



Summons and Agenda for the
Council Meeting

to be held on

**TUESDAY 21 FEBRUARY
2017**

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 21 FEBRUARY 2017** starting at **6.00pm**. The Agenda for the meeting is set out below.

Janet Waggott
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 13 December 2016 (pages 1 to 9 attached).

4. Communications

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

5. Announcements

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

6. Petitions

To receive any petitions.

7. Public Questions

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

8. Councillors' Questions

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

9. Reports from the Executive

The Leader of the Council, and other members of the Executive, will report on their work since the last meeting of the Council and will respond to questions from Councillors on that work (pages 10 to 21 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 22 to 25 attached).

11. Motions

To consider any motions.

12. Payment of Pension Fund Deficit

To consider a report which presents a proposal to pay-off the current pension fund deficit (pages 26 to 30 attached).

13. The Budget, Reserves and Balances 2017/18

To consider a report which confirms the robustness of the Council's budget and the adequacy of its reserves and balances having regard to a variety of factors (pages 31 to 41 attached).

14. The Budget and Council Tax 2017/18

To consider a report which presents the Executive's recommended revenue budgets, capital programmes and Programme for Growth, for 2017/18 to 2019/20 following public consultation (pages 42 to 75 attached).

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 this item and a recorded vote will be taken on this item.

15. Treasury Management – Treasury Management Strategy Statement 2017/18, Minimum Revenue Provision Policy Statement 2017/18, Annual Investment Strategy 2017/18 and Prudential Indicators 2017/18.

To consider a report which presents the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2017/18 and Prudential Indicators 2017/18 as required by the Department of Communities and Local Government and CIPFA (pages 76 to 113 attached).

16. Pay Policy Statement 2017/18

To consider a report which seeks approval of the Council's Pay Policy Statement 2017/18 in accordance with section 38 of the Localism Act 2011 (pages 114 to 125 attached).

17. Independent Remuneration Panel Review of Members' Allowances

To consider a report which outlines the recommendations of the Independent Remuneration Panel following the completion of a review of Members' Allowances (pages 126 to 155 attached).

18. Changing of Village Name – Walden Stubbs

To consider a report which outlines a proposal to change the name of the village of Walden Stubbs (pages 156 to 158 attached).

19. Political Balance and Committee Membership

To consider a report which outlines changes to the political balance and the membership of Committees of the Council (pages 159 to 162 attached).

20. Urgent Action

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

Council

Venue: Council Chamber
Date: Tuesday 13 December 2016
Time: 6pm

41	Apologies for absence
42	Disclosures of Interest
43	Minutes
44	Project A – Church Fenton Garden Village
45	Communications
46	Announcements
47	Petitions
48	Public Questions
49	Councillors' Questions
50	Reports from the Executive
51	Reports from Committees
52	Motions
53	Council Tax Support Scheme
54	Changes to Arrangements for Appointment of External Auditors
55	Report of the Monitoring Officer – Standards Arrangements
56	Interim Review of Polling Districts and Polling Places 2016
57	Urgent Action

Present: Councillor Mrs S Duckett in the Chair

Councillors K Arthur, D Buckle, E Casling, I Chilvers, Mrs J Chilvers, M Crane, J Deans, K Ellis, M Hobson, D Hutchinson, M Jordan, C Lunn, D Mackay, J Mackman, B Marshall, Mrs M McCartney, C Metcalfe, Mrs W Nichols, B Packham, C Pearson, D Peart, I Reynolds, B Sage, Mrs J Shaw-Wright, R Sweeting, J Thurlow, P Welch and Mrs D White.

Officers Present: Janet Waggott, Interim Chief Executive, Dave Caulfield, Director of Economic Regeneration and Place, Karen Iveson, Chief Finance Officer, Julie Slatter, Director of Corporate Services and Commissioning, Gillian Marshall Solicitor to the Council, Ralph Gill, Lead Officer, Benefits and Taxation and Palbinder Mann, Democratic Services Manager.

Press: 1
Public: 0

41. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors J Cattnach and R Musgrave.

42. DISCLOSURES OF INTEREST

There were no declarations of interest.

43. MINUTES

The Council considered the minutes of the Council meeting held on 20 September 2016.

RESOLVED:

To approve the minutes of the Council meeting held on 20 September 2016 for signing by the Chairman.

44. PROJECT A – CHURCH FENTON GARDEN VILLAGE

The Director of Economic Regeneration and Place presented a report on the Church Fenton Garden Village.

The Director of Economic Regeneration and Place explained that the Government had asked for expressions of interest for new Garden Villages in March 2016 and had agreed to provide support for the implementation of successful proposals. Council were informed that the Chief Executive had instructed officers to consider sites for the proposal and work had been undertaken on this between 19 and 30 March 2016. It was explained that following this process, a proposal was worked up and a decision to submit the final expression of interest was made by the Chief Executive on 26 July 2016.

Council were informed that work for the submission had involved numerous stakeholders including the York, North Yorkshire and East Riding Local Enterprise Partnership, North Yorkshire County Council, City of York Council and the North Yorkshire and East Riding Local Enterprise Partnership.

The Director of Economic Regeneration and Place explained that the proposal sat outside of the Local Plan process and although other sites were considered, Church Fenton Airfield was considered to be the best location. It was explained that if the proposal was shortlisted by the Government, a comprehensive period of engagement with the local community and stakeholders would have been undertaken.

Council were informed that the decision to not proceed with the proposal was made by the Interim Chief Executive on 10 November 2016. It was explained that this was due to the Council having to focus on short term challenges such as ensuring there was a five year housing land supply.

The Leader of the Council explained that when initially presented with the idea, he was supportive of the proposal as the demands of additional housing on villages in the district meant that an additional settlement would eventually be needed. He added that there was a substantial amount of time and effort spent by officers on the proposals and it was felt that resources should be better focused on ensuring the Council had an adequate five year housing land supply in the immediate term. The Leader of the Council stated that the work undertaken on the proposal could be used again should the Council look to implement a similar idea in the future.

Concern was raised around the lack of transparency and on the decision making processes behind the decision. It was stated that the Ward Councillors should have been made aware of the proposal and that Council should have been consulted before the expression of interest was submitted. It was requested that in future, similar proposals should involve thorough consultation prior to any decision. The Leader of the Council explained that the proposal was not brought before Council due to it only being an expression of interest.

A query was raised around whether the procurement rules were followed for the proposal in particular the European Union (EU) procurement rules. The Solicitor to the Council explained that the cost of the proposal was under the EU procurement rules threshold and that the Council had agreed to waive the requirement for three quotes due to the tight timescales for the proposal to be submitted and that Spawforths who worked on the proposal had successfully tendered for other Council services.

RESOLVED:

To note the report.

45. COMMUNICATION

There were no communications.

46. ANNOUNCEMENTS

No announcements were made.

47. PETITIONS

No petitions were received.

48. PUBLIC QUESTIONS

No questions from members of the public were received.

49. COUNCILLORS QUESTIONS

No questions from Councillors were received.

50. REPORTS FROM THE EXECUTIVE

Councillor M Crane - The Leader of the Council

The Leader of the Council reported on the work he had recently undertaken as outlined in his report and highlighted that the Council's Communication team had won a national award for their work during the major fire at Gateforth New Road earlier this year.

A query was raised regarding the timing for the completion of the Council staffing restructure. The Leader of the Council explained that the restructure proposals were hoping to be in place by the end of the year.

In response to a query concerning the completion of the rebuilding of Tadcaster Bridge, it was stated that the rebuild was expected to be completed by 27 January 2017.

The Council congratulated Selby College for their work and felt the college was a vital asset in the district.

Councillor J Mackman, Deputy Leader of the Council and Executive Lead Member for Place Shaping

Councillor J Mackman, Deputy Leader of the Council and Lead Executive Member for Place Shaping, provide an update on the work he had recently undertaken as outlined in his report.

Queries were raised around the five year housing land supply and whether the Council would be forced to approve any applications due to the fact it did not have a housing land supply. The Lead Executive Member for Place Shaping explained that there were a number of other issues which needed to be considered when assessing planning applications and that the Council would not be forced to approve all applications.

In response to a query around the Council supporting Neighbourhood Plans, it was explained that if the plan met the requirement of the local body who were submitting it then the Council had a duty to offer support however the level of the support would depend on what resources could be offered.

Councillor C Lunn, Lead Executive Member for Finance and Resources

Councillor C Lunn, Lead Executive Member for Finance and Resources presented his update on the work he had recently undertaken as outlined in his report.

The Lead Executive Member for Finance and Resources informed Council the draft budget was now out for public consultation.

Councillor C Metcalfe, Executive Lead Member for Communities and Economic Development

Councillor C Metcalfe, Lead Executive Member for Communities and Economic Development provided an update on the work he had recently undertaken as outlined in his report.

In response to queries on the Car Park Strategy, the Lead Executive Member for Communities and Economic Development stated due to the importance and the effect on the district, the Strategy would be brought before the Council for approval even though it was an Executive decision.

It was queried whether the Prevent training would be offered to Councillors. It was agreed that this would be looked into.

Councillor R Musgrave, Executive Lead Member for Housing, Leisure, Health and Culture

Councillor M Crane, Leader of the Council presented the report on behalf Councillor R Musgrave.

An update was requested on the latest situation with Barlow Common and it was agreed an update would be provided.

RESOLVED:

To receive and note the reports from the Executive.

51. REPORTS FROM COMMITTEES

Councillor W Nichols, Chair of the Overview and Scrutiny Committee

Councillor W Nichols, Chair of the Overview and Scrutiny Committee provided an update on the work of the Committee as outlined in her report.

Concern was raised around the grass cutting in areas around the district however it was acknowledged that the responsibility in some areas fell to North Yorkshire County Council or the respective Parish Council and it was requested that details of which area were covered by which organisation should be provided.

Further information was also requested on whether the Council had a licence with North Yorkshire County Council with regard to advertising on roundabouts. It was agreed this would be looked into and a response provided.

Councillor J Deans, Chair of the Policy Review Committee

Councillor J Deans, Chair of the Policy Review Committee provided an update on the work of the Committee as outlined in his report.

Councillor M Jordan, Chair of the Audit and Governance Committee

Councillor M Jordan, Chair of the Audit and Governance provided an update on the work of the Committee as outlined in his report.

RESOLVED:

To receive and note the reports from Committees.

52. MOTIONS

There were no motions.

53. COUNCIL TAX SUPPORT SCHEME

The Executive Lead Member for Finance and Resources presented a report on the review of the Council Tax Support Scheme.

The Executive Lead Member for Finance and Resources explained the proposal was to retain the Council Tax support level at 90% which placed the Council around the middle when compared with other North Yorkshire authorities. Council were also informed of the other changes as outlined in the report including the reducing dependents to two and the removal of backdating from six months to a month.

Concern was raised on the impact of the changes particularly on families who were struggling and it was requested that further information be provided on how the changes would affect residents on a ward by ward basis. It was agreed information could be provided on the impact of the changes relating to the family premium and this would be emailed to all Councillors.

RESOLVED:

- i) To approve the maximum Council Tax Support level for working age people remaining at the current level of 90%.**
- ii) To approve the changes to the scheme outlined in the report.**
- iii) To adopt the scheme for a period of two years from April 2017 to March 2019.**

REASONS FOR RECOMMENDATION

To ensure the Council's Working Age Council Tax Scheme continues to support residents and is in line with wider Central Government welfare reforms.

54. CHANGES TO ARRANGEMENTS FOR APPOINTMENT OF EXTERNAL AUDITORS

The Executive Lead Member for Finance and Resources presented a report on the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits, as recommended by the Audit and Governance Committee.

RESOLVED:

To accept the Public Sector Audit Appointments' (PSAA) invitation to 'opt in' to the sector led option for the appointment of external auditors for five financial years commencing 1 April 2018.

REASONS FOR RECOMMENDATION

To ensure best value in the appointment of the external auditor.

55. REPORT OF THE MONITORING OFFICER – STANDARDS ARRANGEMENTS

The Monitoring Officer and Solicitor to the Council presented a report on the operation of the current standards regime for Selby District Council and Parish Councils within Selby District.

The Solicitor to the Council explained that since the Council last received an update, a low number of complaints had been received and the ones which had been received tended to be on areas such as Declarations of Interests and the respect of Councillors to each other and the public. Council was informed that further training would be organised on these area in the New Year.

The Solicitor to the Council highlighted the work of the Council's Independent Person who had performed a number of duties despite receiving no allowance for her work.

Council were informed that the Audit and Governance Committee would look into whether the current Standards process at the Council especially around the lack of Member involvement in the early stages of the process and whether this needed amending.

RESOLVED:

- i) To note the contents of the Report.**
- ii) To ask the Audit and Governance Committee to review the Standards arrangements and to report back to Council if they consider any changes should be made.**
- iii) To authorise the Monitoring Officer to make arrangements to advertise the posts of Independent Persons to ensure new appointments are made with effect from 22 July 2017.**

REASONS FOR RECOMMENDATION

To ensure that high standards of conduct by Councillors and co-optees are promoted and maintained.

56. INTERIM REVIEW OF POLLING DISTRICTS AND POLLING PLACES 2016

The Interim Chief Executive presented a report on the interim review of polling districts and polling places and explained that the majority of the changes had been place for the recent Police and Commissioner and EU Referendum elections.

Council were informed that the only objection received was for the relocation of the mobile polling station at Newton Kyme Village Green to Riley Smith Hall. The Interim Chief Executive explained that following the consideration of different options to retain a polling station in Newton Kyme, it was evident that this was not possible therefore the recommendation to move the polling station to Riley Smith Hall would remain.

A query was raised around whether the polling station at the Selby Rugby club could be moved to a more suitable location for electors. The Interim Chief Executive explained that this had been looked into however it had not been possible to move the station however further options would be looked into when another review was undertaken.

RESOLVED:

- i) To allocate Bolton Percy Old School Hall instead of Bolton Percy Parish Room as the Polling Place in the Appleton Roebuck and Church Fenton ward.**
- ii) To allocate Church Fenton Village Hall instead of a Mobile Polling Station at the Blacksmith's Arms in Biggin as the Polling Place in the Appleton Roebuck and Church Fenton ward.**
- iii) To allocate the Sloop Inn instead of the Chapel of St John as the polling place in the Camblesforth and Carlton ward.**
- iv) To allocate the Crown Inn instead of St Wilfrid's Church as the polling place in the Monk Fryston ward.**
- v) To allocate Beal Village Hall instead of St Mary's Church, Birkin as the polling place in the Monk Fryston ward.**
- vi) To allocate Sherburn Football Club instead of Harold Mills Community Centre as the polling place in the Sherburn in Elmet ward.**
- vii) To allocate Riley Smith Hall, Tadcaster instead of a mobile polling station at Newton Kyme Village Green as the polling place in the Tadcaster ward.**

- viii) **To allocate the George and Dragon Pub instead of the Whitley and Eggborough Children’s Centre as the polling place in the Whitley ward.**
- ix) **To allocate Kirk Smeaton Community Hall instead of the caravan at Little Smeaton as the polling place in the Whitley ward.**
- x) **To allocate the Coultish Centre instead of Scott Road Community Centre as the polling place in the Selby West ward.**

REASONS FOR RECOMMENDATION

To ensure that the Council continues to provide suitable polling station accommodation for electors.

57. URGENT ACTION

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

The meeting closed at 7.16pm.



Councillor Mark Crane

Leader of the Council

Report to Council on 21 February 2017

This report covers the period from the Council meeting on 13 December 2016. During this period I have attended a number of meetings on behalf of the Council. Reporting on key items:

Interim Chief Exec

Janet Waggott, the Chief Exec at Ryedale DC, has been acting as our interim Chief Exec for the equivalent of two days per week since August 2016. This appointment was for an initial period of 6 months and has been successful. I have now agreed with the Leader at Ryedale that the arrangement will be extended to the end of May 2017 to take us beyond the County Council elections.

Discussions continue about how best to configure the post going forward and exploring how closer links between Districts and a continuation and expansion of the Better Together arrangements could be of mutual benefit.

Better Together

On 9th February there was a meeting of the Better Together Joint Member Steering Group. Councillors were updated on the Better Together Programme, how the arrangements are working and what the next steps might be.

District Council Network and All Party Parliamentary Group for District Councils

I continue to work closely with others in the District Council Network, sharing good practice and raising awareness of the excellent work done by this Council and other District Councils. I am also on the DCN working group on housing.

On 2nd and 3rd February 2017 I attended the DCN Conference along with Dave Caulfield, Director of Economic Regeneration and Place. I spoke at the Conference on Brexit and the impacts for local government. The conference focussed on the growth agenda and the sustainability of District Councils in the future. There was some excellent debate and sharing of ideas and we will be considering the learning as we look to shape our growth plans for 2017/18 and beyond.

On Tuesday 24th January I was invited to speak in Parliament on behalf of this Council at an APPG Select Committee considering collaboration by Councils. Other witnesses at the committee were Councillor Bob Price, Leader of Oxford City Council, David Cook, Chief Executive of Kettering Borough Council, Patricia Hughes, Joint Chief Executive of Hart District Council and a representative of Cambridge City Council.

The All Party Parliamentary Group was established last year with the aim of promoting the interests of district councils, supporting closer working with parliamentarians and raising awareness of the opportunities for districts in shaping the evolving local government agenda. This inquiry is an important part of taking this agenda forward and it is an opportunity to highlight the innovative work district councils are engaged in across the country. The inquiry focuses on the key issues of collaboration and devolution, and will examine the future possibilities and opportunities for local government.

The Committee were particularly keen to hear from Selby about the economic development work with East Riding and the Better Together Partnership with NYCC, the challenges that exist in two-tier collaboration and how these had been overcome.

Devolution

Discussions continue with regional colleagues about devolution in North Yorkshire. We are all keen to ensure that Yorkshire does not miss out on funding opportunities through the lack of a devolution deal but we continue to look for a model which ensures the best results for all participants.

I will report to Council as and when the future direction of talks and the position for this Council is clearer.

Mark Crane
Leader



Councillor John Mackman

Deputy Leader of the Council

Report to Council on 21 February 2017

This report covers the period from the Council meeting on 13 December 2016. During this period I have attended Executive and Executive Briefings and represented the Council at local and regional meetings.

Reporting on the key items:-

1) Planning Service Review

We've now completed a comprehensive review of our planning service, with the aim of improving customer service and making the service into an award winning function. This supports our Corporate Plan objectives of making the district a great place to do business and a great place to enjoy life.

This internal review has identified a comprehensive range of over 60 practical actions to improve our Planning Service, they cover key issues such as planning processes, how Planning Committee operates, IT systems and our work with key partner organisations. To date over 50 actions are underway and a number will have been delivered before the end of March.

Important to the Planning Service is how we work with key partners. Over the last few weeks we've put in place an arrangement with Historic England, who are working with us to improve the way in which we consult on applications. We're also now working closely with the Environment Agency to improve the way we deal with flood risks.

Other actions underway include starting work on updating the IT systems to give officers the tools to do the job and training committee members on specialist topics. This includes issues such as flood risk, urban design and conservation. This will help to improve the way in which we make decisions and the quality of development that we deliver. We're also working towards developing a business friendly charter to develop a proactive approach to customer service for businesses, developers, agents and private applicants and working closely with North Yorkshire CC under the "Better Together" initiative to promote joint working to deliver a better and quicker service to applicants.

I welcome and support the improvements being made by officers to the planning service, which are crucial to the future delivery of growth in the Selby district.

2) Sites and Policies Local Plan (PLAN Selby)

I am working with officers to review the content of the plan and establish a realistic timetable for the next stages of plan preparation. This work is progressing well and is focusing on producing a sound plan that will deliver the Core Strategy housing figures and

support the economic aspirations of the Council. As this work proceeds I will update members on the progress and scope of PLAN Selby.

3) Neighbourhood Planning

Members will be aware that Appleton Roebuck and Acaster Selby Neighbourhood Development Plan is progressing towards the final stages. The Parish Council submitted their pre-submission consultation version to SDC in December 2016. Once this final consultation is completed a spring examination of the plan is anticipated, which will follow with a referendum and then with the plan possibly adopted later this year.

We are also continuing to provide advice to Selby Town Council and have recently designated both Church Fenton Parish Council and Ulleskelf Parish Council as neighbourhood areas.

There are also a number of other Parish Councils who are starting to express an interest in undertaking a neighbourhood plan. However, the council will need to reflect on the resource implications of having both the existing and emerging number of neighbourhood plans requiring officer support.

4) Housing Delivery

Officers are currently working positively on delivering sites across the district which have planning permission but have stalled or lapsed. Officers are working with a range of stakeholders and landowners in order to understand why the sites have not come forward and what can be done in order to see them developed.

An important part of this work will include looking at the viability and deliverability of these sites to help bring them forward. This work is progressing and includes sites such as the Rigid Paper site in Selby Town Centre as well as other sites across the district.

5) Housing White Paper

The Government's Housing White Paper was released on 7th February, it is wide-ranging and covers a number of topics including planning, housing supply, tenure mix and investment. Officers are now considering the implications and will report back in due course.

6) Selby and District Housing Trust

The Council's Executive has considered and approved the alternative proposal for funding from the Trust for the redevelopment of the garage site at Landing Lane, Riccall. The planning application for the scheme is currently being assessed and the procurement of a building contractor is underway.

The properties at St Joseph's Street in Tadcaster are now out of the twelve month defects period.

The Trust is currently in the process of updating its policies.

John Mackman
Deputy Leader of the Council



Councillor Cliff Lunn

Executive Member for Finance and Resources

Report to Council on 21 February 2017

Executive 1 December 2016

Draft Revenue Budget and Capital Programme 2016/17 and Medium term Financial Plan - The draft budget was approved for consultation.

Executive 5 January 2017

Housing Rents 2017/18

The Executive set the Council's Housing Revenue Account rent levels for 2017/18 in accordance with Central Government's current policy on rent setting. Registered providers are required to reduce rents by 1% per year for 4 years from April 2016. This action is intended to help protect taxpayers from the rising costs of subsidising rents through housing benefit, and protect tenants from rising housing costs.

Year 2 of this 4 year policy will see rents decrease on average from £84.51 in 2016/17 to £83.77 (adjusted for sales & dwellings meeting target through relets) per week on a 48 week basis, an average decrease of £0.74.

This reduction has been incorporated into the proposed HRA budget.

Executive 1 February 2017

Financial Results and Budget Exceptions Report to 31 December 2016

At the end of quarter 3, the full year forecast for the General Fund showed an estimated deficit of £29k. This was made up of a number of key variances both positive and negative. The current savings plan is behind target, approval of additional savings as part of the forthcoming budget could help to mitigate the shortfall in 2016/17 and ultimately deliver an overall General Fund surplus of £216k for the year. The HRA was anticipated to make a surplus of £1,825k, a variance of £305k. The surplus will be transferred to the Major Repairs Reserve to either repay debt or spend on the future HRA capital programme, including new build projects.

The Capital Programme is making progress within the General Fund and progressing well in the HRA with some programmes completing this quarter - savings are anticipated across the overall programme.

Schemes within the Programme for Growth are progressing although the programme is being refreshed as part of the budget.

Treasury Management – Monitoring Report to 31 December 2016

This report reviewed the Council's borrowing and investment activity (Treasury Management) for the 9 month period 1 April to 31 December 2016 and presents performance against the Prudential Indicators.

The Bank of England cut Bank Rate from 0.50% to 0.25% in August 2016. A further rate reduction was previously forecast for November 2016, however, this did not materialise and Bank Rate is expected to remain at its current level for the remainder of 2016/17. The latest forecast is that the Council will achieve £232k (£184k allocated to the General Fund; £48k to the Housing Revenue Account), which is £56k below budget.

The Council's long term borrowing position remains unchanged at £60.3m as at 30 December 2016. Interest payments of £2.5m are forecast for 2016/17 (£0.1m allocated to the General Fund; £2.4m to the Housing Revenue Account). The Council's affordable limits for borrowing were not breached during this period.

Treasury Management Strategy Statement 2017/18, Minimum Revenue Provision Policy Statement 2017/18, Annual Investment Strategy 2017/18 and Prudential Indicators 2017/18 - The Executive considered the Council's Treasury Management Strategy for 2017/18 which is recommended for approval later on this agenda.

Portfolio Issues

The results of the 2016 Pension Fund triennial valuation were received in December and I am pleased to report an improvement in our fund's overall funding level which provides an opportunity to consider paying off the historic deficit entirely – the subject of a report later on this agenda. The North Yorkshire Pension Fund is currently working its way through the complexities of pooling which will see investments pooled with the 'Borders to Coast Pension Partnership'. The partnership will be operational from April 2018 and assets will be transitioned between July 2018 and December 2019. The requirement to pool funds is covered by The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The Government's aim is to achieve economies of scale, better value for money and broader investment opportunities. As administering body for the North Yorkshire Pension Fund, the County Council will be considering the proposal to combine with Borders to Coast Partnership at its meeting on 15th February. Under the proposal the North Yorkshire Pension Fund Committee will remain responsible for investment strategy but not investment fund manager appointments. Importantly, there will be local accountability and scrutiny through local pension boards which represent employers, employees and pensioners.

Cliff Lunn



Councillor Chris Metcalfe

Executive Member for Communities and Economic Development

Report to Council on Tuesday 21 February 2017

This report covers the period from the Council meeting on 13 December 2016.

Better Together Customer and Community Workstream

The Better Together Customer and Community Workstream has been funded through the DCLG Transformation Challenge Award for the last two years. The final year of funding is now due for 2017-18. A benefits realisation session was undertaken on 12th January 2017 between Selby District and North Yorkshire project staff to outline the key benefits of the approach so far and to prepare for the DCLG monitoring return due at end April 2017. A key highlight to date has been the delivery of the Community Navigators; IT training has been delivered across the scheme and 13 volunteers have now been recruited. There was very positive feedback from the launch event in November 2016 and work is underway with Selby DIAL and Age UK to report back initial outcomes from the project.

The Tadcaster and Sherburn Libraries are on track to transfer to community groups as community and digital hubs from 1st April 2017.

The programme's next year objectives will be developed shortly by the project staff. Some of the main work will include: further delivery on the Customer Strategy and local digital transformation, the final phases of development at Selby Library as a community and digital hub as well as reviewing the customer offer at the Contact Centre.

Community Engagement Forums

The forums have recently been reviewed by Veritau to determine the effectiveness and appropriate governance of the process. The results of the review confirm that there is 'reasonable assurance' of the forum model. Recommendations suggest further reflection on the transparency of decision making would support improving the model further. The CEF chairs meeting on 16th January 2017 discussed elements of how the CEFs are progressing and discussed areas for officers, AVS and Groundwork to support further development. These particularly include: joint CEF applications and dealing with multiple requests, reviewing elements of the application guidance, offering a due diligence approach to awarding funds (i.e. safeguarding approach for clubs for children and vulnerable adults), as well as looking at CEFs as part of a wider communication engagement framework to understand their reach and show the wider benefit to the community. Progress on some of this work will be dependent on establishing officer capacity once the organisational review has been finalised.

Community Safety

The Head of Community, Partnerships and Customers has been in discussion with the county Community Safety Partnership Manager regarding the roles and structure of the District Community Safety Local Delivery Team and Prevent Bronze Group meetings. Work will begin in the next year to reshape the local priorities in these areas and establish the appropriate representation from key partners.

Local trends in crime and anti-social behaviour have seen a slight change related to dwelling burglary, particularly in the Tadcaster and Sherburn areas at present. The council and North Yorkshire Police are considering local communications regarding house security and encouraging review of locks: this can have a positive impact on house insurance premiums

Youth Engagement

The council has been successful in receiving an £11,000 grant from the Office of the Police and Crime Commissioner to establish a Youth Hub in the Eversley Park area of Sherburn – In – Elmet. The bid has been completed in partnership with North Yorkshire Youth and the Parish Council to enable relocation of the older youth activities from the Children's Centre to a cabin structure close to the rugby club that young people can identify and design as their own. Community groups have expressed keen interest in supporting the delivery of activities there across 5 days of the week.

Safeguarding

The corporate safeguarding policy has been reviewed. The statutory self- assessments required by the Adult's and Children's Safeguarding Boards have been completed to ensure a regular review of practice and process across the council. The work will identify any areas of strength and improvement and will support workforce development planning in line with completing the organisational review.

Economic Development and Growing Enterprise

Following public consultation on the draft 'Selby District Economic Development Strategy 2016- 20...and beyond', targeted consultation is being undertaken with a number of the District's large businesses, and business networking groups for SMEs, to ensure that the Strategy will cater for their future growth aspirations.

No major amendments to the Strategy are expected, but to allow time for these important additions/edits to be completed, it is expected that it will be presented to the Executive for formal adoption in May.

The Council have are establishing a new 'Key Account Management' function to create more mutually productive relationships with the District's large employers. This will allow us to react to key challenges/opportunities that our businesses face in a significantly more responsive fashion, improving customer service and enhancing the potential for future investment. This approach was trialled with British Gypsum in January; the visit was warmly welcomed and has led to a number of joint follow-up actions.

At the moment, we currently have limited Economic Development resources within the team. We envisage that this will be addressed through the ongoing corporate restructure, but have been working closely with our neighbouring authorities to provide

short-term technical support in this key area, including East Riding of Yorkshire Council and Ryedale District Council.

Close liaison is continuing with the developers behind S2 (previously 'The Proving Ground') and the former Gasgoine Wood in order to bring these strategically-important employment sites to the market and support negotiation with potential investors. An outline planning application for the Kellingley Colliery site has now been received for the construction of an employment park (up to 1.45 million sq ft gross floor space comprising of B2, B8 and ancillary B1 uses and ancillary A1-A4 retail facilities) and is being progressed efficiently.

Close partnership working with both our constituent Local Enterprise Partnerships (LEPs); Leeds City Region & York, North Yorkshire & East Riding, and North Yorkshire County Council (NYCC) is critical to achieving our economic ambitions. We have worked closely with both LEPs and NYCC to ensure that our priorities support wider ambitions for Yorkshire and the North of England, ensuring that the Council is as well-placed as possible to take advantage of future funding opportunities such as the Local Growth Fund.

Car Park Strategy

Work on the Car Park Strategy and Tariff Review is progressing well. Usage data from the new machines at Selby is being collated, and user surveys at Tadcaster will shortly be undertaken. Along with substantial feedback received through public consultation, this will further inform our approach to ensure that we maximise our car park's benefit to the economic vitality of our town centres whilst retaining a key Council income stream.

Chris Metcalfe



Councillor Richard Musgrave

Executive Member for Housing, Leisure, Health, and Culture

Report to Council on 21 February 2017

This report covers the period since the Council meeting on 13 December 2016.

Housing

Housing Development Programme

The three housing development sites at Eggborough and Byram are all progressing well and are due to complete on time in April (Byram) and June (both Eggborough sites). To ensure a smooth lettings process, some of the properties have been pre-advertised and potential bids are being assessed. The remaining properties (Eggborough) will be advertised after Easter 2017.

The Executive have recently approved the amended outline business case for financing the Selby & District Housing Trust development at Landing Lane, Riccall.

Street Scene

Environmental Services Contract

The negotiations with Amey PLC to extend the current contract for a period of 7 years from April this year have been concluded. The extended contract ensures the maintenance of a quality service for residents, businesses, and visitors. It provides a mechanism for anticipated property growth and builds on the open book approach to resourcing the contract. A report will be presented to the Executive on 2nd March.

Don't Be a Waster – Reduce, Reuse, Respect

Since the launch of the campaign at the start of January, the levels of engagement have exceeded our expectations. There has been extensive positive coverage by the local press together with excellent social media engagement we have gained support from the Selby Times, Abbey Fisheries, Escrick Park Estates, Inspiring Healthy Lifestyles, McDonalds Selby, Riccall Primary School, Tadcaster Albion Football Club, and Nigel Adams MP.

In addition, there has been significant support for the campaign on social media and three of the campaign tweets were rated within the top 50 tweets sent from all Government accounts on the day they were sent.

The 'Bin it For Good' campaign with Keep Britain Tidy has seen a 40% reduction in litter in Selby Town Centre raising £300 for Asthma UK. In February, the project is supporting Macmillan Cancer. The reduction is based on a pre-campaign assessment of litter in bins and discarded litter collected as measured against litter collected during the campaign.

February is 'food waste' month and two roadshow events are planned with the York and North Yorkshire Waste Partnership to promote the national Love Food Hate Waste campaign.

Leisure & Culture

Arts, Heritage, and Culture

Ryedale DC's Creative Economy Officer is now helping the District to develop our Arts, Heritage and Culture strategy. This is giving an indication of longer term capacity needed by the Council to develop and deliver both this strategy and the visitor strategy.

Tadcaster Town Council and the Community Engagement Forum have developed a plan for a series of leisure and culture events in the town, mainly through the Riley Smith Hall. Further work will now be completed to sustain funding for the events and deliver them within 2017.

Events

Tour De Yorkshire

The Steering Group and Operational Delivery Group are established and progressing the work to deliver the tour. Several roadshow events have now been undertaken over December 2016 and January 2017 to engage both local businesses and residents to promote the race as well as encourage involvement in the community aspect of the event. There is a great deal of commitment from local groups and businesses which is creating significant energy around the town.

The race does need to be delivered safely and events management planning is currently out to procurement to ensure that we have appropriate providers in place and the necessary equipment to manage crowds and any potential safety issues.

Sherburn Craft and Food Festival

Sherburn Teasel CIC are currently developing plans to deliver a craft and food festival for 3 days over the August bank holiday. Selby District Council are supporting this work, particularly in terms of building the appropriate project plan, business case for additional funding, and delivering a safe and ambitious event. There are also many local residents involved in supporting the organisation of the event.

Selby Arts Festival

SelbyArts have been successful in securing a large award from the Arts Council England to deliver a three-day event in the town in July 2017. This is good example of how the area is attracting investment to boost the local economy and build a positive reputation for the area.

Health

Successful project bid for Selby Park

I am pleased to report that Inspiring healthy lifestyles submitted a successful project bid to Tesco, titled Revival of Selby Park, that will increase the use of Selby Park. The project came first and was chosen by Tesco Customers to receive a grant award of £12,000.

Voting was held at Tesco stores between Monday 31st October 2016 and Sunday 13th November 2016 and proved to be hugely successful with over 6 million votes being cast by Tesco Customers across England, Scotland and Wales.

IHL's Wellbeing Team is now working with colleagues at Selby District Council to ensure this project compliments Town and STEP planning, and previous investments for Selby Cycle Hub. A range of outdoor fitness classes are also being planned and are due to take place in Selby Park.

Pathways to Health Project extended to Schools

In the last quarter and continuing into the Spring, IHL's Selby Wellbeing Team have been taking the principle of promoting the Pathways to Health project into schools.

The principle of the project is to lead school children on a walk of approximately one mile, once a week to get them more active and show them that even just walking around their local neighbourhood can be fun.

The project is set to run for six weeks per school and we hope to work with six schools in Selby town area: Selby Abbey, Selby Community Primary, Barwic Parade, Barlby Bridge, Longman's Hill, and Staynor Hall.

NYCC Public Health have contributed funding to staff time to enable IHL to deliver this additional work.

Separately I am also pleased to report that several schools are using Selby Leisure Centre and Summit as part of their curriculum, as well as for leisure activities. This includes schools within the District but also from Wakefield, York, Oldham, Pocklington, and Howden.

Richard Musgrave
Executive Member for Housing, Leisure, Health, and Culture



Councillor Wendy Nichols - Chair of Scrutiny Committee

Update to Council 21 February 2017

The Scrutiny Committee has met once since the last update provided to Council on 13 December 2016. The Committee held a meeting on 24 January 2017 and the following items were considered:

Scrutiny Committee – 24 January 2017

PROGRAMME FOR GROWTH 2 AND 3 UPDATE

The Head of Strategic Planning, Policy and Economic Development presented a report that updated the Committee on the delivery and evaluation of the Programme 4 Growth 2 and outlined the proposals for the establishment of Programme 4 Growth 3.

Councillors raised queries in relation to the following:

- The number of empty homes within the Selby district.
- The level of investment and economic benefits of the Tour de Yorkshire.
- How the council could work to promote tourism and celebrate the history of the district through the Programme for Growth strategy.

OLYMPIA PARK – UPDATE ON PROGRESS AND NEXT STEPS

The Director of Economic Regeneration and Place presented a report to update the Committee on the work that had been undertaken with landowners and other key partners to unlock development of the Olympia Park site.

The following issues were discussed:

- Flood mitigation measures required prior to any development.
- The impact on the district if the development of the Olympia Park site was not successful.
- Infrastructure issues, including traffic / access problems and the provision of additional school places.
- The use of public sector funding to enable delivery of the site.

CORPORATE PERFORMANCE REPORT 2016/17 – QUARTER 2

The Head of Business Development and Improvement provided an update report on the delivery of the council's Corporate Plan 2015-20, as measured by a combination of progress against priority projects/ high level actions and performance against Key Performance Indicators.

Councillors highlighted the following:

- The simplified format of reporting the information.
- The number of missed bin collections exceeding target; pressure on the service being caused by an increase in the number of dwellings.
- Data in relation to childhood obesity, noting that Selby had the highest Year 6 obesity rates in North Yorkshire.
- The economic benefits of the Selby Three Swans Sportive.
- The need to promote tourism in Selby to support economic growth.
- Opportunities to promote the historical heritage of the district.

SCRUTINY COMMITTEE WORK PROGRAMME

The Committee agreed to cancel the provisional meeting scheduled on 22 February 2017 and to hold the next meeting on 21 March 2017.

Councillor Wendy Nichols
Chair, Scrutiny Committee



Councillor J Deans – Chair of Policy Review Committee

Update to Council – 21 February 2017

The Policy Review Committee has met once since the last update provided to Council on 13 December 2016. The Committee held a meeting on 17 January 2017 and the following item was considered:

Policy Review Committee – 17 January 2017

DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2017/18 AND MEDIUM TERM FINANCIAL PLAN

The Chief Finance Officer presented the Draft Revenue Budget and Capital Programme 2017/18 and Medium Term Financial Plan.

A number of queries were raised in relation to the following:

- The council's budget deficit next year and the level of savings required to be made in order to meet it.
- In response to the Executive's request for further savings options, discussion ensued with regard to the prospective merits of rental income generated from council owned property such as industrial units and Profiles Gym compared with the assets to be gained from their sale.
- The high level of cost relating to PLAN Selby, which was explained by the need to obtain some specialist staff to undertake certain areas of work.
- The Access to Employment Initiative.

Arising from the above, members agreed to ask the Executive to examine whether it would be more financially advantageous to the Council if it were to sell certain properties in Sherburn and Selby or to rent them.

Councillor J Deans
Chair, Policy Review Committee



Councillor Mike Jordan – Chair of Audit and Governance Committee

The Audit and Governance Committee met on 18 January 2017. We welcomed Councillor Sage as a new member of the Committee.

An internal audit report had been completed shortly before the meeting, which offered a 'Limited Assurance' conclusion. Such reports are brought to my attention, as Chair of the Committee, and I requested that the report be considered by the Committee. We were given satisfactory assurances and have requested an update on progress at our next meeting.

We also received an update from officers regarding progress following an internal audit report on the council's ICT Disaster Recovery systems. We were further reassured by the officer's report which explained that detailed work was being undertaken and that a formal high-level Disaster Recovery Plan would be in place from April 2017.

The Committee was updated on proposals to review the Standards arrangements for the council. Currently, Standards matters are delegated to the Monitoring Officer who is advised by the council's Independent Persons. We have been asked to consider if this arrangement is disconnected from councillors and if changes should be made to provide for greater councillor participation in Standards matters. To this end, the Committee has agreed to establish a working group consisting of Councillors Mrs Judith Chilvers and Paul Welch, and myself. The working group will be advised by the Monitoring Officer and the Independent Persons and we will prepare a report with our recommendations for Council to consider.

The Committee also considered a number of reports, including; Information Governance Annual Report; Annual Audit Letter from the external auditor; the External Audit Progress Report; Counter Fraud Update; and the Internal Audit Progress Report. All reports were noted and the Committee was able to ask questions of officers.

Finally, we reviewed the Risk Management Strategy and the current Corporate Risk Register.

Councillor M Jordan
Chair, Audit and Governance Committee



Public Session

Report Reference Number: C/16/12

Agenda Item No: 12

To: Council
Date: 21 February 2017
Author: Karen Iveson – Chief Finance Officer
Lead Officer: Karen Iveson – Chief Finance Officer
Executive member: Councillor Cliff Lunn – Lead Executive Member for Finance and Resources

Title: Payment of Pension Fund Deficit

Summary: This report presents a proposal to pay-off the current pension fund deficit.

The Council is a member of the Pension Fund administered by North Yorkshire County Council.

The fund receives employer and employee contributions and interest on investments towards future defined pension benefits and pays out pension payments to retired employees and administration fees associated with administering pensions and managing the investments.

Contribution rates are set every three years as part of a 'triennial valuation' (TV).

The assets (cash invested) and liabilities (future pensions accrued by employees) in the fund for each admitted body are also revalued every 3 years - the latest TV shows a £9.391m deficit on Selby's pension fund as at 31 March 2016 – a funding level of 80.6% compared to £17.5m and 64.7% as at 31 March 2013.

The improvement in the fund's position and the cash windfalls from renewable energy business rates present an opportunity to pay-off the deficit and reduce the Council's contributions going forward – thereby delivering an annual revenue saving of £560k in 2017/18 (recurring).

The payment must be made by 31 March 2017 and therefore existing earmarked reserves will need to be used pending the receipt of renewable business rates income in 2017/18 – crucially, such receipts cannot be guaranteed.

Whilst payment of this lump sum will clear the current deficit and reduce the Council's annual contributions it does not mean that the position on the fund will not change in

the future. However it is anticipated that the Pension Fund will be able to achieve a higher rate of return on its cash investment than the Council could achieve.

Recommendations:

It is recommended that:

- i. Selby District Council make arrangements to settle its £9.391m Pension Fund Deficit by 31 March 2017;**
- ii. The payment be funded by diverting resources held in earmarked reserves (paragraph 3.4);**
- iii. Subject to confirmation of renewable business rates the General Fund reserves be replenished in 2017/18, with the first call on these receipts being the top-up of the General Fund Balance.**

Reasons for recommendation: To deliver an on-going revenue saving.

1. Introduction and background

- 1.1 The Council is a member of the Pension Fund administered by North Yorkshire County Council.
- 1.2 The fund receives employer and employee contributions and interest on investments towards future defined pension benefits and pays out pension payments to retired employees and administration fees associated with administering pensions and managing the investments.
- 1.3 Contribution rates are set every three years as part of a 'triennial valuation' (TV).

2. Valuation 31 March 2016

- 2.1 The results of the latest TV for Selby District Council show that as at 31 March 2016 the deficit on the fund was valued at £9.391m with a funding level of 80.6% and an anticipated recovery period of 18.6 years.
- 2.2 This is a significant improvement in the results at the previous TV as at 31 March 2013 – a deficit of £17.5m and a funding level of 64.7%. The aim is over time to achieve a pension fund which is 100% funded.
- 2.3 Changes to the actuarial assumptions which underpin the value of the assets and liabilities and improved market conditions have had positive impacts on the fund.
- 2.4 Contributions are made up of future service and past service (deficit) contributions:
 - 2017/18 Future Service 16.7% of salary cost estimated at £1.097m
 - Plus - £559,600 deficit contribution.
- 2.5 As part of the TV process the Council has been notified that it has:
 - the opportunity to pay the deficit contribution annually in advance or 3 years in advance;

- and/or the opportunity to pay additional lump sum deficit payments before the end of the financial year.
- 2.6 Lump sum payments (other than the full deficit) will be used to both reduce the annual deficit contribution and the recovery period on a 50:50 basis. Consequently the immediate benefit of part payments is significantly diluted. Lump sum payments which cover the whole of the deficit will reduce the deficit contribution to zero.

3. Proposal to repay the full deficit

- 3.1 Given the improvement in the pension fund deficit and the Council's buoyant reserves as a result of the recent windfalls from renewable business rates, there is an opportunity to repay the deficit in full.
- 3.2 Repayment of the full £9.391m deficit will maximise the annual saving thereby supporting the Council's on-going revenue budget.
- 3.3 As at 31 March 2017 the Council's estimated revenue reserves are £25.2m and based on the Executive's draft budget proposals these are expected to total circa £24m by 31 March 2018 before any additional business rates windfalls in 2017/18. These reserves are largely earmarked for specific purposes and consequently depletion will impact on future spending plans.
- 3.4 At this stage we await confirmation of the 2017/18 renewables business rates figures from the Valuation Office Agency but based on receipts in 2016/17 income of £7.7m could reasonably be expected in 2017/18. That said, these receipts are not guaranteed and therefore the Council must be prepared to divert existing resources in order to cover the deficit payment in 2016/17. Should the business rates be confirmed this would be used to replenish these (all but the HRA) reserves in 2017/18:

Reserves to be diverted	£000	Comments
NNDR Equalisation	1,800	Resources earmarked to support the revenue budget
Special Projects	3,680	The programme could be sustained through New Homes Bonus (NHB) and capital receipts
HRA MRR	2,350	HRA share of deficit
Pension Equalisation	550	Available to support lump sum payments to the pension fund
Contingency	498	Emergency resources
General Balances	513	Working balance – would take balance to £987k which is below £1.5m minimum level
Total	9,391	

- 3.5 Whilst payment of this lump sum will clear the current deficit and reduce the Council's annual contributions it does not mean that the position on the fund will not change and we could still be faced with a deficit in the future - pension assets and liabilities are subject to market volatility and changes in underlying assumptions (pensioner life expectancy etc). However it is anticipated that the

Pension Fund will be able to achieve a higher rate of return on its cash investment than the Council could achieve.

4. Legal/Financial Controls and other Policy matters

4.1 Legal Issues

- 4.1.1 The Council operates within the Local Government Pension Scheme which provides death and retirement benefits for all eligible employees of organisations which have admitted body status. There is a legal duty fiduciary to administer such funds soundly according to best principles balancing return on investment against risk and creating risk to call on the general fund in the event of deficits.

4.2 Financial Issues

- 4.2.1 The Council has an anticipated gap of £1.8m p.a. between its General Fund revenue costs and income, with planned savings of £1.296m over the next 3 years (excluding this proposal), leaving a shortfall of over £500k. Savings of £200k are also required on the HRA with an anticipated shortfall of £29k (again excluding this proposal).

- 4.2.2 Whilst a number of savings have been identified and their value has been dampened to allow for a level of slippage or non-delivery, there remains risk within the plan.

- 4.2.3 Repayment of the deficit would deliver the following savings over the next 3 years:

2017/18	£559,600
2018/19	£577,800
2019/20	£596,500

With indicative savings of £616k - £657k p.a. going forward. Notionally, these savings would be split between the General Fund and HRA 75%:25% respectively.

4.3 Impacts

- 4.3.1 Should the business rates receipts not materialise the use of earmarked reserves will impact on future spending plans. Of the reserves proposed for diversion, the key issues are the use of: General Balances – this reserve would drop to £987k which is below the £1.5m minimum working balance and as such this represents a risk, however delivery of the on-going saving helps to mitigate this risk and top up of this balance would be the first call on any additional resources; Programme for Growth resources – there are potential capital receipts that could support the programme if necessary; and HRA reserves – reserves were forecast to increase over the next 3 years but diversion of these resources could impact on the profile of capital spend on the Council's homes. Should this ultimately be the case resources would be prioritised to those works which are most critical to our decency standards.

- 4.3.2 It should also be borne in mind that there could be other uses for potential business rates windfalls. The Medium Term Financial Strategy (MTFS)

effectively allocates these resources for the Programme for Growth or the revenue budget – with the latter taking precedence if a budget deficit is forecast.

Extract from approved MTFS:

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

- 4.3.3 It should also be noted that given expectations for New Homes Bonus (in excess of £1.5m p.a.) and capital receipts (£2.8m forecast at 31 March 2017), there are sufficient resources to sustain a Programme for Growth. Furthermore the Council's cash balances remain buoyant, enabling prudent and affordable internal borrowing (subject to appropriate payback) should the need and/or opportunity arise.

5. Conclusions

- 5.1 The Council has an opportunity to pay off its £9.391m pension fund deficit by 31 March 2017. Repayment would deliver an on-going annual saving of £560k - £597k over the next 3 years (recurring). Earmarked reserves are sufficient to cover the cost pending renewable business rates receipts in 2017/18. However such receipts cannot be guaranteed and consequently the Council must be prepared to divert resources in the event that these renewable business rates do not materialise.
- 5.2 Furthermore, whilst payment of this lump sum will clear the current deficit and reduce the Council's annual contributions it does not mean that the position on the fund will not change in the future - pension assets and liabilities are subject to market volatility and changes in underlying assumptions. However it is anticipated that the Pension Fund will be able to achieve a higher rate of return on its cash investment than the Council could achieve.
- 5.3 Given the anticipated revenue budget shortfall over the next 3 years and risk within the savings plan, the use of reserves (to be replenished through future business rates income if available) to pay off the pension fund deficit and deliver on-going revenue savings, is recommended.

Contact Details:

Karen Iveson, Chief Finance Officer
kiveson@selby.gov.uk

Appendices:
None



Public Session

Report Reference Number: C/16/12

Agenda Item No: 13

To: Council
Date: 21 February 2017
Author: Karen Iveson – Chief Finance Officer
Lead Officer: Karen Iveson – Chief Finance Officer
Executive member: Councillor Cliff Lunn – Lead Executive Member for Finance and Resources

Title: The Budget, Reserves and Balances 2017/18

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

Recommendations:

It is recommended that councillors consider the Executive Director's statements in paragraphs 2.6 and 2.13 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 2017/18.

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 and include provision for rises in demand led services such as waste and recycling; and the Housing Revenue Account includes provision for a 1% year on year reduction in rent levels. Cost pressures from changes in Government Policy (for example the apprenticeship levy and living wage) and increasing demand for services will continue to be closely monitored and will be managed through the Council's, 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 £2.887m for 2017/18. The provisional 2017/18 Finance Settlement shows a cut of £484k to settlement funding and £476k to New Homes Bonus, with further cuts scheduled for 2018/19 and 2019/20. Despite the significant strides we have made to reduce our cost base, annual recurring General Fund savings of £1.8m are expected to be required over the next 2/3 years.
- 2.3 Looking ahead, the Government's plans for devolution and Brexit will undoubtedly impact on Local Government spending but at this stage it is impossible to gauge the extent. The level and profile of the required savings will be kept under review as the longer term financial outlook beyond 2019/20 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 funding gap). Although proposals aim to provide some headroom to mitigate this risk it would be prudent to prepare for further savings.
- 2.4 There is risk to our Business Rates income following the introduction of localised Business Rates from April 2013. However, a large surplus on our Business Rates Collection Fund is forecast for 2016/17 as a result of the windfall from renewable energy (similar to that experienced for 2014/15 and 2015/16). The MTFS allocated these funds to the Special Projects Reserve but the savings plan proposes to divert these to reduce the annual costs of the Private Finance Initiative and borrowing from 2016/17 onwards.

- 2.5 Beyond 2016/17, modest additional resources have been included within the budget, we will however keep this under close review. The Pension Fund deficit report earlier on this agenda highlights the potential for further substantial business rates windfalls in 2017/18 but figures will not be released by the Valuation Office Agency until April 2017. Based on past experience this could be circa £7.7m although this cannot be guaranteed and therefore the decision to pay off the deficit needs to be seen in the context of the Council's existing reserves. Subject to approval to pay off the deficit to deliver a recurring annual saving of £560k+ , any additional business rates income would be used to replenish reserves.
- 2.6 In respect of the proposed Council Tax requirement for 2017/18, councillors are asked to consider the following statement:

“ The Chief Finance Officer reports that the estimates of income and expenditure forming the Council’s General Fund Revenue and Housing Revenue budgets for 2017/18 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 Chief Finance Officer considers the Council’s budget estimates for 2017/18 to be robust.”

Reserves and Balances

- 2.7 As with most local authorities, the Council maintains a range of reserves and balances to help manage its finances over the medium to longer term. 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 I of the Budget and Council Tax report next on this agenda shows the estimated balance on each reserve at the end of 2017/18 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. The approved Medium Term Financial Strategy recognises that use of reserves to support day to day service costs is unsustainable and therefore the routine use of General Fund Balances stopped with effect from 2013/14. However, in order to pay off the Pension Fund Deficit a drawdown of £513k will be needed in 2016/17 – taking balances to £987k as at 31 March 2017. Whilst this is below the minimum £1.5m balance the proposal will deliver on-going savings which will help to mitigate risk within the Council's financial plans and therefore a measured short-term reduction can be accommodated. The top-up of this reserve to the £1.5m will be the first call on any additional resources. Any estimated balance above this figure would be available to support the budget and future council tax levels.

Housing Revenue Account Balance

- 2.10 The current minimum balance on the Housing Revenue Account is £1.5m which equates to £487.80 per property as at 1 April 2017 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 2017/18 revenue budget and capital programme proposals are included with the budget report.
- 2.12 The proposal to divert £9.391m of reserves to pay off the Pension Fund deficit in 2016/17 clearly has a significant impact on the Council's reserve levels but even allowing for this payment, with non-ringfenced General Fund revenue balances forecast at £7.2m by 31 March 2018, HRA balances at £5.1m and capital receipts at £3.6m the Council still has reasonable reserves to fall back on although some reprioritisation may be required. However, should the anticipated Business Rates windfall come to fruition then reserves would be replenished.

- 2.13 In respect of the adequacy of the Council's proposed financial reserves and balances councillors are asked to consider the following statement:

“The Chief Finance Officer reports that, having conducted a review of the Council's requirement for the minimum working balance, taking into consideration various matters including:-

- **The proposal to pay off the Pension Fund deficit in 2016/17;**
- **the Council's spending plans for 2017/18 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 (acknowledging the temporary reduction to £987k) for the General Fund balance and a minimum of £1.5m for the Housing Revenue Account are considered adequate for this purpose.

The Chief Finance Officer 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 2017/18 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 2017/18. 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

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 13% of net expenditure or 4% of gross expenditure. Subject to approval to pay off the Pension Fund deficit, the estimated balance at 1 April 2017 is £987k and therefore this will need topping up at the earliest opportunity.

- *Adequacy of inflation*

Generally budgetary provision is made for inflation in respect of pay, prices and contract expenditure (in 2017/18 a 1% allowance for pay inflation has been included within the budget). An adverse variance of 1% in the assumptions made to these forms of expenditure would result in additional expenditure of **£150k** in any one year.

- *Adequacy of interest rate assumption*

The Council is a net lender. An adverse variance of 0.5% in interest rates would increase the budgeted expenditure by approximately **£100k**.

- *Treatment of demand led pressures*

Demand volatility can affect both expenditure (e.g. housing benefit claims or property growth in our waste collection service) and income (e.g. number of planning applications). Housing Benefits are a significant item of expenditure estimated at almost £17m in 2017/18 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.

Provision for growth within our street scene service has been incorporated into the revenue budget.

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 2017/18 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 although it is prudent to allow for expenditure which would not be covered by the scheme – for example the fire at Great Heck in 2015/16. 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 **£250k** (equivalent to around 25% of the medium/high risk items) 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 current 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 £1.8m 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 – approximately **£170k** 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 £487.80 per property at 1 April 2017 which represents 14% of the net HRA budget. The estimated HRA balance at 1 April 2018 is projected to be £1.8m.

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 2017/18 a 1% allowance for pay inflation has been included within the budget). An adverse variance of 1% in the assumptions made to these forms of expenditure would result in additional expenditure of **£100k** in any one year.

- *Treatment of demand led pressures*

Demand volatility can affect expenditure (e.g. requests for housing repairs). Housing repairs are a significant item of expenditure estimated at £2.6m in 2017/18. 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.



Public Session

Report Reference Number: C/16/13

Agenda Item No: 13

To: Council
Date: 21 February 2017
Author: Karen Iveson – Chief Finance Officer
Lead Officer: Karen Iveson – Chief Finance Officer
Executive member: Councillor Cliff Lunn – Lead Executive Member for Finance and Resources

Title: The Budget and Council Tax 2017/18

Summary: This report presents the Executive's recommended revenue budgets, capital programmes and Programme for Growth, for 2017/18 to 2019/20 following public consultation.

After planned savings of £740k and subject to approval of a Council Tax increase of £5 (taking the Band D charge to £170.22), the 2017/18 budgets show a forecasted deficit of £377k on the General Fund and a £1.194m surplus on the HRA after savings of £140k.

The savings plans assume the redirection of reserves to enable on-going revenue savings and in particular the use £9.391m to pay off the Pension Fund deficit pending potential receipt of business rates income in 2017/18.

It is proposed that the General Fund deficit is funded by a transfer from the Business Rates Equalisation Reserve which contains resources to mitigate risk within the Council's savings plan. The surplus on the HRA will be transferred to the Major Repairs Reserve to fund the Housing Investment Programme.

At the time of writing this report the Local Government Finance Settlement has not been finalised and the precepts for North Yorkshire County Council and the North Yorkshire Fire and Rescue Authority have not been confirmed. Meetings to set their precepts and Council Tax are 15th February and 17th February respectively. Provisional figures have been included in the appendices to this report and updated papers will be tabled at the Council meeting if necessary.

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 increased by £5 to £170.22 for a Band D property for 2017/18;
- 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 2017;
- iv. The formal Council Tax resolution set out in Appendix B be considered and approved;
- v. The General Fund Deficit of £377k be financed from the Business Rates Equalisation Reserve and the Surplus of £1.194m on the HRA be transferred to the Major Repairs Reserve to support the capital programme;
- vi. Any required variation to balance the General Fund budget as a result of the final Local Government Finance Settlement be delegated to the Chief Finance Officer in consultation with the Lead Member for Finance and Resources, through an increase or decrease in the transfer from the Business Rates Equalisation Reserve.

Reasons for recommendation: To ensure the Executive's budget proposals are fully funded for 2017/18.

1. Introduction and background

- 1.1 This report presents the Executive's budget and Council Tax proposals for 2017/18 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 County Council's and North Yorkshire Fire and Rescue Authority's precepts and Council Tax charges and therefore **these appendices include provisional figures which will be updated if necessary following the County Council meeting on 15th February 2017 and Fire Authority meeting on 17th February.**
- 1.1 The Council approved its Medium Term Financial Strategy (MTFS) on 20 September 2016. The MTFS covers General Fund activities and provides the strategic financial framework for medium term financial planning and annual budget setting.
- 1.2 The Housing Revenue Account (HRA) and Housing Investment Programme (HIP) are covered by the Housing Business Plan (HBP). The current HBP was approved by Council on 24 February 2015 – a refresh is planned when the regulations flowing from the Planning and Housing Act have been issued.
- 1.3 The MTFS takes account of the Government's offer of a multi-year finance settlement for Local Government (still subject to the final Local Government Finance Settlement) which shows core funding reducing by £1m over the next

3 years (from £3.4m in 2016/17 to £2.4m in 2019/20) and a further reduction of £1m in New Homes Bonus. The MTFS recognises risk and uncertainty surrounding 100% business rates retention and on-going reductions to Government funding (Revenue Support Grant and New Homes Bonus), as the key issues for the Council's finances. Accordingly it confirms the Council's strategic approach to reducing its base net revenue budget in order to deliver services within its in-year resources whilst investing 'one-off' or finite resources to stimulate local economic growth and achieve sustainable income through Council Tax and Business Rates growth.

- 1.4 The MTFS also confirms the Council's reserves strategy - fundamentally avoiding the long term use of balances to support the on-going revenue budget, which is not sustainable. Instead it seeks to balance the set aside of sums to cover known commitments and financial risk, as well as earmarking resources to support delivery of the Council's Corporate Plan.

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** and a forecast of reserves is set out at **Appendix I**. The budget has been prepared on a current policy basis and includes provision for inflation where considered necessary. The budget includes a 1% allowance for the pay award in 2017/18 and provision for a further 1% in 2018/19 and 2019/20.

General Fund Revenue Budget

- 2.2 Taking the Council's overall service requirements, and after appropriations to and from reserves, the estimated position for 2017/18 is:

Subject to Final LG Finance Settlement	2017/18 £000's
Total Net Budget	11,644
Funding	
Council Tax	(5,203)
RSG/NDR (per provisional finance settlement)	(2,887)
New Homes Bonus (per provisional settlement)	(1,971)
Special & Specific Grants	(204)
Collection Fund Surplus – Council Tax	(62)
Collection Fund Surplus – Business Rates (per MTFS)	(200)
Total Funding	(10,527)
Savings requirement	1,117
Planned savings	740
Deficit to be funded from the Business Rates Equalisation Reserve	377

- 2.3 The draft budget also includes provision for committed growth, (for example demand led pressures within our street scene contract) where necessary

along with proposals for discretionary growth. The General Fund revenue budget includes contingencies totalling £300k.

- 2.4 The estimated deficit of £1.1m for 2017/18 and £1.7m - £1.8m for the following 2 years gives a **total shortfall of £4.6m to 2019/20**; and there remain a number assumptions and related risks within the budget.

Council Tax

- 2.5 The approved MTFs assumes a Council Tax increase of £5 for a Band D property for 2017/18. The provisional Finance Settlement confirmed a £5 Band D increase for all districts – and this is assumed in the Government's calculation of Core Spending Power. A £5 increase will take the Council's average Band D charge from £165.22 to £170.22 – a rise of under 10p per week. This assumption is in line with that used by the Government in their assessment of the multi-year settlement offer.
- 2.6 The tax base for Council Tax setting purposes has been calculated at 30,568 which gives a Council Tax yield of £5.2m for 2017/18.

Savings

- 2.7 The MTFs emphasises the careful balance that is required between savings and investment in order to ensure the Council's finances remain sustainable. Delivering on-going efficiencies is a key part of the Council's 'Great Value' priority – being as efficient as possible and living within our means, whilst using the financial capacity created to generate long-term gains to improve outcomes for citizens. An approved efficiency plan is a requirement of the multi-year finance settlement.
- 2.8 Taking the proposals for Council Tax, growth, and reserve transfers and assumptions on Formula Grant, the MTFs set targets for savings at circa £1m by 2017/18 and £1.7m by 2018/19 - the estimated deficit is slightly higher than this level. A list of proposed new savings is presented at **Appendix F**.
- 2.9 The Council has made good progress against its savings target to date, but it is becoming increasingly difficult to achieve further savings from a reducing cost base. However, the focus on delivering planned savings must be maintained, given the importance of savings in achieving the Council's financial (and wider) objectives and to avoid the long term use of balances to support on-going spending which is unsustainable. 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.
- 2.10 A further important part of the Council's approach to balancing its revenue budget is the investment in economic growth to drive growth in Council Tax and Business Rates which in turn will reduce the gap between service costs and core funding.

- 2.11 A number of 'technical' savings are also proposed which involve the set-aside of one-off sums to reduce the on-going base budget – these include a £1.5m contribution to the Private Finance Initiative (PFI); £3.3m voluntary minimum revenue provision in relation to outstanding debt; and subject to the report on the Pension Fund deficit a £9.391m lump sum payment to the North Yorkshire Pension Fund to reduce employer contributions. Should these savings be approved, resources earmarked in a number of reserves would be redirected in 2016/17 with the potential for these to be replenished in 2017/18 (subject to business rates income).
- 2.12 The General Fund savings listed at **Appendix F** total £2m, although at this stage, with the level of risk associated with the plan, it would be prudent to assume a lower level of achievement – 75% for all but low risk savings is proposed, which would leave a deficit of £377k still to be covered in 2017/18 (£1.2m over the 3 years). The MTFS provided £2.4m to support the revenue budget pending delivery of savings. £1.8m of this is proposed to be diverted towards the Pension Fund deficit in 2016/17 leaving £1.2m available to support the budget. **Failure to deliver the savings target would require the use of further reserves to balance the budget which would undermine the Council's long term financial resilience and therefore work to deliver and identify further savings to bridge any gap must continue.**

Housing Revenue Account

- 2.13 The HRA budgets have been prepared using assumptions on rent rises based on the Government's formula. In 2017/18 the 1% reduction (part of the Government's 4 year plan) has been applied.
- 2.14 The estimated HRA budget (including new growth) for 2017/18 is shown below.. The previous HRA savings action plan has been achieved but in order to help mitigate the reduction in rent a further £200k of savings (at least) will be sought – and options for the HRA are also listed at **Appendix F**.

	2017/18 £000's
Total Net Budget	11,016
Less Dwelling Rents	(12,070)
(Surplus) / deficit	(1,054)
Planned savings	(140)
(Surplus) / deficit transferred to Balances/MRR	(1,194)

- 2.15 A surplus position is anticipated for 2017/18 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. The HRA also includes a contingency of £75k.

General Fund Capital Programme

- 2.16 The General Fund capital programme includes previously approved projects as well as new growth – the draft capital programme is attached at **Appendix G**.

- 2.17 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	2017/18 £000's	2018/19 £000's	2019/20 £000's
Asset Management works	803	320	320
Grants & loans	522	377	377
ICT Replacement	697	332	33
Housing developments	1,250	1,250	
Total Programme	3,272	2,279	730
Capital Receipts	175	30	30
Grants	347	347	347
Reserves	1,500	652	353
Borrowing	1,250	1,250	
Total Funding	3,272	2,279	730

- 2.18 Projects include enhancement of existing assets such as car parks (£900k over 3 years), 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 replacement asset management system) – funding for ICT projects is covered by the ICT Replacement Reserve.

Housing Investment Programme

- 2.19 The Housing Investment Programme (HIP) includes a number of growth proposals to ensure our homes continue to meet the decency standard – the updated HIP is at **Appendix G**. The following is a summary of the draft programme:

Programme	2017/18 £000's	2018/19 £000's	2019/20 £000's
Electrical works	240	240	240
Central heating	545	545	545
Roof replacements		220	400
Damp works	220	220	220
Doors	130	120	120
Kitchens and bathrooms	170	160	160
Fencing & Gates	40	40	40
Pointing	300	300	300
New Build Programme	1,250	1,250	
Estate Enhancements	293	133	100
Other	406	235	325
Total Programme	3,594	3,463	2,450
Funding			
Major Repairs Reserve	2,184	2,213	2,450
HRA Balances	160		
Borrowing	1,250	1,250	
Total Funding	3,594	3,463	2,450

Programme for Growth

- 2.20 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme comprises a range of cross cutting projects designed to 'make Selby a great place'. The current Programme is under review and it is anticipated that funding will be rolled into the new Programme from 2017/18. For the purposes of planning, the MTFS indicated an initial sum of £10m would be made available over the next 3 years.
- 2.21 The savings plan proposes that £4.8m of resources currently earmarked for the Programme are diverted towards on-going revenue savings, which would leave £5.0m available as at 1 April 2017. Of this £5m it is also proposed to divert £3.86m to pay-off the Pension Fund deficit pending business rates receipts in 2017/18.
- 2.22 The programme is funded by New Homes Bonus (currently up to £880k p.a.), and business rates receipts from renewable energy facilities (subject to the current revaluation process and the outcome of 100% business rates retention). At this stage further economic development initiatives are anticipated but more detailed work on the proposals is needed, therefore it is proposed to allocate indicative funding pending development of project briefs. Outline proposals for a 2017/18 programme are set out at **Appendix H**, a summary of the programme shows:

Special Projects/Programme for Growth Reserve	2017/18 £000's
Balance brought forward (subject to spend in 2016/17)	1,370
NHB/Business Rates (per MTFS)	1,080
Total Resources	2,450
Estimated project spend in 2017/18	2,450

- 2.23 With the potential for further business rates windfalls in 2017/18, New Homes Bonus in 2018/19 and 2019/20 and capital receipts, there is the potential for additional resources to be allocated to the programme in the future. Future allocations will clearly be subject to available resources at that time.

Reserves

- 2.24 The Council has a robust reserves strategy which is reviewed annually as part of the refresh of the MTFS. A forecast of reserve balances based on the MTFS assumptions and proposed budget (assuming reserves are redirected to support the savings plan per para 2.11), is set out at **Appendix I**. As at 31 March 2017 reserves are forecast at:

Reserves	31 March 2017 £000's
General Fund	
Commitments	5,260
Growth and improvement	3,612
Risk	2,835
Total General Fund Reserves	11,707

Reserves continued	31 March 2017 £000's
HRA	
Balances	1,993
Major Repairs	2,097
Total HRA Reserves	4,090
Capital receipts (from asset sales)	3,560

- 2.25 Reserves to fund commitments are replenished by regular revenue contributions to ensure they remain sustainable. Of the £5.3m balance, £3.8m relates to the PFI contract which is estimated to be required over the remainder of the contract – this includes a £1.5m transfer from the Special Projects Reserve in 2016/17 as part of the proposed savings plan.
- 2.26 Reserves for growth and improvement include the £1.4m for the Programme for Growth (New Homes Bonus and the Business Rates windfall) and £1.8m in S106 affordable housing commuted sums, which must be spent on affordable homes. Reserves to manage risk include £1.2m from Business Rates to support the revenue budget and £1.1m General Working Balance, which is below the recommended £1.5m level due to the proposed payment of the Pension Fund Deficit. Top-up of these balances will be the first call on any additional business rates income received in 2017/18.
- 2.27 The HRA reserves are General Balances and the Major Repairs Reserve (MRR) which are ring-fenced for the HRA. The overall estimated surplus of £1.2m on the HRA for 2017/18 will be transferred to the MRR. The HRA capital programme will require £2.2m from the MRR in 2017/18.
- 2.28 Earmarked reserves provide the financial capacity to fund the capital programmes and other irregular expenditure. Based on the proposals within this draft budget it is estimated that £7.4m will be required from reserves to fund growth bids and projects, with a further £377k (paragraph 2.12) required to support the revenue budget (subject to savings delivery). Reserves contributions of £7m are forecast for the year, although further Business Rates windfalls are not expected to be confirmed until April 2017. Should additional Business Rates income be received in 2017/18 then reserves that have been redirected towards the Pension Fund deficit will be replenished.

Budget Risk Assessment

- 2.29 As part of the annual budget process a risk assessment of the Council's major budgets is undertaken. The continuing uncertainty in the wider economy, rising inflation, cuts to public sector funding and the uncertainty within the funding regime, mean greater financial risk for the Council. Areas that are particularly high risk are central Government funding, income generation and savings as well as demand led cost pressures – in services such as waste and recycling.
- 2.30 The proposed budget includes assumptions on Business Rates funding in accordance with the MTFs. At this stage the impact of 100% business rates retention is not known and therefore the potential for funding volatility and risk remains. The proposed budget assumes baseline funding is achieved

(topped-up through the Business Rates Equalisation reserve as the Council is currently at the safety net for rates retention purposes) and relatively small amounts of additional funding from renewable energy business rates (£200k in 2017/18, £400k in 2018/19, and £600k in 2019/20), which are transferred to the Special Projects Reserve. The level of renewable energy business rates expected for 2017/18 is not yet known - we await details from the Valuation Office Agency, which will not be confirmed until April 2017.

- 2.31 A risk assessment has been carried out on the Council's key budgets - contingencies and reserves are available to help manage and mitigate these risks and savings plans have been tempered through the application of a confidence factor.
- 2.32 The Council's contingency budgets, general balances and earmarked reserves provide a buffer for these risks and are crucial to ensure sustained financial resilience and viability.

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 2017/18 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 11B of the Local Government Finance Act 1992 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 – only two responses were received – the first in relation to a clarification on the calculation of the Council Tax and a comment expressing concern at the Council's 'willingness' to continue to deliver savings in the face of cuts in central Government funding. Policy Review Committee was supportive of the proposals and asked that further consideration be given to rationalising the Council's assets in order to achieve revenue savings.
- 3.3.2 The proposed Council Tax increase will have an impact on taxpayers but exemptions and discounts are available to those that qualify.
- 3.3.3 The Empty Homes Premium impacts on home owners with properties that have been left empty for more than 2 years but this provides 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 proposed General Fund revenue budget for 2017/18 assumes a Council Tax rise of £5 for a Band D property and requires savings and/or reserve contributions to balance a £1.1m deficit in 2017/18 and a £1.7m - £1.8m deficit in 2018/19 and 2019/20 – a total of £4.6m over the next 3 years. After planned savings £377k will be needed to be drawn down from the Business Rates Equalisation Reserve in 2017/18.
- 4.2 The proposed HRA budget includes a 1% reduction in rents from April 2017 and shows an overall surplus of £1.194m (after planned savings) which is required to fund the capital programme and will be transferred to the Major Repairs Reserve.
- 4.3 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 – delivering economic growth and generating sustainable income for the Council as core government funding reduces.
- 4.4 A General Fund savings target of circa £1.8m is required, to balance the budget over the next 3 years given our assumptions on central Government funding and savings of £200k are forecast for the HRA. The pace of savings is expected to be such that support from reserves will be required to balance the revenue budget in the shorter term. The MTFS provided £2.4m to support the revenue budget pending delivery of savings. £1.8m of this is proposed to be diverted towards the Pension Fund deficit in 2016/17 leaving £1.2m available to support the budget and it is proposed to draw down £377k in 2017/18 to cover the budget shortfall, after planned savings.
- 4.5 Options for savings are presented for consideration but at this stage a gap of around £100k p.a. between anticipated funding and costs remains and therefore further savings will be need to be identified over the next 3 years.

Contact Details:

Karen Iveson, Chief Finance Officer
kiveson@selby.gov.uk

Appendices:

- A – Council Tax Supporting Information
- B – Formal Council Tax Resolution
- C – Council Tax Schedule by Town and Parish Areas
- D – Town and Parish Precepts
- E – Revenue Budgets
- F – Savings
- G – Capital Programmes
- H – Programme for Growth
- I – Reserves

Council Tax - Supporting Information

PURPOSE

1. The purpose of this Appendix and other Appendices and Schedules is to enable the Council to calculate and set the Council Tax for 2017/18.

BACKGROUND

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

Town & Parish Councils

4. The Town and Parish Council Precepts for 2017/18 are detailed in Appendix D and total **£1,699,832**. The increase in the average Band D Council Tax for Town and Parish Councils is **3.42%** and results in an average Band D Council Tax figure of **£55.61**.

North Yorkshire County Council

5. North Yorkshire County Council met on **15th February 2017** and set their precept at **£33,828,824**. This results in a band D Council Tax of **£1,144.62**.
- 5a. In addition the County Council also set a precept relating to Adult Social Care of **£663,393**. This results in an additional Band D charge of **£44.88**.

North Yorkshire Police and Crime Commissioner

6. The North Yorkshire Police and Crime Commissioner held a meeting on **8th February 2017** and set their precept at **£6,765,265**. This results in a band D Council Tax of **£221.32**.

North Yorkshire Fire & Rescue Authority

7. North Yorkshire Fire & Rescue Authority met on **17th February 2017** and set their precept at **£1,986,561**. This results in a band D Council Tax of **£67.19**.

Conclusions

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

	2016/17 £	2017/18 £	Increase %
Selby District Council	165.22	170.22	3.03
North Yorkshire County Council	1,121.86	1,144.62	*1.99
North Yorkshire County Council - Adult Social Care	22.00	44.88	*2.00
North Yorkshire Police and Crime Commissioner	217.00	221.32	1.99
North Yorkshire Fire & Rescue Authority	65.88	67.19	1.99
Sub Total	1,591.96	1,648.23	3.53
Town & Parish Councils (Average)	53.77	55.61	3.42
Total	1,645.73	1,703.84	3.53

* NYCC Precept increases have been calculated on the total combined precept of £1,143.86

APPENDIX B

The Council is recommended to resolve as follows:

1. It be noted that the Council has calculated the Council Tax Base 2017/18
 - (a) for the whole Council area as 30,567.80 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix D
2. Calculate that the Council Tax requirement for the Council's own purpose for 2017/18 (excluding Parish Precepts) is **£5,203,251**
3. That the following amounts be calculated for the year 2017/18 in accordance with Sections 31 to 36 of the Act:
 - a) **£53,846,300** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) **£46,943,217** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - c) **£6,903,083** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in 31B of the Act).
 - d) **£225.83** being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).
 - e) **£1,699,832** being the aggregate amount of all special items (Parish Precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).
 - f) **£170.22** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (19a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.
4. To note that the County Council, the Police Commissioner and the Fire & Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2017/18 for each part of its area and for each of the categories of dwellings.

The Council is recommended to resolve as follows:

North Yorkshire Precepts

Valuation Band	SDC £ p	NYCC £ p	NYCC ASC £ p	NY Fire Authority £ p	NYPCC £ p	Aggregate £ p
A-	94.57	635.90	24.93	37.33	122.96	915.69
A	113.48	763.08	29.92	44.79	147.55	1,098.82
B	132.39	890.26	34.91	52.26	172.14	1,281.96
C	151.31	1,017.44	39.89	59.72	196.73	1,465.09
D	170.22	1,144.62	44.88	67.19	221.32	1,648.23
E	208.05	1,398.98	54.85	82.12	270.50	2,014.50
F	245.87	1,653.34	64.83	97.05	319.68	2,380.77
G	283.70	1,907.70	74.80	111.98	368.87	2,747.05
H	340.44	2,289.24	89.76	134.38	442.64	3,296.46

6. In accordance with principles approved under Section 52ZB Localism Act 2011, the Council determines it's relevant basic amount of Council Tax for the year 2017/18 is not excessive.

	2016/17	2017/18
Council Tax Requirement	£6,603,431	£6,903,083
less:- Parish Precepts	-£1,621,391	-£1,699,832
	£4,982,040	£5,203,251
Council Tax Base	30154.23	30567.80
Relevant Basic Amount*	£165.22	£170.22
Percentage Increase		3.03%

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2017/18	BANDS							
	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Selby District Council	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
North Yorkshire County Council	763.08	890.26	1017.44	1144.62	1398.98	1653.34	1907.70	2289.24
North Yorkshire County Council - ASC	29.92	34.91	39.89	44.88	54.85	64.83	74.80	89.76
N Yorkshire Police & Crime Commissioner	147.55	172.14	196.73	221.32	270.50	319.68	368.87	442.64
North Yorkshire Fire & Rescue Authority	44.79	52.26	59.72	67.19	82.12	97.05	111.98	134.38
Town/Parish only (a)								
Parish/Town & District (b)								
Total including County, Police & Fire (c)								
Appleton Roebuck & Acaster Selby (a)	19.99	23.33	26.66	29.99	36.65	43.32	49.98	59.98
(b)	133.47	155.72	177.97	200.21	244.70	289.19	333.68	400.42
(c)	1118.81	1305.29	1491.75	1678.22	2051.15	2424.09	2797.03	3356.44
Balne (a)	21.67	25.28	28.89	32.50	39.72	46.94	54.17	65.00
(b)	135.15	157.67	180.20	202.72	247.77	292.81	337.87	405.44
(c)	1120.49	1307.24	1493.98	1680.73	2054.22	2427.71	2801.22	3361.46
Barkston Ash (a)	18.88	22.03	25.17	28.32	34.61	40.91	47.20	56.64
(b)	132.36	154.42	176.48	198.54	242.66	286.78	330.90	397.08
(c)	1117.70	1303.99	1490.26	1676.55	2049.11	2421.68	2794.25	3353.10
Barlby (a)	60.11	70.12	80.14	90.16	110.20	130.23	150.27	180.32
(b)	173.59	202.51	231.45	260.38	318.25	376.10	433.97	520.76
(c)	1158.93	1352.08	1545.23	1738.39	2124.70	2511.00	2897.32	3476.78
Barlow (a)	42.40	49.47	56.53	63.60	77.73	91.87	106.00	127.20
(b)	155.88	181.86	207.84	233.82	285.78	337.74	389.70	467.64
(c)	1141.22	1331.43	1521.62	1711.83	2092.23	2472.64	2853.05	3423.66
Beal (a)	47.90	55.88	63.87	71.85	87.82	103.78	119.75	143.70
(b)	161.38	188.27	215.18	242.07	295.87	349.65	403.45	484.14
(c)	1146.72	1337.84	1528.96	1720.08	2102.32	2484.55	2866.80	3440.16
Biggin (a)	13.59	15.86	18.12	20.39	24.92	29.45	33.98	40.78
(b)	127.07	148.25	169.43	190.61	232.97	275.32	317.68	381.22
(c)	1112.41	1297.82	1483.21	1668.62	2039.42	2410.22	2781.03	3337.24

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2017/18		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Bilbrough	(a)	20.99	24.48	27.98	31.48	38.48	45.47	52.47	62.96
	(b)	134.47	156.87	179.29	201.70	246.53	291.34	336.17	403.40
	(c)	1119.81	1306.44	1493.07	1679.71	2052.98	2426.24	2799.52	3359.42
Birkin	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
	(c)	1098.82	1281.96	1465.09	1648.23	2014.50	2380.77	2747.05	3296.46
Bolton Percy, Colton & Steeton	(a)	14.12	16.47	18.83	21.18	25.89	30.59	35.30	42.36
	(b)	127.60	148.86	170.14	191.40	233.94	276.46	319.00	382.80
	(c)	1112.94	1298.43	1483.92	1669.41	2040.39	2411.36	2782.35	3338.82
Brayton	(a)	21.53	25.12	28.71	32.30	39.48	46.66	53.83	64.60
	(b)	135.01	157.51	180.02	202.52	247.53	292.53	337.53	405.04
	(c)	1120.35	1307.08	1493.80	1680.53	2053.98	2427.43	2800.88	3361.06
Brotherton	(a)	38.15	44.50	50.86	57.22	69.94	82.65	95.37	114.44
	(b)	151.63	176.89	202.17	227.44	277.99	328.52	379.07	454.88
	(c)	1136.97	1326.46	1515.95	1705.45	2084.44	2463.42	2842.42	3410.90
Burn	(a)	40.02	46.69	53.36	60.03	73.37	86.71	100.05	120.06
	(b)	153.50	179.08	204.67	230.25	281.42	332.58	383.75	460.50
	(c)	1138.84	1328.65	1518.45	1708.26	2087.87	2467.48	2847.10	3416.52
Burton Salmon	(a)	22.29	26.01	29.72	33.44	40.87	48.30	55.73	66.88
	(b)	135.77	158.40	181.03	203.66	248.92	294.17	339.43	407.32
	(c)	1121.11	1307.97	1494.81	1681.67	2055.37	2429.07	2802.78	3363.34
Byram cum Sutton	(a)	29.75	34.71	39.67	44.63	54.55	64.47	74.38	89.26
	(b)	143.23	167.10	190.98	214.85	262.60	310.34	358.08	429.70
	(c)	1128.57	1316.67	1504.76	1692.86	2069.05	2445.24	2821.43	3385.72
Camblesforth	(a)	25.80	30.10	34.40	38.70	47.30	55.90	64.50	77.40
	(b)	139.28	162.49	185.71	208.92	255.35	301.77	348.20	417.84
	(c)	1124.62	1312.06	1499.49	1686.93	2061.80	2436.67	2811.55	3373.86
Carlton	(a)	23.75	27.70	31.66	35.62	43.54	51.45	59.37	71.24
	(b)	137.23	160.09	182.97	205.84	251.59	297.32	343.07	411.68
	(c)	1122.57	1309.66	1496.75	1683.85	2058.04	2432.22	2806.42	3367.70

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2017/18		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Cawood	(a)	32.21	37.57	42.94	48.31	59.05	69.78	80.52	96.62
	(b)	145.69	169.96	194.25	218.53	267.10	315.65	364.22	437.06
	(c)	1131.03	1319.53	1508.03	1696.54	2073.55	2450.55	2827.57	3393.08
Chapel Haddlesey	(a)	38.45	44.86	51.27	57.68	70.50	83.32	96.13	115.36
	(b)	151.93	177.25	202.58	227.90	278.55	329.19	379.83	455.80
	(c)	1137.27	1326.82	1516.36	1705.91	2085.00	2464.09	2843.18	3411.82
Church Fenton	(a)	25.69	29.98	34.26	38.54	47.10	55.67	64.23	77.08
	(b)	139.17	162.37	185.57	208.76	255.15	301.54	347.93	417.52
	(c)	1124.51	1311.94	1499.35	1686.77	2061.60	2436.44	2811.28	3373.54
Cliffe	(a)	28.98	33.81	38.64	43.47	53.13	62.79	72.45	86.94
	(b)	142.46	166.20	189.95	213.69	261.18	308.66	356.15	427.38
	(c)	1127.80	1315.77	1503.73	1691.70	2067.63	2443.56	2819.50	3383.40
Cridling Stubbs	(a)	37.25	43.45	49.66	55.87	68.29	80.70	93.12	111.74
	(b)	150.73	175.84	200.97	226.09	276.34	326.57	376.82	452.18
	(c)	1136.07	1325.41	1514.75	1704.10	2082.79	2461.47	2840.17	3408.20
Drax	(a)	25.17	29.36	33.56	37.75	46.14	54.53	62.92	75.50
	(b)	138.65	161.75	184.87	207.97	254.19	300.40	346.62	415.94
	(c)	1123.99	1311.32	1498.65	1685.98	2060.64	2435.30	2809.97	3371.96
Eggborough	(a)	21.29	24.84	28.39	31.94	39.04	46.14	53.23	63.88
	(b)	134.77	157.23	179.70	202.16	247.09	292.01	336.93	404.32
	(c)	1120.11	1306.80	1493.48	1680.17	2053.54	2426.91	2800.28	3360.34
Escrick	(a)	27.31	31.86	36.41	40.96	50.06	59.16	68.27	81.92
	(b)	140.79	164.25	187.72	211.18	258.11	305.03	351.97	422.36
	(c)	1126.13	1313.82	1501.50	1689.19	2064.56	2439.93	2815.32	3378.38
Fairburn	(a)	23.11	26.97	30.82	34.67	42.37	50.08	57.78	69.34
	(b)	136.59	159.36	182.13	204.89	250.42	295.95	341.48	409.78
	(c)	1121.93	1308.93	1495.91	1682.90	2056.87	2430.85	2804.83	3365.80
Gateforth	(a)	29.96	34.95	39.95	44.94	54.93	64.91	74.90	89.88
	(b)	143.44	167.34	191.26	215.16	262.98	310.78	358.60	430.32
	(c)	1128.78	1316.91	1505.04	1693.17	2069.43	2445.68	2821.95	3386.34

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2017/18		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Hambleton	(a)	27.67	32.28	36.89	41.50	50.72	59.94	69.17	83.00
	(b)	141.15	164.67	188.20	211.72	258.77	305.81	352.87	423.44
	(c)	1126.49	1314.24	1501.98	1689.73	2065.22	2440.71	2816.22	3379.46
Healaugh & Catterton	(a)	3.28	3.83	4.37	4.92	6.01	7.11	8.20	9.84
	(b)	116.76	136.22	155.68	175.14	214.06	252.98	291.90	350.28
	(c)	1102.10	1285.79	1469.46	1653.15	2020.51	2387.88	2755.25	3306.30
Heck	(a)	30.18	35.21	40.24	45.27	55.33	65.39	75.45	90.54
	(b)	143.66	167.60	191.55	215.49	263.38	311.26	359.15	430.98
	(c)	1129.00	1317.17	1505.33	1693.50	2069.83	2446.16	2822.50	3387.00
Hemingbrough	(a)	21.10	24.62	28.13	31.65	38.68	45.72	52.75	63.30
	(b)	134.58	157.01	179.44	201.87	246.73	291.59	336.45	403.74
	(c)	1119.92	1306.58	1493.22	1679.88	2053.18	2426.49	2799.80	3359.76
Hensall	(a)	30.78	35.91	41.04	46.17	56.43	66.69	76.95	92.34
	(b)	144.26	168.30	192.35	216.39	264.48	312.56	360.65	432.78
	(c)	1129.60	1317.87	1506.13	1694.40	2070.93	2447.46	2824.00	3388.80
Hillam	(a)	23.98	27.98	31.97	35.97	43.96	51.96	59.95	71.94
	(b)	137.46	160.37	183.28	206.19	252.01	297.83	343.65	412.38
	(c)	1122.80	1309.94	1497.06	1684.20	2058.46	2432.73	2807.00	3368.40
Hirst Courtney	(a)	56.07	65.41	74.76	84.10	102.79	121.48	140.17	168.20
	(b)	169.55	197.80	226.07	254.32	310.84	367.35	423.87	508.64
	(c)	1154.89	1347.37	1539.85	1732.33	2117.29	2502.25	2887.22	3464.66
Huddleston with Newthorpe	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
	(c)	1098.82	1281.96	1465.09	1648.23	2014.50	2380.77	2747.05	3296.46
Kelfield	(a)	16.81	19.62	22.42	25.22	30.82	36.43	42.03	50.44
	(b)	130.29	152.01	173.73	195.44	238.87	282.30	325.73	390.88
	(c)	1115.63	1301.58	1487.51	1673.45	2045.32	2417.20	2789.08	3346.90
Kellington	(a)	36.89	43.04	49.19	55.34	67.64	79.94	92.23	110.68
	(b)	150.37	175.43	200.50	225.56	275.69	325.81	375.93	451.12
	(c)	1135.71	1325.00	1514.28	1703.57	2082.14	2460.71	2839.28	3407.14

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2017/18		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Kirk Smeaton	(a)	26.40	30.80	35.20	39.60	48.40	57.20	66.00	79.20
	(b)	139.88	163.19	186.51	209.82	256.45	303.07	349.70	419.64
	(c)	1125.22	1312.76	1500.29	1687.83	2062.90	2437.97	2813.05	3375.66
Little Fenton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
	(c)	1098.82	1281.96	1465.09	1648.23	2014.50	2380.77	2747.05	3296.46
Little Smeaton	(a)	14.50	16.92	19.33	21.75	26.58	31.42	36.25	43.50
	(b)	127.98	149.31	170.64	191.97	234.63	277.29	319.95	383.94
	(c)	1113.32	1298.88	1484.42	1669.98	2041.08	2412.19	2783.30	3339.96
Long Drax	(a)	14.04	16.38	18.72	21.06	25.74	30.42	35.10	42.12
	(b)	127.52	148.77	170.03	191.28	233.79	276.29	318.80	382.56
	(c)	1112.86	1298.34	1483.81	1669.29	2040.24	2411.19	2782.15	3338.58
Monk Fryston	(a)	28.96	33.79	38.61	43.44	53.09	62.75	72.40	86.88
	(b)	142.44	166.18	189.92	213.66	261.14	308.62	356.10	427.32
	(c)	1127.78	1315.75	1503.70	1691.67	2067.59	2443.52	2819.45	3383.34
Newland	(a)	12.07	14.08	16.09	18.10	22.12	26.14	30.17	36.20
	(b)	125.55	146.47	167.40	188.32	230.17	272.01	313.87	376.64
	(c)	1110.89	1296.04	1481.18	1666.33	2036.62	2406.91	2777.22	3332.66
Newton Kyme cum Toulston	(a)	9.03	10.53	12.04	13.54	16.55	19.56	22.57	27.08
	(b)	122.51	142.92	163.35	183.76	224.60	265.43	306.27	367.52
	(c)	1107.85	1292.49	1477.13	1661.77	2031.05	2400.33	2769.62	3323.54
North Duffield	(a)	20.87	24.35	27.83	31.31	38.27	45.23	52.18	62.62
	(b)	134.35	156.74	179.14	201.53	246.32	291.10	335.88	403.06
	(c)	1119.69	1306.31	1492.92	1679.54	2052.77	2426.00	2799.23	3359.08
Oxton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
	(c)	1098.82	1281.96	1465.09	1648.23	2014.50	2380.77	2747.05	3296.46
Riccall	(a)	67.43	78.66	89.90	101.14	123.62	146.09	168.57	202.28
	(b)	180.91	211.05	241.21	271.36	331.67	391.96	452.27	542.72
	(c)	1166.25	1360.62	1554.99	1749.37	2138.12	2526.86	2915.62	3498.74

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2017/18		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Ryther cum Ossendyke	(a)	24.33	28.38	32.44	36.49	44.60	52.71	60.82	72.98
	(b)	137.81	160.77	183.75	206.71	252.65	298.58	344.52	413.42
	(c)	1123.15	1310.34	1497.53	1684.72	2059.10	2433.48	2807.87	3369.44
Saxton cum Scarthingwell & Lead	(a)	57.59	67.19	76.79	86.39	105.59	124.79	143.98	172.78
	(b)	171.07	199.58	228.10	256.61	313.64	370.66	427.68	513.22
	(c)	1156.41	1349.15	1541.88	1734.62	2120.09	2505.56	2891.03	3469.24
Selby	(a)	69.59	81.18	92.78	104.38	127.58	150.77	173.97	208.76
	(b)	183.07	213.57	244.09	274.60	335.63	396.64	457.67	549.20
	(c)	1168.41	1363.14	1557.87	1752.61	2142.08	2531.54	2921.02	3505.22
Sherburn in Elmet	(a)	45.68	53.29	60.91	68.52	83.75	98.97	114.20	137.04
	(b)	159.16	185.68	212.22	238.74	291.80	344.84	397.90	477.48
	(c)	1144.50	1335.25	1526.00	1716.75	2098.25	2479.74	2861.25	3433.50
Skipwith	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
	(c)	1098.82	1281.96	1465.09	1648.23	2014.50	2380.77	2747.05	3296.46
South Milford	(a)	15.13	17.65	20.17	22.69	27.73	32.77	37.82	45.38
	(b)	128.61	150.04	171.48	192.91	235.78	278.64	321.52	385.82
	(c)	1113.95	1299.61	1485.26	1670.92	2042.23	2413.54	2784.87	3341.84
Stapleton	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
	(c)	1098.82	1281.96	1465.09	1648.23	2014.50	2380.77	2747.05	3296.46
Stillingfleet	(a)	14.95	17.44	19.93	22.42	27.40	32.38	37.37	44.84
	(b)	128.43	149.83	171.24	192.64	235.45	278.25	321.07	385.28
	(c)	1113.77	1299.40	1485.02	1670.65	2041.90	2413.15	2784.42	3341.30
Stubbs Walden	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
	(c)	1098.82	1281.96	1465.09	1648.23	2014.50	2380.77	2747.05	3296.46
Stutton with Hazlewood	(a)	15.25	17.80	20.34	22.88	27.96	33.05	38.13	45.76
	(b)	128.73	150.19	171.65	193.10	236.01	278.92	321.83	386.20
	(c)	1114.07	1299.76	1485.43	1671.11	2042.46	2413.82	2785.18	3342.22

COUNCIL TAX SCHEDULE BY TOWN & PARISH AREAS

APPENDIX C

2017/18		BANDS							
		A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Tadcaster	(a)	34.83	40.63	46.44	52.24	63.85	75.46	87.07	104.48
	(b)	148.31	173.02	197.75	222.46	271.90	321.33	370.77	444.92
	(c)	1133.65	1322.59	1511.53	1700.47	2078.35	2456.23	2834.12	3400.94
Temple Hirst	(a)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b)	113.48	132.39	151.31	170.22	208.05	245.87	283.70	340.44
	(c)	1098.82	1281.96	1465.09	1648.23	2014.50	2380.77	2747.05	3296.46
Thorganby	(a)	22.98	26.81	30.64	34.47	42.13	49.79	57.45	68.94
	(b)	136.46	159.20	181.95	204.69	250.18	295.66	341.15	409.38
	(c)	1121.80	1308.77	1495.73	1682.70	2056.63	2430.56	2804.50	3365.40
Thorpe Willoughby	(a)	32.63	38.07	43.51	48.95	59.83	70.71	81.58	97.90
	(b)	146.11	170.46	194.82	219.17	267.88	316.58	365.28	438.34
	(c)	1131.45	1320.03	1508.60	1697.18	2074.33	2451.48	2828.63	3394.36
Towton (with Grimston, Kirby Wharfe & North Milford)	(a)	8.47	9.89	11.30	12.71	15.53	18.36	21.18	25.42
	(b)	121.95	142.28	162.61	182.93	223.58	264.23	304.88	365.86
	(c)	1107.29	1291.85	1476.39	1660.94	2030.03	2399.13	2768.23	3321.88
Ulleskelf	(a)	38.30	44.68	51.07	57.45	70.22	82.98	95.75	114.90
	(b)	151.78	177.07	202.38	227.67	278.27	328.85	379.45	455.34
	(c)	1137.12	1326.64	1516.16	1705.68	2084.72	2463.75	2842.80	3411.36
West Haddlesey	(a)	25.45	29.69	33.93	38.17	46.65	55.13	63.62	76.34
	(b)	138.93	162.08	185.24	208.39	254.70	301.00	347.32	416.78
	(c)	1124.27	1311.65	1499.02	1686.40	2061.15	2435.90	2810.67	3372.80
Whitley	(a)	17.45	20.36	23.27	26.18	32.00	37.82	43.63	52.36
	(b)	130.93	152.75	174.58	196.40	240.05	283.69	327.33	392.80
	(c)	1116.27	1302.32	1488.36	1674.41	2046.50	2418.59	2790.68	3348.82
Wistow	(a)	18.97	22.14	25.30	28.46	34.78	41.11	47.43	56.92
	(b)	132.45	154.53	176.61	198.68	242.83	286.98	331.13	397.36
	(c)	1117.79	1304.10	1490.39	1676.69	2049.28	2421.88	2794.48	3353.38
Womersley	(a)	56.66	66.10	75.55	84.99	103.88	122.76	141.65	169.98
	(b)	170.14	198.49	226.86	255.21	311.93	368.63	425.35	510.42
	(c)	1155.48	1348.06	1540.64	1733.22	2118.38	2503.53	2888.70	3466.44

TOWN & PARISH COUNCIL PRECEPTS

APPENDIX D

Town / Parish Council	2016/17					2017/18					Council Tax Increase %
	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	
Appleton Roebuck & Acaster Selby	402.15	11,622.27	31.83	11,590.44	28.82	398.81	12,000.00	38.77	11,961.23	29.99	4.06
Balne	93.31	3,000.00	81.05	2,918.95	31.28	92.31	3,101.35	101.35	3,000.00	32.50	3.89
Barkston Ash	175.73	5,000.00	40.38	4,959.62	28.22	174.87	5,000.00	47.37	4,952.63	28.32	0.35
Barlby	1,515.31	123,000.00	4,332.81	118,667.19	78.31	1,571.32	145,450.00	3,787.28	141,662.72	90.16	15.12
Barlow	279.79	16,322.07	145.35	16,176.72	57.82	283.73	18,206.47	160.67	18,045.80	63.60	10.01
Beal	258.75	19,319.55	727.80	18,591.75	71.85	265.85	19,661.18	559.15	19,102.03	71.85	0.00
Biggin	58.66	1,200.00	6.38	1,193.62	20.35	58.55	1,200.00	5.99	1,194.01	20.39	0.22
Billbrough	172.91	5,581.88	0.00	5,581.88	32.28	177.33	5,581.88	0.00	5,581.88	31.48	-2.49
Birkin	57.68	0.00	0.00	0.00	0.00	59.82	0.00	0.00	0.00	0.00	0.00
Bolton Percy, Colton & Steeton	232.45	5,000.00	74.11	4,925.89	21.19	233.66	5,000.00	51.70	4,948.30	21.18	-0.06
Brayton	1,915.58	61,805.08	1,930.85	59,874.23	31.26	1,863.76	62,000.00	1,805.85	60,194.15	32.30	3.33
Brotherton	224.51	13,000.00	726.47	12,273.53	54.67	220.93	13,250.00	609.52	12,640.48	57.22	4.66
Burn	186.88	11,250.00	250.85	10,999.15	58.86	192.95	11,801.05	217.62	11,583.43	60.03	2.00
Burton Salmon	195.54	5,980.00	68.85	5,911.15	30.23	191.31	6,462.00	64.98	6,397.02	33.44	10.61
Byram cum Sutton	424.57	20,918.16	1,530.42	19,387.74	45.66	441.07	20,918.16	1,233.23	19,684.93	44.63	-2.27
Camblesforth	499.50	20,000.00	670.05	19,329.95	38.70	506.02	20,179.13	596.83	19,582.30	38.70	0.00
Carlton	620.48	23,015.67	939.17	22,076.50	35.58	620.78	23,015.67	904.50	22,111.17	35.62	0.11
Cawood	645.76	30,805.48	675.18	30,130.30	46.66	624.84	30,805.48	619.34	30,186.14	48.31	3.54
Chapel Haddlesey	86.69	5,074.57	74.57	5,000.00	57.68	86.52	5,043.24	52.81	4,990.43	57.68	0.00
Church Fenton	495.57	19,588.35	488.35	19,100.00	38.54	518.13	20,389.59	419.59	19,970.00	38.54	0.00
Cliffe	486.93	21,431.07	677.84	20,753.23	42.62	494.09	22,081.78	602.43	21,479.35	43.47	2.00
Cridling Stubbs	70.09	2,995.00	68.97	2,926.03	41.75	69.42	3,950.00	71.73	3,878.27	55.87	33.83
Drax	142.66	5,500.00	166.19	5,333.81	37.39	141.77	5,500.00	147.77	5,352.23	37.75	0.98
Eggborough	673.32	22,092.38	589.79	21,502.59	31.94	702.37	23,036.97	606.74	22,430.23	31.94	0.00
Escrick	463.21	14,000.00	232.01	13,767.99	29.72	458.92	19,000.00	202.16	18,797.84	40.96	37.81
Fairburn	358.22	12,833.21	413.58	12,419.63	34.67	336.25	11,957.04	298.97	11,658.07	34.67	0.00
Gateforth	115.51	4,624.00	0.00	4,624.00	40.03	115.92	5,210.00	0.00	5,210.00	44.94	12.27
Hambleton	750.03	31,835.67	709.31	31,126.36	41.50	755.94	32,029.31	657.81	31,371.50	41.50	0.00
Healaugh & Catterton	100.09	500.00	6.75	493.25	4.93	101.64	507.75	7.75	500.00	4.92	-0.18
Heck	87.79	3,957.36	60.93	3,896.43	44.38	92.73	4,236.13	38.15	4,197.98	45.27	2.00
Hemingbrough	695.25	22,826.10	821.46	22,004.64	31.65	702.94	22,973.99	726.09	22,247.90	31.65	0.00
Hensall	302.50	13,000.00	309.07	12,690.93	41.95	311.96	14,625.00	223.19	14,401.81	46.17	10.04
Hillam	334.30	11,963.11	174.29	11,788.82	35.26	332.73	12,127.04	158.90	11,968.14	35.97	2.00
Hirst Courtney	110.98	9,444.45	185.61	9,258.84	83.43	109.74	9,444.45	215.21	9,229.24	84.10	0.80
Huddleston with Newthorpe	33.95	200.00	9.72	190.28	5.60	35.74	0.00	0.00	0.00	0.00	-100.00
Kelfield	172.47	4,449.00	99.78	4,349.22	25.22	173.42	4,463.49	90.33	4,373.16	25.22	0.00
Kellington	288.49	16,958.48	993.33	15,965.15	55.34	291.72	16,994.03	850.34	16,143.69	55.34	0.00
Kirk Smeaton	201.99	8,000.00	37.91	7,962.09	39.42	200.76	8,000.00	50.73	7,949.27	39.60	0.45
Little Fenton	43.77	0.00	0.00	0.00	0.00	44.30	0.00	0.00	0.00	0.00	0.00
Little Smeaton	138.28	3,000.00	0.00	3,000.00	21.70	137.93	3,000.00	0.00	3,000.00	21.75	0.00
Long Drax	43.67	950.00	15.21	934.79	21.41	45.12	950.00	0.00	950.00	21.06	-1.64
Monk Fryston	436.02	19,000.00	481.58	18,518.42	42.47	437.80	19,450.00	431.49	19,018.51	43.44	2.28
Newland	83.41	2,500.00	0.00	2,500.00	29.97	82.86	1,500.00	0.00	1,500.00	18.10	-39.60

TOWN & PARISH COUNCIL PRECEPTS

APPENDIX D

Town / Parish Council	2016/17					2017/18					Council Tax Increase %
	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	Tax Base	Total Parish Funding £	Grant £	Precept £	Council Tax Band D (£)	
Newton Kyme & Toulston	189.79	2,520.00	0.00	2,520.00	13.28	248.23	3,361.84	0.00	3,361.84	13.54	2.00
North Duffield	494.89	16,000.00	418.39	15,581.61	31.48	498.28	16,000.00	400.43	15,599.57	31.31	-0.57
Oxton	10.99	0.00	0.00	0.00	0.00	10.99	0.00	0.00	0.00	0.00	0.00
Riccall	901.32	92,050.44	2,363.44	89,687.00	99.51	904.53	93,713.00	2,232.72	91,480.28	101.14	1.64
Ryther	106.25	3,587.17	12.09	3,575.08	33.65	109.03	4,000.00	21.02	3,978.98	36.49	8.46
Saxton & Lead	283.68	24,000.00	78.81	23,921.19	84.32	287.50	24,950.00	114.12	24,835.88	86.39	2.44
Selby	4,437.88	511,726.29	48,503.29	463,223.00	104.38	4,607.73	524,048.47	43,094.47	480,954.00	104.38	0.00
Sherburn in Elmet	2,272.92	159,096.65	6,402.13	152,694.52	67.18	2,321.59	164,834.75	5,751.13	159,083.62	68.52	2.00
Skipwith	127.03	0.00	0.00	0.00	0.00	130.34	0.00	0.00	0.00	0.00	0.00
South Milford	1,041.72	24,363.20	727.93	23,635.27	22.69	1,057.13	24,669.45	684.62	23,984.83	22.69	0.00
Stapleton	26.79	0.00	0.00	0.00	0.00	28.92	0.00	0.00	0.00	0.00	0.00
Stillingfleet	181.68	4,086.00	93.17	3,992.83	21.98	184.52	4,227.47	91.23	4,136.24	22.42	2.00
Stubbs Walden	31.81	0.00	0.00	0.00	0.00	36.01	0.00	0.00	0.00	0.00	0.00
Stutton with Hazlewood	401.23	9,000.00	0.00	9,000.00	22.43	357.42	8,639.96	462.41	8,177.55	22.88	2.00
Tadcaster	2,100.92	112,652.63	5,463.54	107,189.09	51.02	2,114.83	115,358.00	4,881.48	110,476.52	52.24	2.39
Temple Hirst	43.94	0.00	0.00	0.00	0.00	43.96	0.00	0.00	0.00	0.00	0.00
Thorganby	148.94	4,752.58	84.80	4,667.78	31.34	151.15	5,280.55	69.68	5,210.87	34.47	10.00
Thorpe Willoughby	1,010.60	46,396.69	1,423.69	44,973.00	44.50	1,021.78	51,350.57	1,332.96	50,017.61	48.95	10.00
Towton (Grimston, Kirkby Wharfe & Towton)	175.62	2,300.00	41.89	2,258.11	12.86	177.48	2,300.00	44.09	2,255.91	12.71	-1.14
Ulleskelf	324.60	18,738.36	456.89	18,281.47	56.32	328.30	19,162.85	302.01	18,860.84	57.45	2.01
West Haddlesey	93.70	3,600.00	23.38	3,576.62	38.17	100.22	3,853.44	27.78	3,825.66	38.17	0.00
Whitley	401.46	12,889.96	389.96	12,500.00	31.14	405.86	10,934.85	309.85	10,625.00	26.18	-15.92
Wistow	496.41	12,000.00	183.80	11,816.20	23.80	505.21	14,535.00	158.18	14,376.82	28.46	19.55
Womersley	175.28	14,000.00	396.63	13,603.37	77.61	178.18	15,500.00	355.85	15,144.15	84.99	9.52
Total / Average	30,154.20	1,707,302.88	85,911.63	1,621,391.25	53.77	30,567.80	1,776,822.38	76,990.37	1,699,832.01	55.61	3.42

REVENUE ESTIMATES 2017/2018 To 2019/2020

GENERAL FUND

	2017/2018 Estimate £	2018/2019 Estimate £	2019/2020 Estimate £
Net Revenue Budget	11,644,613	11,916,352	12,254,781
<u>Funding</u>			
Council Tax	(5,203,251)	(5,409,651)	(5,619,658)
Grant RSG / NDR	(2,887,124)	(2,627,353)	(2,438,000)
Council Tax Freeze Grant	-	-	-
New Homes Bonus	(1,971,000)	(1,526,000)	(1,556,000)
Other Specific Grants	(203,789)	(167,386)	(192,000)
Collection Fund Surplus - Council Tax	(62,000)	(65,000)	(70,000)
Collection Fund Surplus - Business Rates	(200,000)	(400,000)	(600,000)
Total Funding	(10,527,164)	(10,195,390)	(10,475,658)
Deficit / (Surplus) before planned savings	1,117,449	1,720,962	1,779,123
Planned Savings	(740,000)	(1,053,000)	(1,698,000)
Deficit to be funded from Business Rates Equalisation Reserve	377,449	667,962	81,123

REVENUE ESTIMATES 2017/2018 To 2019/2020

HOUSING REVENUE ACCOUNT

	2017/2018 Estimate £	2018/2019 Estimate £	2019/2020 Estimate £
Net Revenue Budget	11,015,890	11,076,058	11,380,783
Dwelling Rents	(12,070,000)	(11,920,000)	(11,760,000)
(Surplus) / deficit	(1,054,110)	(843,942)	(379,217)
Planned savings	(140,000)	(148,000)	(310,000)
(Surplus) / deficit transferred (to) / from Major Repairs Reserve	(1,194,110)	(991,942)	(689,217)

REFRESHED/NEW SAVINGS IDEAS

Potential Saving	Year	Total £000's	GF £000's	HRA £000's	Comments	Delivery	Risk
Income Generation							
Pest Control	16/17	0	0	0	Introduce a charge for rat removal	Current contract expires 31/03/17 <i>Sponsor: Keith Cadman</i>	Low (if politically acceptable)
	17/18	15	15	0			
	18/19	15	15	0			
	19/20	15	15	0			
Income generation	16/17	0	0	0	Approx. 10% increase in income from fees and charges (excluding pest control above), including: Commercial estate; property maintenance trading; Improved income and debt collection across the HRA and General Fund. Note this is an increase in demand and/or new services not an increase in existing charges unless charges do not currently cover cost	A review of fees and charges is to be undertaken following the introduction of the new fees and Charges Policy. If up-front investment is required this could be funded from the Business Development Reserve <i>Sponsor: Stuart Robinson</i>	High
	17/18	0	0	0			
	18/19	0	0	0			
	19/20	185	185	0			
Transformation							
Process improvements and shift to on-line transactions through digital transformation	16/17	0	0	0	New housing and asset management systems £210k; Revenues and Benefits £25k; Licensing £25k; Democratic Services/Elections/Land Charges £25k	A corporate programme is considered to be the most appropriate way to deliver this transformation. Investment in ICT would be required and the replacement programme will enable this <i>Sponsor Julie Slatter</i>	Medium
	17/18	0	0	0			
	18/19	75	70	5			
	19/20	285	91	194			
Planning Service Review	16/17	0	0	0	Timing of savings tbc as part of action planning	Efficiencies to be implemented through the review action plan <i>Sponsor: James Cokeham</i>	Medium
	17/18	0	0	0			
	18/19	200	200	0			
	19/20	200	200	0			
Asset Rationalisation	16/17	0	0	0	Relocation of contact centre to Civic Centre following completion of extension £100k	Subject to negotiation <i>Sponsor: Julie Slatter</i>	Medium
	17/18	50	50	0			
	18/19	100	100	0			
	19/20	100	100	0			
Commissioning							
Commissioning – collaboration and shared services	16/17	0	0	0	Much has already been done to deliver savings through outsourcing and partnership working therefore this target reflects the potential for any remaining opportunities across all services: Comms and HR; Procurement/assets team; cleaning; community centres	This cross cutting saving is dependent upon opportunities identified through value for money work reviews. Up-front investment may be required to deliver on-going savings. Resources available in the Business Development Reserve. Individual projects are still to be determined <i>Sponsor: Julie Slatter</i>	High
	17/18	0	0	0			
	18/19	0	0	0			
	19/20	100	80	20			

Growth							
SDHT Loans	16/17	0	0	0	2% above investment returns	Subject to scheme viability and progress <i>Sponsor: Dave Caulfield</i>	High
	17/18	30	30	0			
	18/19	60	60	0			
	19/20	100	100	0			
Lending to other third parties	16/17	0	0	0	Subject to projects/initiatives flowing from the ED Strategy/P4G but for example a loans fund of say £1m could generate additional returns (say 4%) above the Council's average investment return	Lending could support house building and/or business growth. It would be subject to criteria and limits and provision for an element of default would be required <i>Sponsor: Dave Caulfield</i>	High
	17/18	0	0	0			
	18/19	0	0	0			
	19/20	40	40	0			
Programme for Growth – direct return on investments	16/17	0	0	0	Assuming direct investment of circa £5m a 5% return would achieve £250k p.a.	Subject to Programme for growth projects <i>Sponsor: Dave Caulfield</i>	High
	17/18	0	0	0			
	18/19	0	0	0			
	19/20	250	250	0			
Tax Base Growth	16/17	0	0	0	0.5% above standard 1% assumption	Subject to growth in property numbers – tax base refreshed annually. <i>Sponsor: Dave Caulfield</i>	Medium
	17/18	0	0	0			
	18/19	50	50	0			
	19/20	75	75	0			
Business Rates Growth	16/17	0	0	0	2% above MTFS assumption	Subject to growth in RV/Yield and BRR system. BRR income now below SDC's tariff which means gross yield would have to increase by around £5m before we see growth. Note this excludes Drax renewables windfall <i>Sponsor: Dave Caulfield</i>	High
	17/18	0	0	0			
	18/19	0	0	0			
	19/20	200	200	0			
Other							
PFI	16/17	60	60	0	£1.5m contribution to PFI reserve would negate need for on-going revenue contributions to the reserve and generate £60k saving p.a.	This is a technical accounting adjustment and subject to approval would be reflected in the accounts for 2016/17 <i>Sponsor: Karen Iveson</i>	Low
	17/18	60	60	0			
	18/19	60	60	0			
	19/20	60	60	0			
MRP	16/17	185	185	0	Would require £3.3m of reserves to be set aside to repay debt. However the cash would remain in the Council's cash balances until such time as the debt is repaid and would be available for investment in the meantime	This is a technical accounting adjustment and subject to approval would be reflected in the accounts for 2016/17 <i>Sponsor: Karen Iveson</i>	Low
	17/18	185	185	0			
	18/19	185	185	0			
	19/20	185	185	0			
Pension Fund Deficit	16/17	0	0	0	Proposal to pay off the £9.391m Pension Fund deficit by 31 March 2017 following results of Triennial Valuation (see separate report on Council agenda)	It is proposed that this is funded from Council reserves in the first instance and that these be replenished in 2017/18 subject to renewables business rates income. This income has not been confirmed and therefore there is a risk that reserves could not be replenished either in part or in full. <i>Sponsor: Karen Iveson</i>	Low risk to achievement of this saving
	17/18	560	420	140			
	18/19	577	433	144			
	19/20	596	447	149			
Total by 19/20		2,391	2,028	363			

Indicative Profile - GF

Potential Saving	Sponsor	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	Risk
Pest Control	KC	0	15	15	15	Low (if politically acceptable)
Income generation	SR	0	0	0	185	High
Process improvements /on-line transactions	JS	0	0	70	91	Medium
Planning service review	JC	0	0	200	200	Medium
Asset rationalisation	JS	0	50	100	100	Medium
Commissioning & collaboration	JS	0	0	0	80	High
New SDHT Loans	DC	0	30	60	100	High
Lending to third parties	DC	0	0	0	40	High
Programme for Growth	DC	0	0	0	250	High
Tax Base Growth	DC	0	0	50	75	Medium
Business Rates Growth	DC	0	0	0	200	High
PFI	KI	60	60	60	60	Low
MRP	KI	185	185	185	185	Low
Pension Fund Deficit	KI	0	420	433	447	Low risk to achievement of this saving
Total		245	760	1,173	2,028	
100% confidence		245	680	693	707	
75% confidence		-	60	360	991	
Assumed savings		245	740	1,053	1,698	

NB Low risk savings assumed to be delivered at 100%

Indicative Profile - HRA

Potential Saving	Sponsor	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	Risk
Process improvements /on-line transactions	JS	0	0	5	194	Medium
Commissioning & collaboration	JS	0	0	0	20	High
Pension Fund Deficit	KI	0	140	144	149	Low risk to achievement of this saving
Total		0	140	149	363	
100% confidence		-	140	144	149	
75% confidence		-	-	4	161	
Assumed savings		-	140	148	310	

Low risk savings assumed to be delivered at 100%

CAPITAL EXPENDITURE
APPENDIX G

The tables below shows projected expenditure against available spending powers for 2017/18 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	2017/18 £'000	2018/19 £'000	2019/20 £'000
<u>Expenditure:</u>			
Leisure Asset Management Plan	2,940	19,700	20,080
Denison Road Changing Rooms	30,000	-	-
Hurricane Close & Swordfish Way Road Adoption	325,000	-	-
Housing Development	1,250,000	1,250,000	-
Implementation & Infrastructure Costs	679,170	278,500	15,000
Desktop Replacement Programme	17,500	53,500	17,500
Repair Assistance Loans	30,000	30,000	30,000
Disabled Facilities Grant	491,958	346,958	346,958
Enhancement of Car Parks	300,000	300,000	300,000
Selby Park Wall	45,000	-	-
Industrial Unit Maintenance	47,000	-	-
Bus Station Shelters	53,000	-	-
Projected Expenditure	3,271,568	2,278,658	729,538
<u>Funding Sources:</u>			
Capital Receipts	175,000	30,000	30,000
Grants and Contributions	346,958	346,958	346,958
Reserves	1,499,610	651,700	352,580
Borrowing	1,250,000	1,250,000	-
Projected Funding	3,271,568	2,278,658	729,538

CAPITAL EXPENDITURE

APPENDIX G

Housing Revenue Account	2017/18 £'000	2018/19 £'000	2019/20 £'000
<u>Expenditure:</u>			
Electrical Rewires	240,000	240,000	240,000
Central Heating Systems	545,000	545,000	545,000
Roof Replacement	-	220,000	400,000
Damp Surveys & Works	220,000	220,000	220,000
Door & Window Replacements	130,000	120,000	120,000
Kitchen Replacements	140,000	130,000	130,000
Pre Paint & Cyclical Repairs	160,000	160,000	160,000
Void Property Repairs	65,000	65,000	65,000
Asbestos Condition Survey	30,000	-	-
Fencing & Gates	40,000	40,000	40,000
Bathroom Replacements	30,000	30,000	30,000
Pointing Works	300,000	300,000	300,000
Laurie Backhouse Court Refurbishment	28,000	-	-
Environmental Improvement Plan	160,000	-	-
Garage Sites	20,000	10,000	-
Ousegate Fire Alarm System	-	-	-
Byram Park Road Demolition	-	-	-
Footpath Repairs	30,000	-	-
Estate Enhancements	133,000	133,000	100,000
Ousegate Refurbishment	60,000	-	-
St Wilfrids Court Refurbishment	-	-	100,000
St Wilfrids Court Lifeline Equipment & Door Entry	13,000	-	-
New Build Projects	1,250,000	1,250,000	-
Projected Expenditure	3,594,000	3,463,000	2,450,000
<u>Funding Sources:</u>			
Revenue	887,360	916,350	1,153,360
Access Selby HRA Reserve	1,296,640	1,296,650	1,296,640
Major Repairs Reserve	160,000	-	-
Borrowing	1,250,000	1,250,000	-
Projected Funding	3,594,000	3,463,000	2,450,000

Programme for Growth 3 - Indicative Programme

Project Theme	Project	Indicative Funding 2017/18 £000's	Comments
Towns regeneration	Completing the Towns Masterplanning to set long term visions and identify improvements needed, with Action Plans	150	Projects flowing from the action plans will be subject to individual business case.
Tourism and Culture	Develop a Visitor Strategy and Action Plan	-	
Tourism and culture	Develop a Visitor Strategy, Action Plan and an	270	Projects flowing from the action plans will be subject to individual
Housing	"Stepping-up housing delivery" - strategic review	50	This review would set the strategic direction and facilitate delivery of a wider housing delivery programme including (but not limited to) direct delivery by SDC (and/or an alternative delivery vehicle) using funding from s106 commuted sums, capital receipts, HCA funding and potentially borrowing.
	Olympia Park - to carry out essential work (ground conditions/delivery models/viability etc) to support a public sector delivery role	200	This budget would enable SDC to work in partnership with NYCC and HCA to deliver public sector proposal for housing and employment on Olympia Park - linked to the project above and subject to the ultimate business case, a proposal for the Council to invest in the project may be developed.
Infrastructure	Strategic sites masterplanning e.g. Kellingley,	250	Potential projects flowing from the masterplanning will be subject to
	Access to employment	100	To pilot a scheme to connect people to work opportunities with potential for this to be targeted towards our most deprived wards.

	Green energy - planning application and grid connection for a land based scheme at Burn Airfield	50	This builds on the feasibility work done by APSE Energy and would involve securing the grid connection for a scheme on Burn Airfield to enable project to be 'oven ready' when grid parity is reached.
Business	Growing enterprise & SME growth advisor	50	Continuation of existing project.
	Church Fenton Studios enabling	300	Expansion into major film production centre on the back of success of Victoria and US interest; use to match fund LEP investment.
	Business space and accommodation review	30	To review the existing and potential future business space needs for key economic sectors identified in the EDS. It will include reviewing
Sub-total initial projects 2017/18		1,450	
Internal capacity 2017/18		1,000	Up to £1m p.a. and subject to the requirements of the programme.
Total Programme 2017/18		2,450	Subject to NHB and NNDR receipts

Updated to include savings proposal re PFI, MRP and Pension Fund deficit in 2016/17

Description	Estimated Balance 31 March 17 £	Use £	Transfers £	Contribs £	Estimated Balance 31 March 18 £	Use £	Contribs £	Estimated Balance 31 March 19 £	Use £	Contribs £	Estimated Balance 31 March 20 £
Revenue Reserves											
General Fund											
Reserves to fund future commitments:											
PFI Scheme	3,844,660 -	410,230		284,794	3,719,224 -	418,430	289,163	3,589,957 -	427,000	292,269	3,455,226
ICT	736,852 -	601,588		191,000	326,264 -	171,775	191,000	345,489 -	150,000	191,000	386,489
Asset Management	517,801 -	477,940	228,682	182,270	450,813 -	319,700	182,570	313,683 -	452,000	182,570	44,253
Election	79,934			34,000	113,934		34,000	147,934 -	136,000	34,000	45,934
Open Space Maintenance	80,460		80,460		0			0			0
	<u>5,259,708 -</u>	<u>1,489,758</u>	<u>148,222</u>	<u>692,064</u>	<u>4,610,236 -</u>	<u>909,905</u>	<u>696,733</u>	<u>4,397,064 -</u>	<u>1,165,000</u>	<u>699,839</u>	<u>3,931,903</u>
Reserves to fund growth and improvement:											
Special Projects / Programme for Growth **	1,370,491 -	2,450,000		1,080,000	491		1,280,000	1,280,491		1,480,000	2,760,491
S106 Affordable Housing Commuted Sums	1,763,418 -	193,554		1,218,744	2,788,608		1,218,744	4,007,352		2,437,488	6,444,840
Discretionary Rate Relief Fund	168,492 -	100,000			68,492			68,492			68,492
NYCC Collaboration	50,000 -	50,000			-			-			-
Spend To Save (Business Development)	259,709 -	83,380			176,329 -	84,214		92,115			92,115
	<u>3,612,110 -</u>	<u>2,876,934</u>		<u>2,298,744</u>	<u>3,033,920 -</u>	<u>84,214</u>	<u>2,498,744</u>	<u>5,448,450</u>		<u>3,917,488</u>	<u>9,365,938</u>
Reserves to mitigate financial risk:											
Pensions Equalisation Reserve **	-			191,593	191,593		191,593	383,186		191,593	574,779
NDR Equalisation **	1,200,000 -	377,449			822,551 -	667,961		154,590 -	81,122		73,468
Local Plan	500,231 -	221,550		50,000	328,681		50,000	378,681		50,000	428,681
General Fund **	1,135,222		148,222		987,000			987,000			987,000
	<u>2,835,453 -</u>	<u>598,999 -</u>	<u>148,222</u>	<u>241,593</u>	<u>2,329,825 -</u>	<u>667,961</u>	<u>241,593</u>	<u>1,903,457 -</u>	<u>81,122</u>	<u>241,593</u>	<u>2,063,928</u>
Total GF Revenue reserves	11,707,271 -	4,965,691	-	3,232,401	9,973,981 -	1,662,080	3,437,070	11,748,971 -	1,246,122	4,858,920	15,361,769
HRA											
HRA Unallocated Balance	1,993,207 -	160,000			1,833,207			1,833,207			1,833,207
Major Repairs Reserve - Capital Programme **	2,097,141 -	2,184,010		3,378,110	3,291,241 -	2,213,000	3,204,942	4,283,183 -	2,450,000	3,139,217	4,972,400
Sub Total	4,090,348 -	2,344,010	-	3,378,110	5,124,448 -	2,213,000	3,204,942	6,116,390 -	2,450,000	3,139,217	6,805,607
Total Revenue Reserves	15,797,619 -	7,309,701	-	6,610,511	15,098,429 -	3,875,080	6,642,012	17,865,361 -	3,696,122	7,998,137	22,167,376
Capital Reserves											
RTB Capital Receipts ***	2,839,279 -	500,000		500,000	2,839,279 -	175,000	500,000	3,164,279 -	175,000	500,000	3,489,279
Other Capital Receipts	720,636				720,636			720,636			720,636
Total GF Capital Receipts	3,559,915 -	500,000	-	500,000	3,559,915 -	175,000	500,000	3,884,915 -	175,000	500,000	4,209,915

Notes

* Savings options include: £1.5m transferred to PFI Reserve and £3.3m to Capital Financing Reserve (non-useable) in 2016/17. Also potential for a further renewable energy business rates receipts - amount will not be confirmed until April 2017.

** £9.391m diverted from revenue reserves in 2016/17 - to be replenished (excl HRA) subject to business rates income in 2017/18.

*** Capital receipts include assumptions on right to buy sales.



Public Session

Report Reference Number: C/16/14

Agenda Item No: 15

To:	Council
Date:	21 February 2017
Author:	John Raine – Head of Technical Finance
Lead Officer:	Karen Iveson – Chief Finance Officer
Executive member:	Councillor Cliff Lunn – Lead Executive Member for Finance and Resources

Title: Treasury Management – Treasury Management Strategy Statement 2017/18, Minimum Revenue Provision Policy Statement 2017/18, Annual Investment Strategy 2017/18 and Prudential Indicators 2017/18.

Summary:

Following consideration by the Executive on 1 February 2017, this report presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2017/18 and Prudential Indicators 2017/18 as required by the Department of Communities and Local Government and CIPFA.

Recommendations:

It is recommended that:

- i. The Operational Borrowing Limit for 2017/18 is set at £76m**
- ii. The Authorised Borrowing Limit for 2017/18 is set at £81m**
- iii. Councillors delegate authority to the Chief Finance Officer Chief Finance Officer to effect movement within the agreed authorised boundary limits for long-term borrowing for 2017/18 onwards.**
- iv. Councillors delegate authority to the Chief Finance Officer to effect**

movement within the agreed operational boundary limits for long-term borrowing for 2017/18 onwards.

- v. **The treasury management strategy statement 2017/18 be approved.**
- vi. **The minimum revenue provision policy statement for 2017/18 be approved.**
- vii. **The treasury management investment strategy for 2017/18 be approved.**
- viii. **The prudential indicators for 2017/18 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 £81m for 2017/18, which is the maximum that can be borrowed in the year;

- The 'Operational Boundary' (the maximum amount that is expected to be borrowed) is £76m in 2017/18, which includes £5m 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 31/12/16 is £60.3m at an average rate of 4.19%;
- Total investments are around £50.1m at an average rate of 0.60%.
- Investment rates available continue to remain at relatively low levels as a result of the historically low Bank Rate. However, investment returns are comparable with other authorities. In order to ensure investment returns are maximised, while maintaining the appropriate level of security and liquidity of funds, alternative options are continually monitored and reviewed.

Minimum Revenue Provision (MRP) Policy

2.2

- MRP for new borrowing will be based on the asset life;
- The MRP policy has been reviewed for 2017/18 and no changes are considered necessary, although the draft budget for 2017/18 includes proposals for some additional voluntary set-aside to provide long term revenue savings;
- Total MRP for 2017/18 is £1.42m (£0.07m for loans, £1.26m HRA and £0.09m for leases) as a result of the proposed additional £3.3m MRP contribution in 2016/17 for General Fund loans

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);
- 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 £35m and £50m over the coming year dependent upon cashflows;
- An average rate of return of 1.50% has been estimated for 2017/18. Money market returns are expected to be below 1%, however, loans to Selby District Housing Trust will help to increase overall returns.
- NYCC have included a range of alternative options, including Certificates of Deposit, Bonds and UK Government Gilts within its Investment Strategy in order to improve returns over the coming year.
- In addition to the types of investment set out in Schedule A and B, Treasury Management staff are currently investigating a number of alternative options, in order to assess whether they meet the Council's investment priorities and criteria list.

Prudential Indicators

- 2.4
- The Council plans to spend £7.4m on capital projects in 2017/18
 - This expenditure will be funded from major repairs reserve, capital receipts, grants or revenue resources & borrowing;
 - Principle (Minimum Revenue Provision or MRP) and interest repayments on current and proposed borrowing, less interest on investments, equate to 0.84% of the General Fund Budget and 33.90% of the HRA net budget in 2017/18.
 - Taking into account all capital spending plans during 2017/18 there is a borrowing requirement of £1.75m for the General Fund and £1.25m 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 Chief Finance Officer 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

John Raine
Head of Technical Finance
North Yorkshire County Council
john.raine@northyorks.gov.uk

Appendices:

Appendix A – Treasury Management Strategy 2017/18
Appendix B – Minimum Revenue Provision Policy 2017/18
Appendix C – Capital Prudential Indicators 2017/18
Appendix D – Borrowing Strategy 2017/18
Appendix E – Annual Investment Strategy 2017/18

TREASURY MANAGEMENT STRATEGY STATEMENT 2017/18**1. Introduction**

1.1 Treasury management is defined as:

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

1.2 **Reporting requirements** – The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

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 2017/18 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 Chief Finance Officer 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 2017/18**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 no further changes are considered necessary and the policy for 2017/18 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 2017/18 MRP chargeable to the General Fund will relate to the historic debt liability of £1.6m. This gives rise to an MRP liability of £0.1m for 2017/18 (£0.3m for 2016/17).

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 2017/18 – 2019/20**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	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
General Fund	8,009	2,884	3,803	2,810	767
HRA	1,899	6,793	3,594	3,463	2,450

- 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	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
General Fund	8,009	2,884	3,803	2,810	767
HRA	1,899	6,793	3,594	3,463	2,450
Total	9,908	9,677	7,397	6,273	3,217
Financed By:					
Revenue & Reserves	-6,039	-3,563	-2,579	-1,600	-1,543
Capital Receipts	81	-310	-175	-30	-30
Grants	-156	-506	-347	-347	-347
Major Repairs Allowance / Reserve	-1,761	-1,254	-1,297	-1,297	-1,297
Borrowing - Debt	-1,596	-4,043	-3,000	-3,000	0
Borrowing - Leases	-437	0	0	0	0
Total	-9,908	-9,677	-7,397	-5,773	-3,217

- 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

	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
CFR General Fund	5,559	3,459	5,142	6,829	6,767
CFR GF Leases	692	319	228	154	78
Total CFR General Fund	6,251	3,778	5,370	6,983	6,845
CFR HRA	52,119	53,659	53,649	53,639	52,379
TOTAL CFR	58,370	57,437	59,019	60,622	59,224
Movement in CFR	105	-933	1,582	1,603	-1,398
Movement in CFR represented by					
Net Financing need for the year	2,034	4,043	3,000	3,000	0
Less MRP & Other financing movements	-1,929	-4,976	-1,418	-1,397	-1,398
Movement in CFR	105	-933	1,582	1,603	-1,398

- 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.

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

	2015/16 Actual %	2016/17 Forecast %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
GF	6.05	22.35*	0.84	0.50	0.34
HRA *	32.38	33.95	33.90	33.27	33.74

* This is the impact of the additional £3.3m MRP contribution in 2016/17

** 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 2017/18 budget setting round are shown in table 6.

Table 6: Incremental Impact of Capital Investment Decisions

Capital Investment Impact Upon:	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Annual Band D Council Tax	0.00	0.00	0.00	-0.00
Average Annual Housing Rent	2.87	13.63	21.00	27.12

- 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 2017/18

- 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 31/12/16

		Principal		Ave. rate
		£m	£m	%
Fixed rate funding	PWLB	53.8		
	Market	<u>6.5</u>	60.3	4.19
Variable Rate Funding	PWLB	0		
	Market	0	0	0
Other long term liabilities	Leases	0.7	0.7	4.51
TOTAL DEBT			<u>61.0</u>	<u>4.19</u>
TOTAL INVESTMENTS			50.1	0.60

- 1.2 The Council's treasury portfolio position as at 31 December 2016 is shown in Table 1 and the forecasted position at 31 March 2017, 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

	2015/16 Actual £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
External borrowing					
Borrowing at 1 April	60,333	60,333	60,333	59,333	59,333
Expected Change in Borrowing	0	0	-1,000	0	0
Leases	692	319	228	154	78
Actual borrowing at 31 March	61,025	60,652	59,561	59,487	59,411
CFR – the borrowing need *	58,370	57,437	59,019	60,622	59,224
Under / (over) borrowing	-2,655	-3,215	-542	1,135	-187
Investments					
Total Investments at 31 March	25,879	41,959	38,100	34,300	29,200
Investment Change	5,365	16,080	-3,859	-2,800	-5,100
Net Borrowing	35,146	18,693	21,461	25,187	30,211

2. **Treasury Limits for 2017/18 to 2019/20**

- 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 Chief Finance Officer reports that the authority (General Fund) had no difficulty meeting this requirement in 2015/16, nor are any difficulties envisaged for the current (2016/17) or future years (2017/18 – 2019/20). 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	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Borrowing	70,000	75,000	80,000	82,000	80,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Total	71,000	76,000	81,000	83,000	81,000

- 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	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Borrowing	65,000	70,000	75,000	77,000	75,000
Other Long Term Liabilities	1,000	1,000	1,000	1,000	1,000
Operational Boundary Total	66,000	71,000	76,000	78,000	76,000

- 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 2015/16 and 2016/17 figures shown above are for comparative purposes. It is also recommended that members continue to delegate authority to the Chief Finance Officer, 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 Chief Finance Officer 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 Chief Finance Officer 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 2017

	Bank Rate	PWLB Borrowing Rates (including 0.2% discount)			
		5 year	10 year	25 year	50 year
	%	%	%	%	%
Mar 2017	0.25	1.60	2.30	2.90	2.70
Sept 2017	0.25	1.60	2.30	2.90	2.70
Mar 2018	0.25	1.70	2.30	3.00	2.80
Sept 2018	0.25	1.70	2.40	3.10	2.90
Mar 2019	0.25	1.80	2.50	3.20	3.00
Sept 2019	0.75	2.00	2.60	3.30	3.10
Mar 2020	0.75	2.00	2.70	3.40	3.20

4 Borrowing Requirement

- 4.1 The Council is currently maintaining a marginally over-borrowed position in 2016/17. This means that the Council’s capital borrowing is slightly higher than the underlying need to borrow. 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 2016/17 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 2017/18.

Under/(Over) Borrowing Position	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000
General Fund	2,959	859	3,543	5,229	5,168
HRA	-5,614	-4,074	-4,084	-4,094	-5,354
Overall Position	-2,655	3,215	-541	1,135	-186

- 4.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2017/18 treasury operations. The Chief Finance Officer 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 2017/18 to 2019/20 shows that there is a borrowing requirement for both the General Fund and HRA. 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 2017/18

Maturity Structure New Borrowing 2017/18	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 £53.8m 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 (£50.2m) 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

- 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 2017/18**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 2017/18.

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 made several loans to the Selby District Housing Trust. The loan position to the Housing Trust is monitored and reviewed regularly.

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 Chief Finance Officer 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 Chief Finance Officer.

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 County Council currently has one non-specified investment over 364 days.
- (g) bank rate was cut to 0.25% in August and underpins investment returns. It is not expected to start increasing until mid-2019.

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. 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.

- (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 Following a quotation exercise Capita Asset Services were appointed in September 2015 as a single provider of Treasury Management consultancy services for both the Selby District Council and North Yorkshire County Council. The appointment is for three years, with the option for a further two year extension. The value and quality of services being provided are monitored and reviewed on an ongoing 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 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 2017/18 – 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

SCHEDULE B

SELBY DISTRICT COUNCIL ANNUAL INVESTMENT STRATEGY 2017/18 – NON-SPECIFIED INVESTMENTS

investment	<p>A) Why use it?</p> <p>B) Associated Risks?</p>	<p>Security / Minimum Credit Rating</p>	<p>Circumstances of Use</p>	<p>Max % of overall investments or cash limits in cash category</p>	<p>Maximum investment with any one counterparty</p>	<p>Maximum Maturity Period</p>		
<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>	<p>In-house</p>	<p>100% of agreed maximum proportion (20%) of core cash funds that can be invested for more than 1 year (estimated £20m)</p>	<p>£5m</p>	<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>			<p>Fund Manager or In-house “buy & hold” after consultation with Treasury Management Advisor</p>	<p>25% of agreed proportion (20%) of core cash funds that can be invested for more than 1 year (£5m)</p>		<p>£3m</p>	
<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>To be used in-house after consultation with Treasury Management Advisor</p>	<p>50% of agreed proportion (20%) of core cash balance that can be invested for more than 1 year</p>		<p>£5m</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
	<p>Period over which the investment will 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>			(£12.5m)		
<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>n/a</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
Bonds issued by Multilateral development banks (as defined in SI2004 No534) with maturities in excess of 1 year Custodial arrangements required prior to purchase	A) Excellent credit quality Relatively Liquid If held to maturity, yield is known in advance Enhanced rate in comparison to gilts B) Interest rate risk; yield subject to movement during life off bond which could negatively impact on price				£3m	
UK Government Gilts with maturities in excess of 1 year Custodial arrangements required prior to purchase	A) Excellent credit quality Liquid If held to maturity, yield is known in advance If traded, potential for capital appreciation B) Interest rate risk; yield subject to movement during life if the bond which could impact on price	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	A) Excellent credit quality	Backed by collateral of AAA rated	In-house via money market broker or direct	100% of agreed proportion (20%) of core	£5m	110

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>B) Not liquid, cannot be traded or repaid prior to maturity</p> <p>Credit risk as potential for greater deterioration of credit quality over a longer period</p>	Local Authority LOBO's		cash funds that can be invested for more than 1 year (£20m)		

APPROVED LENDING LIST 2017/18

Maximum sum invested at any time

	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				
Bank of Scotland	GBR	85.0	6 months	-	-
Lloyds	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	6 months		
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	20.0	6 months	-	-
Standard Chartered Bank	GBR	40.0	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	Temporarily suspended	-	-
Nordea Bank Finland	FIN	20.0	364 days	-	-
Credit Industriel et Commercial	FRA	20.0	364 days	-	-
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 18 January 2017

APPROVED COUNTRIES FOR INVESTMENTS

Based on the lowest available rating

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

Report Reference Number: C/16/15

Agenda Item No: 16

To: Council
Date: 21 February 2017
Author: Stuart Robinson, Head of Business Development & Improvement
Lead Officer: Janet Waggott – Interim Chief Executive
Executive Member: Councillor Mark Crane – Leader of the Council

Title: Pay Policy Statement

Summary:

The purpose of this report is to seek approval of the Council's Pay Policy Statement 2017/18 in accordance with section 38 of the Localism Act 2011.

Recommendation(s):

- i. That Council approve the Pay Policy Statement for 2017/18 (Appendix A)**

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 A). 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 the Local Government Transparency Code 2015 and 'Openness and accountability in local pay. Guidance under section 40 the Localism Act 2012'.
- 2.3 A table detailing the Terms and Conditions relating to pay can be found within the Pay Policy Statement.

It should be noted that the post of Chief Executive is currently vacant, covered by an interim arrangement and subject to review. Any future changes will be reflected in an updated Pay Policy Statement.

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 be approved before the start of each financial year and 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

The most recent National Joint Council (NJC) for Local Government Services pay agreement (issued 16 May 2016) included pay awards of 1% to be implemented on 1 April 2016 and 1 April 2017. This pay agreement also took into account the implementation of the National Living Wage from 1 April 2016.

The most recent Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities pay agreement (issued 17 March 2016) included pay awards of 1% to be implemented on 1 April 2016 and 1 April 2017.

At the time of submission, there has been no indication of a pay award being awarded to Chief Executives in Local Authorities from 1 April 2017.

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

None

Contact Officer: Stuart Robinson, Head of Business Development & Improvement

Appendices:

Appendix A : Statement of Pay Policy

APPENDIX A

Selby District Council

Statement of Pay Policy for the Period 1 April 2017 to 31 March 2018

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 is to be considered and approved by the Full Council at the Council Budget meeting on 21 February 2017.

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 Annex 1 to this Policy Statement.

Definition of officers covered by the Policy Statement

This policy statement covers the following posts:

- Head of Paid Service, which in this Authority is the post of Chief Executive – it should be noted that this post is currently vacant, covered by interim arrangements and subject to review;
- Statutory Chief Officers, which in this authority is the post of Solicitor to the Council (Monitoring Officer and Deputy Returning Officer); and
- Non-statutory Chief Officers (those who report directly to the Head of Paid Service) which in this authority are the posts of Director of Economic Regeneration & Place and Director of Corporate Services & Commissioning.

The Statutory post of s151 Officer is outsourced to North Yorkshire County Council (NYCC) and will, therefore, be included in the NYCC Pay Policy Statement.

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 Annex 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 6, currently £14,514 per annum, thus becoming an hourly rate of pay of £7.52 per hour. This pay point is 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 (NJC) 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 £94,709 which is paid to the Chief Executive. The average median salary is £22,434. The ratio between the two salaries, the 'pay multiple' is 4.22:1.

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 Annex 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 2017 – end March 2018). 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.

Data Requirements of the Code of Practice and the Accounts and Audit Regulations

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; and
- 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; and
- 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; and
- 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; and
- Employer costs incurred relating to any increased membership or award of additional pension.

Posts which attract remuneration package of over £50K are listed below:

- Chief Officers:
 - Chief Executive
 - Director of Economic Regeneration and Place
 - Director of Corporate Services and Commissioning
 - Solicitor to the Council (Monitoring Officer and Deputy Returning Officer)
- Deputy Chief Officers:
 - Head of Business Development and Improvement
 - Head of Commissioning, Contracts and Procurement
 - Head of Community, Partnerships and Customers
 - Head of Operational Services
 - Head of Strategic Planning, Policy and Economic Development
 - Democratic Services Manager**

**Note: whilst a Deputy Chief Officer, this post does not attract a remuneration package of over £50K.

Schedule of remuneration for Chief Officers

Post:	Chief Executive
Base Salary:	£94,709 - as part of the Better Together collaborative agreement between Selby District Council (SDC) and North Yorkshire County Council (NYCC), there is a joint role of Chief Executive (SDC) and Assistant Chief Executive (NYCC). SDC's contribution is £56,825 and NYCC's contribution is £37,884. It should be noted that this post is currently vacant, covered by interim arrangements and subject to review.
Essential car user (lump sum)	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-Back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibility are reimbursed through normal Authority procedures.
Ex-Gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2017/2018.

Post:	Director of Economic Regeneration and Place
Base Salary:	£74,187 plus supplement of £5,000
Essential car user (lump sum)	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-Back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibility are reimbursed through normal Authority procedures.
Ex-Gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2017/2018.

Post:	Director of Corporate Services and Commissioning
Base Salary:	£74,187 plus supplement of £5,000
Essential car user (lump sum)	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-Back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibility are reimbursed through normal Authority procedures.
Ex-Gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2017/2018.

Post:	Solicitor to the Council (Monitoring Officer & Deputy Returning Officer)
Base Salary:	£57,900 plus supplement of £2,673 for Monitoring Officer duties.
Essential car user (lump sum)	Up to £963 per annum is payable for this (dependent on the vehicle's cubic capacity).
Expenses:	Travel and other expenses are reimbursed through normal Authority procedures.
Bonuses:	The terms of the contract of employment do not provide for the payment of bonuses.
PRP:	N/A
Earn-Back:	The terms of the contract of employment do not provide for an element of base salary to be held back related to performance.
Honoraria:	Honoraria payments for any increased duties and responsibility are reimbursed through normal Authority procedures.
Ex-Gratia Payments:	There are no plans for the post holder to receive any ex-gratia payments.
Election Fees:	Election duty fees are paid to the post holder when due.
Joint Authority Duties:	There are no payments related to joint Authority duties.
Severance Arrangements:	The Authority's normal policies regarding redundancy and early retirement apply to the post holder. No payments were made in the last year, and none are anticipated for 2017/2018.

Aspects of Chief Officer Remuneration and the Authority's 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 (With-holding 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 payment arrangements to senior officers and does not have separate provisions for senior officers. The Authority also applies the appropriate pension regulations when they apply. The Authority has agreed policies in place on how it will apply any discretionary powers it has under pension 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, 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. Pension regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.



Public Session

Report Reference Number: C/16/16

Agenda Item No: 17

To:	Council
Date:	21 February 2017
Author:	Palbinder Mann, Democratic Services Manager
Lead Officer:	Gillian Marshall, Solicitor to the Council
Executive Member:	Mark Crane, Leader of the Council

Title: Independent Remuneration Panel Review of Members' Allowances

Summary:

Under the Local Authorities (Members' Allowances) (England) Regulations 2003, all local authorities must convene an Independent Remuneration Panel to review and make recommendations on Members' Allowances. The local authority must then consider the recommendations of the Panel before agreeing or amending their Members' Allowances Scheme.

Selby District Council's current scheme was originally agreed in 2001. It was last fully reviewing following the move to an Executive structure in 2011. The scheme has not been revised since the reduction in the number of Councillors from 41 to 31 following the completion of the review by the Local Government Boundary Commission for England in 2015.

The report outlines the recommendation of the Panel following the completion of a review.

Recommendations:

To consider the following recommendations from the Independent Remuneration Panel (IRP) with regard to Members Allowances:

Basic Allowance

- i) **The IRP recommend that Members receive a 4.2% increase to their level of basic allowance which would result in a raise in the basic allowance from £4,115.38 to £4,288.23;**

Special Responsibility Allowances (SRAs)

- ii) The IRP recommend that all existing Special Responsibility Allowances (SRAs) are recalculated to reflect the recommended increase in Members' level of basic allowance;
- iii) The IRP recommend that the weighting given to the Deputy Leader is increased from 1 to 1.3, raising their SRA from £4,288.23 to £5,574.70;
- iv) The IRP recommend that the weighting given to Executive Members is increased from 1 to 1.2, raising their SRA from £4,288.23 to £5,145.88;
- v) The IRP recommend that the weighting given to the Chair of Licensing is reduced from 1 to 0.75, thus decreasing their SRA from £4,288.23 to £3,216.17;
- vi) The IRP recommend that the SRA given to the Majority Group Leader is removed from the Council's Members' Allowances Scheme;
- vii) The IRP recommend that the SRA given to the Opposition Group Leader is not amended therefore remaining at £2,144.12 taking into account the revised calculation following the recommended increase in the basic allowance;
- viii) The IRP recommend that if as a result of a Scrutiny Review, the Overview and Scrutiny Committee and Policy Review Committee are combined into one Committee, the weighting given to the Committee chairman is set at 0.9, giving the chair a SRA of £3,859.41;
- ix) The IRP recommend that if the Overview and Scrutiny Committee and the Policy Review Committee remain as separate entities then the SRA for both Chairman are not amended therefore remaining at £3,216.17 taking into account the revised calculation following the recommended increase in the basic allowance.

Dependents' / Child Carers' Allowance

- x) The IRP recommend that the Council's Members' Allowances Scheme includes a dependents' / child carers' allowance and that eligible Councillors are reimbursed, on production of receipts or evidence of expenditure, for expenditure incurred with regard to the care of their children or dependents when undertaking the following official duties:

- Attendance at a meeting of the Council including any Committee, Sub-Committee or Working Party of the Council;
 - Attendance at any outside body to which the Council makes appointments or nominations, or at any Committee or Sub-Committee of such a body;
 - Attendance at a meeting of the Executive or of any other meetings in the role of an Executive Member;
 - Attendance at a meeting of any association of Authorities of which the Council is a member.
- xii) The IRP recommend that eligible Councillors' costs are reimbursed at the rate of the National Living Wage (currently £7.20 an hour) and that this reimbursement covers reasonable travel time to and from the location of the meeting.

Members' ICT Allowance

- xii) The IRP recommended that the Council amends its current ICT allowances and introduces a £10 monthly ICT allowance for home broadband and consumables only;
- xiii) The IRP recommend that the Council implement an acceptable usage policy for Members in line with that of the Council's ICT acceptable use policy for staff if they were provided with tablet devices in the future.

Members' Travel and Subsistence Allowances

- xiv) The IRP recommend that Members' travel and subsistence allowances are in line with those given to Council staff;
- xv) The IRP recommend that all claims are supported by receipts, and that Members submit their claims within three months of the meeting/engagement for which they are claiming taking place.

The Chairman's Allowance

- xvi) The IRP recommend that the Chairman's allowance of £5,910 is split into an allowance of £1,000 and a budget of £4,910, and that any remaining money in the Chairman's budget at the end of their civic year be given to the Chairman's charity;
- xvii) The IRP recommend that the Vice Chairman's allowance is reduced from £960 to £500.

- xviii) **The IRP recommend that the Council's overall Members' Allowances Scheme is indexed for the next four years to match local government pay settlements using the NJC annual cost of living pay award including any pay award agreed for Council staff from 1st April 2017.**

and, having regard to the IRP recommendations, approve a Members Allowances Scheme

Reasons for recommendation

To ensure the council has reviewed and made recommendations on Members' Allowances under the Local Authorities (Members' Allowances) (England) Regulations 2003.

1. The Report

- 1.1 An Independent Remuneration Panel (IRP) to review Members' Allowances was established comprising of the following individuals:
- Allan Stewart – Principal, Selby College;
 - William Inness – Former District Councillor;
 - Wanda Stables – Independent Standards Member.
- 1.2 The Panel held two meetings with the first on Thursday 11 August 2016 and the second on Friday 7 October 2016. During its second meeting, the Panel agreed a number of recommendations which are included in this report.
- 1.3 Council is required to determine a Members' Allowances Scheme giving regard to the recommendations of the IRP. When setting a scheme, Council can accept, reject or modify recommendations from the IRP where it considers appropriate.

2 Legal/Financial Controls and other Policy matters

2.1 Legal Issues

Legislation necessitates that our Members' Allowances scheme be reviewed. The Council is required to set up an Independent Remuneration Panel to advise on an appropriate scheme of Members' Allowances. Council must have regard to the recommendations when approving an Allowances Scheme. The legislation which affects Members' Allowances is the Local Authorities (Members' Allowances) (England) Regulations 2003.

2.2 Financial Issues

All financial issues are outlined in the attached final IRP report.

4. Conclusion

Council should consider and the recommendations proposed by the IRP and approve a Members Allowances Scheme.

5. Background Documents

None

Contact Officer:

Palbinder Mann
Democratic Services Manager
pmann@selby.gov.uk
ext 42207

Appendices:

IRP Final Report – Appendix A

A Review of Members' Allowances for Selby District Council – 2016

*A Report by the Independent
Remuneration Panel*

Sections

Introduction and Background

The Report

Basic Allowance

Special Responsibility Allowances (SRAs)

Dependents' / Child Carers' Allowance

Members' ICT Allowance

Members' Travel and Subsistence Allowances

The Chairman's Allowance

Finances

Appendices

1. INTRODUCTION AND BACKGROUND

- 1.1 Under the Local Authorities (Members' Allowances) (England) Regulations 2003, all local authorities must convene an Independent Remuneration Panel to review and make recommendations on Members' Allowances. The local authority must then consider the recommendations of the Panel before agreeing or amending their Members' Allowances Scheme.
- 1.2 Selby District Council's current scheme was originally agreed in 2001 and this outlined how the basic allowance for all Councillors was calculated. It was last fully reviewed following the move to an Executive structure in 2011. The scheme had not been revised since the reduction in the number of Councillors from 41 to 31 following the completion of the review by the Local Government Boundary Commission for England in 2015.
- 1.3 As the last review of allowances was undertaken back in 2011, a review was now required under the legislation. An Independent Remuneration Panel (IRP) was established comprising of the following individuals:
- Allan Stewart – Principal, Selby College;
 - William Inness – Former District Councillor;
 - Wanda Stables – Independent Standards Member.

The terms of reference of the Panel which outlined the areas and allowances it considered is attached at Appendix A. In addition, the Panel also took into account the following:

- Allowances schemes from authorities comparable to Selby District Council including local authorities in North Yorkshire and local authorities under the Chartered Institute of Public Finance and Accountancy (CIPFA) Family Group of Councils;
 - The views of Selby District Council Members;
 - Any other matters that the IRP should be made aware of.
- 1.4 The Panel held two meetings with the first on Thursday 11 August 2016 and the second on Friday 7 October 2016. During its second meeting, the Panel agreed a number of recommendations which are included in this report. These consisted of the following:
- A revised level of basic allowance;
 - Adjustments to certain Special Responsibility Allowances (SRAs);
 - The provision of a dependents' / child carers' allowance;
 - A revised Members' ICT allowances scheme;
 - Members' travel and subsistence allowances;

- Adjustments to the Chairman of the Council and Vice Chairman's allowances.

1.5 This report details the recommendations on Selby District Council's Members' Allowances Scheme outlined by the IRP and the rationale explaining their recommendations.

2. THE REPORT

2.1 Basic Allowance

2.1.1 Selby District Council's current basic allowance payable to all Councillors under the current Members' Allowance Scheme is £4115.38 as outlined in Appendix B.

2.1.2 Following a benchmarking exercise with both North Yorkshire neighbouring authorities and the Chartered Institute of Public Finance and Accountancy (CIPFA) family group of Councils, the Panel reviewed the benchmarking data presented to them and felt that the basic allowance for the Members of Selby District Council was considered to be in line with the average when compared against neighbouring local authorities and those in the CIPFA family group, indicating that the Council's current level of basic allowance was fair. This benchmarking data has been attached at Appendix C.

2.1.3 Councillors were given the opportunity to provide their views on the Allowances' Scheme. Comments were received specifically on the Council's level of basic allowance. The following comments were made:

- One Councillor felt that the basic allowance was fair;
- One Councillor suggested that the basic allowance was too low and stated that the allowance had not increased since 2011. The Councillor also felt that District Councillors had seen an increase in the demands with regard to representation on more Committees and an increase in casework on Councillors since the reduction in Members in 2015;
- Another Councillor felt that the Council's level of basic allowance had been frozen for a considerable length of time and stated that it should be closer to the rate that North Yorkshire County Council pay their Members (£8,994.00). Comments were received that the role of County Councillor tended to be simpler and less time consuming than the role of a District Councillor.

The Panel also received verbal feedback from Councillor Crane around the workload for a District Councillor and how this compared with the current level of basic allowance.

2.1.4 The Panel were presented with the different ways of calculating basic allowances for Members. These included the following:

- According to the national living wage;
- According to the national minimum wage;
- According to the medium annual gross pay of employed jobs in the local authority area;
- According to an internal pay grade for administrative staff.

The key factor in all the above calculations was the figure used to denote the average number of hours a week Members spent undertaking Council duties. This should be based on the average amount of time felt necessary to be able to undertake the required duties, not the time which Members choose to spend in the role, which will vary depending on individual circumstances.

As part of the consultation with Councillors over our Members' Allowances Scheme, Councillors were asked for the average time they felt necessary to be able to undertake the required duties of a District Councillor. Responses varied from 12 to 20 hours, with the average being 15.7 hours. It is important to note here that the vast majority of respondents held special responsibilities (i.e. the Leader, a member of the Executive, Chair of a Committee etc.) and therefore their time spent undertaking Council duties cannot necessarily be regarded as the average time spent by all Councillors due to the contrasting workloads depending on the role.

2.1.5 The Panel were also informed that during the last review back in 2011, the Council had not adopted the recommendation from the IRP to increase the Members' allowance in line with the officer pay awards which had resulted in the allowance remaining the same. The Panel felt the total pay awards awarded to officers dating back to 2011 should be calculated and the basic allowance should be increased by this amount. The Panel were informed that the total pay award for officers in this period was 4.2%. It was also noted that any amendment to the basic allowance would result in any Special Responsibility Allowances (SRAs) being recalculated using their respective weighting.

The Panel also felt that any future scheme should be indexed to match local government pay settlements using the NJC annual cost of living pay award including any pay award for Council staff awarded from 1st April 2017.

2.1.6 Recommendations

- The IRP recommend that Members receive a 4.2% increase to their level of basic allowance which would result in a raise in the basic allowance from £4,115.38 to £4,288.23;
- The IRP recommend that the Council's Members' Allowances Scheme is indexed for the next four years to match local government pay settlements using the NJC annual cost of living pay award including any pay award agreed for Council staff from 1st April 2017.

2.2 Special Responsibility Allowances (SRAs)

Leader, Deputy Leader and Executive

2.2.1 Following on from the recommendation by the Panel to increase the basic allowance by 4.2%, all Special Responsibility Allowances (SRAs) would have to be recalculated using their respective weighting. The weightings of the Council's SRAs are attached as Appendix D.

2.2.2 The Panel again used the data gathered from benchmarking exercise with both North Yorkshire neighbouring authorities and the CIPFA family group of Councils to analyse the SRAs for the Leader, Deputy Leader and Members of the Executive. This benchmarking data has been attached at Appendix E. Upon analysing the data, the Panel determined the following:

- The current weighting used to calculate the Leader's SRA was considered to be satisfactory;
- The SRA paid to Members of the Executive when compared against other local authorities in the CIPFA family group of Councils that operated an Executive model was the lowest and below the average which was £5,275.30.

2.2.3 It was noted that this review of Members' Allowances was the first since the Council moved to an Executive decision making model in 2011, and the Panel discussed the role of the Executive and questioned how this role has developed since the Council first moved to this model. The Panel also reviewed the Executive Members' portfolios which reflected the areas of responsibility for each Member. The consensus of the Panel was that Executive Members had a high workload, and their special responsibility allowance (SRA) should be slightly increased to reflect this.

2.2.4 The role of the Deputy Leader was also discussed including the responsibilities in addition to those of being a member on the Executive. The Panel discussed the role with Councillor Crane, Leader of the Council who outlined that as well as being a Member of the Executive, the Deputy Leader would deputise in the absence of the Leader at Executive meetings and also

deputise for the Leader at external meetings and events. After hearing the additional responsibilities expected of the role, the Panel felt that the SRA for the Deputy Leader should be increased to reflect the workload.

Chairs of Council Committees

- 2.2.5 The Panel then discussed the SRAs for the Chairs of Council Committees. During the consideration, the Panel requested the number of meetings for each Committee including the length of each meeting that had taken place in the municipal year.
- 2.2.6 With regard to the Chair of the Planning Committee, the Panel discussed the role and workload with Councillor Crane who felt that in terms of workload, the Planning Committee was the only Committee that was comparable to the Executive. The officers present informed the Panel that in addition to the planned monthly Planning Committee meetings, a significant number of Planning Sub-Committee and additional special Planning Committee meetings took place which added to the workload of the Chairman. The Panel agreed that the Chair of the Planning Committee had a high workload and felt that the SRA should be raised to account for this.
- 2.2.7 The Panel questioned whether the workload for the Chair of Licensing Committee was comparable to that of the Chair of Planning Committee since the two roles currently received the same level of SRA. Having considering the information presented, the Panel felt that the workloads of both Committees were not comparable, with the Planning Committee having a much higher workload. In light of this, the Panel felt that the SRA given to the Chair of the Licensing Committee should be reduced to a similar level to that received by the Chair of the Scrutiny Committee which it felt was more comparable in terms of workload.
- 2.2.8 The Panel then discussed the Chairman roles on the Overview and Scrutiny Committee, the Policy Review Committee and the Audit and Governance Committee. With regard to the Audit and Governance Committee, the Panel noted that the Committee had taken on a greater role than previously however it was felt that the SRA for the Chair was appropriate and therefore should not be amended.
- 2.2.9 The Panel were informed of the current ongoing review of the Council's scrutiny function which would impact on future arrangements for the Overview and Scrutiny Committee and the Policy Review Committee. With regard to the review, there were two possible outcomes:

- To merge the Overview and Scrutiny Committee and the Policy Review Committee in one Committee;
- To maintain the current arrangements where the Overview and Scrutiny Committee and the Policy Review Committee are separate entities however revise the terms of reference for each Committee.

2.2.10 The Panel discussed the effects of making recommendations for the different prospective outcomes of the review. The Panel were in agreement that should the current arrangement remain of two Committees, the SRA for both Chairs of the respective Committee should remain as they currently were as the Panel felt this was representative of the current workload.

2.2.11 If in future a decision is made to combine both Scrutiny Committees into one function, the Panel felt the SRA for the Chair of the Committee should be slightly increased to reflect the new responsibilities and workload the new position would entail. However, the Panel were in agreement that the SRA given to the Chair of a prospective single Scrutiny Committee should not reach or exceed the level of that received by the Chair of Planning Committee given the contrasting workloads.

Group Leaders' SRAs

2.2.12 Discussion took place on the SRA for the majority group leader and the opposition group leader. With regard to the majority group leader, the Panel felt that this was unnecessary as under normal circumstances, the majority group leader was also usually the Leader of the Council and under the Council's Members' Allowances Scheme, councillors could not receive more than one SRA. Consequently, the Panel members felt that this allowance should be removed under the new scheme.

2.2.13 The Panel discussed the allowance given to the opposition group leader and felt this was appropriate when considering their responsibilities and workload and therefore should not be amended.

2.2.14 Recommendations

- The IRP recommend that all existing Special Responsibility Allowances (SRAs) are recalculated to reflect the recommended increase in Members' level of basic allowance;
- The IRP recommend that the weighting given to the Deputy Leader is increased from 1 to 1.3, raising their SRA from £4,288.23 to £5,574.70;

- The IRP recommend that the weighting given to Executive Members is increased from 1 to 1.2, raising their SRA from £4,288.23 to £5,145.88;
- The IRP recommend that the weighting given to the Chair of Licensing is reduced from 1 to 0.75, thus decreasing their SRA from £4,288.23 to £3,216.17;
- The IRP recommend that the SRA given to the Majority Group Leader is removed from the Council's Members' Allowances Scheme;
- The IRP recommend that the SRA given to the Opposition Group Leader is not amended therefore remaining at £2,144.12 taking into account the revised calculation following the recommended increase in the basic allowance;
- The IRP recommend that if the Overview and Scrutiny Committee and Policy Review Committee are combined into one Committee, the weighting given to the Committee chairman is set at 0.9, giving the chair a SRA of £3,859.41;
- The IRP recommend that if the Overview and Scrutiny Committee and the Policy Review Committee remain as separate entities then the SRA for both Chairman are not amended therefore remaining at £3,216.17 taking into account the revised calculation following the recommended increase in the basic allowance.

2.3 Dependents' / Child Carers' Allowance

2.3.1 The Panel discussed the possible introduction of a Dependents/Child Carers Allowance. It was noted that legislation did not require local authorities to include such an allowance as part of their Members' Allowances Scheme however such allowances could be implemented so that personal circumstances did not prevent or discourage Councillors from carrying out council duties. The Panel also felt that the introduction of such an allowance would enable more people to think about standing for the role of Councillor.

2.3.2 The Panel were supportive of introducing an allowance for this area and discussed the conditions of such an allowance and the rates of payment. The Panel were informed that aside from Scarborough Borough Council, Selby District Council were the only local authority in North Yorkshire not to currently offer this allowance and were provided with information on how other authorities paid such an allowance. This has been attached at Appendix F. The Panel felt that the official duties where an allowance could be paid should constitute the following:

- Attendance at a meeting of the Council including any Committee, Sub-Committee or Working Party of the Council;
- Attendance at any outside body to which the Council makes appointments or nominations, or at any Committee or Sub-Committee of such a body;
- Attendance at a meeting of the Executive or of any other meetings in the role of an Executive Member;
- Attendance at a meeting of any association of Authorities of which the Council is a member such as a combined authority.

2.3.3 With regard to the payment of the allowance, the Panel felt that the Council should pay at a rate of the National Living Wage which was currently £7.20 an hour and that any payment should also cover reasonable travel time to and from the location of the meeting.

2.3.4 The Panel were clear that any claims for such an allowance should be accompanied by receipts and/or other suitable evidence.

2.3.5 Recommendations

- The IRP recommend that the Council's Members' Allowances Scheme includes a dependents' / child carers' allowance and that eligible Councillors are reimbursed, on production of receipts or evidence of expenditure, for expenditure incurred with regard to the care of their children or dependents when undertaking the following official duties:
 - Attendance at a meeting of the Council including any Committee, Sub-Committee or Working Party of the Council;
 - Attendance at any outside body to which the Council makes appointments or nominations, or at any Committee or Sub-Committee of such a body;
 - Attendance at a meeting of the Executive or of any other meetings in the role of an Executive Member;
 - Attendance at a meeting of any association of Authorities of which the Council is a member.
- The IRP recommend that eligible Councillors' costs are reimbursed at the rate of the National Living Wage (currently £7.20 an hour) and that

this reimbursement covers reasonable travel time to and from the location of the meeting.

2.4 Members' ICT Allowance

2.4.1 The Panel considered the Members' ICT Allowance which was not currently part of the Members' Allowances Scheme. The Panel agreed that the current allowance was not very clear and involved several different payments depending on circumstances. It was felt that there needed to be greater transparency and consistency over ICT allowances.

2.4.2 The Panel were informed that the Council was considering introducing electronic working for Members in the future which would involve Members being provided with a tablet device to read and receive documentation for meetings electronically.

2.4.3 Following consideration of the information presented and benchmarking data received from other authorities (see attached as Appendix G), the Panel were in agreement that it was unnecessary for the Council to have different payments for ICT allowances. They also noted that the Council's current Members' ICT Allowances dated back to 2007 and that technology was now considered to be more accessible and affordable. The Panel agreed that there should be a monthly ICT allowance that reflected the price of standard broadband and consumables and felt that £10 was a reasonable figure for this allowance.

2.4.4 The Panel felt that the Council should not restrict County Councillors and spouses who were also District Councillors from claiming the new allowance as it was considered that the allowance was needed for their individual respective roles.

2.4.5 The Panel were also in agreement that the Council should implement an acceptable usage policy for Members in line with that of the Council's ICT acceptable use policy for staff if they were provided with tablet devices in the future.

2.4.6 Recommendations

- The IRP recommended that the Council amends its current ICT allowances and introduces a £10 monthly ICT allowance for home broadband and consumables only;
- The IRP recommend that the Council implement an acceptable usage policy for Members in line with that of the Council's ICT acceptable use policy for staff if they were provided with tablet devices in the future.

2.5 Members' Travel and Subsistence Allowances

2.5.1 The Panel felt that Members' travel and subsistence allowances should remain in line with those given to Council staff. The Panel recommended that all claims must be supported by receipts and that Councillors should be encouraged to submit their claims within three months of their meeting/engagement for which they were claiming for taking place.

2.5.2 Recommendations

- The IRP recommend that Members' travel and subsistence allowances are in line with those given to Council staff;
- The IRP recommend that all claims are supported by receipts, and that Members submit their claims within three months of the meeting/engagement for which they are claiming taking place.

2.6 The Chairman's Allowance

2.6.1 The Panel considered the Chairman's Allowance which was not currently part of the Members' Allowances Scheme. It was noted that there was a lack of clarity over the current arrangements regarding whether this was a budget or an allowance. It was also noted that there was a similar lack of clarity regarding what happened with the remaining balance at the end of the Chairman's civic year.

2.6.2 Following analysis of the Chairman's budget for the previous five years, the Panel felt a sensible solution going forward would be to split the figure into two parts with one part an allowance and the other a budget to support the Chairman in their civic year.

2.6.3 When considering how the current budget of £5,910 should be split, the Panel felt that £1,000 should be an allowance given to the Chairman for their time commitments in the role and the remaining £4,910 should be used to help support their year in office.

2.6.4 The Panel were in agreement that any funding remaining in the Chairman's budget at the end of their year in office should be paid to the Chairman's chosen charity.

2.6.5 Consequently, the Panel felt that since under the new proposals the Chairman of the Council would be receiving an allowance of £1,000, the Vice Chairman's allowance should be reduced and it was felt that half of the Chairman's allowance was an appropriate figure. In making this decision, the Panel also noted that the Vice Chairman deputised for the Chairman only very occasionally and in such instances, the payment for respective function still came out of the Chairman's budget.

2.6.6 The IRP recommend that the Chairman's allowance of £5,910 is split into an allowance of £1,000 and a budget of £4,910, and that any remaining money in the Chairman's budget at the end of their civic year be given to the Chairman's charity;

2.6.7 Recommendations

- The IRP recommend that the Chairman's allowance of £5,910 is split into an allowance of £1,000 and a budget of £4,910, and that any remaining money in the Chairman's budget at the end of their civic year be given to the Chairman's charity;
- The IRP recommend that the Vice Chairman's allowance is reduced from £960 to £500.

3. Finances

3.1 The current Members' Allowances Scheme totals £174,903.66.

3.2 The scheme agreed by Council in 2011 totalled £216,057.48. This has reduced by £41,153.80 following the reduction in the number of Councillors from to 31 in 2015.

3.3 Following the IRP's recommendations that Members receive a 4.2% increase to their level of basic allowance and that all existing Special Responsibility Allowances (SRAs) are recalculated to reflect this increase, the Council's Members' Allowances Scheme will cost £182,248.79, an increase of £7,345.12 on the current scheme.

3.4 If Council adopts the IRP's recommendations to adjust certain SRAs as outlined in the report, this will further raise the schemes' cost by £643.24 resulting in a total cost of the scheme of £182,892.03, an increase of £7,989.37 on the current scheme. The above-mentioned changes to the Council's scheme have been attached at Appendix H. Appendix I sets out the IRP's recommended Members' allowances scheme including the weighting.

3.5 Any increases in the Members' Allowances scheme will require additional funding for the budget.

3.6 The allowance for both the Chairman and Vice Chairman are not currently part of the Council's Members' Allowances Scheme and are held in separate budgets. Following the IRP's recommendations that the Chairman and Vice Chairman receive an allowance of £1,000 and £500 respectively, their allowances will be part of the Council's Members' Allowances Scheme and will therefore be held within the same budget.

Appendix I: The Independent Remuneration Panel's recommended Members' Allowances Scheme (including weights)

Allowance	<i>Basic Allowance</i>	<i>Weight</i>	<i>Units</i>	Total
Basic Allowance	£4,288.23	1.00	31.00	£132,935.13
Leader of the Council	£4,288.23	2.50	1.00	£10,720.58
Deputy Leader of the Council	£4,288.23	1.30	1.00	£5,574.70
Executive Councillors	£4,288.23	1.20	3.00	£15,437.64
Opposition Group Leader	£4,288.23	0.50	1.00	£2,144.12
Scrutiny Committee Chair	£4,288.23	0.75	1.00	£3,216.17
Policy Review Committee Chair	£4,288.23	0.75	1.00	£3,216.17
Audit Committee Chair	£4,288.23	0.50	1.00	£2,144.12
Planning Committee Chair	£4,288.23	1.00	1.00	£4,288.23
Licensing Committee Chair	£4,288.23	0.75	1.00	£3,216.17
Total Cost of above				£182,893.03
<i>Current Scheme Costs</i>				<i>£174,903.66</i>

Appendix A – Terms of Reference

Independent Remuneration Panel – Terms of Reference

To make recommendations to the Council on the following:

- The amount of basic allowance that should be paid to its Members
- The responsibilities or duties where a special responsibility allowance should be paid and the amount of such an allowance.
- The payment of a co-optees' allowance.
- Whether the Council's allowances scheme should include an allowance for the care of children and dependants and the amount of such an allowance.
- Whether there are any annual increase related to an index and the details of such increases.
- The payment of a travel and subsistence allowance and the duties where this allowance should be paid.
- The payment of an IT allowance.
- The Chairman's allowance
- The implementation date for the new Members' Allowances Scheme and whether any payments should be backdated to the start of the municipal or financial year.
- Any other issues that are brought to the Panel's attention.

Appendix B: Selby District Council's Members' Allowances Scheme

COUNCILLORS' ALLOWANCE SCHEME

The present scheme was adopted in March 2011 as a result of a report from the Independent Remuneration Panel on Members' Allowances.

The scheme provides for a Basic Allowance payable to all Councillors together with an allowance for Councillors having Special Responsibility. No Councillor is entitled to receive more than one Special Responsibility Allowance.

Basic Allowance per annum (per Councillor)	£4,115.38
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SPECIAL RESPONSIBILITY ALLOWANCES:

a) Leader and Deputy Leader

Leader of the Council	£10,288.44
Deputy Leader	£ 4,115.38
Executive Councillors	£ 4,115.38

b) Group Leaders

Majority Group Leader	£ 2,057.69
Opposition Group Leader	£ 2,057.69

c) Committee Chairmen

Scrutiny Committee	£ 3,086.54
Policy Review Committee	£ 3,086.54
Audit Committee	£ 2,057.69
Planning Committee	£ 4,115.38
Licensing Committee	£ 4,115.38

The Independent Remuneration Panel also recommend that subsistence and travel allowances payable to Councillors should be in line with the Officers' Scheme of Allowances.

Daily Subsistence Allowance

Breakfast	-	£6.06
Lunch	-	£8.37
Evening Meal	-	£10.35

Overnight Subsistence

Overnight from usual residence	=	£73.00
London and Annual Conferences	=	£83.00

Mileage (April 2011/12)

451 – 999cc per mile (first 8,500)	46.9p
451 – 999cc per mile (after 8,500)	13.7p
1,000 and over (first 8,500)	52.2p
1,000 and over (after 8,500)	14.4p

Appendix C - Comparison of Basic Allowances

Figure 1 - CIPFA Family Group of Councils

Authority	Council Structure	Popn (2011 Census)	Number of Elected Members	Basic Allowance (£)	Basic Allowance per head of popn
Melton Borough Council	Fourth Option	50,376	28	4617.00	0.09
Tewkesbury Borough Council	Fourth Option	81,943	38	7200.00	0.09
North Warwickshire Borough Council	Executive	62,014	35	4942.00	0.08
South Derbyshire District Council	Fourth Option	94,611	36	5982.00	0.06
Richmondshire District Council	Fourth Option	51,965	34	3000.00	0.06
Daventry District Council	Fourth Option	77,843	36	4477.00	0.06
East Northamptonshire	Fourth Option	86,765	40	4600.00	0.05
Selby District Council	Executive	83,449	31	4115.00	0.05
St Edmundsbury Borough Council	Executive	111,008	45	5351.00	0.05
Stroud District Council	Fourth Option	112,779	51	5161.00	0.05
West Lancashire Borough Council	Executive	110,685	54	4842.00	0.04
Bassetlaw District Council	Executive	112,863	48	4628.00	0.04
Newark & Sherwood District Council	Fourth Option	114,817	39	4700.00	0.04
North West Leicestershire District Council	Executive	93,468	38	3780.03	0.04
Hinckley & Bosworth Borough Council	Executive	105,078	34	4000.00	0.04
Lichfield District Council	Executive	100,654	47	3547.00	0.04

Figure 2 - North Yorkshire Councils

Authority	Council Structure	Popn (2011 Census)	Number of Elected Members	Basic Allowance (£)	Basic Allowance per head of popn
Craven District Council	Fourth Option	55,409	30	4300.00	0.08
Ryedale District Council	Fourth Option	51,751	30	3551.64	0.07
Hambleton District Council	Executive	89,140	27	6050.00	0.07
Richmondshire District Council	Fourth Option	51,965	34	3000.00	0.06
Selby	Executive	83,449	31	4115.00	0.05
City of York Council	Executive	198,051	47	7192.56	0.04
Harrogate Borough Council	Executive	157,869	54	4328.00	0.03
NYCC	Executive	602,600	72	8994.00	0.01

Appendix D: Selby District Council's Members' Allowances Scheme (including weights) – taken from Minutes of the proceedings of a meeting of the Remuneration Task and Finish Group held on 20 January 2011

Allowance	<i>Basic Allowance</i>	<i>Weight</i>	<i>Units</i>	Total
Basic Allowance	£4,115	1.00	41.00	£168,731
Leader of the Council	£4,115	2.50	1.00	£10,288
Deputy Leader of the Council	£4,115	1.00	1.00	£4,115
Executive Councillors	£4,115	1.00	3.00	£12,346
Majority Group Leader	£4,115	0.50	1.00	£2,058
Opposition Group Leader	£4,115	0.50	1.00	£2,058
Other Group Leader(s)	£4,115	0.00	1.00	£0
Scrutiny Committee Chair	£4,115	0.75	1.00	£3,087
Policy Review Committee Chair	£4,115	0.75	1.00	£3,087
Audit Committee Chair	£4,115	0.50	1.00	£2,058
Planning Committee Chair	£4,115	1.00	1.00	£4,115
Licensing Committee Chair	£4,115	1.00	1.00	£4,115
Total Cost of above				£216,057
<i>Current Scheme Costs</i>				<i>£216,057</i>

Appendix E - Comparison of Special Responsibility Allowances

Figure 1 - CIPFA Family Group of Councils

Authority	Council Structure	Popn (2011 Census)	Basic Allowance (£)	Leader	Deputy Leader	Executive Councillors	Chairman Council	Vice Chairman Council	Chairman O & S	Chairman P & R	Chairman Planning	Chairman Licensing	Chairman Audit	Group Leaders
Bassetlaw District Council	Executive	112,863	4628.00	7500.00	3200.00	5600.00	7900.00	2500.00	3100.00		3100.00	2100.00	3100.00	
Daventry District Council	Fourth Option	77,843	4477.00	10966.00	5482.00		4000.00				5482.00	5482.00		5482.00
East Northamptonshire Council	Fourth Option	86,765	4600.00	8000.00	5000.00				3250.00	3683.00	3683.00	2000.00	3250.00	3683.00
Hinckley & Bosworth	Executive	105,078	4000.00	10000.00		5500.00			3500.00		3500.00	3500.00	3500.00	3500.00
Lichfield District Council	Executive	100,654	3547.00	11610.00	6966.00	6385.00			2322.00		6385.00	2322.00	2322.00	2322.00
Melton Borough Council	Fourth Option	50,376	4617.00	12283.00	3464.00					3464.00**		3464.00		3464.00
Newark & Sherwood District Council*	Fourth Option	114,817	4700.00	13000.00	2600.00		3360.00	670.00			5298.00	3129.00	1795.00	4500.00
North Warwickshire	Executive	62,014	4942.00	10987.00	4983.00				4983.00		4983.00			1162 (or 233 per group member)
North West Leicestershire District Council	Executive	93,468	3780.03	15120.12	9450.08	5670.05	3780.03	472.50	4914.04		4914.04	4914.04	4914.04	3780.03
Richmondshire District Council	Fourth Option	51,965	3000.00	5500.00	2750.00		2500.00		1500.00		1800.00	600.00	900.00	
Selby District Council	Executive	83,449	4115.00	10288.44	4115.38	4115.38	5910.00	960.00	3086.54	3086.54	4115.38	4115.38	2057.69	2057.69
South Derbyshire District Council	Fourth Option	94,611	5982.00	17940.00	9860.00				8960.00	3086.54	8960.00	2240.00		8960.00
St Edmundsbury	Executive	111,008	5351.00	10702.00	6422.00	5890.00			3214.00			1068.00	1608.00 (5-9 members) or 3214.00 (10-)	1068.00
Stroud District Council	Fourth Option	112,779	5161.00	10000.00			3000.00	600.00		6000.00		6000.00	5000.00	4700.00
Tewkesbury Borough Council*	Fourth Option	81,943	7200.00	8400.00	6300.00	4200.00			2100.00		2100.00	2100.00	2100.00	
West Lancashire Borough Council	Executive	110,685	4842.00	12105.00	7263.00	4842.00			2421.00		4842.00	2421.00***	2421.00	3389.00

*Members can claim more than one SRA

**Policy, Finance & Administration Committee

***West Lancashire have two Licensing Committees: Licesnsing & Appeals, and Licesning & Gambling

Figure 2 - North Yorkshire Councils

Authority	Council Structure	Popn (2011 Census)	Basic Allowance (£)	Leader	Deputy Leader	Executive Councillors	Chairman Council	Vice Chairman Council	Chairman O & S	Chairman P & R	Chairman Planning	Chairman Licensing	Chairman Audit	Group Leaders
City of York Council	Executive	198,051	7192.56	26001.00	18201.00	15600.00			5200.00		7800.00	5200.00	5200.00	11700.00
Craven District Council	Fourth Option	55,409	4300.00	8170.00**	4300.00**		3440.00	430.00	2150.00		2150.00		2150.00	860.00
Hambleton District Council	Executive	89,140	6050.00	24200.00	12100.00		9075.00		4538.00		4538.00	1512.00	1512.00	1512.00
Harrogate Borough Council*	Executive	157,869	4328.00	13774.00	6887.00	4591.00			4591.00		4591.00	1800.00	916.00	1377 (6-17 Members) 2,296 (18-27 Members)
NYCC	Executive	602,600	8994.00	24704.00	15440.00	13896.00	9264.00	3068.00	4632.00		3088.00		3088.00	4632.00
Richmondshire District Council	Fourth Option	51,965	3000.00	5500.00	2750.00		2500.00		1500.00		1800.00	600.00	900.00	
Ryedale District Council	Fourth Option	51,751	3551.64	3587.04	530.45				2869.68	2869.68	2869.68			358.80
Selby	Executive	83,449	4115.00	10288.44	4115.38	4115.38	5910.00	960.00	3086.54	3086.54	4115.38	4115.38	2057.69	2057.69

*Members can claim more than one SRA

**Also Chairman of Planning Committee. Likewise for the Deputy Leader

Appendix F: Information on a dependents' / child carers' allowance – excerpt taken from Selby District's Members' Allowances Scheme – Second Report to the Independent Remuneration Panel (IR/16/02)

2.4 Dependents' / Child Carers' Allowance

2.4.1 Although legislation doesn't not require local authorities to include a dependants' / child carer's allowance as part of their Members' Allowances scheme, it is important that Councillors are not discouraged from carrying out council work and standing for election due to their personal responsibilities.

2.4.2 Selby District Council does not currently have a dependents' / child carers' allowance and alongside Scarborough Borough Council, is the only local authority in North Yorkshire not to offer this allowance.

2.4.3 While the rate for this allowance varies between each authority, the principle is the same: the reimbursement of the expenditure incurred by eligible Councillors with regard to the care of their children or dependants in order for them to be able to undertake official duties. Should Panel members decide to recommend that the Council establish a dependents' / child carers' allowance, conditions for what constitutes as 'official duties' need to be determined. This could include the following:

- the attendance at a meeting of the Council or of any Committee, or Sub-Committee of Working Party of the Council, or of any body to which the Council makes appointments or nominations, or of any Committee or Sub-Committee of such a body;
- the attendance at a meeting of the Executive or a meeting of any of its Committees;
- the attendance at a meeting of any association of Authorities of which the Council is a member;
- the performance of any duty in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Council to inspect or authorise the inspection of premises;
- the attendance at any meeting arranged by any other body on which the Member represents the Council where that other body is not reimbursing the Member.

2.4.4 The rates set by neighbouring authorities for the payment of a dependents' / child carers' allowance varies. City of York Council reimburse their Members' costs incurred at a rate of the living wage (currently £7.20 a hour), although they specify that this rate of allowance may be exceeded in circumstances where professional care is required for children or dependent relatives with

medical or other special needs. Hambleton District Council reimburse their Members' costs incurred at a rate of the national minimum wage (currently £6.70 a hour) with a maximum of 10 hours per a week. Elsewhere Craven District Council's rate payable is the actual cost, up to a maximum of £11 per hour, for the duration of the meeting attended, plus travelling time to and from the meeting. Claims for a dependent's / carers' allowance must be supported by receipts. Should Panel members decide to recommend that that the Council establish this allowance, rates for payment will need to be discussed and recommended.

Appendix G: Information on Members' ICT Allowance - *excerpt taken from Selby District's Members' Allowances Scheme – Second Report to the Independent Remuneration Panel (IR/16/02)*

2.5 Members' ICT

2.5.1 At the previous meeting of the IRP, Panel members requested for further benchmarking to be done on Members' ICT allowances. However, upon conducting further research, the majority of neighbouring local authorities do not pay an IT allowance. For example Craven District Council's scheme states that their Member's basic allowance covers the capital and running costs of IT provision. The same is true of North Yorkshire County Council. Conversely, Harrogate Borough Council pays each of its Members £264 per annum for IT allowance whilst Richmondshire District Council's Members who provide their own broadband connection receive a monthly allowance of £14.99.

2.5.2 In an effort to save money and improve the democratic process, Scarborough Borough Council introduced iPads for all its Members in 2012. These were funded by ceasing an existing Member ICT allowance and redirecting these funds to cover the cost of the mobile contract monthly fee. Selby District Council is considering the introduction of tablets for Members in the future and therefore Scarborough Borough Council's scheme is of interest. With regards to their scheme, Members are provided with internet access on their iPads to allow them to download information from the internet in most areas of the Borough. However, should this not be sufficient, Members can claim actual expenses incurred over and above the domestic usage of the internet, subject to two restrictions:

- Members who receive internet connection from another authority cannot claim for broadband expenses from Scarborough Borough Council
- If a Member requires the internet solely for Scarborough Borough Council business, he/she can claim to a maximum of the lowest package price for BT internet.

The Democratic Services Manager from Scarborough Borough Council has noted that in relation to the above, no claims have been made by Members.

2.5.3 Selby District Council's proposed introduction of tablets for Members differs from Scarborough Borough Council's scheme in that the Council will not be providing devices with a monthly mobile contract. Members' tablets will be able to connect to the Council's Wi-Fi when at the Civic Centre, as well as being able to connect to Members' own broadband at home. As a result, Panel Members may decide to recommend that the Council discontinues its

current ICT allowances and instead introduces a monthly ICT allowance that reflects the cost of the lowest package price for home broadband. For comparison purposes, BT's lowest price for home broadband is currently £4 a month, excluding line rental.

- 2.5.4 Panel members may also recommend that the cost of consumables (e.g. ink cartridges, printing paper etc.) is covered by Members' basic allowances.

Appendix H - An increase to the level of basic allowance and certain adjustments to Special Responsibility Allowances (SRAs)

Allowance	2011 Members' Allowances Scheme				Current Members' Allowances Scheme				Revised level of Basic Allowance (4.2% increase)				Special Responsibility Allowances (SRAs) Adjusted		
	Amount (£)	Weight	Units	Scheme (£)	Amount (£)	Weight	Units	Current 2016 Scheme (£)	Amount (£)	Weight	Units	Revised Scheme (£)	Weights	Units	Recommended Scheme (£)
Basic	4,115.38	1	41	168,730.58	4,115.38	1	31	127,576.78	4,288.23	1	31	132,935.13	1	31	132,935.13
Leader	10,288.45	2.5	1	10,288.45	10,288.45	2.5	1	10,288.45	10,720.58	2.5	1	10,720.58	2.5	1	10,720.58
Deputy Leader	4,115.38	1	1	4,115.38	4,115.38	1	1	4,115.38	4,288.23	1	1	4,288.23	1.3	1	5,574.70
Executive Member	4,115.38	1	3	12,346.14	4,115.38	1	3	12,346.14	12,864.69	1	3	12,864.69	1.2	3	15,437.64
Majority Group Leader	2,057.69	0.5	1	2,057.69	2,057.69	0.5	1	2,057.69	2,144.12	0.5	1	2,144.12	Removed	0	0.00
Opposition Group Leader	2,057.69	0.5	1	2,057.69	2,057.69	0.5	1	2,057.69	2,144.12	0.5	1	2,144.12	0.5	1	2,144.12
Scrutiny Committee	3,086.54	0.75	1	3,086.54	3,086.54	0.75	1	3,086.54	3,216.17	0.75	1	3,216.17	0.75	1	3,216.17
Policy Review Committee	3,086.54	0.75	1	3,086.54	3,086.54	0.75	1	3,086.54	3,216.17	0.75	1	3,216.17	0.75	1	3,216.17
Audit Committee	2,057.69	0.5	1	2,057.69	2,057.69	0.5	1	2,057.69	2,144.12	0.5	1	2,144.12	0.5	1	2,144.12
Planning Committee	4,115.38	1	1	4,115.38	4,115.38	1	1	4,115.38	4,288.23	1	1	4,288.23	1	1	4,288.23
Licensing Committee	4,115.38	1	1	4,115.38	4,115.38	1	1	4,115.38	4,288.23	1	1	4,288.23	0.75	1	3,216.17
Total (£)				216,057.46				174,903.66				£182,249.79			182,893.03



Public Session

Report Reference Number: C/16/18

Agenda Item No: 18

To:	Council
Date:	21 February 2017
Author:	Palbinder Mann, Democratic Services Manager
Lead Officer:	Gillian Marshall, Solicitor to the Council
Executive Member:	Mark Crane, Leader of the Council

Title: Changing of Village Name – Walden Stubbs

Summary:

Following the Community Governance Review in 2014, the parish of Walden Stubbs was renamed to Stubbs Walden. This did not affect the name of the village which remained Walden Stubbs. The Parish Meeting have now requested that the village name also be amended to match the name of the parish i.e. to Stubbs Walden. While there is no direct legislation associated with changing the name of the village, it is suggested that the same steps outlined in section 75 of the Local Government Act 1972 relating to changing the name of the parish be followed and therefore it is for Council to take a view on this proposal.

Recommendations:

To consider amending the name of the village of Walden Stubbs to Stubbs Walden.

Reasons for recommendation

To consider the request from the Parish Meeting to change the name of the village

1. The Report

1.1 The village of Walden Stubbs is located in the South of the district in the Whitley ward. According to the latest figures on the electoral register, there are 47 electors in the village. The village has a Parish Meeting.

1.2 As a result of the Community Governance Review undertaken by the Council in 2014, the parish name of Walden Stubbs was renamed to Stubbs Walden

following a request from the Parish Meeting. The reason for the request was that the new name was used by many residents within the community and it had historical local significance. The decision to change the name of the parish did not affect the name of the village which remained Walden Stubbs.

- 1.3 The Parish Meeting has now requested that the village name also be amended to match the name of the parish to Stubbs Walden.
- 1.3 While the Local Government Act 1972 refers to the changing of names for a Parish Council and a name of a Council area, there is no legal guidance or mechanism on changing the name of a village within a local authority area. Equally, this results in there being no legislation precluding a local authority agreeing to change the name of a village in its area. There have been recent cases where towns have changed name following decisions by the local authority and therefore the Council is also expected to make a decision on this proposal.
- 1.4 Following the request, the Parish Meeting was advised to present evidence that there was support from the residents of the village on the proposal. The Parish Meeting provided information on the discussion held at different Parish Meetings where there was strong support for the proposal with around half of residents in the village who attended the meetings in favour of the change.
- 1.5 It is suggested the same steps for changing the name of a Parish in Section 75 of the Local Government Act 1972 be followed:
 - 1) *At the request of the parish council or, where there is no parish council, at the request of the parish meeting, the council of the district in which the parish is situated may change the name of the parish.*
 - 2) *Notice of any change of name made under this section –*
 - a) *shall be sent by the district council concerned to the Secretary of State, to the Director General of the Ordnance Survey and to the Registrar General; and*
 - b) *shall be published by the district council in the parish and elsewhere in such manner as they consider appropriate.*
 - 3) *A change of name made in pursuance of this section shall not affect any rights or obligations of any parish or of any council, authority or person, or render defective any legal proceedings; and any legal proceedings may be commenced or continued as if there had been no change of name.*
- 1.6 Discussion has also taken place with Royal Mail who have stated that they will be guided by the Council and will action accordingly.

2 Legal/Financial Controls and other Policy matters

2.1 Legal Issues

As stated above, there is no direct legislation which applies to changing the name of a village however it is suggested that steps outlined in section 75 of the Local Government Act relating to changing the name of a parish be followed.

3.2 Financial Issues

There are no direct financial implications for the authority as the Parish Meeting has agreed to pay any costs associated with the amending of road signs and any costs outlined by Royal Mail

4. Conclusion

Council is asked to consider the proposal to change the name of the village.

5. Background Documents

None

Contact Officer:

Palbinder Mann
Democratic Services Manager
pmann@selby.gov.uk
ext 42207

Appendices:

None



Public Session

Report Reference Number: C/16/18

Agenda Item No: 19

To:	Council
Date:	21 February 2017
Author:	Palbinder Mann, Democratic Services Manager
Lead Officer:	Gillian Marshall, Solicitor to the Council
Executive Member:	Mark Crane, Leader of the Council

Title: Political Balance and Committee Membership

Summary:

The Council has received notification of the formation of an Independent Group and under the Local Government and Housing Act 1989, the group is entitled to places on Council Committees. The number of Committee places the group is entitled to, is dependent on calculation of the political balance of the Council and after reviewing this, the group will receive three Committee places.

Recommendations:

- i) **To make the following changes to Committee places in light of the formation of the Independent Group:**
 - **To allocate the Independent Group a place on the Overview and Scrutiny Committee instead of the Conservative Group.**
 - **To allocate the Independent Group a place on the Policy Review Committee instead of the Labour Group.**
 - **To allocate the Independent Group a place on the Audit and Governance Committee instead of the Labour Group.**
- ii) **To appoint the members and substitutes to the Committees in accordance with the nominations by the Group Leaders.**

Reasons for recommendation

To ensure Committee places are allocated in accordance with legislation and the political balance of the local authority.

1. The Report

- 1.1 The Council usually considers the group nominations for Councillor appointments to Committees including Chairs and Vice Chairs at its Annual Meeting in May.
- 1.2 Places for Committees are allocated in accordance with the political balance of the Council which is calculated in accordance with the political composition of the political parties.
- 1.3 The Council has received notice of the formation of an Independent Group consisting of Councillors Donald Mackay and Mary McCartney. Section 15 of the Local Government and Housing Act 1989 places a duty on the Council to allocate seats on Ordinary Committees of the Council between the political groups in accordance with the following principles :-
 - a) That not all the seats on the body to which appointments are being made are allocated to the same political group;
 - b) That the majority of seats on each committee are allocated to a particular political group if the number of persons belonging to that group is a majority of the authority's membership;
 - c) That subject to (a) and (b), when allocating seats to a political group, the total number of their seats across all the ordinary committees of the Council, must reflect their proportion of the authority's membership; and
 - d) Subject to (a) to (c), that the number of seats on each committee is as far as possible in proportion to the group's membership of the authority.
- 1.4 The Local Government and Housing Act 1989 requires that, once the Council has determined the allocation of committee places between the political groups, the Council must then appoint the nominees of the political groups to the committees.
- 1.5 These rules apply to the Planning Committee, Audit and Governance Committee, Overview and Scrutiny Committee and the Policy Review Committee. They do not apply to the Licensing Committee which is a statutory committee although in practice the rules are followed for this Committee as well.
- 1.6 The political balance of Committees is calculated as follows:
 - The number of seats of a political group x the number of total seats on the Council = percentage

- The percentage is then applied to the total number of Committee places available to the political group which is 40.

Therefore the revised calculation is as follows:

Party	Seats	Calculation against total seats	Percentage	Number of Committee places (% of 40)
Conservative	22	22/31	71	28
Labour	7	7/31	23	9
Independent	2	2/31	6	3

1.7 In accordance with the Local Government and Housing Act 1989, the number of seats on each Committee must be, as far as possible, in proportion to the political group's membership of the authority. The calculation for the Committee places on Selby District Council is set out below:

Committee	Total Number of places on Committee	Conservative	Labour	Independent
Planning Committee	9	7 (7)	2 (2)	0 (0)
Licensing (must have 10 Members according to legislation)	10	7 (7)	2 (3)	1 (0)
Overview and Scrutiny	7	4 (5)	2 (2)	1 (0)
Audit and Governance	7	5 (5)	2 (2)	0 (0)
Policy Review	7	5 (5)	1 (2)	1 (0)
Total rounded	40	28	9	3

2 Legal/Financial Controls and other Policy matters

2.1 Legal Issues

These are covered in the report

3.2 Financial Issues

There may be occasion for the Councillors to attend external meetings which may incur travel expenses. Councillors are also permitted to claim for travel to attend Committee meetings however any payments are covered from the Members Allowances budget.

4. Conclusion

Council is asked to consider the revised list of Committee places in accordance with recalculated political balance and to give effect to the Group Leaders nominations.

5. Background Documents

None

Contact Officer:

Palbinder Mann
Democratic Services Manager
pmann@selby.gov.uk
ext 42207

Appendices:

Appendix A : Group Leaders nominations for committee and substitute places (to follow)