	9,734	10,731
CFR GF Leases	1,143	737	323	20	0
Total CFR General Fund	5,483	8,487	9,064	9,754	10,731
CFR HRA	54,309	53,434	53,503	53,547	53,566
TOTAL CFR	59,792	61,921	62,567	63,301	64,297
Movement in CFR	-1,771	2,129	646	734	996
Movement in CFR represented by					
Net Financing need for the year	11	3,900	2,500	2,500	2,500
Less MRP & Other financing movements	-1,781	-1,772	-1,854	-1,766	-1,504
Movement in CFR	-1,771	2,128	646	734	996

- 3.3 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.
- 3.4 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 on-going 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

	2013/14 Actual £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
GF Fund Balances / Reserves	16,161	9,885	8,359	9,392	10,457
HRA Fund Balances / Major Repairs Reserve	4,540	5,836	8,034	11,196	14,609
Capital Receipts	4,109	937	1,427	1,762	2,127
Other (Grants)	150	155	155	155	155
Total Core Funds	23,960	16,813	17,975	22,505	27,348
Working Capital	17,480	18,000	21,000	25,000	25,000
Expected Investments	22,250	15,000	15,000	15,000	15,000

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

	2013/14 Actual %	2014/15 Forecast %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
GF	5.43	4.84	5.18	5.33	2.33
HRA *	30.35	28.95	27.78	27.06	26.38

* 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.

- 4.3 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

4.4 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.

4.5 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 2015/16 budget setting round are shown in table 6.

Table 6: Incremental Impact of Capital Investment Decisions

Capital Investment Impact Upon:	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Annual Band D Council Tax	0.81	3.44	4.36	-0.32
Average Annual Housing Rent	0.00	0.00	0.00	0.00

4.6 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).

4.7 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.

BORROWING STRATEGY 2015/16

- 1.1 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 12/12/14

		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	1.143	1.143	3.74
TOTAL DEBT			<u>61,476</u>	<u>4.18</u>
TOTAL INVESTMENTS			32,671	0.60

- 1.2 The Council's treasury portfolio position as at 12 December 2014 is shown in Table 1 and the forecasted position at 31 March 2015, 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

	2013/14 Actual £'000	2014/15 Estimate £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000
External borrowing					
Borrowing at 1 April	61,878	61,476	61,070	60,656	60,353
Expected Change in Borrowing	0	0	0	0	-1,000
Leases	-402	-406	-414	-303	-20
Actual borrowing at 31 March	61,476	61,070	60,656	60,353	59,333
CFR – the borrowing need *	59,793	60,321	65,511	66,187	67,147
Under / (over) borrowing	-1,683	-749	4,855	5,834	7,814
Investments					
Total Investments at 31 March	22,250	15,000	15,000	15,000	15,000
Investment Change	4,791	-7,250	0	0	0
Net Borrowing	39,226	46,070	45,656	45,353	44,333

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

2. **Treasury Limits for 2015/16 to 2017/18**

- 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 2013/14, nor are any difficulties envisaged for the current (2014/15) or future years (2015/16 – 2017/18). 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	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Borrowing	72,000	68,000	78,000	82,000	86,000
Other Long Term Liabilities	3,000	1,000	1,000	1,000	1,000
Total	75,000	69,000	79,000	83,000	87,000

- 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	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Borrowing	68,000	63,000	70,000	76,000	80,000
Other Long Term Liabilities	3,000	1,000	1,000	1,000	1,000
Operational Boundary Total	71,000	64,000	71,000	77,000	81,000

- 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 – January 2014

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2015	0.50	2.20	3.40	3.40
Jun 2015	0.50	2.20	3.50	3.50
Sep 2015	0.50	2.30	3.70	3.70
Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
Jun 2016	1.00	2.80	4.20	4.20
Sep 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
Jun 2017	1.50	3.20	4.60	4.60
Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80

- 3.2 UK GDP growth surged during 2013 and the first half of 2014. Since then it appears to have subsided somewhat but still remains strong by UK standards and is expected to continue likewise into 2015 and 2016. There needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this recovery to become more firmly established. One drag on the economy has been that wage inflation has only recently started to exceed CPI inflation, so enabling disposable income and living standards to start improving. The plunge in the price of oil

brought CPI inflation down to a low of 1.0% in November, the lowest rate since September 2002.

3.3 Inflation is expected to stay around or below 1.0% for the best part of a year; this will help improve consumer disposable income and so underpin economic growth during 2015. However, labour productivity needs to improve substantially to enable wage rates to increase and further support consumer disposable income and economic growth. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases, though current views on the amount of hidden slack in the labour market probably means that this is unlikely to happen early in 2015.

3.4 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Greece: the general election 25 January 2015 is likely to bring a political party to power which is anti EU and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify;
- As for the Eurozone in general, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation, Middle East and Ebola, have led to a resurgence of those concerns as risks increase that it could be heading into deflation and prolonged very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. 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 2015/16 and beyond;
- Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. The closing weeks of 2014 saw gilt yields dip to historically remarkably low levels after inflation plunged, a flight to quality from equities (especially in the oil sector), and from the debt and equities of oil producing emerging market countries, and an increase in the likelihood that the ECB will commence quantitative easing (purchase of EZ government debt) in early 2015. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure

and/or to refinance maturing debt;

- 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.

4

Borrowing Requirement

- 4.1 The Council is currently maintaining a marginally over-borrowed position in 2014/15. This means that the Council's capital borrowing is currently in excess of the underlying need to borrow. This position has resulted from the set-aside of sums to repay debt in the future. However, as a result of the capital expenditure plans set out in **Appendix C, Table 1** the Council is expected to be in an under-borrowed position from 2015/16 onwards as shown in **Table 5** below. This is a prudent strategy as investment returns are low and counterparty risk is relatively high – this approach will be carefully monitored during 2015/16.

Under/(Over) Borrowing Position	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
General Fund	1,740	3,550	9,079	9,983	11,887
HRA	(3,424)	(4,299)	(4,224)	(4,149)	(4,074)
Overall Position	(1,684)	(749)	4,855	5,834	7,813

- 4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2015/16 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 the anticipated rate to US tapering of asset purchases, or 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 are still lower than they will be in the next few years..
- 4.5 Any decisions will be reported to the Executive at the next available opportunity.
- 4.6 The current capital programme funding forecasts for 2015/16 to 2017/18 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 2015/16

Maturity Structure New Borrowing 2015/16	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 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).
- 4.11 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).

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

Maturity Structure New Borrowing 2015/16	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%

- 4.12 Any rescheduling of debt will be reported to Executive at the meeting following its action.
- 4.13 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.
- 4.14 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.

ANNUAL INVESTMENT STRATEGY STATEMENT 2015/16**1. Introduction**

- 1.1 Under the Local Government Act 2003 the Council is required to have regard to Government Guidance in respect of the investment of its cash funds. This Guidance was revised with effect from 1 April 2010. The Guidance leaves local authorities free to make their own investment decisions, subject to the fundamental requirement of an Annual Investment Strategy being approved by the Council before the start of the financial year.
- 1.2 This Annual Investment Strategy must define the investments the Council has approved for prudent management of its cash balances during the financial year under the headings of **specified investments** and **non-specified investments**.
- 1.3 The Council's day to day investments are managed as part of the overall investment pool operated by North Yorkshire County Council (NYCC). In order to enable investments to be managed through the investment pool the Council is required to adopt an Annual Investment Strategy and Approved Lending List in line with that of NYCC.

2. Revisions to the Annual Investment Strategy

- 2.1 In addition to this **Investment Strategy**, which requires approval before the start of the financial year, a revised Strategy will be submitted to Council for consideration and approval under the following circumstances:
- (a) significant changes in the risk assessment of a significant proportion of the Council's investments;
 - (b) any other significant development(s) that might impact on the Council's investments and existing strategy for managing those investments during 2015/16.

3. Investment Policy

- 3.1 The parameters of the Policy are as follows:
- (a) the Council will have regard to the Government's Guidance on Local Government Investments as revised with effect from 1 April 2010, and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectorial Guidance Notes;
 - (b) the Council's investment policy has two fundamental objectives;
 - the security of capital (protecting the capital sum from loss); and then
 - the liquidity of its investments (keeping the money readily available for expenditure when needed)
 - (c) the Council will also aim to seek the highest return (yield) on its investments provided that proper levels of security and liquidity are achieved. The risk appetite of the Council is low in order to give priority to

the security of its investments;

- (d) the borrowing of monies purely to invest or lend and make a return is unlawful and the Council will not engage in such activity;
- (e) investment instruments for use in the financial year listed under **specified** and **non-specified investment** categories (see **paragraph 5.1**);

4. Policy regarding loans to organisations in which the Council has an interest

- 4.1 (a) the Council's general investment powers under this Annual Treasury Management and Investment Strategy come from the Local Government Act 2003 (Section 12). Under this Act a local authority has the power to invest for any purpose relevant to its functions or for the purpose of the prudent management of its financial affairs
- (b) in addition to investment, the Council has the power to provide loans and financial assistance to organisations under the Localisation Act 2011 (and also formally under the general power of wellbeing in the Local Government Act 2000) which introduced a general power of competence for authorities (to be exercised in accordance with their general public law duties)
- (c) any such loans by the Council, will therefore be made under these powers. They will not however be classed as investments made by the Council and will not impact on this Investment Strategy. Instead they will be classed as capital expenditure by the Council under the Local Authorities (Capital Finance and Accounting) Regulations 2003, and will be approved, financed and accounted for accordingly
- (d) at present the Council has not made any such loans to other organisations.

5. Specified and non-specified Investments

5.1 Based on Government Guidance as updated from 1 April 2010.

- (a) investment Instruments identified for use in the forthcoming financial year are listed in the Schedules attached to this Strategy under the **specified** and **non-specified** Investment categories;
- (b) all **specified** Investments (see **Schedule A**) are defined by the Government as options with "relatively high security and high liquidity" requiring minimal reference in investment strategies. In this context, the Council has defined Specified Investments as being sterling denominated, with maturities up to a maximum of 1 year meeting the minimum high credit quality;
- (c) **Non-specified** investments (see **Schedule B**) attract a greater potential of risk. As a result, a maximum local limit of 20% of "core cash" funds available for investment has been set which can be held in aggregate in such investments;

(d) for both specified and non-specified investments, the attached Schedules indicate for each type of investment:-

- the investment category
 - minimum credit criteria
 - circumstances of use
 - why use the investment and associated risks
 - maximum % age of total investments
 - maximum maturity period
- } Non-Specified Only

(e) there are other instruments available as Specified and Non-Specified investments which the Council will NOT currently use. Examples of such investments are:-

Specified Investments - Commercial Paper
 - Gilt funds and other Bond Funds
 - Treasury Bills

Non-Specified Investments - Sovereign Bond issues
 - Corporate Bonds
 - Floating Rate notes
 - Equities
 - Open Ended Investment Companies
 - Derivatives

A proposal to use any of these instruments would require detailed assessment and be subject to approval by Members as part of this Strategy.

6. Creditworthiness Policy – Security of Capital and the use of credit ratings

6.1 The financial markets have experienced a period of considerable turmoil since 2008 and as a result attention has been focused on credit standings of counterparties with whom the Council can invest funds. It is paramount that the Council’s money is managed in a way that balances risk with return, but with the overriding consideration being given to the security of the invested capital sum followed by the liquidity of the investment. The Approved Lending List will therefore reflect a prudent attitude towards organisations with whom funds may be deposited.

6.2 The rationale and purpose of distinguishing specified and non-specified investments is detailed in **paragraph 5.1** above. Part of the definition for a Specified investment is that it is an investment made with a body which has been awarded a high credit rating with maturities of no longer than 364 days. It is, therefore, necessary to define what the Council considers to be a “high” credit rating in order to maintain the security of the invested capital sum.

6.3 The methodology and its application in practice will, therefore, be as follows:-

(a) the Council will rely on credit ratings published by the three credit rating agencies (Fitch, Moody’s and Standard & Poor’s) to establish the credit quality (ability to meet financial commitments) of counterparties (to whom the Council lends) and investment schemes. Each agency has its own

credit rating components to complete their rating assessments. These are as follows:

Fitch Ratings

- Long Term - generally cover maturities of over five years and acts as a measure of the capacity to service and repay debt obligations punctually. Ratings range from AAA (highest credit quality) to D (indicating an entity has defaulted on all of its financial obligations)
- Short Term - cover obligations which have an original maturity not exceeding one year and place greater emphasis on the liquidity necessary to meet financial commitments. The ratings range from F1+ (the highest credit quality) to D (indicating an entity has defaulted on all of its financial obligations)

Moody's Ratings

- Long Term - an opinion of the relative credit risk of obligations with an original maturity of one year or more. They reflect both the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default. Ratings range from Aaa (highest quality, with minimal credit risk) to C (typically in default, with little prospect for recovery of principal or interest)
- Short Term - an opinion of the likelihood of a default on contractually promised payments with an original maturity of 13 months or less. Ratings range from P-1 (a superior ability to repay short-term debt obligations) to P-3 (an acceptable ability to repay short-term obligations)

Standard & Poor's Ratings

- Long Term - considers the likelihood of payment. Ratings range from AAA (best quality borrowers, reliable and stable) to D (has defaulted on obligations)
- Short Term - generally assigned to those obligations considered short-term in the relevant market. Ratings range from A-1 (capacity to meet financial commitment is strong) to D (used upon the filing of a bankruptcy petition).

In addition, all three credit rating agencies produce a Sovereign Rating which assesses a country's ability to support a financial institution should it get into difficulty. The ratings are the same as those used to measure long term credit.

- (b) the Council will review the "ratings watch" and "outlook" notices issued by all three credit rating agencies referred to above. An agency will issue a

“watch”, (notification of likely change), or “outlook”, (notification of a possible longer term change), when it anticipates that a change to a credit rating may occur in the forthcoming 6 to 24 months. The “watch” or “outlook” could reflect either a positive (increase in credit rating), negative (decrease in credit rating) or developing (uncertain whether a rating may go up or down) outcome;

(c) no combination of ratings can be viewed as entirely fail safe and all credit ratings, watches and outlooks are monitored on a daily basis. This is achieved through the use of Capita Asset Services creditworthiness service. This employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies. The credit ratings of counterparties are then supplemented with the following overlays;

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

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

Colour	Maximum Investment Duration
Yellow	5 Years
Purple	2 Years
Orange	1 Year
Blue	1 Year (UK nationalised / semi nationalised banks only)
Red	6 Months
Green	100 Days
No Colour	No investments to be made

(d) given that a number of central banks/government have supported or are still supporting their banking industries in some way, the importance of the credit strength of the sovereign has become more important. The Council will therefore also take into account the Sovereign Rating for the country in which an organisation is domiciled. As a result, only an institution which is domiciled in a country with a minimum Sovereign Rating of AA- from Fitch or equivalent would be considered for inclusion on the Council’s Approved Lending List (subject to them meeting the criteria above). Organisations which are domiciled in a Country whose Sovereign Rating has fallen below the minimum criteria will be suspended, regardless of their own individual score/colour. The list of countries that currently qualify using this credit criteria are shown in Schedule D. This list will be amended should ratings change, in accordance with this policy;

- (e) in order to reflect current market sentiment regarding the credit worthiness of an institution the Council will also take into account current trends within the Credit Default Swap (CDS) Market. Since they are a traded instrument they reflect the market's current perception of an institution's credit quality, unlike credit ratings, which often focus on a longer term view. These trends will be monitored through the use of Capita Asset Services creditworthiness service which compares the CDS Market position for each institution to the benchmark CDS Index. Should the deviation be great, then market sentiment suggests that there is a fear that an institution's credit quality will fall. Organisations with such deviations will be monitored and their standing reduced by one colour band (paragraph 12.8 (c)) as a precaution. Where the deviation is great, the organisation will be awarded 'no colour' until market sentiment improves. Where entities do not have an actively traded CDS spread, credit ratings are used in isolation;
- (f) fully and part nationalised banks within the UK currently have credit ratings which are not as high as other institutions. This is the result of the banks having to have to accept external support from the UK Government However, due to this Central Government involvement, these institutions now effectively take on the credit worthiness of the Government itself (i.e. deposits made with them are effectively being made to the Government). This position is expected to take a number of years to unwind and would certainly not be done so without a considerable notice period. As a result, institutions which are significantly or fully owned by the UK Government will be assessed to have a high level of credit worthiness;
- (g) all of the above will be monitored on a weekly basis through Capita Asset Services creditworthiness service with additional information being received and monitored on a daily basis should credit ratings change and/or watch/outlook notices be issued. Sole reliance will not be placed on the information provided by Capita Asset Services however. In addition the Council will also use market data and information available from other sources such as the financial press and other agencies and organisations;
- (h) in addition, the Council will set maximum investment limits for each organisation which also reflect that institution's credit worthiness – the higher the credit quality, the greater the investment limit. These limits also reflect UK Government involvement (i.e. Government ownership or being part of the UK Government guarantee of liquidity). These limits are as follows:-

Maximum Investment Limit	Criteria
£85m	UK "nationalised / Part Nationalised" banks / UK banks with UK Central Government involvement
£20m to £75m	UK "Clearing Banks" and selected UK based Banks and Building Societies
£20m or £40m	High quality foreign banks

- (i) should a score/colour awarded to a counterparty or investment scheme

be amended during the year due to rating changes, market sentiment etc., the Council will take the following action:-

- reduce or increase the maximum investment term for an organisation dependent on the revised score / colour awarded (in line with the boundaries and colours set in paragraph 12.8(c))
 - temporarily suspend the organisation from the Approved Lending List should their score fall outside boundary limits and not be awarded a colour
 - seek to withdraw an investment as soon as possible, within the terms and conditions of the investment made, should an organisation be suspended from the Approved Lending List
 - ensure all investments remain as liquid as possible, i.e. on instant access until sentiment improves.
- (j) if a counterparty / investment scheme, not currently included on the Approved Lending List is subsequently upgraded, (resulting in a score which would fulfil the Council's minimum criteria), the Executive Director (s151) has the delegated authority to include it on the Council's Approved Lending List with immediate effect;
- (k) a copy of the current Approved Lending List, showing maximum investment and time limits is attached at Schedule C. The Approved Lending List will be monitored on an on-going daily basis and changes made as appropriate. Given current market conditions, there continues to be a very limited number of organisations which fulfil the criteria for non specified investments. This situation will be monitored on an on-going basis with additional organisations added as appropriate with the approval of the Executive Director (s151).

7. **Investment Strategy**

7.1 Recognising the categories of investment available and the rating criteria detailed above

- (a) the Council's investments are managed as part of the overall investment pool operated by NYCC.;
- (b) on-going discussions are held with the Council's Treasury Management Advisor on whether to consider the appointment of an external fund manager(s) – any decision to appoint an external fund manager will be subject to Member approval;
- (c) the Council's cash balances consist of two basic elements. The first element is cash flow derived (debtors/creditors/timing of income compared to expenditure profile). The second, core element, relates to specific funds (reserves, provisions, balances, capital receipts etc.);
- (d) having given due consideration to the Council's estimated level of funds and balances over the next three financial years, the need for liquidity and day to day cash flow requirements it is forecast that a maximum of

£20m of the overall balances can be prudently committed to longer term investments (e.g. between 1 and 3 years);

- (e) investments will accordingly be made with reference to this core element and the Council's on-going cash flow requirements (which may change over time) and the outlook for short term interest rates (i.e. rates for investments up to 12 months);
- (f) the Council currently has four existing non-specified investments over 364 days at present; two separate deposits with Lloyds Bank (UK "Nationalised" Bank) and a further two separate deposits with other local authorities.
- (g) bank rate has been unchanged at 0.5% since March 2009 and underpins investment returns. It is not expected to start increasing until about late 2015;

The Council will, therefore, avoid locking into long term deals while investment rates are down at historically low levels unless attractive rates are available with counterparties of particularly high creditworthiness which make longer term deals worthwhile and within a 'low risk' parameter. Thus no trigger rates will be set for longer term deposits (two or three years) but this position will be kept under constant review and discussed with the Treasury Management Advisor on a regular basis.

Based on current bank rate forecasts, as outlined above, an overall investment return of about 1% is likely in 2015/16, 1.5% in 2016/17 and 2% in 2017/18.

- (h) for its cash flow generated balances the Council will seek to utilise 'business reserve accounts' (deposits with certain banks and building societies), 15 and 30 day accounts and short dated deposits (overnight to three months) in order to benefit from the compounding of interest.

8. Investment Report to Members

8.1 Reporting to Members on investment matters will be as follows:

- (a) in-year investment reports will be submitted to the Executive as part of the Quarterly Performance reports;
- (b) at the end of the financial year a comprehensive report on the Council's investment activity will be submitted to Executive;

9. Treasury Management Training

9.1 The training needs of the Council's staff and those of NYCC involved in investment management are monitored, reviewed and addressed on an on-going basis and are discussed as part of the staff appraisal process. In practice most training needs are addressed through attendance at courses and seminars provided by CIPFA, the LGA and others on a regular on-going basis.

9.2 The CIPFA Code also requires that Members with responsibility for treasury management receive adequate training in treasury management. This especially

applies to Members responsible for scrutiny (i.e. the Executive). An in-house training course for Members was previously provided by Capita Asset Services – Treasury Solutions. Further training will be arranged as required.

10. Policy on the Use of External Service Providers

- 10.1 The Council uses Capita Asset Services – Treasury Solutions as its external treasury management adviser. Capita provide a source of contemporary information, advice and assistance over a wide range of Treasury Management areas but particularly in relation to investments and debt administration.
- 10.2 Whilst the Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources, it fully accepts that responsibility for Treasury Management decisions remains with the authority at all times and will ensure that undue reliance is not placed upon the advice of external service providers.
- 10.3 Capita Asset Services were re-appointed in July 2009 for three years, following a full tender exercise with the terms of appointment being documented. Following a review of their advice to date, and under the terms of the contract, this appointment was extended for a further two years to July 2014. A temporary extension to this contract since July 2014 was agreed because of the implications of the Council starting to receive Treasury Management services from NYCC who also use Capita Asset Services – Treasury Solutions. Thus going forward a single adviser for both authorities is being concluded and it is expected that a new contract will be in place with an external service provider from 1 April 2015. The value and quality of services being provided are monitored and reviewed on an on-going basis.

11. The scheme of delegation and role of the Section 151 Officer in relation to Treasury Management

- 11.1 The Government’s Investment Guidance (**paragraph 1.1**) requires that a local authority includes details of the Treasury Management schemes of delegation and the role of the Section 151 officer in the Annual Treasury Management/Investment Strategy.
- 11.2 The key elements of delegation in relation to Treasury Management are set out in the following Financial Procedure Rules (FPR):-
 - (a) This Council has adopted CIPFA’s Treasury Management Code of Practice 2009 and will adopt any amendments/additions to that Code.
 - (b) A Treasury Management Policy Statement shall be adopted by the Council and thereafter its implementation and monitoring shall be delegated to the Executive Director with s.151 responsibilities.
 - (c)
 - (i) All money in the hands of the Council shall be under the control of the Executive Director with s.151 responsibilities – the officer designated for the purposes of Section 151 of the Local Government Act 1972, referred to in the Code as the Chief Finance Officer.
 - (ii) The Executive Director with s.151 responsibilities shall report to

the Executive not less than twice in each financial year on the activities of the treasury management operation and on the exercise of delegated treasury management powers. One such report shall comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.

- (d) At or before the start of the financial year the Executive Director with s.151 responsibilities shall report to the Executive on the strategy for treasury management it is proposed to adopt for the coming financial year.
- (e) All Executive decisions on borrowing, investment or financing shall be delegated to the Executive Director with s.151 responsibilities who shall be required to act in accordance with CIPFA's Treasury

11.3 The Treasury Management reporting arrangements in relation to the above are covered in more detail in **section 12**.

11.4 In terms of the Treasury Management role of the Section 151 officer (the Corporate Director – Strategic Resources), the key areas of delegated responsibility are as follows

- recommending clauses, treasury management policies and practices for approval, reviewing the same regularly, and monitoring compliance
- submitting regular treasury management policy reports to Members
- submitting budgets and budget variations to Members
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers

12. Arrangements for Monitoring/Reporting to Members

12.1 Taking into account the matters referred to in this Strategy, the monitoring and reporting arrangements in place relating to Treasury Management activities are now as follows:

- (a) an annual report to Executive and Council as part of the Budget process that sets out the Council's Treasury Management Strategy and Policy for the forthcoming financial year;
- (b) an annual outturn report to the Executive for Treasury Management setting out full details of activities and performance during the preceding financial year.
- (c) a quarterly report on Treasury Matters to Executive as part of the Quarterly Performance and Budget Monitoring report;

SELBY DISTRICT COUNCIL ANNUAL INVESTMENT STRATEGY 2015/16 – SPECIFIED INVESTMENTS

Investment	Security / Minimum Credit Rating	Circumstances of Use
Term Deposits with the UK Government or with UK Local Authorities (as per Local Government Act 2003) with maturities up to 1 year	High security as backed by UK Government	In-house
Term Deposits with credit rated deposit takers (Banks and Building Societies), including callable deposits with maturities less than 1 year	Organisations assessed as having “high credit quality” plus a minimum Sovereign rating of AA- for the country in which the organisation is domiciled	In-house
Certificate of Deposits issued by credit rated deposit takers (Banks and Building Societies) up to 1 year		Fund Manager or In-house “buy and hold” after consultation with Treasury Management Advisor
Forward deals with credit rated Banks and Building Societies less than 1 year (i.e. negotiated deal plus period of deposit)		In-house
Money Market Funds i.e. collective investment scheme as defined in SI2004 No 534 (<i>These funds have no maturity date</i>)	Funds must be AAA rated	In-house After consultation with Treasury Management Advisor Limited to £20m
Gilts (with maturities of up to 1 year)	Government Backed	Fund Manager or In-house buy and hold after consultation with Treasury Management Advisor
Bonds issued by a financial institution that is guaranteed by the UK Government (as defined in SI 2004 No 534) with maturities under 12 months (<i>Custodial arrangements required prior to purchase</i>)		After consultation with Treasury Management Advisor

SELBY DISTRICT COUNCIL ANNUAL INVESTMENT STRATEGY 2015/16 – NON-SPECIFIED INVESTMENTS

investment	<p>A) Why use it?</p> <p>B) Associated Risks?</p>	Security / Minimum Credit Rating	Circumstances of Use	Max % of overall investments or cash limits in cash category	Maximum investment with any one counterparty	Maximum Maturity Period		
<p>Term Deposit with credit rated deposit takers (Banks & Building Societies), UK Government and other Local Authorities with maturities greater than 1 year</p>	<p>A) Certainty of return over period invested which could be useful for budget purposes</p> <p>B) Not Liquid, cannot be traded or repaid prior to maturity</p> <p>Return will be lower if interest rates rise after making deposit</p> <p>Credit risk as potential for greater deterioration of credit quality over a longer period</p>	<p>Organisations assessed as having “high credit quality”</p> <p>Plus</p> <p>A minimum Sovereign rating of AA- for the country in which an organisation is domiciled</p>	In-house	100% of agreed maximum proportion (20%) of core cash funds that can be invested for more than 1 year (estimated £20m)	£5m	<p>2 years subject to potential future review with a maximum of no longer than 5 years</p>		
<p>Certificate of Deposit with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year</p> <p><i>Custodial arrangements prior to purchase</i></p>	<p>A) Attractive rates of return over period invested and in theory tradable</p> <p>B) Interest rate risk; the yield is subject to movement during life of CD which could negatively impact on its price</p>			Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor	25% of agreed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)		£3m	
<p>Callable Deposits with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year</p>	<p>A) Enhanced Income – potentially higher return than using a term deposit with a similar maturity</p> <p>B) Not liquid – only borrower has the right to pay back the deposit; the lender does not have a similar call</p> <p>Period over which the investment will</p>			To be used in-house after consultation with Treasury Management Advisor	50% of agreed proportion (20%) of core cash balance that can be invested for more than 1 year (£12.5m)		£5m	

investment	A) Why use it? B) Associated Risks?	Security / Minimum Credit Rating	Circumstances of Use	Max % of overall investments or cash limits in cash category	Maximum investment with any one counterparty	Maximum Maturity Period
	<p>actually be held is not known at outset</p> <p>Interest rate risk; borrower will not pay back deposit if interest rates rise after the deposit is made</p>					
<p>Forward Deposits with a credit rated Bank or Building Society > 1 year (i.e. negotiated deal period plus period of deposit)</p>	<p>A) Known rate of return over the period the monies are invested – aids forward planning</p> <p>B) Credit risk is over the whole period, not just when monies are invested</p> <p>Cannot renege on making the investment if credit quality falls or interest rates rise in the interim period</p>	<p>Organisations assessed as having “high credit quality” Plus A minimum Sovereign rating of AA- for the country in which an organisation is domiciled</p>	<p>To be used in-house after consultation with the Treasury Management Advisor</p>	<p>25% of greed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)</p>	<p>£3m</p>	<p>2 years subject to potential future review with a maximum of no longer than 5 years</p>
<p>Bonds issued by a financial institution that is guaranteed by the UK Government (as defined in SI2004 No534) with maturities in excess of 1 year</p> <p>Custodial arrangements required prior to purchase</p>	<p>A) Excellent credit quality</p> <p>Relatively Liquid</p> <p>If held to maturity, yield is known in advance</p> <p>Enhanced rate in comparisons to gilts</p> <p>B) Interest rate risk; yield subject to movement during life off bond which could impact on price</p>	<p>AA or Government backed</p>	<p>In-house on a “buy and hold” basis after consultation with Treasury Management Advisor or use by Fund Managers</p>	<p>25% of greed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)</p>	<p>n/a</p>	<p>142</p>
<p>Bonds issued by</p>	<p>A) Excellent credit quality</p>				<p>£3m</p>	

investment	A) Why use it? B) Associated Risks?	Security / Minimum Credit Rating	Circumstances of Use	Max % of overall investments or cash limits in cash category	Maximum investment with any one counterparty	Maximum Maturity Period
Multilateral development banks (as defined in SI2004 No534) with maturities in excess of 1 year Custodial arrangements required prior to purchase	<p>Relatively Liquid</p> <p>If held to maturity, yield is known in advance</p> <p>Enhanced rate in comparison to gilts</p> <p>B) Interest rate risk; yield subject to movement during life off bond which could negatively impact on price</p>					
UK Government Gilts with maturities in excess of 1 year Custodial arrangements required prior to purchase	<p>A) Excellent credit quality</p> <p>Liquid</p> <p>If held to maturity, yield is known in advance</p> <p>If traded, potential for capital appreciation</p> <p>B) Interest rate risk; yield subject to movement during life if the bond which could impact on price</p>	Government backed	Fund Manager	25% of greed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)	n/a	2 years subject to potential future review with a maximum of no longer than 5 years
Collateralised Deposit	<p>A) Excellent credit quality</p> <p>B) Not liquid, cannot be traded or repaid prior to maturity</p> <p>Credit risk as potential for greater</p>	Backed by collateral of AAA rated Local Authority LOBO's	In-house via money market broker or direct	100% of agreed proportion (20%) of core cash funds that can be invested for more than 1 year (£20m)	£5m	143

investment	A) Why use it? B) Associated Risks?	Security / Minimum Credit Rating	Circumstances of Use	Max % of overall investments or cash limits in cash category	Maximum investment with any one counterparty	Maximum Maturity Period
	deterioration of credit quality over a longer period					

APPROVED LENDING LIST 2015/16

Maximum sum invested at any time (The overall total exposure figure covers both Specified and Non-Specified investments)

	Country	Specified Investments (up to 1 year)		Non-Specified Investments (> 1 year £20m limit)	
		Total Exposure £m	Time Limit *	Total Exposure £m	Time Limit *
UK "Nationalised" banks / UK banks with UK Central Government involvement					
Royal Bank of Scotland	GBR	85.0	364 days	-	-
Natwest Bank	GBR				
Ulster Bank Ltd	GBR				
Bank of Scotland	GBR	85.0	364 days	-	-
Lloyds TSB	GBR				
UK "Clearing Banks", other UK based banks and Building Societies					
Santander UK plc (includes Cater Allen)	GBR	40.0	6 months	-	-
Barclays Bank	GBR	75.0	6 months	-	-
HSBC	GBR	30.0	364 days		
Clydesdale Bank (trading as Yorkshire Bank)	GBR	30.0 (Shared with NAB)	Temporarily suspended	-	-
Goldman Sachs International Bank	GBR	40.0	3 months		
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	20.0	3 months	-	-
High quality Foreign Banks					
National Australia Bank	AUS	30.0 (Shared with Clydesdale)	364 days	-	-
Commonwealth Bank of Australia	AUS	20.0	364 days		
Canadian Imperial Bank of Commerce	CAN	20.0	364 days	-	-
Deutsche Bank	DEU	20.0	3 months	-	-
Nordea Bank Finland	FIN	20.0	364 days	-	-
Credit Industriel et Commercial	FRA	20.0	6 months	-	-
BNP Paribas Fortis	FRA	20.0	6 months	-	-
Nordea Bank AB	SWE	20.0	364 days	-	-
Svenska Handelsbanken	SWE	40.0	364 days	-	-
Local Authorities					
County / Unitary / Metropolitan / District Councils		20.0	364 days	5.0	2 years
Police / Fire Authorities		20.0	364 days	5.0	2 years
National Park Authorities		20.0	364 days	5.0	2 years
Other Deposit Takers					
Money Market Funds		20.0	364 days	5.0	2 years
UK Debt Management Account		100.0	364 days	5.0	2 years

* Based on data as 9 January 2015

APPROVED COUNTRIES FOR INVESTMENTS

Based on the lowest available rating

Sovereign Rating	Country
AAA	Australia Canada Denmark Germany Luxembourg Norway Singapore Sweden Switzerland
AA+	Finland Hong Kong Netherlands UK USA
AA	Abu Dhabi (UAE) France Qatar
AA-	Belgium Saudi Arabia



Public Session

Report Reference Number: C/14/20

Agenda Item No: 16

To: Council
Date: 24 February 2015
Author: Caroline Sampson Paver – Commissioning and Performance Officer
Lead Officer: Mary Weastell – Chief Executive
Executive Member: Councillor Mark Crane – Leader of the Council

Title: Selby District Corporate Plan 2015-2020

Summary: This report presents for approval a final draft of the emerging new Corporate Plan to cover the years 2015-2020. The document has been developed with the input of key internal and external stakeholders including all Councillors. Responses received from a period of public consultation will be reported.

Recommendations:

- i. To approve a new Corporate Plan 2015-2020**
- ii. To authorise the Chief Executive to approve the final version of the Plan having made any necessary changes to style and layout.**

Reasons for recommendation

Council is asked to agree the recommendation to enable a new Corporate Plan to be adopted and in place for the start of the financial year 2015.

1. Introduction and background

- 1.1** The Council has been developing its new vision for the organisation for the next five years, built around the plan to make Selby District a Great Place – to do business, to enjoy life, and to make a difference – supported by the council delivering great value.
- 1.2** The views and opinions of customers, staff, business leaders, service providers and all district Councillors have been sought during the planning and development of the plan over the past year. A six week

period of public consultation began in December 2014 and ended on 28 January 2015.

2. The Report

- 2.1** As the current Corporate Plan runs until 2015, a replacement document has been in development during the past year. The State of the Area Address announced the future corporate direction in the summer of 2014 and work has been on-going to develop the priority outcomes that will help deliver these themes.
- 2.2** The direction of the Corporate Plan Priorities has been evidenced by a needs assessment that gathers and analyses statistics to build a picture of the issues and needs that impact on the district and its communities.
- 2.3** The priority outcomes have been tested against the views of local business leaders and service providers, and customers have been interviewed in a recent survey on their aspirations for themselves, their community and the wider district. Council staff have also been asked to give their views on draft priorities – considering issues from their perspective as staff, and in many cases as local residents and service users.
- 2.4** Executive Councillors have developed the direction and priorities of the document through workshops, and all Councillors have had the opportunity to contribute to its development.
- 2.5** The draft Corporate Plan at Appendix 1 reflects on the successes of the previous plan; defines the values of the organisation; defines and explains the vision for the future and each of the proposed new priorities – with key areas of focus, and measures that will demonstrate how goals will be met and success demonstrated. The draft document as presented is an interim version, and is subject to refinement of layout, style and images prior to becoming a finalised document.
- 2.6** During the six-week period of consultation a variety of drop-in sessions have been held across the district, and have included sessions on an evening and weekend to make efforts to reach a greater audience. Two sessions have been held with Parish Clerks and partners and other service providers have been asked to submit comments. All of the comments collected to date are as a result of conversations that officers have had with members of the public at drop-in sessions.
- 2.7** In summary, comments made to date have been largely supportive and reflective of the aims of the draft Corporate Plan. Key themes that have emerged from the consultation so far are as follows.

- 2.8** People who commented at sessions in their home or closest town gave particular comments relating to the town centre, with support for the aim to help the towns reach their potential – people who commented considered towns were limited to catering only for the weekly shop, and that a better variety and quality of shopping is needed. Respondents also supported existing businesses, wanted to make towns more vibrant and attractive to visitors and ensure the appropriate range of supporting infrastructure for new developments.
- 2.9** Tadcaster residents felt that the town lagged behind the rest of the district, with public transport links within the district and as a means to accessing employment concerning some.
- 2.10** Older people who spoke to officers agreed that it is a priority to them that the Council helps keep older and vulnerable people active and in their own homes. Early assessment of needs is seen as vital along with support networks and signposting, to help people access services such as a handyman and hospital transport to avoid putting themselves at risk.
- 2.11** Overall, people have appreciated that funding cuts mean that big issues are being faced by the Council. The only significant adverse comment arose in relation to the type of roles that volunteers may be asked to fill as part of the Plan’s ambitions to enable people to “make a difference”
- 2.12** No additional feedback has been received, therefore the schedule of responses in Appendix 2 covers all responses received to the consultation.

3. Legal/Financial Controls and other Policy matters

There are no specific legal issues to consider

3.1 Legal Issues

Corporate Plan priorities are reflected in the emerging Budget.

3.2 Financial Issues

Equality, Diversity and Community Impact screening document is attached.

4. Conclusion

- 4.1** This report presents a draft of the organisation's vision for the next five years, focusing on priorities to deliver outcomes, with partners, that will

help make the district a great place and make a difference to people's lives. A range of stakeholders have contributed to the development of the priorities, and the period of public consultation, has to date, demonstrated support for a range of the identified priorities, demonstrating these are issues that matter to people in making Selby a great place; with only plans to support people in volunteering, to help deliver services locally, receiving an element of opposition.

5. Background Documents

Selby District Needs Assessment 2014

Contact Officer:

Caroline Sampson Paver
Commissioning and Performance Officer
Selby District Council
csampson@selby.gov.uk

Appendices:

Appendix 1 - Draft Selby District Corporate Plan 2015-2020

Appendix 2 - Schedule of responses up to 23 Jan 2015

Appendix 3 – Equality, Diversity, and Community Impact screening form

Title page

Selby District Corporate Plan 2015 – 2020

Making Selby a great place

[Images to be confirmed – to be drawn from area/service images used within main document]

1. Foreword

Our Corporate Plan helps us focus our efforts on what matters most to our people and our businesses to secure a sound future for our place.

There's no doubt that times are still tough but we believe Selby District is a **great place** to live, work and raise a family and whilst there are plenty of challenges ahead, by working together we can make a real difference to people's lives.

Our new Corporate Plan for 2015-2020 looks at how we will work with others to deliver important outcomes; working with communities to reduce reliance on council services and open up new opportunities to make a difference together; working with partners to facilitate new investment to provide jobs and growth; and collectively to support communities in living happy and healthy lives.

Local authorities do not, and should not, operate in isolation. To achieve the best outcomes from our plans we believe that valuable results will come from working in partnership with others, to maximise the opportunities and the gain from these opportunities. Our people are served by a great many providers of public service and we will seek to combine our efforts to deliver what matters most as effectively and efficiently as possible.

How do we know what matters most? We've asked. We've been engaging with key businesses and service providers across the district to get a sense of what they need from their council to help them deliver services and new investment to drive jobs and growth. We've asked our residents: we've commissioned independent research to seek the views of a cross section of people about their needs and, importantly, their aspirations. We've consulted with local Councillors about what matters to them and the communities that they represent and we've sought the views of our staff, many of whom live within our district and are direct customers of our services. We've also looked at a whole host of statistics about this place and its people to see where there's more work to do.

We're proud of what we've achieved between 2011 and 2015. Now is the time to build on this success. This Corporate Plan sets out the framework for how we will do so.

Cllr Mark Crane, Leader of Selby District Council

[Image 1.1]

Mary Weastell, Chief Executive of Selby District Council

[Image x.x – NEED HEADSHOT IMAGE]

Selby, Autumn 2014

2. The context

Between 2011 and 2015 we have been organising our strategic work around five ‘Big Things’. This work has been delivered through a *Programme for Growth* which has focused on investing in jobs, infrastructure, housing and health.

Progress against our five Big Things

Living well **[insert Living well graphic]** [Image 2.1 – caption: An artist’s impression of the new Selby Leisure Centre due to open in early 2015]

Support a cultural and visitor economy; we want to further improve community-based leisure services and encourage greater sports participation.

- A brand new £7m leisure centre for Selby is due to open in early 2015, with plans in place to develop a new leisure village to offer brand new facilities at the same site. This work has been in response to a devastating fire at our previous leisure centre back in 2012.
- We have delivered a far-reaching programme of community sports, which has led to a significant increase in the number of adults in the district participating in sport.

Changing Places **[insert Changing place graphic]** [Image 2.2 – caption: Chief Executive, Mary Weastell, talks to local businesses at an Enterprise Day held in June 2014]

To put in place long-term plans to support the homes we need and business growth that will bring new jobs and opportunities.

- We have developed and delivered our Core Strategy – the long-term planning document that sets out development needed between now and 2027. This has been independently tested.
- We’ve put in place a programme of support for the district’s businesses, which has included monthly networking and business development sessions.
- We’ve facilitated the creation of the Selby Town Enterprise Partnership to bring together key business and community leaders in the town to deliver a range of new investment and improvements.
- We’re delivering improvements to key gateways into Selby to encourage visitors into the town which supports local traders.
- We’ve worked with private developers to facilitate new development at the Proving Ground in Sherburn in Elmet, providing a significant boost for new business space and jobs in the district.

A Stronger Council **[insert Stronger Council graphic]** [Image 2.3 – caption: New funding has been secured to help the Olympia Park development at Barlby – a major site for housing and business growth. Photo courtesy of Elizabeth Fernandez]

Take bold decisions and lead from the front by better understanding what customers want. We won’t be frightened of doing things differently.

- We’ve worked proactively with key developers to support major new investment in our district to deliver new homes and business space. By working collaboratively, over £16m of funding has been secured to help deliver the Olympia Park development at Barlby which is a key site to support growth across the district.
- We’ve introduced new ways of working within our planning service, in direct response to customers’ views, to help support new development in the district.
- We’ve been re-awarded the *Investors in People* standard for our work in supporting staff to make the most of our talent, which directly benefits the way in which we deliver services.

- We've supported changes to our ward boundaries, by inviting a review from the *Local Government Boundary Commission for England*; from 2015 this will help to deliver new savings.
- We've started work, in partnership with NYCC, with the people of Sherburn in Elmet and South Milford on shaping the future of service delivery with them.

Being Switched On **[insert Being Switched on graphic]** [Image 2.4 – caption: New partnerships have been developed to run sites such as Barlow Common nature reserve]

Act like a business and spend every pound as wisely as possible; improving online access to services and working to bring in new business.

- Over the last four years, we've saved over £4m from the cost of running services. This has involved looking at every aspect of what we do and how we do it.
- We've embarked on an ambitious programme of joint working with our County Council, through the *Better Together* project, to support further efficiencies and to improve services for our joint customers. This has included the appointment of new Chief Executive with joint County Council responsibilities. We have driven through savings by working together on procurement of back office systems. The Registrars service is now delivered from the District Council offices, where all registrations are made and a venue is available for Weddings and Civil Services in modern and bright accommodation.
- We've developed new partnerships to run key countryside sites in the district, to bring in new expertise to secure the future of these important environments for generations to come.
- Throughout most of this period we've kept Council Tax on hold, because the savings we've delivered have meant we've been able to help our residents through tough economic times.
- We've developed new ways of customers getting the information they need about local services by opening up social media channels.

Tackling the Tough Stuff **[insert Tackling the tough stuff graphic]** [Image 2.5 – caption: We've pushed through much-needed improvements to Tadcaster's central area car park]

To ensure there are homes for all incomes and appropriate accommodation for Gypsies and Travellers as required. We'll continue to support people living in and around Tadcaster to unlock the potential of their town.

- We have supported the creation of a brand new Housing Trust to help build new affordable homes in the district, with plans already in place for new developments in Tadcaster and Riccall; further plans are being finalised for new homes at locations across the district.
- We've refurbished Tadcaster's central area car park despite many years of legal wrangle to support local traders in the town.

3. 2015-2020 – Making Selby a great place

Being at the heart of a strong partnership which succeeds in meeting the needs and aspirations of the people and communities we serve. Enabling people to do more for themselves. Being enterprising with fewer resources and working with others so that people choose Selby district as a place to do business, enjoy life and make a difference.

This mission will be driven by our values. During 2014/15 these values have evolved in line with the review of our long-term strategy.

Customer focused [Needs infographic]

To build your satisfaction we will strive to listen and learn from what you tell and ask us; to get you in contact with the right people, and solve issues during your first contact with us. We also realize that not all customers need the same level of help; many people just need pointing in the right direction to help themselves; but we need to be there for those people who need more assistance from us.

Business-like [Needs infographic]

We will use business-like ways of working to make sure that we get the most benefit for the district from the funds that we are responsible for. This involves being open and honest about what we can still afford to do; letting you know about what you can expect to see from upcoming plans and projects and keep you up to date on progress.

One team Selby [Needs infographic]

Everyone who works for the Council knows that they are part of one team – working together for the good of the district. We also know that we cannot do this alone – we will build on relationships with people who care about and are invested in the district; bringing them together to combine their skills and talents to help us to deliver important benefits.

Flexible [Needs infographic]

We know that change is always on the horizon so it's our practice to be positive about it – having the flexibility to keep up with the challenges and the people who can adapt to meet the priorities of the day.

Forward thinking [Needs infographic]

We want to encourage innovation in the business and keep trying new things, as that is how we learn what works best and how to react to the opportunities that are out there. We intend to have influence on your behalf so that we can get the best results for the district's future.

Trustworthy [Needs infographic]

We believe in developing fair and honest relationships, and want to build mutual trust with communities and partners through our dealings. We need to show you that as an organisation we are accountable for our actions and show respect for your views and involvement.

4. The Vision

In developing our vision for the next five years we have built on previous success, re-assessed our priorities in partnership with our community, and developed a plan to make the Selby district a great place... **to do business, to enjoy life and to make a difference.**

This will be supported by Selby District Council **delivering great value.**

Here is what we mean...

Making the Selby district a great place **to do business**

[Image 4.1 – caption: The energy sector in the district is investing in World-leading new technology which offers new opportunities for supply chain businesses and local employees. Photo courtesy of Mike Hatfield]

We want to renew our focus on strengthening our local economy to give a sustainable future for the area's businesses and residents. It is important to us that we are seen to support new investment opportunities by working with developers, partners and business leaders, whether they are new to the area or already well-established in Selby, to encourage new investment in businesses that deliver new opportunities for our people and support a skilled workforce. We also want to support and encourage growth in business enterprise that already operates in the district. We want to help deliver thriving futures for our main towns, and for knock-on benefits to be felt by the surrounding communities that they support - building on the needs and aspirations of residents and visitors, to open up local economic, training and employment benefits.

Making the Selby district a great place **to enjoy life**

[Image 4.2 – caption: helping people to lead healthy lives in the district. Photo of Selby Park courtesy of Georgina Brown]

We want everyone to have the opportunity to live a healthy and happy life, regardless of where they live in the district. One of the highest priorities to most people is a home, so we will focus on making sure that the homes needed in the district are built. Our newly-adopted Core Strategy lays the foundations for housing and business development, and we will use our skills and influence to make sure a suitable supply of homes is available to those who need them; whilst realising developer contribution benefits for the community.

We understand that being able to live in good health enhances people's ability to enjoy life, and so want to have an impact in making this a reality for more people. The biggest threat to health in the district is obesity, with its potential to impact on independence, quality and length of life. We believe it is particularly important for children to develop and adopt healthy choices and behaviours that will equip them for life, so we will support families in overcoming this challenge.

Making the Selby district a great place **to make a difference**

[Image 4.3 – caption: People are best placed to know the priorities for their community. Photo of Selby tearoom courtesy of Sarah Kellett]

We believe that that our customers should be at the heart of everything that we do and how we do it. On-going austerity within the public sector means we will be able to deliver less in the future, so we will focus on supporting communities to have an active and influential role in public service delivery. Communities know best what is a priority where they live and will be best placed to deliver

some services locally; we will help them to do so. To achieve this, people and community organisations need to have the right support and guidance to build on the valuable capacity and skills that already exists in communities; enabling them to join with us in designing services; having the opportunity of volunteering their time to make a real difference where they live, and making best use of technology to access a range of services. It will be vital to work with a range of partners, including the voluntary sector and Community Engagement Forums, to make this a reality.

And this will be supported **by delivering great value**

To make headway with achieving the priorities that contribute to making the district **a great place**, we will need to work with others. This will be through co-designing the way in which we deliver services, and by commissioning those best placed to deliver services on our behalf.

We will make sure we communicate well with customers to help us understand what matters, to listen and learn and to enable us to offer the right support and opportunities to help people to access services digitally. We will generate more income and collect the debt owed to us.

These steps will help us to continually improve value for money in the business; make savings; and concentrate on targeting resources on the most vulnerable people who need help e.g. helping people to be independent and stay in their own homes for longer.

We also want to make sure that the Council's business develops resilience, being more self-sufficient in the future and less reliant on central government grants.

5. Our Priorities

We'll deliver our vision by focusing our work on a number of priorities.

Making the Selby district a great place **to do business**

[Image 5.1 – caption: Sherburn industrial estate offers good opportunities for growing employment, such as the new Sherburn 2 development which has recently received planning permission. Photo courtesy of Brian Cartwright]

Key focus on our work

- Secure new investment in the district
- Improve employment opportunities
- Work with education providers to support people in accessing training and education that will skill them for work
- Work with people and businesses to help Selby, Tadcaster and Sherburn in Elmet reach their potential

What we mean by that

Maximising investment in this unique district will help secure its economic future and ensure that the infrastructure necessary to underpin business is also in place.

The Council will support growth in the volume and range of jobs on offer and will use its influence and partnerships to ensure that unemployed people in the district, those who currently have few employment choices, and young people coming into the world of work have the skills, training and advantages they need to access jobs and build a career. We recognise that some residents will travel out of the district to work; however, the creation of more varied opportunities locally would give more commuters the choice to work close to home.

Our two market towns and the largest village in the district are at the heart of local services and amenities, and all currently face issues in reaching their full potential. We believe they can thrive, by offering the best of what makes them special; resulting in benefits that will be passed on to their surrounding communities.

How will we know if we've succeeded in meeting our goals?

- A rise in the amount of business rates collected
- Growth in investment in the district
- An improved vitality and viability of town centres
- Skills and capacity training accessed by people in the district
- Increased employment rates

Making the Selby district a great place **to enjoy life**

[Image 5.2 – caption: Meeting the housing needs of the district is a key priority. Photo of homes at Barlby courtesy of Georgina Brown]

Key focus of our work

- Improve the supply of housing
- Improving healthy life choices

What we mean by that

We aim to meet housing needs through an increased supply and range of homes, available in the right locations in the district, providing for the changing needs that people have throughout their lifetimes. This includes new build, conversions and bringing empty homes back into use. A proportion of these homes need to be affordable to those who cannot access market prices or rents.

The biggest health issue in the district is high obesity levels in the adult population, and it is a rising concern that children may follow this pattern. Alongside our public health and NHS colleagues, it is a joint aim therefore to help people enjoy a healthier life by tackling the adult weight issues and promoting healthy eating and active lifestyles to reduce the likelihood of young people becoming overweight in the first place.

How will we know if we've succeeded in meeting our goals?

- More housing need met
- Empty homes brought back into use
- More affordable properties developed
- More people taking part in physical activity
- Healthy behaviours developed

Making the Selby district a great place **to make a difference**

[Image – stock image?]

Key focus of our work

- Empowering and involving people in decisions about their area and their services
- Enabling people to get involved, volunteer and contribute to delivering services locally
- Facilitating people to use alternative service delivery channels

What we mean by that

We will focus on changing the way public services are delivered by empowering people to contribute and get involved, and by transforming the way people access their services. We know it is vital to lead the way in strengthening communities so they are equipped and supported to be an integral part of designing services. This will help to focus on the services that are most important to their communities and will enable us to build on the vital skills, experience and voluntary capacity that already exist throughout the district. We also want to support people to access services in different ways, and provide choice to people with busy lives, whether that is by accessing services online or through local networks.

How will we know if we've succeeded in meeting our goals?

- More local volunteers are delivering provision that is important to their communities
- More services are accessed through self-serve channels

And this will be supported **by delivering great value**

[Image 5.3 – caption: We will continue to build on key partnerships to drive further efficiencies, such as our joint working agreement with North Yorkshire County Council]

To assist in delivering the priorities that help to make the district **a great place**, the Council will put in place a range of measures to underpin the rest of the priorities. To get the best value for our people and our place, we will have influence in our work with others such as the voluntary sector, County Council, and Police, to deliver shared priorities in the most cost effective ways.

We need to make sure that we do things efficiently, with increased productivity, and that we are always customer focused. We should always have an eye on taking care of the finances and respond positively to the challenges that further austerity present to us.

How will we know if we've succeeded in meeting our goals?

- Services are commissioned from or delivered with partners
- High customer satisfaction is achieved
- Increased staff productivity
- Increased income, including improved debt collection rates
- Delivery of savings

6. Resources

We need to understand what resources we have to deliver on these priorities.

[Image 6.1 – caption: Our staff are a key resource to drive innovation and efficiency, as well as being at the heart of our customer service]

In the face of several years of austerity, the Council has made on-going savings to ensure that the income it receives from all sources, including Council Tax, is well looked after and used to deliver good value services that help to improve quality of life. The District Council keeps just 10% of the Council Tax bill, and this is used to support a wide range of services we provide. Delivering great value will underpin everything else we do over the next five years.

We have been planning ahead with our finances to make sure, as austerity continues; we can reassess our priorities and afford our commitments whilst setting money aside to invest for the future. Our Programme for Growth will mean that funding will be made available to invest in projects that will bring lasting benefits to the district and a better return on our investments.

We must focus on supporting our staff to help us deliver our priorities. They are our most valuable resource in terms of innovation and commitment, customer care and delivering right first time. They are our advocates within the community: the public face of the Council. Staff are also our eyes and ears, helping to build key relationships and partnerships to help us to co-design services and develop new ways of commissioning outcomes.

Corporate Plan consultation (6 – weeks) 17 December 2014 – 28 January 2015

Comments received

Selby Library
<ul style="list-style-type: none">• Christmas footfall in Selby town centre would be encouraged by providing free car parking• Support needed for businesses in the town – such as reduced Business Rates• Improvements required to footpaths• Believe that more smaller houses are required as starter homes in the district• The Council should support people who want to pay their Council Tax, but are in financial difficulty• Ensure that frontline staff are trained to ensure that people get access to the help that they need• Listen more to customers• Endorse the provision of new leisure facilities in Selby• Welcome new homes in the district – provided that that they are supported by facilities and infrastructure – and employment opportunities to match
Tadcaster Library
<ul style="list-style-type: none">• Disagree with the principle of using volunteers to fill professional roles – such as in libraries• Given the cuts in funding – appreciate that some services will need to be delivered in other or cheaper ways in the future• Feel that people in Tadcaster are short changed and are not considered as much as those in Selby• Poor public transport links between Selby and Tadcaster and out of the district to Wetherby• Poor public transport links from Tadcaster to places within the district – easier to get out of the district• Lack of work opportunities in Tadcaster – more opportunities in Selby and Sherburn – need better transport links in order to access it• Too many empty and derelict buildings in Tadcaster• Insufficient retail choice in Tadcaster – need to travel out for comparison goods• Need more retail choice in Tadcaster• Would love to see Tadcaster on the up instead of in decline• The look and feel of Tadcaster town gives a poor impression• Insufficient dog waste bins in Tadcaster – need to be placed more frequently

<ul style="list-style-type: none"> • Appreciate that cuts mean there are big issues to be faced and agree with the future plans as proposed
Contact Centre – drop-in session (1)
N/A
Parish Council workshop (1)
<ul style="list-style-type: none"> • Need car parking in towns that supports businesses and attracts users – rural nature of the district means that many people have to drive in. • Support needed for small businesses • Agree with the plan to regenerate town centres
Sherburn-in-Elmet Library
N/A
Parish Council workshops (2)
<ul style="list-style-type: none"> • Agree on the need for infrastructure to support development – feel this has not always been successful in the past • Would like the Council to have influence on partners who are able to request developer contributions and sometimes don't e.g. Health – communities need to see benefits available realised • Joined up working with health colleagues on plans for future infrastructure needs • Some outlying communities feel that they are passed over in seeing improvements to services in favour of Towns
Saturday consultation – Selby Town Hall
<ul style="list-style-type: none"> • Would like to see better quality range of shops attracted to open in Selby - those that exist are very busy • Make sure that new development does not remove the character and heritage from the district – e.g. historic buildings that are not listed being redeveloped • Selling services - a group previously used Civic Centre rooms for meeting – but now don't as rooms only available for half days rather than a couple of hours • Strong feelings on the need to support older and vulnerable people to stay in own homes – early intervention and assessment to know what is required • Would like to see links and information provided on services that older people would make good use of – such as handyman
Barlby Library

<ul style="list-style-type: none"> Information and contact to help people stay active and in their own homes e.g. transport to hospital appointments if public transport not available for total journey
<p>Evening consultation – Selby Town Hall</p>
<ul style="list-style-type: none"> Supportive of developing housing and economic development in tandem to make the district more sustainable – contributing to the ‘Northern Powerhouse’ that the Government talks about Future development should take account of all the types of flood risk that effect the district Concern that the transport network in and around Selby Town is able to cope with traffic resulting from new developments Keen for infrastructure to be in place to support new development – particularly school places in villages Like Selby town centre but it only caters for the weekly shop – other purchases are made online or out of the district Agree that all three towns need some type of regeneration. Would like to see a more attractive Selby that provides a better variety of shopping and a more attractive appearance – as seen in Beverley and other thriving market towns in Yorkshire and Lincolnshire
<p>Contact Centre – drop-in session (2)</p>
<p>N/A</p>
<p>Comments received online or by post</p>

Equality, Diversity, and Community Impact Screening



As a public authority we should ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

This form should be read in conjunction with the Equality Diversity and Community Impact Assessment Toolkit

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment

Project Name/Service Area:	
Draft Corporate Plan 2015-2020 – The Core	
Lead person:	Contact number:
Mary Weastell – Chief Executive	

1. Title:	
Is this	
	A Strategy or Policy
	A change to a service or function
X	Other (specify) – Plan that sets the Corporate Priorities for the next 5 years

2. Please provide a brief description of what you are screening
<p>The Corporate Plan defines the vision for the next 5 years and the priority outcomes that the Council will focus on in its work with others and delivery of services.</p> <p>The identified priorities are evidenced by a needs assessment on the district, and are supported by the contributions and views of customers, staff, Councillors, business leaders and service providers.</p>

3. Relevance to equality, diversity, and community impact

All the council's strategies/policies, services/functions affect service users and the wider community – district wide or more local.

The effects may have a greater/lesser relevance to equality, diversity, cohesion and integration.

The following questions will help you to identify how relevant EDCI is to your proposals.

When considering these questions think about the protected characteristics : age, disability, gender reassignment, pregnancy or maternity, race, religion or belief, sex, sexual orientation, and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background, caring responsibilities and education or skills levels).

Questions	Yes	No
Does the proposal have (or could it have) a different impact for people with protected equality characteristics?	X	
Have there been or is there likely to be any public concern about the policy or proposal?		X
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?		X
Does the proposal involve or will it have an impact on <ul style="list-style-type: none"> • Eliminating unlawful discrimination, victimisation and harassment • Advancing equality of opportunity • Fostering good relations 	X	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity and community impact within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity and community impact within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity and community impact

If you can demonstrate you have considered how your proposals impact on equality, diversity and community impact you have carried out an impact assessment.

Please provide specific details for all three areas below (use the prompts for guidance).

- **How have you considered equality, diversity and community impact?**

The Corporate Plan is evidenced by a needs assessment that uses statistical information to build up a picture of the make-up of the district and the needs which emerge as priorities for the Council to consider when new priorities are being defined. The needs assessment takes into account the priorities of partners and uses information sources on health issues, housing and employment need, the economy, education, diversity of the population, deprivation, crime and disorder and participation opportunities – which is analysed to produce a range of priority areas that inform the Council in the process of deciding on key priorities.

The identified priorities relate to making Selby a Great Place, with positive impacts for the district planned over the next 5 years.

In preparing for the development of a new Corporate Plan a range of liaison and consultation has and is taking place with the community, businesses, local councillors and service providers who provide for and represent the interests of a diverse cross section of the community. Comments and responses on local priorities and aspirations have been fed into the evolving document and have had an impact on its content and direction.

The needs of people as they go through life are considered, as well as the needs of people who have fewer advantages and choices in their lives.

At the draft stage, a period of public consultation will be undertaken, where views will be sought from members of the public across the district – with sessions being held in public libraries and other locations and copies of the document being available electronically and in paper form. We will also engage with Parish Council representatives and we will refer once again to service providers who best know the needs and concerns of the community and any impact that may be of concern to particular groups that they come into contact with.

Where delivery proposals might cause public concern, further screening will take place.

<ul style="list-style-type: none"> • Key findings <p>A range of positive impacts are intended to result for all groups, with particular focus on those groups that have fewer advantages and life choices, and groups of vulnerable people, who may need more direct contact and assistance.</p>
<ul style="list-style-type: none"> • Actions <p>Over the life of the Corporate plan, further screening to be carried out where delivery projects involve proposals that might cause public concern.</p>

5. If you are not already considering the impact on equality, diversity, cohesion and integration you will need to carry out an impact assessment.	
Date to scope and plan your impact assessment:	N/A
Date to complete your impact assessment	N/A
Lead person for your impact assessment (Include name and job title)	N/A

6. Governance, ownership and approval		
Please state here who has approved the actions and outcomes of the screening		
Name	Job title	Date
Caroline Sampson Paver	Commissioning and Performance Officer	23 January 2015

7. Publishing

This Equality, Diversity, and community impact screening will act as evidence that due regard to equality and diversity has been given.

If this impact assessment relates to a **Key Delegated Decision or Executive or full Council** or a **Decision** a copy should be emailed to Democratic Services and will be published along with the relevant report.

A copy of **all other** Equality and Diversity and community impact assessments should be kept on the project file (but need not be published).

Date screening completed 23 January 2015



Report Reference Number: C/14/21

Agenda Item No: 17

To: Council
Date: 24 February 2015
Author: Jackie Humphries – Lead Officer Human Resources
Lead Officer: Mary Weastell – Chief Executive
Executive Member: Councillor M Crane

Title: Pay Policy Statement

Summary:

The purpose of this report is to seek approval to implement the Council's Pay Policy Statement 2015/16 in accordance with section 38 of the Localism Act 2011.

Recommendations:

- i. That Council approve the Pay Policy Statement for 2015/16 (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.

3.2 Financial Issues

Pay awards for local government employees and chief officers have been agreed from 1 January 2015 to 31 March 2016. However no pay award for Chief Executives has yet been agreed for the same period.

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.

5. Background Documents

Contact Officer: Jackie Humphries - Lead Officer HR

Appendices:

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

APPENDIX 1

SELBY DISTRICT COUNCIL/ACCESS SELBY **STATEMENT OF PAY POLICY FOR THE PERIOD 1 APRIL 2015 TO 31** **MARCH 2016**

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 24 February 2015. 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 A 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 £13,500 per annum thus becoming an hourly rate of pay of £7.00 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 £22,212. The ratio between the two salaries, the 'pay multiple' is 4.18:1. 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 2015 – end March 2016). 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.

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

SCHEDULE OF REMUNERATION OF CHIEF OFFICERS

Post	Base Salary	Expenses	Bonuses	PRP	Earn-Back	Honoraria	Ex-Gratia Payments	Election Fees	Joint Authority Duties	Severance Arrangements
Chief Executive	£92852 As part of the collaborative arrangement between Selby DC and North Yorkshire CC and the joint appointment of a dual part time role of Chief Executive of Selby and Asst C Ex of NYCC (3/2 days), Selby Council is reimbursed 40% of this salary cost by North Yorkshire CC	Travel and other expenses are reimbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	N/A	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 2015/16
Deputy Chief Executive (Monitoring Officer)	£73452	Travel and other expenses are reimbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	N/A	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	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

						procedures				are anticipated for 2015/16
Executive Director (Section 151 Officer)	£57327	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	N/A	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	N/A	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 2015/16
Executive Director	£51814	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	N/A	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	N/A	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 2015/16
Managing Director	£57327	Travel and other expenses are re-imbursed	The terms of the contract of employment do not	N/A	The terms of the contract of employment do not provide for an element	Honoraria payments for any increased duties and responsibilities	There are no plans for the postholder to receive	N/A	There are no payments related to joint	The authority's normal policies regarding redundancy and early retirement

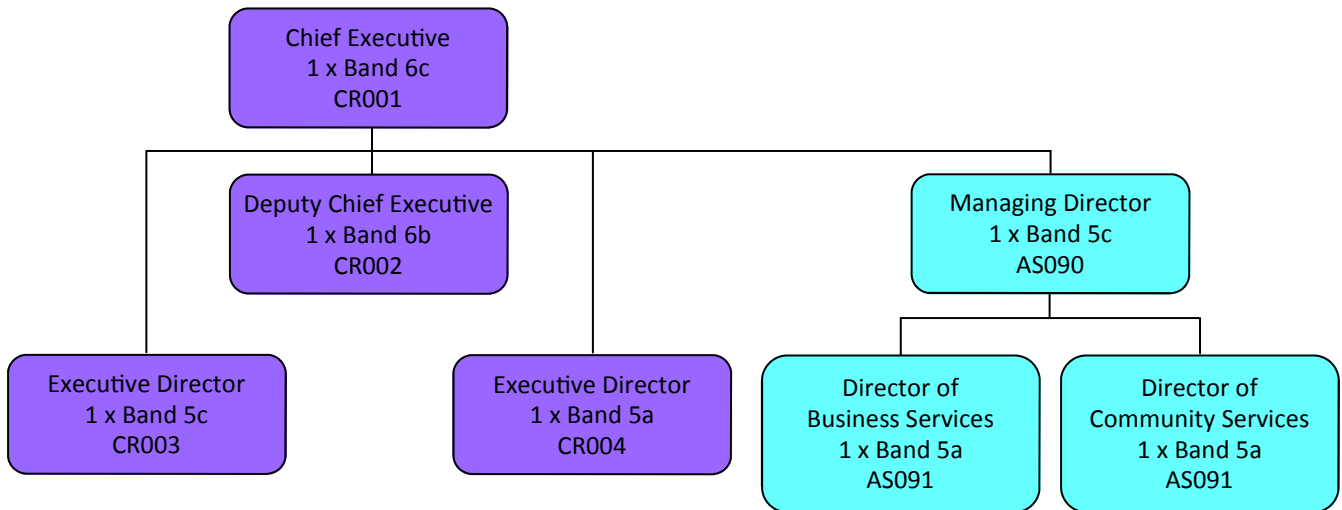
		through normal authority procedures	provide for the payment of bonuses		of base salary to be held back related to performance	are reimbursed through normal authority procedures	any ex-gratia payments		authority duties	apply to the postholder. No payments were made in the last year and none are anticipated for 2015/16
Director	£51814	Travel and other expenses are reimbursed through normal authority procedures	The terms of the contract of employment do not provide for the payment of bonuses	N/A	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	N/A	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 2015/16

Aspect of Chief Officer Remuneration	Authority Policy
Recruitment	These posts will be advertised and appointed at the appropriate approved salary for the post in question 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
Senior Management Structure



Key

Core Selby

Access Selby



Public Session

Report Reference Number: C/14/22

Agenda Item No: 18

To:	Council
Date:	24 February 2015
Author:	Chris Smith – Lead Officer Data & Systems
Lead Officer:	Karen Iveson – Executive Director (s151)
Executive Member	Cllr C Lunn – Lead Member for Finance & Resources

Title: Housing Replacement Software

Summary:

This report proposes to replace the Council's existing housing and asset management systems and to procure a new consolidated software system that integrates with other key critical systems in particular Northgate Information@Work, Northgate Revenues & Benefits, Northgate PARIS Income Management Systems and the new Customer Relationship Management system.

The software no longer provides value for money due to the extent of the monetary outlay to support the systems and the manual intervention and resources required to enable them to function.

Total costs for the software are expected to be £180k. The allowance within the ICT replacement programme is £130k but there are sufficient funds within the reserve to cover the full cost in the short term.

Maintenance costs going forward are expected to be around £11k pa for the duration of the 5 year contract, giving an annual maintenance saving of £55k on the current outlay.

It is proposed that the year 1 savings are used to repay the additional funds required from the ICT Reserve.

Failure to upgrade/replace unsupported software on the council's network would incur a fine through the Public Services Network (PSN) compliance.

Recommendations:

- i. the Council's current housing and asset management software systems are replaced with one consolidated system;
- ii. £130k for the system to be paid from the ICT Capital Programme
- iii. £50k to be paid from the ICT reserve and repaid from the first year revenue savings.

Reasons for recommendation

- i. To ensure the authority meets the current legislation on the Public Services Network (PSN) compliance;
- ii. To ensure that the Council's housing ICT systems are fit for purpose and meet the needs of the organisation going forward;
- iii. To ensure the ICT Reserve is replenished.

1. Introduction and background

- 1.1 The current housing system has been in operation for 15 years and is a critical system for Access Selby to carry out its duties and functions as a social landlord. Replacement of the system is scheduled for the current financial year and a budget of £130k is included within the capital programme.
- 1.2 The system operating function is obsolete, increasingly difficult to support (with long standing issues with remote access to the system) and is resource intensive due to manual updates.
- 1.3 The system has an outdated look and feel and the software supplier is no longer developing the product. Whilst the system is stable, in the event of a system failure, recovery would be at best extremely onerous and time consuming, at worst impossible.
- 1.4 In addition, our asset management system e-State Pro, supplied by Asprey Solutions, is no longer fit for purpose due to:
 - Asbestos register no longer compliant and requires upgrade;
 - System can only be updated manually and is resource heavy;
 - There is no facility to produce schedules of work and manage contracts.
- 1.5 The cost of support & maintenance for the current housing and asset management systems is £66k per year.

2. The Report

- 2.1 This report proposes to replace the Council's existing housing and asset management systems and to procure a new consolidated software system.
- 2.2 The new software will provide an integrated solution which seamlessly shares and links data with other key databases within the authority driving forward greater efficiency and accuracy amongst the users.
- 2.3 The integrated solution makes it easy to keep information up to date. One input can propagate across all integrated systems, keeping data current along with real time reporting functionality.
- 2.4 The software has the capability to improve quality of service to the customer via self-serve and the ability to log their own repairs and introduce the wider use of mobile technology to the lettings function and support service within Access Selby.
- 2.5 A software specification has been written for the new system with soft market testing through system demonstrations conducted.
- 2.6 The use of a software and ICT framework for the tender exercise received a response from 3 potential suppliers. An evaluation panel of officers from across the business was set up to evaluate each bid and score the submissions against the specification. The quality assessment was subdivided over a small number of criteria and the financial assessment was based on a 5 year cost envelope.
- 2.7 Each officer score was used to calculate a consensus score for each submission and therefore provide a robust technical and financial evaluation.
- 2.8 On the basis of the completed technical and cost evaluation for each of the tenders, the panel recommended the preferred software supplier that produced the cheapest option based on the 5 year financial evaluation and who met all the key criteria on the technical evaluation.
- 2.9 Reference sites have been identified to allow the evaluation panel to reality check the statements within the bids.

3. Legal/Financial Controls and other Policy matters

Financial Issues

- 3.1 Total costs for the software are expected to be £180k. The allowance within the ICT replacement programme is £130k but there are sufficient funds within the ICT Reserve to cover the full cost in the short term.

- 3.2 Maintenance costs going forward are expected to be around £11k pa for the duration of the 5 year contract, giving an annual maintenance saving of £55k on the current outlay.
- 3.3 It is proposed that the additional £50k funding requirement is paid out of the ICT Reserve and repaid within the first year revenue savings, giving annual savings of £55k from year 2 onwards, which will contribute towards Access Selby's savings target going forward.

4. Conclusion

- 4.1 This proposal recommends the replacement of our current Housing software systems into one consolidated system that is fit for purpose and meets the needs of the organisation going forward.
- 4.2 The current software no longer provides value for money due to the extent of the monetary outlay to support the systems and the manual intervention and resources required to enable them to function.
- 4.3 Failure to upgrade/replace unsupported software on the council's network would incur a fine through the Public Services Network (PSN) compliance.
- 4.4 The proposed solution provides savings of £55k per annum on the maintenance and support costs from year 2 onwards.

Contact Officer:

Chris Smith
Lead Officer – Data & Systems
Selby District Council
csmith@selby.gov.uk

Public Session

Report Reference Number: C/14/23

Agenda Item No: 19

To: Council
Date: 24 February 2015
Author: Glenn Shelley
Lead Officer: Jonathan Lund
Executive Member: Councillor Mrs G Ivey

Title: Review of Council Representation on Outside Bodies

Summary:

Following the Combined Election on 7th May 2015, the number of Selby District Councillors will be reduced from 41 to 31. As a result of this change, the Council's representation on outside bodies has been reviewed to ensure effective use of councillor and officer time. This report presents the findings of the review.

Recommendation:

- i) To amend the list of appointments to outside bodies at Annual Council in May 2015 as set out in appendix A.**
- ii) After May 2015, to add an item to each Council agenda to allow councillors to feedback any relevant issues arising from their representation on outside bodies**

Reason for recommendation

To ensure the Council makes effective and sustainable appointments to outside bodies at Annual Council 2015 and thereafter.

1. Introduction and background

- 1.1 Each year, normally in May, both the Council and the Executive appoint councillors and other relevant persons to serve as the Council's representatives on outside bodies.
- 1.1 In the context of a reduction in councillor numbers from 41 to 31, a review has been undertaken of both the Council's and the Executive's

appointments to outside bodies. This is to ensure the Council is appropriately represented and that the representation is focussed, effective and well supported.

- 1.2 The scope of the review was to:
- To review the list of outside bodies and consider if representation on all is beneficial to the Council and Selby District.
 - To consider the scale of the representation in the context of reduction in Selby District Councillors from 41 to 31.
 - To consider the feedback and support processes in place and whether these are appropriate for the Council's needs.

2. The Report

- 2.1. In October all councillors were offered the opportunity to complete a survey which asked for their views on the outside bodies upon which they represent the Council. A total of 23 responses were received (a 56% response rate)

Executive Appointments

- 2.2 Councillors identified that all Executive appointments to outside bodies were of significant importance to the Council and, as such, it has been concluded that there is no scope to reduce these appointments. Councillors will be aware of the longer term piece of work underway to reduce the size of the Selby Internal Drainage Board.
- 2.3 The Monitoring Officer and the Solicitor to the Council have reviewed both lists of appointments and concluded that appointments to both the North Yorkshire Police and Crime Panel and Patrol (Parking and Traffic Regulations Outside London) should be made by the Executive and not the Council. The lists will be amended to reflect this change.
- 2.4 In terms of feedback to the wider Council, only those councillors on the Executive are currently able to provide regular updates through their reports to Council. It is suggested that an agenda item on each full council agenda would allow all councillors to feedback where appropriate.

Council Appointments

- 2.5 Feedback from the survey indicates that the impact of Council appointments is mixed. Attached at appendix A is a revised list identifying the proposed appointments for 2015/16. These reflect councillor comments and consideration by officers following consultation with Councillor Mrs G Ivey.

- 2.6 The revised list of appointments at appendix A recommends that, in some cases, the Council stops making an annual appointment. In these cases, where a councillor wishes to continue to contribute to the work of the organisation and the organisation wishes to continue its relationship with the councillor, there is no reason why the individual could not continue to act in a personal capacity. However, in this case the Council would no longer contribute expenses.
- 2.7 It is noted that the Council makes a financial payment to three of the listed outside bodies. It is proposed that where the Council makes a financial contribution of over £10k, representation on the organisation is justified to continue.

Protocol for Members and Officers on Outside Bodies

- 2.8 Guidance for members and officers who are appointed to outside bodies regarding duties and conflicts of interest will be adopted in part 5 of the constitution post May election and will form part of the councillor induction training.
- 2.9 In addition, proposals to identify how officers can better support those Councillors who continue to represent the Council on outside bodies will be developed and outlined as part of the induction process.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 The report ensures that the Council is compliant with statutory duties and commitments to appoint councillors to specific outside bodies whilst minimising the time demands on each councillor.

3.2 Financial Issues

- 3.2.1 As set out above, it is proposed that in circumstances in which the Council makes a contribution of over £10k per annum to an outside body, councillor representation on that organisation continues.
- 3.2.2 Where councillors are appointed by the Council or Executive to an outside body travel expenses are payable in accordance with the Council's expenses scheme. Where the Council does not make an appointment and the councillor attends in a personal capacity expenses would not be payable.
- 3.2.3. The proposals contained within this report can be met from within existing budgets

4. Conclusions

- 4.1 Following a review of the appointments to Outside Bodies a revised list is attached at appendix A, this should ensure councillors are not overburdened following the reduction from 41 to 31 in May 2015.

5. Background Documents

There are no background documents associated with this report.

6. Appendices

Appendix A – Revised list of Council appointments

Contact Officer: Jonathan Lund
Selby District Council
JLund@selby.gov.uk

**Draft - Selby District Council
Representatives on Outside Bodies 2015/2016**

OUTSIDE BODY	Current REPRESENTATIVE	TERM EXPIRES/NO. OF PLACES	MINUTE REFERENCE NO.	Notes
National Association of Councillors (National and Northern Branch)	Cllr J Mackman Cllr S Shaw-Wright	2015 (2)	12/2014	Keep for 2015/16 – reduce to one councillor.
NYCC Scrutiny of Health Panel	Cllr Mrs K McSherry (Sub: Cllr M Dyson)	2015 (1)	12/2014	Keep for 2015/16 – NYCC Panel.
Age Concern Visiting and Support Group	Cllr Mrs A Spetch	2015 (1)	12/2014	Remove
Alzheimers Disease Society	Cllr Mrs S Ryder	2015 (1)	12/2014	Remove
Association of Voluntary Services for Selby	Cllr Mrs A Spetch	2015 (1)	12/2014	Keep for 2015/16 - SDC makes a financial contribution.
Citizens Advice Bureau – Selby	Vacancy	2015 (1)	12/2014	Keep for 2015/16 – SDC makes a financial contribution.
The Alliance (formerly known as Coalfields Communities Campaign)	Cllr S Shaw-Wright	2015 (1)	12/2014	Remove
Yorkshire Coal Industry Taskforce	Cllr S Shaw-Wright	2015 (1)		
DIAL Management Executive	Cllr D Peart	2015 (1)	12/2014	Remove

OUTSIDE BODY	Current REPRESENTATIVE	TERM EXPIRES/NO. OF PLACES	MINUTE REFERENCE NO.	Notes
Committee				
Drax Power Station Consultative Committee	Cllr I Chilvers Cllr M Dyson Cllr Mrs K McSherry Vacancy	2015 (4)	12/2014	Reduce to 1 representative
Eggborough Power Station Consultative Committee (formerly Gale Common)	Cllr D Peart Cllr Mrs G Ivey Cllr J McCartney Cllr C Pearson Cllr Mrs S Ryder Cllr J Crawford	2015 (6)	12/2014	Reduce to 1 representative
Oglethorpe and Dawson Education Foundation	Cllr Mrs E Metcalfe Cllr R Sweeting	2015 (2)	12/2014	Remove
Read School Drax – Governor	Cllr I Chilvers	2015 (1)	12/2014	Remove, many councillors are school governors.
Selby College Board of Governors	Cllr C Lunn	2015 (1)	12/2014	Keep on for 2015/16. Strong links with Selby College.

OUTSIDE BODY	Current REPRESENTATIVE	TERM EXPIRES/NO. OF PLACES	MINUTE REFERENCE NO.	Notes
RELATE	Cllr Mrs K McSherry	2015 (1)	12/2014	Remove – financial contribution under £10k
Selby Area Committee	Cllr I Chilvers Cllr Mrs C Mackman Cllr Mrs A Spetch Vacancy	2015 (4)	12/2014	Keep on for 2015/16 – NYCC
Selby and District Rail Users Group	Cllr Mrs D Davies Cllr Mrs C Mackman	2015 (2)	12/2014	Keep on for 2015/16 Reduce to 1 place.
University of Hull – Membership of Court	Cllr Mrs C Mackman	2015 (1)	12/2014	Remove
Liaison Committee National Coal Mining Museum for England	Cllr S Shaw-Wright	2015 (1)	12/2014	Remove
Yorkshire and Humberside R.F.C.A Association (Reserve Forces and Gadets	Cllr B Marshall	2015 (1)	12/2014	Remove
NY Police and Crime Panel	Cllr G Ivey	2015 (1)	12/2014	Executive Appointment
North Yorkshire Older Peoples' Partnership Board	Cllr J Cattanach	2015 (1)	12/2014	Keep on for 2015/16 – NYCC

OUTSIDE BODY	Current REPRESENTATIVE	TERM EXPIRES/NO. OF PLACES	MINUTE REFERENCE NO.	Notes
Cridling Stubbs Educational Trust Fund	Cllr G Ivey	2015 (1) Every 4 years	12/2014	Remove
PATROL (Parking and Traffic Regulations Outside London)	Cllr C Metcalfe	2015 (1)	12/2014	Executive appointment



Public Session

Report Reference Number: C/14/24

Agenda Item No: 20

To: Council
Date: 24 February 2015
Author: Jonathan Lund, Monitoring Officer

Title: Councillor Code of Conduct
Councillor John McCartney

Summary:

On 2 September 2014 I submitted the Standards Annual Report for the year 2013/14. As part of that report I stated that Councillor John McCartney had been found to have breached the Councillor Code of Conduct following a hearing on 8 April 2013. Council, at its meeting on 23 April 2013, unanimously accepted the findings of that Hearing and imposed sanctions on Councillor McCartney. As reported on 2 September 2014, Councillor McCartney has not fully complied with the requirements of the sanctions. Council requested a report on what further action could be taken in these circumstances.

Following extensive research it is clear that the very limited range of sanctions available under the existing standards arrangements prevents substantial further action. However, there are a number of lessons to be learnt for future application which may help reduce any non-compliance.

Recommendations:

- i. To endorse the action of the Monitoring Officer in publishing details of breaches, in all cases, on the relevant page of the Council's website relating to the Councillor in breach and to keep the details in place for 12 months or until full compliance, whichever is the longer period;
- ii. To note and endorse the lessons learned (paras 1.17 to 1.20) for future reference in dealing with breaches of the code of conduct and to authorise the Monitoring Officer to amend the Council's arrangements to incorporate the lessons;

- iii. **To ask any future Councillor Remuneration Panel to consider incorporating provision within the Councillor Scheme of Allowances for the lawful suspension of some allowances as an appropriate sanction for breaches of the Code of Conduct or non-compliance with sanctions.**
- iv. **To thank Hilary Putman for representing the Council at last month's All Party Parliamentary Roundtable on Local Government Standards**

Reasons for recommendation

To demonstrate compliance with Section 27 of the Localism Act 2011 and the duty to promote and maintain high standards of conduct by Councillors and co-optees.

1 The Report

BACKGROUND

- 1.1 A complaint was made about the conduct of Councillor John McCartney at a meeting of the Planning Committee held on 6 March 2013 by the Chairman of the Committee, Councillor James Deans.
- 1.2 A Hearing to consider the complaint took place on 8 April 2013 and was conducted by the Monitoring Officer at North Yorkshire County Council under reciprocal arrangements. The Hearing listened to evidence from witnesses and considered written statements and concluded that a breach of the Code of Conduct had occurred in that Councillor John McCartney had
 - 1.2.1 Acted in a way that a reasonable person would regard as disrespectful to them.
 - 1.2.2 Brought the Council, or the office of Councillor, into disrepute.
- 1.3 Council considered the findings and recommendations from the Hearing at a meeting on 23 April 2013 and resolved:
 - 1.3.1 To accept the finding of a breach of the Code of Conduct;
 - 1.3.2 To publish the findings of the hearing;
 - 1.3.3 To recommend to the Independent Group that Councillor J McCartney should be replaced as an Independent Group Member on Planning Committee;
 - 1.3.4 To require Councillor J McCartney to undertake one to one training with the Monitoring Officer or his representative on the Code of Conduct;
 - 1.3.5 To require, in future, all Councillors to sign an undertaking to observe the provisions of the Code of Conduct.

- 1.4 In the Annual Standards Report 2013/14 I informed Council that the Independent Group had not replaced Councillor John McCartney as a member of the Planning Committee, but this matter was overtaken by the decision of Council in May 2013 not to allocate the Independent Group any places on the Planning Committee.
- 1.5 Councillor John McCartney has not undertaken one-to-one training with the Monitoring Officer. In April 2014 Councillor McCartney was invited to attend the Councillor Briefing/Training on Standards held on 23 April 2014 in light of the Council's resolution. He did not attend.
- 1.6 Councillor John McCartney has signed an undertaking to observe the provisions of the Code of Conduct.
- 1.7 On 2 September 2014 Council resolved to ask the Monitoring Officer to report further on any options available where a Councillor found in breach of the Code of Conduct does not comply fully with the resolutions of Council.

FURTHER OPTIONS

- 1.8 The Localism Act 2011 introduced significant changes to the standards regime that applies to Local Government. Every Council has a statutory duty to promote and maintain high standards of conduct by Councillors and co-opted members of the Council. However, the duty to establish a Standards Committee was removed, the National Code of Conduct was replaced by a requirement to adopt a local code, personal and prejudicial interests were replaced by a narrower set of Disclosable Pecuniary Interests.
- 1.9 In addition, the previous menu of sanctions which could be imposed by a Standards Committee, Standards for England or the First Tier Tribunal (which included suspension from public office for up to 5 years) were also abolished.
- 1.10 At the time the Government explained its intentions as a wish to ensure that the Courts could deal appropriately with Councillors engaged in criminal behaviour leaving electors to deal appropriately with Councillors who behave badly.
- 1.11 Since Council on 2 September I have engaged with other North Yorkshire Monitoring Officers, external experts and the national network of Monitoring Officers. In addition, one of the Council's two Independent Persons has participated in an all-party Parliamentary Roundtable Seminar on the effectiveness of the new standards regime and, in particular, the impact of having a very limited range of sanctions.
- 1.12 We have explored whether the concept of "contempt of Council" offers any possible redress. However it is clear that without express statutory

provision only the Courts and Parliament have the powers to punish wilful contempt of their own processes

- 1.13 Administrative action is possible but must be proportionate and appropriate. A failure to comply with a previous finding of a breach would not be appropriate.
- 1.14 It is possible that Councillor John McCartney's failure to comply with the wishes of Council could, itself, be an action which brings the Council, or the Office of Councillor, into disrepute. But this would require a fresh complaint and a further hearing.
- 1.15 Council should note, however, that in compliance with the resolution to publish the findings of the previous hearing, arrangements were made to place a public notice, prominently, on that page of the Council's website which contains Councillor John McCartney's details. I have taken the view that this notice should remain in place until Councillor John McCartney complies fully with the resolution of Council and I would welcome Council's support for that action.
- 1.16 In addition, there are a number of lessons that the Council can learn and which might help reduce the likelihood of non-compliance in the future these are:-
- 1.17 To always publish details of a finding of a breach on the Council's web-page for the Councillor concerned and to leave that information in place for 12 months or until the Councillor has complied with the sanctions, whichever is the longer period.
- 1.18 To set within any future resolution imposing sanctions a clear timescale within which the Councillor in breach is required to comply in full with the sanctions imposed by the Council
- 1.19 To establish clear consequential sanctions at the outset to make it plain that failure to comply with the initial sanctions within a given period will trigger an escalation to a greater set of sanctions without the need to revert to further procedures. These further sanctions might include the withdrawal of facilities, exclusion from buildings (or parts thereof) or the suspension of some Councillor Allowances.
- 1.20 To report periodically to Council any cases of persistent non-compliance and to issue press releases so that the public are made aware when a Councillor continues to be non-compliant.

ALL PARTY PARLIAMNETRAY ROUNDTABLE SEMINAR

- 1.21 Hilary Putman, one of the Council's two Independent Persons was invited to speak to an All-party Parliamentary Roundtable Seminar which met on 13 January 2015 to review the impact of the new Standards Regime. Hilary was able to speak directly with MPs, Peers, Academics

and Practitioners about a range of Standards issues. These included the role of the independent person, the need for greater clarity around when a Councillor is acting in an official or a personal capacity and about the problems arising from a limited range of sanctions against Councillors in breach and those failing to comply with the sanctions that are imposed.

1.22 Hilary was able to share Selby's experience and bring back a number of potential solutions for consideration and adoption here at Selby in the future. These are set out at paras 1.17 to 1.20 above.

2. Legal/Financial Controls and other Policy matters

The legal issues arising from this report are set out above.

There are no financial issues arising from this report.

3. Background Documents

Non confidential Documents relating to the All-Party Parliamentary Roundtable held on 13 January 2015.

Contact Officer: Jonathan Lund jlund@selby.gov.uk

Appendices:

None

Agenda Item No: 21

2015/16 Schedule of Meetings																											
2015																			2016								
May	June	July	August	September	October	November	December	January	February	March	April	May															
M		1	Tadcaster CEF		3	School Hols				2	Licensing/Access Selby Board			1	Access Selby Board/Licensing				2	Bank Hol	M						
T		2	Western CEF Forum		4	School Hols	1	School Hols		3		1	COUNCIL/Western CEF Forum	2		1			3		T						
W		3	Central CEF Forum	1	Central CEF Board	5	School Hols	2	School Hols		4		2	Central CEF Forum	3		2		4		W						
T		4	Executive	2	Executive	6	School Hols	3	Executive	1	Executive	5	Executive	3	Executive		4	Executive	3	Executive	5	ELECTION	T				
F	1	5		3		7	School Hols	4	School Hols	2		6		4		1	Bank Hol	5		4		1	School Hols	6	COUNT	F	
M	4	Bank Hol	8	Licensing	6	Licensing	10	School Hols	7	Licensing/ Access Selby Board	5	Licensing	9	7	Licensing	4	Licensing	8	Tadcaster CEF	7	Licensing	4	Licensing	9	Licensing	M	
T	5		9		7	Western CEF Board	11	School Hols	8	COUNCIL	6	Western CEF Board	10			5		9		8		5	School Hols	10		T	
W	6		10	Planning	8	Planning	12	School Hols	9	Planning	7	Planning	11	Planning	9	Planning	6	Planning	10	Planning	9	Planning	6	Planning	11	Planning	W
T	7	ELECTION	11	Southern CEF Forum	9	Southern CEF Board	13	School Hols	10		8	Southern CEF Board	12		10	Southern CEF Forum	7	Executive	11		10		7	Executive	12	Executive	T
F	8	COUNT	12		10		14	School Hols	11		9		13		11		8		12		11		8	School Hols	13		F
M	11		15	Eastern CEF Forum	13		17	School Hols	14	Tadcaster CEF Partnership Board	12		16	Tadcaster CEF Partnership Board	14		15	School Hols	14		11		16		16		M
T	12		16	POLICY REVIEW (prov)	14	POLICY REVIEW	18	School Hols	15	POLICY REVIEW	13	COUNCIL	17	POLICY REVIEW (provisional)	15		12		16	School Hols	15	POLICY REVIEW (provisional)	12	POLICY REVIEW	17	ANNUAL COUNCIL	T
W	13		17	AUDIT	15	Member Briefing/ Eastern CEF Board	19	School Hols	16		14	Central CEF Board	18		16		13	AUDIT	17	School Hols	16		13	AUDIT	18		W
T	14		18	Executive BRIEFING	16	Executive BRIEFING	20	School Hols	17	Executive BRIEFING	15	Executive BRIEFING	19	Executive BRIEFING	17	Executive BRIEFING	14	Executive BRIEFING	18	Executive BRIEFING	17	Executive BRIEFING	14	Executive BRIEFING	19	Executive BRIEFING	T
F	15		19		17		21	School Hols	18		16		20		18		15		19	School Hols	18		15		20		F
M	18		22	Tadcaster CEF Partnership Board	20		24	School Hols	21		19	Tadcaster CEF	23		21	Access Selby Board	18	Tadcaster CEF Partnership Board	22		21	Access Selby Board/Tadcaster CEF Partnership	18		23		M
T	19	ANNUAL COUNCIL	23	COUNCIL	21	SCRUTINY (provisional)	25	School Hols	22	SCRUTINY	20	SCRUTINY (prov)	24	SCRUTINY (provisional)	22	SCRUTINY (provisional)	19	POLICY REVIEW	23	COUNCIL	22	SCRUTINY	19	COUNCIL	24		T
W	20		24	SCRUTINY	22	School Hols	26	School Hols	23	Central CEF Forum	21	POLICY REVIEW (prov/ Eastern CEF Board)	25	Eastern CEF Forum	23	School Hols	20	Member Briefing	24	SCRUTINY (provisional)	23	Member Briefing	20	SCRUTINY (provisional)	25		W
T	21	Executive BRIEFING	25		23	School Hols	27	School Hols	24	Member Briefing	22		26	Member Briefing	24	School Hols	21		25		24		21		26		T
F	22		26		24	School Hols	28	School Hols	25		23		27		25	Bank Hol	22		26		25	Bank Hol	22		27		F
M	25	Bank Hol	29	Access Selby Board	27	School Hols	31	Bank Hol	28		26	School Hols	30		28	Bank Hol	25		29		28	Bank Hol	25	Access Selby Board	30	Bank Hol	M
T	26	School Hols	30		28	School Hols			29	AUDIT/ Western CEF Forum	27	School Hols			29	School Hols	26	SCRUTINY			29	School Hols	26		31	School Hols	T
W	27	School Hols			29	School Hols			30	Eastern CEF Forum	28	School Hols			30	School Hols	27				30	School Hols	27				W
T	28	School Hols			30	School Hols					29	School Hols			31	School Hols	28				31	School Hols	28				T
F	29	School Hols			31	School Hols					30	School Hols					29						29				F