

Selby District Council



Agenda

Meeting: **Executive**
Date: **7 February 2013**
Time: **4pm**
Venue: **Committee Room**
To: Councillor Mark Crane, Councillor Mrs Gillian Ivey, Councillor Cliff Lunn, Councillor John Mackman and Councillor Chris Metcalfe

1. Apologies for absence

2. Minutes

The Executive is asked to approve the minutes of the meeting held on 3 January 2013. Pages 4 to 6.

3. 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.

4. Medium Term Financial Plan – Key Decision

Report E/12/53 presents the Executive's proposed budget and capital programme for 2013/14 to 2015/16. Pages 7 to 58.

5. 3rd Interim Budget Exceptions Report – Key Decision

Report E/12/54 provides the Executive with details of major variations between budgeted and actual expenditure and income for the 2012/13 financial year to 31 December 2012. Pages 59 to 77.

6. 3rd Interim Treasury Management Report – Key Decision

Report E/12/55 asks the Executive to endorse the actions of officers with regard to the Council's treasury management activity. Pages 78 to 86.

7. Treasury Management Strategy – Key Decision

Report E/12/56 presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2013/14 and Prudential Indicators 2013/14. Pages 87 to 112.

8. Homeless Prevention

Report E/12/57 asks the Executive to consider the proposed commissioning of Access Selby to deliver homeless prevention work using additional funding provided by Department for Communities and Local Government. Pages 113 to 116.

9. Implementation of a Mobile Working Solution – Key Decision

Report E/12/58 asks the Executive to consider the business case for the implementation of a new mobile working solution to mobilise the community officers team. Pages 117 to 129.

10. 3rd Interim Corporate Plan Progress Report

Report E/12/59 asks the Executive to consider Access Selby's key performance indicators following the third quarter of 2012/13. Pages 130 to 145.

**11. Programme For Growth – Housing Trust - Key Decision
Appendix to follow.**

Report E/12/60 asks the Executive to consider the creation of a Housing Trust to deliver new build affordable housing and in appropriate circumstances to transfer existing empty Council dwellings. Pages 146 to 148.

12. Programme For Growth – Community Access to Sports Leisure Services - Key Decision

Report E/12/61 asks the Executive to consider a set of proposals to expand access to sport and recreational activities and to take leisure provision out into the wider community at a time when Abbey Leisure Centre is out of action. Pages 149 to 152.

13. Review of the Constitution

Report E/12/62 asks the Executive to consider a number of amendments to the constitution. Pages 153 to 156.

M Connor
Chief Executive

Dates of next meetings
21 February 2013 Executive Briefing
7 March 2013 Executive

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Selby District Council



Minutes

Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	3 January 2013
Present:	Councillor M Crane (Chair), Councillor Mrs G Ivey, C Lunn, J Mackman and C Metcalfe
Officers present:	Deputy Chief Executive, Executive Director (S151), Development Manager and Democratic Services Manager.
Also Present:	
Public:	0
Press:	0

NOTE: Only minute numbers 80, 81, 82 are subject to call-in arrangements. The deadline for call-in is 5pm on 14 January 2013. Decisions not called in may be implemented on 15 January 2013.

77. Apologies for Absence

No apologies were received.

78. Minutes

The minutes of the meeting on 6 December 2012 were submitted. The Executive approved an amendment to minute 75 (Community Right to Bid). The first sentence of the second paragraph should read:

'Councillor Crane outlined that under the Localism Act, the Council had a duty to maintain a list of assets in the District which were of community value.'

Resolved:

Subject to the above amendment, to approve the minutes for signing by the Chair.

79. Disclosure of Interest

None received.

80. Housing Rents and Misc. Charges 2013/14 – Key Decision

Councillor Lunn presented the report on the proposals for Housing Revenue Account rent levels in accordance with Central Government's Policy on rent restructuring.

Councillor Lunn outlined that an average increase of 4.6% was proposed for 2013/14, this was based on the Government's formula for rent increases. The transitional period for rent convergence remained at 2015/16. The Executive discussed the options for properties which had not achieved convergence by this time.

The Executive welcomed the fact that the proposed increase for 2013/14 was significantly lower than the increase which the Council had been compelled to apply in the previous year and noted that even after the increase, local authority housing continued to represent good value for money.

Resolved:

To approve the proposed 4.6% average rent increase for 2013/14.

Reason for decision:

To allow rent levels to be set in advance of the coming financial year in accordance with Government policy.

81. Employers Supported Volunteering (ESV) Pilot

Councillor Crane introduced the report which set out the results of a pilot ESV scheme in which staff from the Core and Access Selby had participated. It also explained the benefits and the associated costs of future involvement in ESV.

Councillor Lunn stated that the scheme was a real opportunity for the Council to improve its staff development. It would also help to deliver valued projects on the ground and in building the Council's reputation within local communities.

The Executive welcomed the scheme and felt it demonstrated the real value the organisation places in its staff. The Executive asked to receive feedback from the scheme at future meetings.

Resolved:

To adopt the ESV as a method of developing the Council's workforce.

Reason for the decision:

To provide the Council with access to an efficient and effective method of staff development that helps support local community and voluntary groups and contributes to the delivery of the Council's Five Big Things

82. Land at St Joseph's Street, Tadcaster

Councillor Metcalfe presented the report which identified the Council owned land at St Joseph's Street, Tadcaster as having the potential to provide affordable housing.

Councillor Metcalfe outlined that the report requested agreement from the Executive for the Council to apply for planning permission for the development of the site. The Executive discussed the costs associated with the scheme.

Resolved:

To apply for planning permission for the development of the site.

Reason for the decision:

The Council has prioritised work to unlock the potential of Tadcaster as part of 'Tackling the Tough Stuff', one of the Five Big Things in the Corporate Plan 2011-15. Since then, both the provision of housing and improving the environment of our town centres have been identified as major work streams in the council's Programme for Growth.

The meeting closed at 4.26 pm.

Selby District Council

REPORT

Reference: E/12/53

Item 4 - Public



To: The Executive
Date: 7 February 2013
Status: Key Decision
Report Published: 30 January 2013
Author: Karen Iveson, Executive Director (and s151)
Executive Member: Councillor Cliff Lunn
Lead Director: Karen Iveson

Title: Revenue Budget and Capital Programme 2013/14 and Medium Term Financial Plan

Summary: This report presents the Executive's proposed budget and capital programme for 2013/14 to 2015/16. Subject to confirmation of the final Formula Grant settlement, the 2013/14 budgets show a forecasted surplus of £73k (after savings) on the General Fund and a surplus of £776k on the HRA. The report identifies a number of budget pressures and presents savings proposals for dealing with these pressures, including introducing charging for green waste collection.

Recommendations:

- i. **Subject to comments from the Policy Review Committee, the draft budgets, bids and savings be submitted to Council for approval;**
- ii. **Council Tax is increased by 2% to £162.05 for a Band D property for 2013/14;**
- iii. **The Executive consider the introduction of charging for Green Waste.**

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

1. Introduction and background

- 1.1 The Council's Medium Term Financial Strategy (MTFS) was approved by full Council on 11 December 2012. 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), which has been subject to a full review following the introduction of HRA self financing.
- 1.3 The MTFS assumes continuing cuts to Central Government grant funding as resources are top sliced to fund the New Homes Bonus scheme. It identifies the uncertainty surrounding the localisation of Non-Domestic Rates (NDR) and the need to deliver our savings plan as the key financial issues facing us over the next 3 years.
- 1.4 The budget has been prepared on a current policy basis and includes provision for inflation where considered necessary. There is provision for a 1% pay award in 2013/14 – 2015/16. The General Fund revenue budget includes contingencies totalling £326k - £256k in the Core and £70k in Access Selby (this includes a potential revenue commitment for NNDR on the Civic Centre, which is subject to an appeal).

2. The Report

- 2.1 Summaries of the proposed revenue budgets, are presented at **Appendix A** and the proposed capital programmes are shown at **Appendix B**.

General Fund Revenue Budget

- 2.2 Taking the 3 elements of the Council's service delivery model together and after appropriations to and from reserves, the estimated position for 2013/14 is as follows:

	2013/14 Budget £000's
Core	4,659
Access Selby	6,049
Communities Selby	199
Total Net Budget	10,907
Council Tax	4,509
RSG/NDR (subject to final LGF Settlement)	5,216
Transitional Council Tax Support Grant (SDC share only)	12
New Homes Bonus (final)	1,183
Collection Fund Surplus	60
Total Funding	10,980
Surplus transferred to balances	(73)

- 2.3 The draft budget includes some degree of committed and discretionary growth and **Appendix E** identifies the proposals for consideration with the

draft budget (both revenue and capital).

- 2.4 The budget for 2013/14 onwards also assumes an increase of £250k in the payment to Access Selby relating to the localisation of planning fees that has been withdrawn by the Government. This change has been covered by the Access Selby Reserve in 2012/13.

Government Grants/Business Rates

- 2.5 The provisional Local Government Finance Settlement announced on 20th December 2012 shows:

	£000's
Revenue Support Grant	3,228
Plus: Baseline Funding Level (Business Rates)	2,148
Equals: Start-up funding assessment	<u>5,376</u>

- 2.6 These figures include the 2011/12 Council Tax Freeze Grant; funding for Council Tax Support; Homelessness Prevention funding; and an assumed £160k to help Parish Councils with the impact of Council Tax Support.
- 2.7 The 'safety net' threshold for Business Rates funding is £1,986,774 (i.e. 92.5% of £2,147,864).
- 2.8 The Council's provisional 'NNDR1' return (our estimate of Business Rates income for the coming year) suggests that more Business Rates income could be generated than the Government's initial estimate for Selby. After taking off the Government's share of any extra income Selby District Council could see a further £700k in Business Rates income for 2013/14. However at this stage, this income should be treated with extreme caution due to the risk of significant appeals, and as such, has not been included within the proposed budget.
- 2.9 The approved MTFS recognises the potential for additional Business Rates income and provides for early gains to be transferred to a new Business Rates Equalisation Reserve to help off-set any future losses incurred by the Council down to the 'safety net'.
- 2.10 The Executive propose to keep the level of Business Rates income under close review and if necessary bring forward recommendations on the use of 'surplus' funds as part of their review of the MTFS during 2013/14.

Council Tax

- 2.11 The MTFS assumed a Council Tax increase of 3% for 2013/14 in line with inflation (the equivalent of an increase in income of £135k p.a.). However since the strategy was written the Government have announced a further one-off award of Council Tax Freeze Grant for those Councils who do not increase charges next year. They have also indicated the level at which a referendum would be required – i.e. increases of more than 2% for 2013/14.
- 2.12 The proposed budget assumes that the Council does not take up the offer of Council Tax Freeze Grant and increases Council Tax by 2% for 2013/14. In doing so it is also assumed that Government Grant will be reduced in future

years as suggested by the Secretary of State for Communities and Local Government.

- 2.13 Councillors should also note the reduced Council Tax income resulting from the localisation of Council Tax Support (changing from a benefit to a discount). The new discount scheme reduces the 'Tax Base' on which the Council's precept is calculated. The Council and other major preceptors are compensated for this change through an additional fixed grant (formerly a subsidy) but consequently now carry the risk of increased demand and lower collection rates. The localised scheme aims to equalise the reduction in Council Tax income with the grant received (which has been cut by 10% as part of the change).

Savings

- 2.14 A number of savings have already been identified as part of the budget process and the savings action plans as presented in December (with targets updated to account for the funding changes highlighted in this report), are attached at **Appendix C** for information.
- 2.15 Taking the proposals for Council Tax, growth, savings and the draft budgets it is estimated that no further savings will be needed from the Council's Core budget in 2013/14. Access Selby's budget assumes savings of around £620k will be achieved in 2013/14.
- 2.16 Beyond 2013/14 further grant cuts are expected and there is much uncertainty surrounding the impact of localised Business Rates. The current savings plans anticipate some level of funding cut but a balanced and sustainable budget relies upon all parts of the Council achieving their savings targets.
- 2.17 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. Given the importance of savings in achieving the Council's financial (and wider) objectives, a number of alternative proposals are presented (see **Appendix D**).
- 2.18 These savings include proposals for charging for some discretionary services, the most significant of which is green waste collection. In order to protect statutory services from the threat of cuts, it is necessary to critically reconsider the subsidy given to discretionary services, like green waste collection, through service reductions and/or charging.
- 2.19 The Executive are mindful to minimise the impact this would have on residents that use the service, but the financial pressures being placed upon the Council mean that it will become increasingly difficult to justify maintaining a 'free' green waste service which costs circa £600k per year. Rather than remove this valued service altogether, the Executive are considering, for a modest fee, a service for those who choose to pay for it.
- 2.20 In order to implement the most cost effective solution for green waste charging, the Executive requested that Policy Review Committee look at the practical issues in more detail and bring forward recommendations as part of their response to the draft budget. Unfortunately the committee were unable to reach agreement and therefore no recommendations are put forward on

behalf of the Policy Review Committee.

- 2.21 However, the committee did receive and consider a significant amount of research data and information which could inform the implementation of a charging policy.

Housing Revenue Account

- 2.22 The HRA budgets have been prepared using assumptions on rent rises based on the Government's formula. Again, taking the 3 elements of the Council's service delivery model together, the estimated position for 2013/14 is shown below. Progress against the HRA savings action plan is ahead of target and therefore no further savings are expected for 2013/14, although opportunities for efficiencies will continue to be sought wherever possible.

Budget	2013/14 £000's
Core	6,645
Access Selby	4,321
Total Net Budget	10,966
Less Dwelling Rents	11,741
Surplus transferred to Balances/MRR	(776)

- 2.23 £50k will be needed to 'top-up' HRA balances in 2013/14. The remaining surplus will be transferred to the Major Repairs Reserve to either repay debt or spend on the future HRA capital programme.

General Fund Capital Programme

- 2.24 The General Fund capital programme includes previously approved projects as well as new growth – a summary of the growth proposals are shown at **Appendix E(i)** and the updated capital programme is at **Appendix B(i)**.
- 2.25 There is no room for additional revenue contributions to support the capital programme and therefore it is restricted to available capital receipts, external grants and earmarked reserves. In summary the programme includes:

Programme	2013/14 £000's	2014/15 £000's	2015/16 £000's
Mobile working	81	130	0
Grants & loans	380	350	350
ICT Replacement	357	75	75
Total Programme	818	555	425
Funding			
Capital Receipts	240	210	205
Grants	140	140	145
Reserves	438	205	75
Total Funding	818	555	425

- 2.26 Projects include Disabled Facilities Grants and ICT projects. The latter cover a range of replacement and new systems, hardware and infrastructure in – funding for ICT replacement projects is covered by the ICT Replacement

Reserve.

Housing Investment Programme

- 2.27 The Housing Investment Programme includes a number of growth proposals to ensure our homes continue to meet the decency standard – a summary of these proposals are shown at **Appendix E(ii)** and the updated HIP is at **Appendix B(ii)**. The following table presents a summary of the programme:

Programme	2013/14 £000's	2014/15 £000's	2015/16 £000's
Central heating	1,397	1,297	733
Electrical works	260	260	260
Roof replacements	560	0	560
Doors and windows	211	161	247
Kitchens	237	237	237
Bathrooms	0	0	180
Airey properties	410	1,722	0
Damp works	300	300	300
Other	52	54	53
Total Programme	3,427	4,031	2,570
Funding			
Major repairs reserve	3,427	4,031	2,570

Programme for Growth

- 2.28 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme comprises a range of cross cutting projects designed to 'build a stronger Selby district' by investing in housing and infrastructure; jobs; retail; and the leisure economy.
- 2.29 The programme will be funded largely by New Homes Bonus (up to £880k p.a.) and unallocated capital receipts.
- 2.30 The programme was approved by the Executive on 1st November 2012, a summary of the programme shows:

	2012/13 £000	2013/14 £000	2014/15 £000
Balance brought forward	0	1,116	562
Special projects reserve - revenue	1,729	880	880
Special projects reserve - capital	493	0	1,000
Project spend	(1,106)	(1,434)	(2,102)
Balance carried forward	1,116	562	340

- 2.31 It should be noted that the programme funds include estimated capital receipts in 2014/15 which may not be realised. This risk has been identified as part of the programme's outline business brief and the potential for prudential borrowing has been recognised by the Council in its approval of the rebuild of Abbey Leisure Centre. Alternatively should the Council achieve significant gains in Business Rates income (see para 2.8) then this could help to bridge any gap.

Reserves

- 2.32 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, is set out at **Appendix F**. Budgeted appropriations to and from General Fund reserves for 2013/14 (including capital/programme for growth financing) are:

Earmarked General Fund Reserves	£000's
Transfers to:	
Building Repairs	130
ICT Replacement - GF	150
- HRA	50
PFI	363
Pension Equalisation	200
District Election	30
Spend to Save	119
Special Projects - Revenue	880
Transfers from:	
PFI	(378)
ICT Replacement	(357)
Special Projects - Revenue	(1,434)
Spend to Save	(231)
Net Appropriations from Reserves	(478)

- 2.33 Overall the Council's earmarked General Fund reserves are expected to reduce by £478k in 2013/14.
- 2.34 The HRA reserves are General Balances and the Major Repairs Reserve (MRR). The overall estimated surplus of £776k on the HRA for 2013/14 will be distributed - £50k to Balances to increase them to the approved minimum level of £1.5m, and the rest to the MRR. The HRA capital programme will require £3.427m from the MRR in 2013/14.
- 2.35 As part of its budget proposals the Executive recognise the challenge faced by Access Selby in achieving its savings targets and generating additional income. To provide dedicated resources to support Access Selby achieve its goals on behalf of the Council, the Executive propose to allocate £150k from the Spend to Save Reserve to Access Selby for initiatives that will bring on-going returns for the organisation.

Budget Risk Assessment

- 2.36 **Appendix G** provides a risk assessment of the Council's major budgets covering the Core, Access Selby and Communities Selby. The continuing turmoil in the wider economy, cuts to public sector funding and changes to the funding regime, mean greater financial risk for the Council. Areas that are particularly high risk are central government funding, income generation (for example planning fees) and savings. The Council's contingency budgets and general balances provide a buffer for these risks.

Consultation

- 2.37 The draft budget has been subject to consultation with the Policy Review Committee and the wider public through a joint public meeting involving North Yorkshire County Council and the Police, as well as an on-line consultation exercise.
- 2.38 The Policy Review Committee were concerned that the budget proposal included the saving from charging for green waste collection and wished to see full public consultation carried out before such a decision was taken. They acknowledged however, that with the Budget appearing before Council in February it was unlikely to obtain results from a public consultation in time and suggested the Executive consider alternative savings. The minutes from Policy Review are attached at **Appendix H**.
- 2.39 Feedback from the wider public consultation will be available at the meeting.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 None as a result of this report.

3.2 Financial Issues

- 3.2.1 As set out in the report

Contact Details:

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Appendices:

- A – Revenue estimates
- B – Capital programmes
- C – Savings action plans
- D – Alternative savings proposals
- E – Growth bids
- F – Reserves
- G – Budget risk assessment
- H – Policy Review minute on the draft budget

GENERAL FUND SUMMARY 2013/14 - 2015/16

	Total Budget			Access Selby Budget			Core Budget			Communities Selby Budget		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original
	£	£	£	£	£	£	£	£	£	£	£	£
Access Selby	8,949,790	9,187,220	9,006,500	8,949,790	9,187,220	9,006,500						
Core	3,271,040	3,296,030	3,377,900				3,271,040	3,296,030	3,377,900			
Communities Selby	199,190	200,360	195,310							199,190	200,360	195,310
Capital Charges	684,670	661,570	595,330				684,670	661,570	595,330			
Sub-total Gross Budgets	13,104,690	13,345,180	13,175,040	8,949,790	9,187,220	9,006,500	3,955,710	3,957,600	3,973,230	199,190	200,360	195,310
CEC Charged to HRA	(2,904,790)	(2,930,240)	(2,959,820)	(2,586,150)	(2,608,950)	(2,635,360)	(318,640)	(321,290)	(324,460)			
Net Budget after CEC Adjustments	10,199,900	10,414,940	10,215,220	6,363,640	6,578,270	6,371,140	3,637,070	3,636,310	3,648,770	199,190	200,360	195,310
Procurement Savings to be Identified	(31,360)	(56,310)	(57,440)	(31,360)	(56,310)	(57,440)						
Further savings required to break even	(298,580)	(645,790)	(487,670)	(298,580)	(342,210)	(354,120)	0	(303,580)	(133,550)			
Net Service Budget	9,869,960	9,712,840	9,670,110	6,033,700	6,179,750	5,959,580	3,637,070	3,332,730	3,515,220	199,190	200,360	195,310
Investment Income	(200,000)	(250,000)	(280,000)				(200,000)	(250,000)	(280,000)			
External Interest	113,000	113,500	114,000				113,000	113,500	114,000			
Capital A/c Adjustment MRP Charge	193,430	190,310	187,310				193,430	190,310	187,310			
Capital A/c Adjustment DFG & Conservation Grants	(205,000)	(205,000)	0	(205,000)	(205,000)	0						
Capital A/c Adjustment Capital Chgs	(684,670)	(661,570)	(595,330)				(684,670)	(661,570)	(595,330)			
Spend to Save Projects	150,000	0	0	150,000	0	0						
Contingencies	326,000	332,000	338,000	70,000	70,000	70,000	256,000	262,000	268,000			
Net Budget before contribution to/(from) Reserves*	9,562,720	9,232,080	9,434,090	6,048,700	6,044,750	6,029,580	3,314,830	2,986,970	3,209,200	199,190	200,360	195,310
Contribution To Reserves												
Building Repairs	130,000	130,000	130,000				130,000	130,000	130,000			
Comp Development Cont	150,000	150,000	150,000				150,000	150,000	150,000			
PFI	363,480	382,730	396,030				363,480	382,730	396,030			
Pension Equalisation Reserve	200,000	200,000	200,000				200,000	200,000	200,000			
District Election	30,000	30,000	30,000				30,000	30,000	30,000			
Spend To Save	119,070	119,070	119,070				119,070	119,070	119,070			
Special Projects	880,000	880,000	880,000				880,000	880,000	880,000			
Contribution From Reserves												
PFI	(378,060)	(389,400)	(401,080)				(378,060)	(389,400)	(401,080)			
Spend To Save	(150,000)	0	0				(150,000)					
NET REVENUE BUDGET	10,907,210	10,734,480	10,938,110	6,048,700	6,044,750	6,029,580	4,659,320	4,489,370	4,713,220	199,190	200,360	195,310
Grant NDR/RSG	(5,216,409)	(4,548,000)	(4,344,000)	*Net budget before contributions to and from reserves equates to Access Selby's 'Net Cost Envelope'								
New Homes Bonus	(1,183,187)	(1,540,000)	(1,904,000)									
Council Tax Freeze 13/14												
Transitional Ctax Support Grant	(12,000)	-	-									
Amount to be met from Ctax	4,495,614	4,646,480	4,690,110									
Ctax Requirement												
Ctax to be levied	(4,509,034)	(4,599,670)	(4,692,120)									
Collection Fund Deficit/(Surplus)	(60,000)											
Shortfall / (surplus)	(73,420)	46,810	(2,010)									
C Tax Base	27,824	28,102	28,383									
Council Tax Rate	162.06	163.68	165.31									

Notes

Parish precepts not included above

£160k CTS grant passed on to parishes not included above

**S.D.C.- ACCESS SELBY ESTIMATE WORKING PAPER
OBJECTIVE ANALYSIS**

2011/12 ACTUAL	NARRATIVE		2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/16 BUDGET
£			£	£	£	£
	ACCESS SELBY - OBJECTIVE SUMMARY					
241,896	ABBEY LEISURE CENTRE (DISCRETIONARY)	AS1	251,150	254,400	260,930	267,680
1,895	TADCASTER LEISURE CENTRE (DISCRETIONARY)	AS2	4,430	1,780	1,610	1,430
60,283	BUILDING CONTROL (STATUTORY)	AS3	41,780	42,960	42,970	42,980
3,763	BUS STATION (DISCRETIONARY)	AS4	8,210	6,720	6,820	6,930
20,182	CAR PARKS (DISCRETIONARY)	AS5	27,260	29,130	29,130	29,130
-180,234	CAR PARKS PAY & DISPLAY (DISCRETIONARY)	AS6	-229,550	-263,920	-263,440	-262,880
139,740	CIVIC AMENITIES (STATUTORY/DISCRETIONARY)	AS7	84,550	109,360	109,280	109,190
16,958	CLOSED BURIAL GROUNDS (STATUTORY)	AS8	17,440	17,830	17,850	17,880
228,157	COMMERCIAL HEALTH (STATUTORY)	AS9	217,466	210,120	211,880	213,900
15,330	CONCESSIONARY FARES (STATUTORY)	AS10	14,920	12,080	12,200	12,320
67,989	COUNTRYSIDE RECREATION & MGMNT (DISCRETIONARY)	AS11	17,790	17,840	17,860	17,880
589,133	DEVELOPMENT MANAGEMENT (STATUTORY)	AS12	165,350	466,220	458,610	426,720
69,375	DOG WARDEN (STATUTORY)	AS13	58,748	57,400	57,810	58,250
-278	ENVIRONMENTAL - OTHER (STATUTORY/DISCRETIONARY)	AS14	113,995	98,150	98,990	99,940
480,691	GF HOUSING (STATUTORY)	AS15	592,520	561,850	571,300	378,720
1,266,746	HOUSE & TRADE REFUSE COLLECTION (STATUTORY)	AS16	1,371,280	1,383,640	1,414,610	1,446,690
159,010	HOUSING BENEFITS (STATUTORY)	AS17	402,590	316,940	324,400	332,690
-43,378	INDUSTRIAL UNITS (DISCRETIONARY)	AS18	-57,390	-60,820	-60,400	-60,190
553,174	LOCAL TAXATION COLLECTION (STATUTORY)	AS19	625,920	598,251	604,858	612,433
5,362	NAMING/NUMBERING OF STREETS (STATUTORY)	AS20	4,580	4,660	4,660	4,660
-135,131	COMMUNITY SUPPORT TEAMS	AS21	-61,820	-3,980	-3,980	-3,980
-4,344	DEPOTS - PROSPECT WAY	AS22	-6,090	0	0	0
31,784	EMERGENCY PLANNING (STATUTORY)	AS23	30,950	30,650	30,740	30,840
14,027	LAND CHARGES (STATUTORY)	AS24	-25,550	-26,060	-25,420	-24,700
-38,745	LICENSING (STATUTORY)	AS25	-49,779	-48,896	-48,290	-47,590
-17,907	PROPERTY MANAGEMENT (DISCRETIONARY)	AS26	-16,200	-25,890	-25,680	-19,200
-13,535	FINANCE	AS27	-26,160	-3,470	2,560	8,770
-33,780	BENEFITS & TAXATION	AS28	-310	0	0	0
-28,338	BUSINESS SUPPORT	AS29	-13,230	-5,000	-5,000	-5,000
-9,382	DATA & SYSTEM	AS30	-1,680	0	0	0
-5,335	LEGAL	AS31	3,430	0	0	0

**S.D.C.- ACCESS SELBY ESTIMATE WORKING PAPER
OBJECTIVE ANALYSIS**

2011/12 ACTUAL	NARRATIVE		2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/16 BUDGET
£			£	£	£	£
	ACCESS SELBY - OBJECTIVE SUMMARY					
-7,147	DEBT CONTROL	AS32	-7,190	0	0	0
103,139	VIDEO CAMERAS (DISCRETIONARY)	AS33	82,300	78,430	78,510	78,590
-37,932	CIVIC CENTRE	AS34	-35,060	0	0	0
9,221	ACCESS SELBY MANAGEMENT TEAM	AS35	27,580	0	0	0
-66,902	CONTRACTS	AS36	-34,760	17,500	21,640	25,900
-2,194	MARKETING & COMMUNICATIONS	AS37	9,330	0	0	0
-3,877	HUMAN RESOURCES	AS38	7,630	0	0	0
308,148	POLICY STRATEGY	AS39	558,580	127,580	202,870	68,900
115,310	PARKS & OPEN SPACES (DISCRETIONARY)	AS40	123,700	126,400	126,980	127,600
-12,721	ENVIRONMENTAL HEALTH & HOUSING	AS41	-370	0	0	0
22,582	PEST CONTROL (STATUTORY)	AS42	25,696	23,860	23,960	24,080
93,138	POLLUTION MONITORING & CONTAMINATED LAND (STATUTOR	AS43	91,864	84,886	85,560	86,310
67,891	PUBLIC CONVENIENCES (DISCRETIONARY)	AS44	73,250	71,570	73,430	75,340
11,080	RECREATION GROUNDS - SPORTS (DISCRETIONARY)	AS45	12,470	12,670	12,860	13,050
601,557	RECYCLING (STATUTORY)	AS46	760,420	792,930	836,320	881,060
19	SHERBURN COMMUNITY OFFICE	AS47	3,980	3,980	3,980	3,980
69,178	SPORT DEVELOPMENT & GROUNDWORK (DISCRETIONARY)	AS48	65,750	68,920	72,090	75,340
532,916	STREET CLEANSING (STATUTORY)	AS49	535,280	541,030	556,460	572,350
-2,840	TRANSFORMATION	AS50	-20,000	0	0	0
19,915	UNUSED BUILDINGS	AS51	6,270	10,750	10,850	12,130
-10,040	ASSETS	AS52	480	0	0	0
-5,790	ENFORCEMENT	AS53	-7,500	0	0	0
	Insurance Premium Increase			24830	24830	24830
5,259,762	Total Net Expenditure		5,846,300	5,767,281	5,977,198	5,764,953
	Net CEC Income included above			-3,182,509	-3,210,022	-3,241,547
	Gross Budget as per GF Summary			8,949,790	9,187,220	9,006,500

S.D.C.- ACCESS SELBY ESTIMATE WORKING PAPER SUBJECTIVE ANALYSIS					
2011/2012 ACTUAL	NARRATIVE	2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET
£		£	£	£	£
ACCESS SELBY - SUBJECTIVE SUMMARY					
Income					
-22,371,354	Government Grants	-22,737,170	-18,088,790	-18,575,020	-18,930,350
-200,861	Industrial Units	-195,590	-195,500	-195,500	-195,500
-143,104	Court Fees/Cost/Summons Income	-120,320	-120,320	-120,320	-120,320
-8,231,408	CEC Income	-9,490,040	-9,277,440	-9,353,350	-9,440,390
-255,069	Internal Recharges	-301,850	-284,350	-284,350	-284,350
-143,661	Licences	-129,750	-129,100	-129,100	-129,100
-35,349	Property Management Rent	-39,000	-48,000	-48,000	-41,750
-2,005	Water Sampling Fees	-5,360	-5,360	-5,360	-5,360
-22,517	Local Air Pollution	-18,000	-18,000	-18,000	-18,000
-112,227	Land Charges	-122,460	-122,460	-122,460	-122,460
-840,870	Recycling	-772,800	-772,800	-772,800	-772,800
-9,092	Refuse Collection General	-16,450	-16,450	-16,450	-16,450
-1,906	Clinical Waste	-10,450	-10,750	-11,060	-11,380
-514,529	Commercial Waste	-481,790	-511,200	-526,020	-541,270
-489,912	Planning Fees	-890,020	-573,230	-588,900	-605,020
-170,258	Groundwork Income	-109,710	-109,710	-109,710	-109,710
-313,259	Car Parks	-357,530	-395,030	-395,030	-395,030
-14,108	Legal Services	-17,660	-17,660	-17,660	-17,660
-163,348	Sundry Income	-71,950	-163,570	-163,900	-164,240
-34,034,838	Total Income	-35,887,900	-30,859,720	-31,452,990	-31,921,140
Expenditure					
5,230,628	Staff Costs	5,641,370	5,634,550	5,691,490	5,756,620
20,772,005	Housing & Ctax Benefit	21,513,240	16,891,140	17,379,880	17,882,780
476,469	Premises Running Costs	430,870	498,950	498,640	499,280
279,482	Consultants Fees	522,900	91,160	91,160	66,160
360,829	Supporting People	371,560	371,560	371,560	371,560

S.D.C.- ACCESS SELBY ESTIMATE WORKING PAPER SUBJECTIVE ANALYSIS					
2011/2012 ACTUAL	NARRATIVE	2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET
£		£	£	£	£
ACCESS SELBY - SUBJECTIVE SUMMARY					
337,301	Improvement Grants	360,000	360,000	360,000	10,000
7,877	Legal Fees	6,550	4,800	4,800	4,800
131,261	Transport Costs	113,800	112,820	112,840	112,860
274,480	ICT	350,570	359,440	359,440	359,440
351,588	PFI Scheme	362,490	373,000	383,820	394,950
70,803	Homeless Strategy	98,920	60,000	60,000	60,000
256,814	General Insurances	281,630	278,960	287,000	295,330
302,199	Office Running Costs	355,820	328,010	327,760	327,810
360,567	Other Sundry Costs	463,870	414,600	487,320	353,050
3,691,454	Street Scene Contract	3,853,700	3,986,550	4,091,470	4,199,400
274,684	Leisure Trust	288,740	297,110	305,730	314,590
193,611	Other Contracts	176,390	176,390	176,840	177,310
5,652,368	CEC Charges	6,279,260	6,094,931	6,143,328	6,198,843
270,174	Partnership Arrangements	262,520	268,200	272,280	276,480
	Insurance Premium Increase		24,830	24,830	24,830
39,294,592	Total Expenditure	41,734,200	36,627,001	37,430,188	37,686,093
5,259,754	Net Expenditure	5,846,300	5,767,281	5,977,198	5,764,953
	Net CEC Income included above		-3,182,509	-3,210,022	-3,241,547
	Gross Budget as per GF Summary		8,949,790	9,187,220	9,006,500

S.D.C.- CORE ESTIMATE WORKING PAPER

OBJECTIVE ANALYSIS OF EXPENDITURE

2011/2012 ACTUAL	NARRATIVE		2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET
£			£	£	£	£
396,530	CORE MISCELLANEOUS	CORE 1	971,330	942,530	918,000	948,070
59,138	COST OF AUDIT	CORE 2	70,770	71,780	71,790	71,800
812,583	DEMOCRATIC SERVICES	CORE 3	918,150	848,630	855,310	862,670
226,261	ELECTIONS	CORE 4	163,160	156,310	157,390	158,670
-9,354	SMT & CORE SUPPORT	CORE 5	11,670	4,980	5,000	5,000
12,638	UNUSED BUILDINGS COSTS	CORE 6	0	0	0	0
1,440,869	EXTERNAL PRECEPTS	CORE 7	1,460,910	1,503,280	1,546,880	1,591,740
	Insurance Premium Increase			250	250	250
2,938,664			3,595,990	3,527,760	3,554,620	3,638,200
	Net CEC Charges Included Above			256,720	258,590	260,300
	Gross Budget as per GF Summary			3,271,040	3,296,030	3,377,900

S.D.C.- CORE ESTIMATE WORKING PAPER

SUBJECTIVE ANALYSIS OF EXPENDITURE

2011/2012 ACTUAL	NARRATIVE	2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET
£		£	£	£	£
-6,327	Sundry Income	-6,650	-3,340	-3,340	-3,340
-966,934	CEC Income	-1,017,150	-978,340	-985,800	-994,820
-34,141	Internal Recharge Inc	-38,850	-38,190	-38,190	-38,190
-1,007,403	Total Income	-1,062,650	-1,019,870	-1,027,330	-1,036,350
97,925	Audit Partnership	100,820	100,820	100,820	100,820
195	Consultants Fees	13,960	0	0	0
1,440,869	Drainage Board Levy	1,460,910	1,503,280	1,546,880	1,591,740
18,578	Election Costs	0	0	0	0
77,455	External Audit Fees	91,050	91,070	91,070	91,070
1,786	General Insurances	2,070	1,590	1,630	1,670
10,300	ICT	0	0	0	0
8,157	Legal Fees	8,000	8,000	8,000	8,000
231,817	Members Allowances	228,370	230,570	232,790	235,040
3,658	Members Seminars & Training	16,540	3,000	3,000	3,000
18,072	Other Sundry Costs	131,410	146,100	93,120	93,120
-237,724	Pension Costs	469,120	524,560	549,210	575,020
7,960	Premises Running Costs	2,320	2,340	2,340	2,340
770,686	Staff Costs	681,930	686,120	693,580	702,490
1,482,258	CEC Charges	1,433,770	1,235,060	1,244,390	1,255,120
14,076	Transport Costs	18,370	14,870	14,870	14,870
	Insurance Premium Increase		250	250	250
3,946,067	Total Expenditure	4,658,640	4,547,630	4,581,950	4,674,550
2,938,664	Net Expenditure	3,595,990	3,527,760	3,554,620	3,638,200
	Net CEC Charges Included Above		256,720	258,590	260,300
	Gross Budget as per GF Summary		<u>3,271,040</u>	<u>3,296,030</u>	<u>3,377,900</u>

S.D.C.- COMMUNITIES SELBY ESTIMATE WORKING PAPER

OBJECTIVE ANALYSIS OF EXPENDITURE

2011/2012 ACTUAL	NARRATIVE		2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET
£			£	£	£	£
-4,123	COMMUNITIES SELBY	CS1	3,440	6,510	6,520	280
147,875	COMMUNITY ENGAGEMENT FORUMS	CS2	307,690	160,100	161,440	162,860
136,346	COMMUNITY SAFETY	CS3	0	0	0	0
25,598	LOCAL STRATEGIC PARTNERSHIP	CS4	34,020	10,880	10,880	10,880
44,520	GRANTS	CS5	55,870	41,795	41,795	41,795
350,215	Total Net Expenditure		401,020	219,285	220,635	215,815
	Net CEC Charges included above			20,100	20,280	20,510
	Gross Budget as per GF Summary			<u>199,185</u>	<u>200,355</u>	<u>195,305</u>

S.D.C.- COMMUNITIES SELBY ESTIMATE WORKING PAPER

SUBJECTIVE ANALYSIS OF EXPENDITURE

2011/2012 ACTUAL	NARRATIVE	2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET
£		£	£	£	£
	Income				
-153,131	CEC Income	-133,700	-27,430	-27,630	-27,830
-153,131	Total Income	-133,700	-27,430	-27,630	-27,830
	Expenditure				
	CEF Contributions				
62,952	CEF Costs	243,540	140,000	141,160	142,350
101,622	Community Safety				
294	General Insurances	340	260	270	280
19,623	Local Strategic Partnership	34,020	10,880	10,880	10,880
44,520	Miscellaneous Grants	55,870	41,795	41,795	41,795
1,761	Office Running Costs	3,440			
146,394	Staff Costs	94,330			
122,088	CEC Charges	96,930	47,530	47,910	48,340
4,377	Transport Costs	6,250	6,250	6,250	
503,631	Total Expenditure	534,720	246,715	248,265	243,645
350,500	Net Expenditure	401,020	219,285	220,635	215,815
	Net CEC Charges included above		20,100	20,280	20,510
	Gross Budget as per GF Summary		199,185	200,355	195,305

S.D.C.- COMMUNITIES SELBY ESTIMATE WORKING PAPER

2011/2012 ACTUAL	NARRATIVE	2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET	Comments
£		£	£	£	£	
COMMUNITIES SELBY						This page covers costs associated with the staffing of Communities Selby and associated community schemes.
Income						
-153,131	CEC Income	-133,700	-27,430	-27,630	-27,830	
-153,131	Total Income	-133,700	-27,430	-27,630	-27,830	
Expenditure						
116,354	Staff Costs	(1) 94,330				(1) 2012/13 does not include the budget for an Executive Director who is seconded to Communities Selby, which was included in 2011/12. From October 2012 the administration of the CEFs is to be carried out by external contractors, salary savings for the year are to be used towards the costs.
4,377	Transport Costs	6,250	6,250	6,250		
1,761	Office Running Costs	3,440				
294	General Insurances	340	260	270	280	
26,220	CEC Charges	32,780	27,430	27,630	27,830	
149,008	Total Expenditure	137,140	33,940	34,150	28,110	
-4,123	Net Expenditure	3,440	6,510	6,520	280	

S.D.C.- COMMUNITIES SELBY ESTIMATE WORKING PAPER

2011/2012 ACTUAL	NARRATIVE		2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET	
£			£	£	£	£	<u>Comments</u>
	COMMUNITY ENGAGEMENT FORUMS						This page covers the costs of projects from the 5 CEFs covering the District.
	Income						
	Total Income						
	Expenditure						
62,952	CEF Costs	(1)	243,540	140,000	141,160	142,350	(1) 2012/13 includes approved carry forward budget for the unspent element of schemes from 2011/12.
84,923	CEC Charges		64,150	20,100	20,280	20,510	
147,875	Total Expenditure		307,690	160,100	161,440	162,860	
147,875	Net Expenditure		307,690	160,100	161,440	162,860	

S.D.C.- COMMUNITIES SELBY ESTIMATE WORKING PAPER

2011/2012 ACTUAL	NARRATIVE	2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET	<u>Comments</u>
£		£	£	£	£	
	COMMUNITY SAFETY					This page covers the costs of Community Safety.
	Income					
	Total Income					
	Expenditure					
30,039	Staff Costs					Responsibility for the running of schemes was transferred to City of York Council from July 2011.
101,622	Community Safety					
4,685	CEC Charges					
136,346	Total Expenditure					
136,346	Net Expenditure					

S.D.C.- COMMUNITIES SELBY ESTIMATE WORKING PAPER

2011/2012 ACTUAL	NARRATIVE		2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET	
£			£	£	£	£	<u>Comments</u>
	LOCAL STRATEGIC PARTNERSHIP						
	Income						
	LSP Contributions (inc)						
	Total Income						
	Expenditure						
19,623	Local Strategic Partnership	(1)	34,020	10,880	10,880	10,880	(1) 2012/13 includes an approved carry forward budget request for ongoing projects.
5,975	CEC Charges						
25,598	Total Expenditure		34,020	10,880	10,880	10,880	
25,598	Net Expenditure		34,020	10,880	10,880	10,880	

This page covers the costs of the Local Strategic Partnership which brings together key groups and organisations together that deliver services across the District.

S.D.C.- COMMUNITIES SELBY ESTIMATE WORKING PAPER

2011/2012 ACTUAL	NARRATIVE		2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET	
£			£	£	£	£	<u>Comments</u>
	GRANTS						
	Income						
	Total Income						
	Expenditure						
44,520	Miscellaneous Grants	(1)	55,870	41,795	41,795	41,795	(1) 2012/13 includes an additional grant
44,520	Total Expenditure		55,870	41,795	41,795	41,795	
44,520	Net Expenditure		55,870	41,795	41,795	41,795	

HOUSING REVENUE ACCOUNT SUMMARY 2013/14 to 2015/16

	Total Budget			Access Selby Budget			Core Budget		
	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16
	Original	Original	Original	Original	Original	Original	Original	Original	Original
	£	£	£	£	£	£	£	£	£
Net Service Costs	1,844,640	1,802,120	1,809,020	1,834,640	1,792,120	1,799,020	10,000	10,000	10,000
Non-Dwelling Rents (Garages)	(122,900)	(126,460)	(130,130)	(122,900)	(126,460)	(130,130)			
Capital Charges	1,358,740	1,379,570	1,411,820				1,358,740	1,379,570	1,411,820
Sub-total Gross Budgets	3,080,480	3,055,230	3,090,710	1,711,740	1,665,660	1,668,890	1,368,740	1,389,570	1,421,820
CEC Recharges from GF	2,927,782	2,953,263	2,982,860	2,609,139	2,631,972	2,658,397	318,643	321,291	324,463
Net Budget after CEC Adjustments	6,008,262	6,008,493	6,073,570	4,320,879	4,297,632	4,327,287	1,687,383	1,710,861	1,746,283
Procurement Savings to be Identified	-	-	-	-	-	-	-	-	-
Net Service Budget	6,008,262	6,008,493	6,073,570	4,320,879	4,297,632	4,327,287	1,687,383	1,710,861	1,746,283
Investment Income	(45,000)	(70,000)	(118,000)				(45,000)	(70,000)	(118,000)
HRA Debt - Payment of Interest	2,412,930	2,412,930	2,412,930				2,412,930	2,412,930	2,412,930
Reversal of Capital Charges	-	-	-				-	-	-
Pension - Past Service Costs	191,430	197,170	203,090				191,430	197,170	203,090
Net Budget before contribution to/(from) Reserves	8,567,622	8,548,593	8,571,590	4,320,879	4,297,632	4,327,287	4,246,743	4,250,961	4,244,303
Contribution To Reserves									
Comp Development Cont	50,000	50,000	50,000				50,000	50,000	50,000
Major Repairs Reserve re dwellings Depreciation	1,173,300	1,195,420	1,224,620				1,173,300	1,195,420	1,224,620
HRA Debt - MRR Principal	1,175,000	1,175,000	1,175,000				1,175,000	1,175,000	1,175,000
Additional Contribution to MRR	-	-	-						
NET REVENUE BUDGET	10,965,922	10,969,013	11,021,210	4,320,879	4,297,632	4,327,287	6,645,043	6,671,381	6,693,923
Dwelling Rents	(11,741,660)	(12,365,520)	(13,008,880)				(11,741,660)	(12,365,520)	(13,008,880)
Payable to / (from) Core	-	-	-	(4,320,879)	(4,297,632)	(4,327,287)	4,320,879	4,297,632	4,327,287
Shortfall / (surplus)	(775,738)	(1,396,507)	(1,987,670)	-	-	-	(775,738)	(1,396,507)	(1,987,670)

S.D.C.- HOUSING REVENUE ACCOUNT ESTIMATE WORKING PAPER

OBJECTIVE ANALYSIS OF EXPENDITURE

2011/2012 ACTUAL	NARRATIVE		2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET
£			£	£	£	£
268,897	WARDEN SCHEMES	HRA1	292,580	362,285	373,620	386,292
2,566,569	HOUSING REPAIRS	HRA2	2,557,900	2,453,300	2,451,430	2,448,970
16,866	SALE OF COUNCIL HOUSES	HRA3	15,410	15,090	15,200	15,330
1,233,363	HOUSING GENERAL MANAGEMENT	HRA4	1,404,830	1,437,803	1,400,535	1,414,976
50,369	HOSTELS	HRA5	37,190	38,090	41,870	46,020
105,174	HOUSING SPECIAL MANAGEMENT	HRA6	156,090	150,800	155,370	160,170
-111,045	Garage Rents		-124,610	-122,900	-126,460	-130,130
	Insurance Premium Increase			24,220	24,220	24,220
4,130,194	NET Expenditure		4,339,390	4,358,688	4,335,785	4,365,848
	Net CEC Charges included above			2,647,448	2,670,625	2,697,458
	Gross Budget as per HRA Summary			<u>1,711,240</u>	<u>1,665,160</u>	<u>1,668,390</u>

S.D.C.- HOUSING REVENUE ACCOUNT ESTIMATE WORKING PAPER

SUBJECTIVE ANALYSIS OF EXPENDITURE

2011/2012 ACTUAL	NARRATIVE	2012/2013 REVISED ESTIMATE	2013/2014 BUDGET	2014/2015 BUDGET	2015/2016 BUDGET
£		£	£	£	£
	Income				
-2,494	Asset Sales				
-360,829	Internal Recharges	-371,560	-371,560	-371,560	-371,560
-115,716	Other Income	-65,130	-61,150	-61,160	-61,170
-64,295	Other Rent Income	-77,250	-77,250	-77,250	-77,250
-519,145	CEC Income				
-111,045	Garage Rents	-124,610	-122,900	-126,460	-130,130
-1,173,524	Total Income	-638,550	-632,860	-636,430	-640,110
	Expenditure				
84,237	Contract Payments	104,980	94,500	94,500	94,500
105,385	Dwellings Adaptation Works	154,610	130,000	130,000	130,000
1,027,983	Dwellings Repairs & Maintenance	1,015,830	1,004,400	1,004,230	1,003,250
263,615	Equipment & Materials	269,310	269,310	269,310	269,310
132,800	Equipment Leases	140,690	142,570	144,500	146,490
106,987	General Insurances	119,650	115,070	118,420	121,860
283,751	Other Sundry Costs	331,720	365,290	315,620	315,960
532,669	Staffing Costs	68,540	67,180	67,820	68,470
2,630,824	CEC Charges	2,643,410	2,647,448	2,670,625	2,697,458
135,466	Transport Costs	129,200	131,560	132,970	134,440
	Insurance Premium Increase		24,220	24,220	24,220
5,303,718	Total Expenditure	4,977,940	4,991,548	4,972,215	5,005,958
4,130,194	Net Expenditure	4,339,390	4,358,688	4,335,785	4,365,848
	Net CEC Charges included above		2,647,448	2,670,625	2,697,458
	Gross Budget as per HRA Summary		<u>1,711,240</u>	<u>1,665,160</u>	<u>1,668,390</u>

CAPITAL PROGRAMME**2012/13 – 2015/16 GENERAL FUND CAPITAL PROGRAMME**

	Approved Programme 2012/13 £	Estimated Programme 2013/14 £	Estimated Programme 2014/15 £	Estimated Programme 2015/16 £
PROJECTS				
Telecoms Mast Relocation	147,190			
Tadcaster Central Area Repairs	258,440			
All Weather Pitch	250,000			
Abbey Leisure - Walkers Bingo Hall	600,000			
Asset Management Plan Leisure Centres & Park	136,725			
Industrial Units Access Road Upgrade	25,000			
Grants				
Conservation / Heritage Grants	10,000			
Disabled Facilities Grants	350,000	350,000	350,000	350,000
Repair Assistance Loans	42,500	30,000		
Energy Efficiency Grants	13,640			
ICT				
ICT Strategy	365,180	356,876	75,000	75,000
Mobile Working Solution		81,000	130,000	
TOTAL	2,198,675	817,876	555,000	425,000
GF SUMMARY OF FUNDING				
Capital Receipts	240,000	240,000	210,000	205,000
Grants & Contributions	166,140	140,000	140,000	145,000
Revenue (GF in year)	10,000			
Revenue (Reserves)	1,332,535	437,876	205,000	75,000
Revenue (Insurance)	450,000			
TOTAL	2,198,675	817,876	555,000	425,000

CAPITAL PROGRAMME**2012/13 – 2015/16 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME**

	2012/13 Approved Programme £	2013/14 Estimated Programme £	2014/15 Estimated Programme £	2015/16 Estimated Programme £
<u>PROJECTS</u>				
<u>Current Projects</u>				
Electrical Rewires	396,810	260,000	260,000	260,000
Central Heating - Gas	635,970	575,480	575,480	575,480
Central Heating - Solid Fuel to Gas	99,000	99,000		
Central Heating - Solid Fuel	350,530	150,000	150,000	157,500
Roof Replacements	1,016,710	560,000		560,000
Damp Surveys & Works	190,000	300,000	300,000	300,000
Door Replacements	42,000	48,000	48,000	134,000
Kitchen Replacements	293,090	237,000	237,000	237,000
Pre Paint & Cyclical Repairs	113,000	113,000	113,000	113,000
<u>New Projects</u>				
Window Replacements	140,000			
Void Property Repairs	50,000	51,750	53,500	53,500
Additional External Door Replacements	15,500	15,500		
Additional Pre Paint & Cyclical Repairs	29,000	34,000		
Central Heating - Economy 7 to Gas	353,400	573,000	572,000	
Additional Kitchen Replacements	105,000			
Airey Properties	1,301,520	410,000	1,722,000	
Bathroom Replacements				180,000
TOTAL	5,131,530	3,426,730	4,030,980	2,570,480

HRA SUMMARY OF FUNDING

Revenue Contributions	1,038,520			
Major Repairs Reserve	3,830,010	3,426,730	4,030,980	2,570,480
Borrowing	263,000			
TOTAL	5,131,530	3,426,730	4,030,980	2,570,480

ACCESS SELBY
GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION PLAN 2012/13 -
2014/15 (V82)
Updated November 2012

Key:

Green
Amber
Red

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

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Inflation factor		0.020	0.020	0.020	
Procurement Workstream					
Change provider for telephone calls and rationalisation of telephone accounts	Green	20,480	20,530	20,530	Completed
Partnering Back Office Support	Green	93,000	93,000	93,000	Completed
Pest Control Contract	Green	1,200	1,200	1,200	Completed
CCTV	Amber	32,950	32,950	32,950	EU Procurement exercise has commenced with ITT due to be issued in September 2012 - conclusion of the procurement is expected by the end of the year. Actual savings forecast yet to be determined following the outcome of procurement. Full year saving for 2012/13 will not be achieved, so the forecast is for a saving in Q4
Recycling	Green	159,000	159,000	159,000	Completed
Green Waste - Gate fees and reduced mileage costs negotiated with Enterprise	Green	20,000	20,000	20,000	Negotiations are completed. New contracts will be awarded at the end of October 2012. The estimated full year saving of £29k is now revised to £20k. The part year saving for 2012/13 is revised from £15k to £5k
Collaborative corporate contracts through shared procurement service Note: The balance of this target will reduce as individual procurement projects are identified	Red	40,410	65,360	65,360	Spend Analysis carried out and a detailed action plan is being put together for targeted procurement. Options limited on non-HRA spend but looking at opportunities for collaborative procurement. This will include a savings target for this project where possible. Ongoing savings have been identified on individual /discrete procurement projects. Still potential for 2012/13 target to be achieved however it is still a risk area.
Contact Centre Electricity	Green	10,000	10,000	10,000	Completed
ICT - Server Virtualisation	Green	10,000	10,000	10,000	Completed
Gas Utilities Contract	Green	6,160	6,160	6,160	Completed
Negotiate savings within Street Scene and Leisure contracts	Amber	40,000	40,000	40,000	Access Selby and Enterprise have undertaken a review of the contract and identified potential opportunities for efficiency savings. A cost/benefit analysis is being carried out to be presented to the Partnering Board for agreement with the aim of implementing any low risk quick wins by Q4 in 2012/13. This could provide some in year savings.

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Citizen Link Printing	Green	800	800	800	Completed
Cossh Management	Green	3,000	3,000	3,000	Completed
		437,000	462,000	462,000	
WTT - Review of remaining cash collection	Amber	2,600	2,600	2,600	Arrangements for cash collection will not go ahead as planned due to fire at Abbey Leisure Centre - alternative options are currently being explored which will produce a saving through reduced bank charges and reduced security collection costs.
WTT - Transformation (SDV)	Green	1,380,890	1,380,890	1,380,890	Completed
WTT - Transformation HRA Impact / Reviewing Apportionment to HRA	Green	91,970	89,440	90,000	Future estimates have been reflected in the 13/14 budget process, current year actual to be confirmed.
Spend to save initiatives	Red	0	25,000	25,000	
Service delivery options	Red	25,000	50,000	50,000	Commercial & marketing strategy approved and a range of business development activities are planned for Q3 & Q4. The outcome of which will inform delivery options.
BPI	Red	-	25,000	25,000	
Total Transformation		1,500,460	1,572,930	1,573,490	
Asset Management Workstream					
Vacation of Portholme Road Depot	Green	13,497	13,497	13,497	Completed. In addition, there is a saving to the HRA of £26,833
Running costs of new Civic Centre	Amber	40,000	40,000	40,000	A NNDR appeal has been submitted, if this is not successful then savings target will not be able to be achieved. We have now agreed with the PCT the formula for calculating the electricity split, still awaiting the invoice from PCT.
Closure of Tadcaster office	Green	30,000	30,000	30,000	Completed
Barby Depot	Amber	35,000	35,000	35,000	Depot being considered by an interested party. It is expected that it will be let in late October / early November, with a rental income of £15k per annum in addition to the cost savings identified of £20k.
Total Asset Management		118,497	118,497	118,497	
Value for Money Workstream					

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Telecommunications Mast	Red	13,000	13,000	13,000	This project is being reviewed in light of the sale of the old civic centre car park site not going ahead. Options are currently being reviewed and a decision on the future of the project is expected shortly. Target for 2012/13 will not be achieved.
Decentralisation of Planning Fees	Red	-	-	-	Devolved Planning fees – £250k Saving removed for 12/13 - 14/15 as the national plan has been cancelled. Indication fees to be increased by up to 15% in the Autumn. Impact to be assessed when details are confirmed. Impact on future years will be kept under review.
Negotiation for share of out performance on Council Tax collection	Red	25,000	25,000	25,000	Currently underachieving on the collection of Council Tax by 0.8%, this target will not be met in 2012/13
Increase in legal fee charges - Legal	Amber	-	7,000	7,000	Demand is market driven. Projection based upon 12/13 demand (increases range from 2.6 - 300%)
Car Park Income	Amber	97,500	97,500	97,500	An increase of 20% for both long and short stay park was implemented from 1 December 2011. As saving was not fully achieved in 11/12, income will continue to be monitored in 12/13. At the end of June, income is £6k below target, but will be clawed back through opening the new car park at the old Civic Centre Site. Increase in 13/14 identified as a result of new car park opening
Total Value for Money		135,500	142,500	142,500	
Base Budget Review Workstream					
Car Allowances	Amber	41,150	41,150	41,150	Expected saving was not achieved in 11/12 as changes to car allowances etc were not implemented until Q2 onwards. Further review of current position is taking place to determine forecast for savings in 2012/13.
Pay award - Estimate reduced from 2.5% to 1%.	Green	81,730	166,280	255,040	Completed
Rationalisation IT Support Costs	Green	50,000	50,000	50,000	Completed
Rationalisation of cost base	Green	100,000	100,000	100,000	£140k identified £40k added to Contingency to mitigate increased budget risk
Redundant ICT systems	Red	25,000	25,000	25,000	Work ongoing to establish savings in year following system improvements and rationalisation. £25k to be achieved through decommissioning of 4 systems.
Frozen posts/vacancies	Green	19,320	19,320	19,320	Frozen posts continue to remain vacant. Customer Service Advisor post removed permanently from 13/14
Frozen posts/vacancies	Amber	4,110	-	-	Balance of saving yet to be identified.
Benefits & Taxation - reduce structure by vacant hours	Red	21,000	21,000	21,000	
Community Support - Salary band reduction	Red	5,570	11,250	11,250	
Compensation for legacy costs/income pressures	Green	136,000	136,000	136,000	
2011/12 Profits	Green	-	-	-	Carry Forward 11/12 profits to offset future losses.
Finance Budget Savings	Green	1,900	1,900	1,900	Completed

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Additional Licensing Income	Green	5,660	5,660	5,660	Completed
O/S Survey Mapping Fees	Green	15,000	15,000	15,000	Completed
Housing Benefit Admin Miscellaneous Savings	Green	3,800	3,800	3,800	Completed
Housing Benefit Overpayments Recovery	Amber	90,000	90,000	90,000	An income budget has never been set for the recovery of Housing Benefit Overpayments. The nature of the income means that forecasting is difficult, but an estimate has been included based on current information and history.
Statutory Planning Notices	Green	3,500	3,500	3,500	Completed
Primary Care Trust	Green	10,000	10,000	10,000	Completed
Printing Supplies	Green	5,000	5,000	5,000	Completed
Pollution Monitoring Consultants	Green	5,000	5,000	5,000	Completed
Public Conveniences Contract - Inflation	Green	3,000	3,000	3,000	Completed
Licensing Income	Green	2,700	2,700	2,700	Completed
Domestic Waste - Sale of Goods	Green	5,000	5,000	5,000	Completed
Bus Station Repairs & Maintenance	Green	2,000	2,000	2,000	Completed
Health & Housing Call Out	Green	720	720	720	Completed
HR Budget Savings	Green	1,640	1,640	1,640	Completed
General Office Expenses	Green	8,480	8,480	8,480	Completed
Car Park Warden Van Lease	Green	2,890	2,890	2,890	Completed
Street Cleansing - General Advertising	Green	16,000	16,000	16,000	Completed
Further Base Budget Review Savings - details on supplementary list	Green	40,505	40,505	40,505	Completed
Further Base Budget Review Savings - details on supplementary list	Amber	12,620	12,620	12,620	Final figures to be confirmed
Total Base Budget Review		719,295	805,415	894,175	
Discretionary Service Review Workstream					
HR - Budget review	Green	5,000	5,000	5,000	Completed
New charge for planning advice	Red	30,000	30,000	30,000	Income running behind expectations currently £18k under target 12/13 reduced to reflect this.
Reduce opening hours at Access Selby	Green	35,000	35,000	35,000	Completed

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Maximise current income streams	Red	50,000	100,000	100,000	Pilot Projects' for Marketing Strategy now in development - each will have a potential income target which are yet to be agreed. Can update progress monthly
Redeploy resources to pursue grant funding opportunities	Red	50,000	50,000	50,000	Lead officers considering grant opportunities as part of their budget monitoring.
Policy changes to introduce new income streams	Red	-	150,000	150,000	Potential for green waste/parking charges in Tadcaster etc. New charges introduced for hiring of committee rooms, water sampling. Parking Charges can't be considered at Tadcaster until the legal challenge has been heard and we have carried out the improvements. In 2012/13 additional 90 car spaces from September, plus any commuted sums from residential schemes of 1 - 9 houses (5% to be for administration)
Barlow Nature Reserve	Green	53,000	53,000	53,000	Completed
Total Discretionary Service Review		223,000	423,000	423,000	
Inflation adjustment		126,604	215,718	297,882	
Total General Fund Savings		3,260,356	3,740,060	3,911,544	
Savings Target		3,173,668	3,340,335	3,457,103	
New Target		3,173,668	3,340,335	3,457,103	
Headroom/Deficit (+/-)		** 86,688	399,725	454,441	
Green Savings		2,551,937	2,690,069	2,840,553	
Amber Savings		411,926	423,231	431,696	
Red Savings**		296,493	626,760	639,295	
Total		3,260,356	3,740,060	3,911,544	

GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION PLAN
2012/13 - 2015/16 (V64)
Updated December 2012

Key:

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

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Inflation factor		0.020	0.020	0.020	
Procurement Workstream					
Election software	Green	4,700	4,700	4,700	Completed
Audit Partnership	Green	15,000	15,000	15,000	Completed. Planned reduction in Audit days and merger with Veritau.
		19,700	19,700	19,700	
WTT - Transformation (Core)	Green	50,000	50,000	50,000	Completed
Total Transformation		50,000	50,000	50,000	
Asset Management Workstream					
Total Asset Management		-	-	-	
Value for Money Workstream					
Internal Drainage Boards	Green	146,000	146,000	146,000	Completed - The savings increased from £40k to £146k to reflect lower precepts as a consequence of 3 Drainage Boards freezing their precept and the remainder adding an average 1.39% inflation. This was set against a budgeted increase of 3.5% and an additional £75k to counter any large increases.
Community Safety	Green	15,000	15,000	15,000	Completed
Total Value for Money		161,000	161,000	161,000	
Base Budget Review Workstream					
External Audit Fee	Green	31,840	31,840	31,840	Completed

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Early Retirements - Strain on Pension Fund	Green	75,000	75,000	75,000	Completed
Corporate and Democratic Core	Green	7,000	7,000	7,000	Completed
Pay Award from 2.5% est to 1% revised	Green	22,230	33,150	48,118	Completed
Car Allowances	Green	2,850	2,850	2,850	Completed
Total Base Budget Review		138,920	149,840	164,808	
Discretionary Service Review Workstream					
External Grants	Green	12,000	12,000	12,000	Completed
Total Discretionary Service Review		12,000	12,000	12,000	
Inflation adjustment		15,417	24,027	33,592	
Total General Fund Savings		397,037	416,567	441,100	
Target		364,030	720,147	574,650	
Headroom/Deficit (+/-)		33,007	- 303,580	- 133,550	
Green Savings		397,037	416,567	441,100	
Amber Savings		-	-	-	
Red Savings**		-	-	-	
Total		397,037	416,567	441,100	

Opportunities for different approaches to service delivery

No	Suggestion	Notes	Estimated Saving £
1	Planning	Range of income generation initiatives - subject to risk assessment	77,000
2	Enforcement	Review current activity on a risk basis and divert to planning related issues	-
3	Green waste	Introduce charging for green waste collection	560,000
4	Employee Benefits	Review casual mileage rate paid to officers and councillors	3,400
5	Licensing	Service enhancements for additional fee	2,000
6	Assets	Rationalisation of assets and use for advertising	80,000
7	Car Parking	Introduce charging for bank holidays	5,000
8	Policy	S106 and neighbourhood planning	25,000
9	Channel Shift	Transactional website - savings expected after year 2	-
10	Customer Services	Shared service	25,000
11	Core Support	Core review	50,000
12	Creation of a trading arm	Housing lettings and business support services - savings from year 2 onwards - business case to be developed as a priority	-
			827,400

General Fund Bids 2013/14 - 2015/16

Bid No.	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Board	Term	Category
			13/14	14/15	15/16	13/14	14/15	15/16				
1	To provide revenue budget to support for the on-going provision of a procurement service to the Core and Access Selby. SDC have been a partner in the North Yorkshire Procurement Partnership since 1st August 2009 and the current Partnership agreement is coming to an end on 31st March 2013. The costs are shared with the HRA.	This bid will ensure legal compliance with public procurement regulations, minimise the risk of legal challenges being upheld thereby mitigating financial risk	17,500	17,500	17,500				Maintain shared best practice and learning from other districts procurement activity	Access	Fixed-Term	B
	Net Cost of Bid		17,500	17,500	17,500	0	0	0				
2	Procurement of a mobile working solution to mobilise the community officers team and have scope to mobilise other areas such as enforcement, environmental health, support officers and planning	Set-up Costs Capital New Maintenance Charges Savings : System Maintenance / Other Savings: Staff Efficiency				81,000	130,000		The mobile working solution procured should be adaptable so further development work can be undertaken where other business areas are mobilised - in particular an area such as planning would benefit greatly from a mobile solution as it would remove the need for paper case files as everything could be distributed electronically.	Access	Fixed-Term Permanent	C
	Net Cost of Bid		7,000	-134,500	-145,500	81,000	130,000	0	Funding Proposal - Spend to Save			
3	Funding to undertake discretionary remedial repair work (where hazards have been identified under the Housing Act 2004) within private sector rented accommodation.	The undertaking of such remedial works will lead to measurable improvements to the property & the health of the occupants. These objectives & outcomes link with the corporate aims of 'changing places' & 'living well'.	5,000	5,000	5,000				The requested funding would be used to remedy any hazards/defects that remain within the dwelling in spite of a successful prosecution. The remedial works would be undertaken under Schedule 3, para 3(4) of the Housing Act 2004 which permits Access Selby to undertake works in default where an individual has failed to comply with an improvement notice.	Access	Fixed-Term	C
	Net Cost of Bid		5,000	5,000	5,000	0	0	0	This bid is from the enforcement policy annex 2. Potential to have an uncosted bid & deal with each case on merit as costs are usually put as a charge against the property & this budget may not be adequate.			
4	To support future year costs of mandatory Disabled Facilities Grant service to ensure all those identified as in need receive the necessary support in a timely manner.	The bid aims to ensure full delivery of a mandatory housing function whilst significantly supporting the Council's commitment to vulnerable people. DFG provides the necessary funds to provide disabled adaptations to residents to help maintain their						350,000	Funding for 2013/14 and 2014/15 approved as part of 2012/13 budget setting. Indicative programme resource needs for 2015/16	Core	Permanent	B
	Net Cost of Bid		0	0	0	0	0	205,000	Government Funding Funding required from capita programme resources			
5	ICT Strategy Bids					356,876	75,000	75,000	ICT strategy programme.	Access		B/E
	Net Cost of Bid		0	0	0	356,876	75,000	75,000				
6	To provide Funding to undertake the Local Development Framework	Changing places, Living Well and Tackling the Tough Stuff themes		134,000	Unknown				The bid will enable the Council to carry out the additional requests from the Inspector, for example the Green Belt review and the assessment of all settlements "development limits"			
	Net Cost of Bid		0	134,000	0	0	0	0				

Bid No.	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Board	Term	Category
			13/14	14/15	15/16	13/14	14/15	15/16				
7	Access Selby Spend to Save Initiatives		150,000						Bid to support the cost of implementing Access Selby's improvement / savings	Access		
	Net Cost of Bid		150,000	0	0	0	0	0				
	Net Cost of GF Bids		179,500	22,000	-123,000	437,876	205,000	280,000				

Key to Bid Categories
A - Statutory
B - Essential to maintain the existing level of service.
C - Corporate Plan Improvement
D - State of the Area Address Initiative
E - Section Improvement Plan Initiative
F - New Service

Housing Revenue Account Bids 2013/14 - 2015/16

Bid No.	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Board	Term	Category
			13/14	14/15	15/16	13/14	14/15	15/16				
1	To provide revenue budget to support for the on-going provision of a procurement service to the Core and Access Selby. SDC have been a partner in the North Yorkshire Procurement Partnership since 1st August 2009 and the current Partnership agreement is coming to an end on 31st March 2013. The costs are shared with the General Fund.	This bid will ensure legal compliance with public procurement regulations, minimise the risk of legal challenges being upheld thereby mitigating financial risk of non compliance.	17,500	17,500	17,500				Maintain shared best practice and learning from other districts procurement activity	Access	Fixed	C
	Net Cost of Bid		17,500	17,500	17,500	0	0	0				
2	HRA stock condition survey Accurate and up to date information is not available. Stock condition information will allow more accurate projections of future workload.	The undertaking of such remedial works will lead to measurable improvements to the property & the health of the occupants. These objectives & outcomes link with the corporate aims of 'living well'.	50,000						Report on Asset Management Strategy highlights the need for a stock condition survey to inform the HRA capital programme. This has also been highlighted as a need within the HRA Business Plan Survey required as a result of refresh of asset management strategy currently being worked on. The previous survey was carried out as part of the Decent Homes Programme.	Access	One-Off	B
	Net Cost of Bid		50,000	0	0							
3	Electrical rewires of SDC housing stock - current capital programme includes permanent budget approval for rewires. This bid adjusts that figure to reflect the savings arising through bringing the peridical electrical testing in house and focused targeting of the work.	Effectively maintain the condition of the SDC housing stock				-50,500	-61,500	-61,500	Adjustment reduces the approved budget to £260k from 2013/14 onwards Savings will be fed back into the HRA to allow other works to proceed.		Permanent	B
	Net Cost of Bid		0	0	0	-50,500	-61,500	-61,500				
4	Central heating solid fuel to gas programme - adjustment to current programme to reflect changes in cost for 2013/14 and 2014/15	Effectively maintain the condition of the SDC housing stock				-7,500	-7,500	157,500	The adjustment reduces the approved programme to £150k in 2013/14 & 2014/15		Fixed	B
	Net Cost of Bid		0	0	0	-7,500	-7,500	157,500				
5	Funding to cover costs of replacement roofing to SDC housing stock from 2015/16. The current approved programme includes funding in 2013/14. No replacements are identified in the current stock codition data for 2014/15. The bid allows for apporoximately 117 roof replacements at an average cost of £4,800	Effectively maintain the condition of the SDC housing stock						560,000	The current capital programme has £560k approved for 2013/14		Fixed	B
	Net Cost of Bid		0	0	0	0	0	560,000				
6	Damp survey & consequential repair works additional costs - the current approved programme requires additional resources to fund the issues arising within the housing stock as a consequence of failing damp courses.	Effectively maintain the condition of the SDC housing stock				103,500	96,500	96,500	Additional resources required for 13/14 and 14/15 to increase budget to £300k		Permanent	B
	Net Cost of Bid		0	0	0	103,500	96,500	96,500				
7	Door replacement programme - current programme has £48k per annum additional funding required for 13/14 and 15/16						-15,500	86,000			Fixed	B
	Net Cost of Bid		0	0	0	0	-15,500	86,000				

Bid No.	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Board	Term	Category
			13/14	14/15	15/16	13/14	14/15	15/16				
8	Additional kitchen replacements funding. The programme of replacement kitchens has progressed well and the base funding of £237k within the capital programme is adequate to fund new kitchens					-105,000	-105,000			Permanent	B	
	Net Cost of Bid		0	0	0	-105,000	-105,000	0				
9	Pre paint & cyclical repairs - adjustment to the current programme funding resources in 2014/15 of £152k to £113k.						-39,000		Programme includes £113k for rolling programme of work	Permanent	B	
	Net Cost of Bid		0	0	0	0	-39,000	0				
10	Void Property repairs - continuation of the programme							53,500	This will help maintain the void turnaround targets.	Fixed	B	
	Net Cost of Bid		0	0	0	0	0	53,500				
11	Airey Properties additional resources for the approved programme to cover additional costs for Phase 2 & 3 based on the tender for Phase1					90,000	346,000		Phase 2 £320k , Phase 3 £1,376k within programme	Fixed	B	
	Net Cost of Bid		0	0	0	90,000	346,000	0				
12	Bathroom replacements							180,000	This will help to prevent homes failing to meet the Decent homes standards	Permanent	B	
	Net Cost of Bid		0	0	0	0	0	180,000				
	Net Cost of HRA Bids		68,609	18,609	18,609	30,500	214,000	1,072,000				

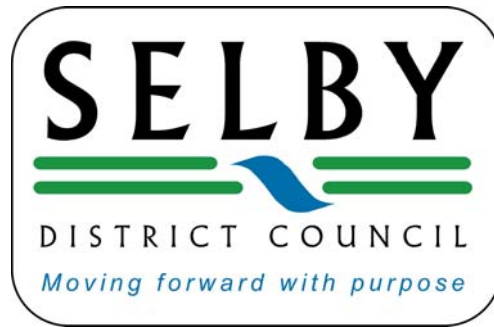
Key to Bid Categories

- A - Statutory
- B - Essential to maintain the existing level of service.
- C - Corporate Plan Improvement
- D - State of the Area Address Initiative
- E - Section Improvement Plan Initiative

3,396,230 3,816,980 1,498,480 Committed Bids

3,426,730 4,030,980 2,570,480 Total Bids

Reserves										
Description	Estimated Balance 31 March 13	Use	Contribs	Estimated Balance 31 March 14	Use	Contribs	Estimated Balance 31 March 15	Use	Contribs	Estimated Balance 31 March 16
	£	£	£	£	£	£	£	£	£	£
Revenue Reserves										
General Fund										
PFI Scheme	2,422,360	- 378,060	363,480	2,407,780	- 389,400	382,730	2,401,110	- 401,080	396,030	2,396,060
Building Repairs & Projects*	561,319		130,000	691,319	- 93,000	130,000	728,319		130,000	858,319
ICT	178,322	- 356,876	200,000	21,446	- 75,000	200,000	146,446	- 75,000	200,000	271,446
Access Selby	327,314			327,314			327,314			327,314
Contingency	553,135			553,135			553,135			553,135
Election	66,954		30,000	96,954		30,000	126,954	- 150,000	30,000	6,954
Industrial Units	50,617			50,617			50,617			50,617
Open Space Maintenance	11,158			11,158			11,158			11,158
Pensions Equalisation Reserve**	400,000		200,000	600,000		200,000	800,000		200,000	1,000,000
Planning Inquiries	100,000			100,000			100,000			100,000
Sherburn Amenity Land	9,992			9,992			9,992			9,992
Special Projects (Programme for Growth)	1,031,496	- 1,434,250	880,000	477,246	- 608,940	880,000	748,306			748,306
Spend To Save	369,070	- 231,000	119,070	257,140	- 130,000		127,140			127,140
Tadcsater Central Area	215,399			215,399			215,399			215,399
Transport Repairs & Renewals Reserve	-			-			-			-
Wheeled Bins	18,000			18,000			18,000			18,000
NDR Equalisation	-		344,034	344,034			344,034			344,034
General Fund	1,844,034	- 344,034		1,500,000		-	1,500,000			1,500,000
Sub Total	8,159,170	- 2,744,220	2,266,584	7,681,534	- 1,296,340	1,822,730	8,207,924	- 626,080	956,030	8,537,874
Commutation Surplus	4,329	- 899		3,430	- 899		2,531	- 899		1,632
Car Loan Bonds	5,014			5,014			5,014			5,014
C/fwd Budgets (GF)	-			-			-			-
Sub Total	9,343	- 899	-	8,444	- 899	-	7,545	- 899	-	6,646
HRA										
HRA Balance	1,500,000			1,500,000			1,500,000			1,500,000
Major Repairs Reserve - Capital Programme	871,000	- 3,426,730	3,151,270	595,540	- 4,030,980	3,995,020	559,580	- 2,574,980	4,647,650	2,632,250
Major Repairs Reserve - Debt Repayment	1,175,000		1,175,000	2,350,000		1,175,000	3,525,000		1,175,000	4,700,000
Sub Total	3,546,000	- 3,426,730	4,326,270	4,445,540	- 4,030,980	5,170,020	5,584,580	- 2,574,980	5,822,650	8,832,250
Total Revenue Reserves	11,714,513	- 6,171,849	6,592,854	12,135,518	- 5,328,219	6,992,750	13,800,049	- 3,201,959	6,778,680	17,376,770
Capital Reserves										
Capital Receipts	703,600	- 240,000	102,500	566,100	- 1,510,250	1,102,500	158,350	- 205,000	257,500	210,850
Planning Delivery Grant (Capital)	192,750			192,750	- 192,750		0			0
LPSA Grant - Balance from 07/08	32,499			32,499			32,499			32,499
Community Safety Grant - Balance from 08/09	2,387			2,387			2,387			2,387
	931,236	- 240,000	102,500	793,736	- 1,703,000	1,102,500	193,236	- 205,000	257,500	245,736
* Potential for £500k to be allocated to Abbey Leisure Centre rebuild - subject to scheme costs										
** Payment to Pension Fund and reserve contributions to be reconsidered following triennial valuation due 2013/14										



MAJOR BUDGETS RISK ASSESSMENT 2013/14

1.0 BACKGROUND:

- 1.1 This paper provides a risk assessment for material items of revenue income and expenditure. It identifies those significant budgets where the risk of over or underachievement is greatest, including budgets which are particularly volatile or susceptible to fluctuation as a result of external factors, and attempts to quantify the financial risk to Access Selby, Communities Selby and the Core of the Council.
- 1.2 Inflation is an important factor for the Council’s budgets, and can have an impact when rates are high relative to income growth. The Council is also locked into some large contracts (e.g. Streetscene - £3.8m) which use the RPI for the rate of uplift, and these alone can add considerable risk to the relevant expenditure budgets.

ACCESS SELBY, CORE and COMMUNITIES SELBY

2.0 SALARIES AND WAGES

- 2.1 Salaries and Wages form a major expenditure for Access Selby and the Core with total budgets for 2013/14 nearing £6.19m.
- 2.2 Variances to the budgets can come from the following pressures:
- Vacancies (downward pressure).
 - Service pressures – unexpected requirement for overtime eg, backlogs in work or cover for sickness absence (upward pressure).
 - Maternity leave (upward pressure – due mainly to Access Selby’s reduced staffing resources).
 - Sickness absence – short term sickness generally has no financial implications. Long term sickness absence is likely to require posts to be covered to maintain service performance, for example by overtime or temporary staff (upward pressure).
- 2.3 Although the new delivery arrangements have seen a reduction in employee numbers, this is seen to increase the risk on the budget, as there are less staff available to meet any subsequent pressures. Also, the size of the budget means that a minor change can result in a significant variance.

Sensitivity Analysis

2013/14 Budget		0.5% Variance	1.0% Variance	2.0% Variance
Salaries	Access Selby	27,741	55,482	110,965
	Core	3,194	6,388	12,775

Sensitivity: Low

Impact: High

Risk: Medium

- 2.4 The Local Government Pension Scheme and its funding have been and continue to be the subject of change. The main cost pressure is the performance of the Fund, together with increases in pension liabilities and fund membership, and although the latter has not been significant in the past,

changes introduced in 2011/12 mean that employees who have previously opted out of the scheme will be automatically re-entered every 3 years, bringing a potential increase in cost if those employees do not choose to opt out again.

- 2.5 In 2013/14 the Employer’s contribution is based on a future service rate of 11.4% together with a lump sum of £723,400. The next actuarial valuation is due in April 2014, and early indications suggest that this will bring a net 2% increase in rates. The Council is setting aside £200k p.a. into a Pension Equalisation reserve to specifically mitigate this risk.

Sensitivity Analysis

2013/14 Budget	1% change in E'ers rates	2% change in E'ers rates	3% change in E'ers rates
E'ers Superannuation	63,460	126,910	190,370

Sensitivity: High

Impact: High

Risk: High

ACCESS SELBY

3.0 HOUSING AND COUNCIL TAX BENEFITS:

- 3.1 The Budget for Housing Benefit payments is estimated to be £16.85m in 2013/14. The calculation takes into account Rental Price Increases and the current economic climate. Housing Benefit roughly equates to the Government Grant, if we include money recovered from over payments (£85,000). The recovery level is at risk in difficult economic times creating a risk factor.

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% Variance
Recovery Variance	850	4,250	8,500

Sensitivity: High

Impact: Low

Risk: Low

- 3.2 As of 1 April 2013 Council Tax Benefit becomes Council Tax Support. This is a fixed pot of money from Central Government of around £5.24m. SDC’s risk is that any overpayment will result in a 10.8% liability to the Council. The rest is covered by the NYCC, Fire and Police Authority. This is a major change and increases the risk to the Council and other Precepting bodies.

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% Variance
Benefits Paid	52,400	262,000	524,000
SDC Exposure (10.8%)	5,660	28,300	56,600

Sensitivity: High

Impact: Low

Risk: Medium

4.0 ENERGY COSTS (various budgets):

- 4.1 Energy costs are difficult to predict with precision as they are affected by both volume of consumption and price. The Council procures energy through a framework contract although transfer of responsibilities for the leisure centres to

WLCT and the joint arrangements with the NHS for the new Civic Centre mean that our direct procurement of energy has reduced, albeit with some degree of loss of control.

Sensitivity Analysis

2013/14 Budget	10% Variance	20% Variance	30% variance
Gas 43,610	4,361	8,722	13,083
Electricity 135,390	13,539	27,078	40,617
Total 179,000	17,900	35,800	53,700

Sensitivity: High

Impact: Medium

Risk: Medium

5.0 LEISURE SERVICES CONTRACT:

- 5.1 At the beginning of September 2009, the responsibility for the management of the Council's leisure facilities transferred to Wigan Leisure and Culture Trust. The contract is subject to a fixed sum which is increased in line with inflation each year.
- 5.2 As landlord, the Council retains responsibilities for maintaining the assets used by the trust. A 10 year maintenance programme is in place, supported by an earmarked revenue reserve which is reviewed on an annual basis.
- 5.3 In late February 2012, the contract was severely affected by a major fire at the Abbey Leisure Centre. A temporary gym service is being provided at a reduced contract price and the decision has now been taken to demolish and rebuild the leisure centre. The new centre is expected to open early in 2015. The fire will adversely impact on the Council's insurance premiums going forward.

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% variance
297,110	2,971	14,856	29,711

Sensitivity: Low

Impact: Low

Risk: Low

6.0 WASTE COLLECTION:

- 6.1 With effect from October 2009, the Council introduced an alternate weekly bin collection system as part of a new Streetscene contract with Enterprise Managed Services Ltd. A sum of £1,710,420 is included in the 2013/14 budgets for contractor payments and waste disposal charges made by the County Council.
- 6.2 Contained within the contract is an annual price review, to be effective on the anniversary of the commencement of the agreement. To allow RPI to be used as an inflation factor, an additional 1% was added to the tender price at the start of the contract, with RPI as at September being used to inflate this adjusted base price each subsequent year. The contract also absorbs any additional cost pressure from increased properties, unless such additions require a fundamental change (i.e. an additional round / refuse vehicle). The forecast growth in property numbers over the next five years indicate that at least an extra 450 properties per year will be built in the district and is something that will need to be closely monitored in future years.

- 6.3 The County Council charges relate to Land Fill Tax (£64) and Trade Waste Disposal Charges (£23). Both items of expenditure are multiplied by the tonnage disposed of. With regard to tonnage the estimates are based upon the latest information and projections. However, to the extent that tonnage is not certain, there is the risk that there may be some variance to the original budget.
- 6.4 With regard to price, the land fill price per tonne for 2013/14 will increase by £8 (14.3% increase), and disposal charges will increase by £0.67 (2.9% increase).

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% variance
Contractor Costs	15,365	76,826	153,652
County Council Charges	1,739	8,695	17,390

Sensitivity: Medium

Impact: Medium

Risk: Medium

- 6.5 Income from refuse collection charges is now in the region of £544k per annum (£511k of which relates to trade refuse income). This is an increase of £34,870 over the 2012/13 latest estimate. Like any other business, income from this source is subject to increasing competition from other providers, and from the tough economic conditions currently being encountered, although a marketing exercise and a review of prices, carried out for the 2012/13 financial year, aims to minimise this impact.

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% variance
Commercial Waste Income	5,112	25,560	51,120
Domestic Waste Income	164	822	1,645

Sensitivity: Low

Impact: Medium

Risk: Medium

7.0 RECYCLING:

- 7.1 A sum of £1,470,930 is included in the 2013/14 budgets for contractor charges. These relate to the fees that the Council pays to the various companies that take away commodities for recycling. The main items for recycling are green waste, paper, glass, plastic containers/bottles and cans. As with the waste collection costs the expenditure is subject to both price and tonnage which makes estimating difficult as the figures in Table 2 below demonstrate.

Table 2

Year	Original Estimate £	Outturn £	Variance	
			£	%
2008/09	1,445,250	1,300,154	-145,096	-10.04
2009/10	1,458,800	1,490,731	31,931	2.19
2010/11	1,505,280	1,448,922	-56,358	-3.76
2011/12	1,514,470	1,341,602	-172,868	-11.41
2012/13	1,424,630	*1,465,630	41,000	2.88
2013/14	1,470,930	* Forecast		

- 7.2 On average the estimates have been under by 3.4%. There is a risk that this could occur again – if so the cost would be £1,420,918. However, linked to the cost of recycling is the income received from the County Council as recycling credits. The pattern over recent years is shown in Table 3: As can be seen due to strong recycling activity in the current financial year, it is anticipated that both costs and recycling credit income will exceed the budget.

Table 3

Year	Original Estimate £	Outturn £	Variance	
			£	%
2008/09	-396,630	-352,891	-43,739	-11.03
2009/10	-412,500	-507,107	94,607	22.94
2010/11	-429,000	-491,333	62,333	14.53
2011/12	-491,000	-507,091	16,091	3.28
2012/13	-492,800	*-574,000	81,200	16.47
2013/14	-492,800	* Forecast		

- 7.3 As the cost per tonne charged and the recycling credit per tonne are not directly related, the correlation between expenditure and income is not direct. The County Council have decided that the 2013/14 recycling credit will be £44.44 per tonne. This rate is to be increased by 3% year on year until amended by government guidance.
- 7.4 Taking the External Fees and Recycling Credits together the risk is assessed as follows:

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% variance
Contractor Costs	14,709	73,547	147,093
Recycling Credits	-4,928	-24,640	-49,280

Sensitivity: Medium

Impact: Medium

Risk: Medium

8.0 PLANNING APPLICATION FEES:

8.1 Income from planning application fees is budgeted at £540,230 for 2013/14. The pattern over recent years is shown in Table 4:

Table 4

Year	Original Estimate	Outturn	Variance	
	£	£	£	%
2008/09	536,580	383,665	-152,915	-28.50
2009/10	461,580	572,075	110,495	23.94
2010/11	561,580	373,330	-188,250	-33.50
2011/12	561,580	460,475	-101,105	-18.00
2012/13	**857,020	*470,000	-387,020	-45.16
2013/14	540,230	* Forecast		

** Includes a savings target

8.2 The housing market continues to be depressed due to the economic recession and this is impacting on planning applications for the current financial year. This unpredictability means that this area has a high degree of sensitivity and therefore should be monitored closely.

8.3 The budget for 2013/14 has been set at £540,230 following a 15% price increase expected to be introduced in the latter part of 2012. Planning fees are very dependant on economic levels of activity. Some charges could be reduced to Nil, by the Government, making Income generation challenging in the short term.

Sensitivity Analysis

2013/14 Budget	10% Variance	20% Variance	30% variance
540,230	54,023	108,046	162,069

Sensitivity: High

Impact: High

Risk: High

9.0 COUNCIL TAX COURT COSTS (income)

9.1 Owing to a more effective and embedded recovery procedure, accounts reaching the summons stage remain fairly consistent. This area is still fairly sensitive to the state of the economy.

Sensitivity Analysis

2013/14 Budget	10% Variance	20% Variance	30% variance
120,320	12,032	24,064	36,096

Sensitivity: High

Impact: Medium

Risk: Medium

10.0 INDUSTRIAL UNIT RENTS

10.1 The industrial units are managed by Selby DC on behalf of itself and partners. The ground rent was revised in 2010/11 as a result of an independent rent review. The maintenance rent has been adjusted in line with the anticipated change in maintenance costs. The next review of the rents is due November / December 2012 for 2013/14 implementation.

- 10.2 Industrial Unit rents are at risk as they vary depending on the occupancy rate of each unit, the rental is calculated at between 85% and 95% of full occupancy as all the units are rarely 100% occupied (Hurricane Industrial Units currently 100% occupied) although the rent review has made a positive impact. Due mainly to the economic downturn, the units are experiencing varying levels of occupancy and after a certain period of time being unoccupied will also become liable for NNDR.

Sensitivity Analysis

2013/14	5% Variance	10% Variance	15% Variance
195,500	9,775	19,550	29,325

Sensitivity: High

Impact: Medium

Risk: Medium

11.0 CAR PARK PAY AND DISPLAY INCOME

- 11.1 Car parking income has a separate policy for increasing fees which is reviewed bi-annually in accordance with the policy agreed in July 2006.
- 11.2 A review of car parking charges was agreed by the Executive in July 2011. An increase of 20% on long and short stay charges was agreed, with implementation in December 2011, after changes to the machines and signage. It is envisaged that the increases, together with the opening of a new site at the old Civic Centre will generate an additional £38k in 2013/14. Due to the ongoing economic climate and the price of fuel, there may be some pressure in maintaining these levels of income in the future.

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% variance
395,030	3,950	19,752	39,503

Sensitivity: Low

Impact: Medium

Risk: Medium

12.0 INCOME FROM DOMESTIC AND TRADE WASTE COLLECTION

- 12.1 Income is derived from two main sources, the collection and disposal of commercial waste from non-domestic properties, and the collection of bulky household waste from domestic premises. The commercial waste budgets for 2013/14 have been set to take into account the increased disposal costs from the County Council, and an inflationary increase in line with the Council's fees and charges policy.
- 12.2 There should be little risk to the commercial waste budgets as the contract prices are set to recover the expected charges, and although the SORTED scheme is popular, the current economic climate may threaten the maintenance of the current customer base.

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% variance
527,650	5,277	26,383	52,765

Sensitivity: Low

Impact: Medium

Risk: Medium

13.0 SALE OF RECYCLABLES

- 13.1 The Council's contractors, Enterprise are now responsible for the management and sale of material sold for recycling. An income share mechanism has been agreed between the Council and Enterprise whereby the Council achieves a guaranteed income from the sale of recyclates and Enterprise can recoup some additional costs through the income generated. A profit share is then applied whereby Enterprise receives 30% of the remaining income generated and the Council receives 70%. Due to a major slump in the market price, and the effect of the recession in general, there could well be pressure on this budget for the foreseeable future.

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% variance
280,000	2,800	14,000	28,000

Sensitivity: High

Impact: Low

Risk: Low

14.0 LAND CHARGES INCOME

- 14.1 Land charges fees are set in line to recover the cost of the service. In addition Land Charges income is particularly susceptible to external factors such as the movement in the property market, and the option for house buyers to facilitate gathering of information in the most economical way by undertaking elements of the searches themselves.
- 14.2 The housing market continues to show little sign of recovery. The budget for 2013/14 has been set at a level to reflect this, although the unpredictability of this area means it has a high degree of sensitivity and therefore should be monitored closely.

Sensitivity Analysis

2013/14 Budget	10% Variance	20% Variance	30% variance
122,440	12,244	24,488	36,732

Sensitivity: High

Impact: Low

Risk: Medium

15.0 HOUSING RENTS

- 15.1 Housing rents form the main source of funding for the Housing Revenue Account. Rents are calculated based on complex rent restructuring formulae provided by DCLG. The aim of this is to get council rents to converge with those of Registered Social Landlords. Although the HRA is now self financing and free from the constraints of negative subsidy it is still anticipated that the model for rent increases is still followed until convergence date which is currently expected in 2015/16.
- 15.2 The following table includes dwelling and garage rents and shows a consistent over achievement of income, latterly as a result of focused improvement in the turn around times for void properties. Estimates are based on a reasonable level of void properties and assumed Right to Buy sales.

Table 5

Year	Original Estimate £	Actual / Projected Outturn £	Variance	
			£	%
2007/08	8,714,200	8,816,658	(102,458)	(1.18%)
2008/09	9,241,850	9,410,335	(168,485)	(1.82%)
2009/10	9,495,000	9,680,904	(185,904)	(1.96%)
2010/11	9,530,000	9,875,887	(345,887)	(3.63%)
2011/12	10,500,000	10,595,943	(95,943)	(0.91%)
2012/13	11,351,000	*11,450,000	(99,000)	(0.87%)
2013/14	11,864,560	* Forecast		

Sensitivity Analysis

2013/14 Budget	0.5% Variance	1% Variance	2% Variance
11,864,560	59,448	118,896	237,791

Sensitivity: Low

Impact: High

Risk: Medium

16.0 MAINTENANCE OF HOUSING STOCK

- 16.1 Selby has ageing HRA stock; as a result costs to maintain stock to an appropriate level of decency are likely to increase in the future as the dwelling condition deteriorates. There is a capital programme in place to meet specific programmed demands, but revenue repairs are responsive and can vary daily in the nature and requirements of the property. The HRA attained the decent homes standard by the December 2010 deadline, but on-going work is needed to maintain this standard.
- 16.2 Stock surveys are continually carried out. The feedback received helps to inform the programme of works, the most critical work prioritised accordingly. This work will need to run in parallel with the debt repayment profile to ensure that funds are allocated correctly and affordability in the HRA is maintained whilst delivering front line services.

Table 6

Year	Original Estimate £	Actual / Projected Outturn £	Variance	
			£	%
2007/08	383,590	487,093	103,503	26.98
2008/09	447,910	451,808	3,898	0.87
2009/10	474,230	480,185	5,955	1.25
2010/11	424,230	566,514	142,284	33.53
2011/12	475,000	484,667	9,667	2.04
2012/13	480,000	*480,000	0	0
2013/14	480,000	* Forecast		

- 16.3 In the past, the revenue budget has been more sensitive to risk from the impact of void properties. However in more recent years the Council has had capital works programmed and tendered to a fixed price, thereby limiting the need to draw on responsive maintenance budgets.

Sensitivity Analysis

2013/14 Budget	1% Variance	5% Variance	10% variance
480,000	4,800	24,000	48,000

Sensitivity: Medium

Impact: Low

Risk: Low

17.0 SUPPORTING PEOPLE

17.1 Services in respect of the homeless and services for older persons, delivered by Access Selby, are currently funded through the national supporting people funding framework administered by North Yorkshire County Council. Currently funding is committed until December 2013 pending a national review of the Supporting People framework and comprehensive spending review. Sub regional negotiations are ongoing to facilitate forward planning and assessment of risks and options for future delivery of these services.

Sensitivity Analysis

2013/14 Budget Grant Income	25% Variance
£272,000	68,000 (Qtr 4 2013/14)

Sensitivity: High

Impact: Medium

Risk: Medium

18.0 SAVINGS

18.1 The Council's financial stability and resilience, is heavily reliant on its ability to generate the on-going base budget savings it needs, to deliver a balanced and sustainable budget.

18.2 There is a well established savings strategy and a detailed action plan which is closely monitored by the Executive. The current risk rating of the savings plan shows:

	2013/14 £	2014/15 £	2015/16 £
Red Savings	296,493	626,760	639,295
Amber Savings	411,926	423,231	431,696
Green Savings	2,913,415	3,063,978	3,221,941

18.3 An assessment of the value of potential further savings still required if not all planned savings are achieved, shows:

	2013/14 £	2014/15 £	2015/16 £
Red 50% Not Achieved	148,246	313,380	319,647
Amber 25% Not Achieved	102,981	105,808	107,924
Total	251,227	419,188	427,571

Sensitivity: High

Impact: High

Risk: High

Extract from Policy Review Committee Minutes 15 January 2013

37. PR/12/16 – Draft Budget and Medium Term Financial Plan

The Executive Director (S151) presented the report, which allowed Policy Review Committee the opportunity to comment on the Draft Revenue Budget and Capital Programme 2013/14 and the Medium term Financial Plan

The Executive Director (S151) identified the key issues for the Committee and confirmed that the Budget would go to full Council for approval on 26 February.

The Committee were concerned that the budget proposal included the saving from charging for green waste collection and wished to see full public consultation carried out before such a decision was taken. The Committee acknowledged that with the time scales involved the opportunity for public consultation before Council in February was limited. The Committee suggested the Executive consider alternative savings.

The Chief Executive confirmed that a public consultation exercise on a collection charge for green waste could still be carried out before the implementation of a charge later in the year.

The Committee reminded Officers of its discussion on Asset Management at a previous meeting and identified the possible increased income from garage rents, if any currently unused property stock could be refurbished and made available, as a source of income to offset against savings.

RESOLVED:

- i) To request that the Executive look for other possible savings before implementing a green waste collection charge;**
- ii) To request that the Executive undertake public consultation on the introduction of charging for green waste.**

Selby District Council

REPORT

Reference: E/12/54

Item 5 - Public



To: The Executive
Date: 7 February 2013
Status: Key Decision
Report Published: 30 January 2013
Author: Jodie Taylor – Lead Officer Finance
Executive Member: Councillor C Lunn – Lead Member for finance & Resources
Lead Officer: Karen Iveson – Executive Director (and S151)

Title: Financial Results and Budget Exceptions Report to 31 December 2012

Summary:

At the end of quarter 3, the full year forecast for the General Fund shows an estimated surplus of £433k and the HRA an estimated deficit of £17k.

There are some delays to the capital programme which are outside the control of the Council and where necessary budgets will be carried forward into 2013/14.

Progress against savings targets is good although £111k is still needed on Access Selby General Fund. There are a number of Amber savings that will deliver by the end of this financial year and officers are confident the target will be met.

Recommendations:

- i) **The Board endorse the actions of officers and note the contents of the report.**
- ii) **That the budgets be adjusted to reflect the expected savings identified in Appendix C.**

- iii) **Executive release £250k from the Access Selby Reserve to cover the expected shortfall in Planning Fee income from the withdrawal of proposed localised fees.**

Reasons for recommendation

To ensure that budget exceptions are brought to the attention of the Executive with explanations from officers; in order to approve remedial action as necessary.

1. Introduction and background

- 1.1 This is the 3rd quarter 2012/13 budget exception report and provides details of the Core, Access Selby and Communities Selby General Fund (GF), and Housing Revenue Account (HRA) expenditure and income variations for the financial year 2012/13 and where appropriate remedial action.

2. The Report

Financial Results

- 2.1 Appendix A presents the major forecasted variances identified to date for the 3rd quarter 2012/13 against the latest approved budgets.

General Fund - Revenue

- 2.2 The full year forecast for the General Fund currently shows an estimated surplus of £433k:

General Fund	Budget £000's	Forecast Full Year variance £000's
Core	3,628	(326)
Access Selby	5,668	(86)
Communities Selby	262	(21)
	9,558	(433)

- 2.3 The Cores savings include additional Investment Income (£88k) from higher than estimated cash flows and a one off receipt of the final dividend from BCCI (£46k). The withdrawal of the proposed localisation of planning fees £250k offset by (£141k) projected saving for reduced delivery of leisure services due to the fire at Abbey Leisure Centre has led to contract variations between the Core and Access Selby. Recommendation 3 above requests the release of the £250k from the Access Selby Reserve to cover this contract adjustment.

- 2.4 Communities Selby saving is in relation to employee costs following the transfer of administration for the Community Engagement Forums to AVS from 1st October 2012.
- 2.5 Access Selby's latest reported results (Access Selby Board 21 January 2013) show a forecasted surplus of £86k for the year, a much improved position largely due to the realignment of costs (£210k) between the HRA and the General Fund, along with an expected contract variation of £250k for proposed localised planning fees that were withdrawn by the Government. Planning fee income is still under pressure due to the current economic climate and a £107k shortfall is projected despite a 15% fee increase from November 2012. Looking ahead, the Government want to relax the rules regarding planning regulations to stimulate the economy which will further reduce income. Officers will keep this issue under close review and advise the Board as soon as further information is available.

Housing Revenue Account

- 2.6 The HRA full year forecast deficit is £17k:

HRA	Budget £000's	Forecast Full Year variance £000's
Core	3,979	(3)
Access Selby	(3,759)	20
Communities Selby	0	0
	0	17

- 2.7 The variances are: Investment Income (£27k) due to increased cash flow from HRA Self Financing, recharge income (£55k) from increased private payers for lifelines services and Property Services for rechargeable works. Expenditure savings from premises repairs and supplies and services (£140k) have been projected. The realignment of costs £210k between the HRA and the General Fund have been calculated and there is a small rent shortfall of £17k.

Capital

- 2.8 There are several capital budget exceptions for 2012/13, the details of which are set out in Appendix B. Some General Fund projects will be delayed due to issues outside access Selby's and the Council's control but good progress within the HRA is being made.

Savings

- 2.9 Appendix C presents an update on progress against the Council's savings action plan for the General Fund and HRA.

2.10 General Fund savings of £2.818m (£373k Core & Communities Selby and £2.445m Access Selby) and HRA (Access Selby) savings of £556k have been achieved. A further £111k is needed to meet the target set for Access Selby General Fund for the year.

2.11 There are a number of Access Selby General Fund Amber savings that will deliver by the end of this financial year and officers are confident the target will be met.

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

The financial issues are highlighted in the body of the report.

4. Conclusion

4.1 Overall, the financial results show a projected General Fund surplus of £433k for 2012/13 and a £17k deficit for the HRA. Savings targets for the year are expected to be met. There has been good progress made on the capital programme although some schemes will need to be carried forward into next year.

4.2 The forecasts are however, not without risk and officers continue to monitor and manage their budgets closely.

5. Background Documents

None

Contact Details

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Appendices:

Appendix A – General Fund and Housing Revenue Account Revenue budget exceptions

Appendix B – General Fund and Housing Revenue Account Capital Programme

Appendix C – General Fund and Housing Revenue Account Savings

BUDGET EXCEPTIONS REPORT

April 2012 - December 2012

Core

General Fund Income

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Investment Income	(165)	(88)	One-Off	Increased forecast for investment income due to higher than estimated cash flows.
Customer & Client Receipts	0	(46)	One-Off	The Council received the final dividend payment from the liquidators of BCCI in August.
Elections	0	(28)	One-Off	This is the reimbursement to the Council from the elections accounts of expenses towards costs of setting up and running elections in previous years.
Total Variance - General Fund Income		(162)		

Core

General Fund Expenditure

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Access Selby Contract Adjustment	0	109	One-Off	An additional contract adjustment of £250k due to the withdrawal of the proposed localisation of planning fees is offset by £141k forecast Wigan Leisure & Culture Trust saving refundable to the Core for reduced delivery of leisure services
Employees	1,380	(10)	On-going	Savings of £42k have been achieved in Democratic Services by holding vacant posts. This is offset by an increase in Past Service pension contributions payable, which had not been factored into the 12/13 budget.
Supplies and Services	360	(19)	On-going	£22k saving to the GF on Audit Fees 12/13, following the transfer of external audit from the Audit Commission to the private sector.
Transfer to / (from) reserves	(592)	(250)	One-Off	It is proposed that £250k is transferred from the Access Selby Reserve as part of the contract adjustment from the withdrawal of localised planning fees.
Total Variance - General Fund Expenditure		(170)		
Total Variance - General Fund Revenue		(332)		

Access Selby
General Fund Income

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Contract Adjustments*	0	(109)	One-Off	An additional contract adjustment of £250k due to the withdrawal of localised planning fees less a projected refund for Wigan Leisure & Culture Trust for the reduced delivery of leisure services due to the fire at Abbey Leisure Centre.
Government Grants**	(22,532)	(92)	One-Off	Housing Benefit Admin Subsidy (£58k), Rent Rebate Subsidy (£115k) and Rent Allowance Subsidy (£238k) are expected to be over the budget estimate. Estimated subsidy for Council Tax Benefit reduced in line with expected payments £314k, and an anticipated reduction in the level of grant for Supporting People £4k.
Customer & Client Receipts***	(3,579)	268	On-going	Current projection is a shortfall on planning fee income of £107k. The removal of fees payable on small extensions to private residences has not yet materialised and is unlikely in this financial year combined with the £250k saving not being achieved through the withdrawal of proposed localised fees. The variance is partially offset by the Supporting people income (£19k) (see below), together with an expected additional Recycling income of (£85k) due to an increase in the level of recycling activity. There is also a shortfall in Land Charges Income of £10k due to the continued slow housing market.
Total Variance - General Fund Income		67		

Access Selby
General Fund Expenditure

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Employees	5,526	(100)	On-going	All additional costs / savings for Frozen posts, maternity leave and cover, temporary pay arrangements, vacancies and external resources, that Finance have been notified of are included in the forecast estimate. Some assumptions have to be made, where for example we do not know a maternity leavers expected return date, but the forecast is recalculated every month to adjust for changes that occur.
Supplies & Services	6,707	71	On-going	The major variance within supplies and services is £54k on streetscene contractors, which is offset (above) by increases in income. The Building Control Partnership contract is expected to be overspent by £14k as the contract payment has been increased to cover expected deficit. There are numerous smaller variances across services adding to the overall variance
Third Party Payments*	289	(141)	On-going	This forecast saving is due to payments to Wigan Leisure and Culture Trust being reduced due to the reduction in service provision between the new Profiles gymnasium and Abbey Leisure Centre.
Benefit Payments**	21,513	44	One-Off	Based on current information Rent Allowance £239k and Rent Rebates £115k are exceeding budgets due to rent increases and increased caseload. Council Tax benefit payments will be (£311k) less than budget because an inflationary increase was applied to the budget. Current caseload suggests that there will be no significant increase on last years claims.
Support Services***	372	15	One-Off	The variance relates to the excess of private payers income for Warden Support services offset by a shortfall in the Supporting People Grant of £4k. This is rechargeable to the HRA and has a net nil impact upon the General Fund.
Total Variance - General Fund Expenditure		(111)		
Total Variance - General Fund Revenue		(44)		

* Reduced cost Leisure Service delivery offset by increased contract payment to the Core.

** Benefit payments are offset by benefit subsidy.

*** Additional Supporting People Grant (Government Grants) and Private Payer Income is recharged to the HRA through Support Services.

Communities Selby
General Fund Expenditure

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Employee Costs	156	(35)	One-Off	Saving on staffing costs following the transfer of administration of CEF's to AVS.
Total Variance - General Fund Expenditure		(35)		

Core
Housing Revenue Account Income

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Investment Income	(20)	(27)	One-Off	Additional investment income due to increased HRA cash flow balances due to self financing.
Housing Rent	(11,351)	17	One-Off	A small shortfall in rent income is anticipated, based upon latest rent data. Collection rates 97.92% currently exceed target of 97.6%, arrears to the end of December were high at £260k but drop to £187k for January. To date, there have been 5 evictions for 2012/13.
Total Variance - HRA Income		(10)		

Core
Housing Revenue Account Expenditure

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Employees	178	14	One-Off	Payments to NYCC pension fund for the backfunding element of pension contributions is higher than expected as the budget was not increased in line with payments.
Total Variance - HRA Expenditure		14		
Total Variance - HRA Revenue		4		

Access Selby
Housing Revenue Account Income

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Recharges	(392)	(55)	One-Off	Recharges for chargeable repair works are expected to achieve (£40k), the costs are contained within existing budgets. Supporting People funding recharged from the General Fund is projected to exceed expectations (£15k) as previously mentioned in Access Selby General Fund Support Services.
Total Variance - HRA Income		(55)		

Access Selby
Housing Revenue Account Expenditure

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Premises	846	(71)	One-Off	Savings anticipated from responsive demand for gutter repairs (£9k) covered by the capital programme, electrical testing (£20k) from not using sub-contractors and Hostel, Warden & Community Centre utilities (£31k) due to revised actual readings, Asbestos Surveying (£10k) driven by the capital programme, Ground Maintenance Variations through demand (£11k) offset by Gas Central Heating repairs £25k although this may be off-set by servicing costs when quantified. Numerous smaller variances across services add to those explained.
Supplies & Services	1,260	(69)	One-Off	Efficiencies in property assessments for Energy Performance Certificates has saved (£10k) and Gas Consultancy usage (£12k) reflecting last years usage, Tenant Participation savings (£15k) from revised working practices and approach. Material savings (£15k) are projected through better procurement and usage. There are numerous other forecast savings driven by demand including Skip Hire (£4k) and Septic Tank emptying (£4k) and General Management costs savings (£7k).
Net CEC Charge from the General Fund	2,358	210	On-going	This forecast is due to the realignment of costs between the General Fund and the HRA from a review of the apportionments.
Total Variance - HRA Expenditure		70		
Total Variance - HRA Revenue		15		

2012/13 Selby District Council Capital Programme - December 2012

Appendix B

General Fund	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Comments
Industrial Units - Road Adoption	25,000	0	0	0	25,000	Funding was for work on 2 roads - 1 of which has now been adopted due to work by Yorkshire Water. Work on the second road is expected to be completed early 2013 as orders for the remedial work have been placed. The majority of costs will relate to legal charges.
Selby Community Project	82,000	0	-140,120	-140,120	0	No further costs are anticipated for the project other than payment of retention monies to which the £82k budget relates, the accrual of £140k was the final value for this and has been charged to 2011/12.
Financial Management System	17,930	0	0	0	17,930	Upgrade to Version 4.1 completed September (£10k). Asset register implementation (£7.9k) due by January / February 2013..
ICT - Desktop Replacement Programme	25,000	23,000	23,158	158	25,000	Majority of equipment purchased for roll-out to sections.
Tadcaster Central Area Redevelopment	258,440	0	0	0	0	This work in Tadcaster is currently held up by Judicial Review which is scheduled for March 2013, this budget will need to be carried forward.
Abbey Leisure Centre - All Weather Pitch	250,000	0	0	0	0	Project will now form part of the rebuild / refurbishment of the leisure centre and is likely to be delayed to 2014.
Asset Management Plan Leisure Centres & Park	20,500	0	0	0	20,500	Lift repair / replacement at Tadcaster Leisure Centre up to £20,500 has been approved and tenders are being sought.
Mast Relocation Project	147,190	0	2,340	2,340	2,340	Further options are being considered in regard to the future of the mast and its location. This budget will be carried forward to 2013/14.
ICT - Capital Investment Projects	561,370	25,000	20,203	-4,797	285,370	System upgrades & replacements within ICT Strategy - subject to business case - covers areas such as Legal / Customer Services / Corporate ICT such as e-mail & website. The ICT strategy has been approved and key projects established. Balance of funding will be carried forward to continue programme.
Abbey Leisure Centre - Fire Damage	600,000	600,000	594,129	-5,871	600,000	Costs associated with setting up the new gym and dance studio as a result of the fire at Abbey Leisure Centre. Councils insurers paid £450k, Council funding the balance of £150k. Balance is for outstanding costs for the associated Car Park works.
Conservation & Heritage Grants	10,000	10,000	5,589	-4,411	5,600	Project complete - saving of £4.4k
CCTV - Fibre Hub	85,000	0	0	0	72,000	Hub purchase is anticipated to be £55k, work has commenced on site clearance and the power supply is to be installed. The saving has been generated due to a more detailed site survey than originally included in the budget.
Private Sector - Home Improvement Loans	42,500	9,375	-4,198	-13,573	42,500	The current committed spend is £30,000 (approved and completed). To date 2 loans completed, have 6 approved awaiting completion and 2 awaiting approval. A number of loan repayments have been received to be reinvested in to the private sector renewal pot.
Disabled Facilities Grants	396,000	150,000	123,223	-26,777	310,000	The current committed spend is £254,000 (approved and completed). YTD 24 grants have been completed, have 18 approved awaiting completion and 8 awaiting approval. In addition, a further £46k has just been received from DCLG which is unlikely to be utilised during 12/13. This will need to be carried forward to support future applications.
Energy Efficiency & Fuel Poverty	13,640	10,230	3,183	-7,047	13,640	Currently have one enquiry awaiting approval. Public interest in this service generally occurs in the autumn / winter and therefore is anticipated that the budget will be spent by year end.
	2,534,570	827,605	627,507	-200,098	1,419,880	68

2012/13 Selby District Council Capital Programme - December 2012

Appendix B

Housing Revenue Account	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	
Kitchen Replacements	398,090	298,568	112,158	-186,410	398,090	Phases 1 to 3 are complete. Phase 4 is due to commence early January consisting of 25 properties. Invoice from contractor expected shortly.
Electrical Rewires	396,810	297,608	237,993	-59,615	350,000	The programme is underway - It is anticipated that spend is less than budget due to a larger than expected number of properties only requiring upgrades to consumer units rather than total rewires. Any savings will be carried forward to support the programme.
Airey Property Works	1,312,520	1,225,000	1,251,799	26,799	1,252,000	Phase 1 has now been completed. To date 33 properties have been completed. Indications are that a small saving will be achieved. This can be carried forward to offset the additional costs of phases 2 and 3.
Airey Property Disabled Adaptation	30,000	30,000	30,000	0	30,000	This is an extension to an Airey Property, the work has now been completed.
Central Heating System Replacements	1,088,370	816,278	399,682	-416,596	1,088,370	Programme of replacements commenced. There have been approx 40 refusals for replacement E7 systems in phase 1. This will be addressed in future years of the 3 year programme or when the property becomes vacant.
Solid Fuel System Replacements	350,530	262,898	14,750	-248,148	350,530	Solid Fuel Servicing is 100% complete and fewer failures than anticipated have been identified. A saving is expected here, but not yet quantified. Capital programme will require refresh to allow for replacements in future years.
Roof Replacements	1,016,710	762,532	1,009,694	247,162	1,016,710	Programme progressed well and is now 100% of complete.
Damp Works	360,000	270,000	209,338	-60,662	360,000	Backlog of jobs completed, work continues to cover more responsive works.
External Cyclical Repairs (Painting & Windows)	142,000	106,500	87,670	-18,830	142,000	Programme has commenced with the work being combined with the external door replacement and window replacement programmes and will be completed this year.
External Door Replacements	143,500	107,625	8,090	-99,535	143,500	As External Cyclical Repairs.
Window Replacements	140,000	105,000	77,960	-27,040	140,000	As External Cyclical Repairs.
Void Property Repairs	50,000	37,500	15,860	-21,640	50,000	This work is responsive to the level of void properties and is dependent on each individual scenario as to the level of work required.
Fencing Programme	58,000	43,500	6,595	-36,905	58,000	Additional funding was identified to carry out this work, progress is being made.
	5,486,530	4,363,009	3,461,589	-901,420	5,379,200	
Total Capital Programme	8,021,100	5,190,614	4,089,096	-1,101,518	6,799,080	

GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION
PLAN 2012/13 - 2015/16 (V65)
Updated December 2012

Key:

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

Proposed Savings	Status	2012/13	2013/14	2014/15	2015/16	Progress
		£	£	£	£	
Inflation factor		0.020	0.020	0.020	0.020	
Procurement Workstream						
Election software	Green	4,700	4,700	4,700	4,700	Completed
Audit Partnership	Green	10,000	15,000	15,000	15,000	Completed. Planned reduction in Audit days and merger with Veritau.
		14,700	19,700	19,700	19,700	
WTT - Transformation (Core)	Green	50,000	50,000	50,000	50,000	Completed
Total Transformation		50,000	50,000	50,000	50,000	
Asset Management Workstream						
Total Asset Management		-	-	-	-	
Value for Money Workstream						
Internal Drainage Boards	Green	146,000				Completed - Saving achieved in 12/13 but increased levy following creation of Danvm IDB is expected. Further work to quantify the impact is required.
Community Safety	Green	15,000	15,000	15,000	15,000	Completed
Total Value for Money		161,000	15,000	15,000	15,000	
Base Budget Review Workstream						
External Audit Fee	Green	31,840	31,840	31,840	31,840	Completed
Early Retirements - Strain on Pension Fund	Green	75,000	75,000	75,000	75,000	Completed

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Progress
Corporate and Democratic Core	Green	7,000	7,000	7,000	7,000	Completed
Pay Award from 2.5% est to 1% revised	Green	10,920	22,230	33,150	48,118	Completed
Car Allowances	Green	2,850	2,850	2,850	2,850	Completed
Total Base Budget Review		127,610	138,920	149,840	164,808	
Discretionary Service Review Workstream						
External Grants	Green	12,000	12,000	12,000	12,000	Completed
Total Discretionary Service Review		12,000	12,000	12,000	12,000	
Inflation adjustment		7,306	9,519	15,090	21,557	
Total General Fund Savings		372,616	245,139	261,630	283,065	
Target		255,478	569,867	720,037	745,460	
Headroom/Deficit (+/-)		117,138 -	324,728 -	458,407 -	462,395	
Green Savings		372,616	245,139	261,630	283,065	
Amber Savings		-	-	-	-	
Red Savings**		-	-	-	-	
Total		372,616	245,139	261,630	283,065	

**ACCESS SELBY
GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION PLAN 2012/13 -
2015/16 (V84)
Updated January 2013**

Key:

Green
Amber
Red

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

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Progress
Inflation factor		0.020	0.020	0.020	0.020	
Procurement Workstream						
Change provider for telephone calls and rationalisation of telephone accounts	Green	18,780	20,480	20,530	20,530	Completed
Partnering Back Office Support	Green	93,000	93,000	93,000	93,000	Completed
Pest Control Contract	Green	1,200	1,200	1,200	1,200	Completed
CCTV	Amber	12,200	32,950	32,950	32,950	Tender returns are due by 11 th January with an anticipated contract award at the beginning of March with a new service commencement planned for 1 st April subject to any mobilisation issues. Revised bollard monitoring, BT service disconnections and an interim CCTV monitoring service have been progressed to achieve in year savings.
Recycling	Green	159,000	159,000	159,000	159,000	Completed
Green Waste - Gate fees and reduced mileage costs negotiated with Enterprise	Green	5,000	20,000	20,000	20,000	Negotiations are completed. New contracts will be awarded at the end of October 2012. The estimated full year saving of £29k is now revised to £20k. The part year saving for 2012/13 is revised from £15k to £5k
Collaborative corporate contracts through shared procurement service	Red	-	36,610	61,560	61,560	Delivery of the remaining saving by year end is a risk and the target has therefore been reduced. The target has been impacted by the delay in the delivery of the CCTV Project and the reduction in saving from the greenwaste project.
Note: The balance of this target will reduce as individual procurement projects are identified						
Contact Centre Electricity	Green	10,000	10,000	10,000	10,000	Completed
ICT - Server Virtualisation	Green	10,000	10,000	10,000	10,000	Completed
Gas Utilities Contract	Green	6,160	6,160	6,160	6,160	Completed
Negotiate savings within Street Scene and Leisure contracts	Amber	1,500	40,000	40,000	40,000	Access Selby and Enterprise have undertaken a review of the contract and identified potential opportunities for efficiency savings. This has now been agreed with the Partnering Board (28th Nov) and implementation plans being drawn up and will provide some modest in-year savings.

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Progress
Change in printer / photocopier paper	Green	200	600	600	600	Completed
Change in Washroom Service contracts	Green	1,500	3,200	3,200	3,200	Completed
Citizen Link Printing	Green	800	800	800	800	Completed
Coshh Management	Green	3,000	3,000	3,000	3,000	Completed
		322,340	437,000	462,000	462,000	
Cash collection/cash in transit contract costs	Green	600	2,200	2,200	2,200	Existing supplier Secoe 600 being replaced by Security Plus - appointed via YPO CIT framework competition. Reduced cash handling/processing at bank (coins only) as all bagged coins will be taken directly to Natwest coin centre at Haydock from 1st Feb 2013.
WTT - Transformation (SDV)	Green	1,380,890	1,380,890	1,380,890	1,380,890	Completed
WTT - Transformation HRA Impact / Reviewing Apportionment to HRA	Green	90,000	91,970	89,440	90,000	Future estimates have been reflected in the 13/14 budget process, current year actual to be confirmed.
Spend to save initiatives	Red	0	0	25,000	25,000	
Service delivery options	Red	0	25,000	50,000	50,000	Commercial & marketing strategy approved and a range of business development activities are planned for Q3 & Q4. The outcome of which will inform delivery options.
BPI	Red	-	-	25,000	25,000	
Total Transformation		1,471,490	1,500,060	1,572,530	1,573,090	
Asset Management Workstream						
Vacation of Portholme Road Depot	Green	13,497	13,497	13,497	13,497	Completed. In addition, there is a saving to the HRA of £26,833
Running costs of new Civic Centre	Amber	40,000	40,000	40,000	40,000	A NNDR appeal has been submitted, if this is not successful then savings target will not be able to be achieved. We have now agreed with the PCT the formula for calculating the electricity split, still awaiting the invoice from PCT.
Closure of Tadcaster office	Green	30,000	30,000	30,000	30,000	Completed

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Progress
Barlby Depot	Amber	8,380	8,380	8,380	8,380	The interested party has withdrawn his offer, Officers are seeking quotes for the demolition of the buildings to reduce the NNDR charge and standing utility charges.
Total Asset Management		91,877	91,877	91,877	91,877	
Value for Money Workstream						
Telecommunications Mast	Red		13,000	13,000	13,000	There is a proposal to take over the ownership of the mast from the Police with a view to manage in the interim prior to the relocation. There is no set timescale for this. This will generate an income however the figures have not been agreed.
Negotiation for share of out performance on Council Tax collection	Red		25,000	25,000	25,000	Currently underachieving on the collection of Council Tax by 0.8%, this target will not be met in 2012/13
Increase in legal fee charges - Legal Car Park Income	Amber		-	7,000	7,000	Demand is market driven. Projection based upon 12/13 demand (increases range from 2.6 - 300%)
	Amber	20,000	97,500	97,500	97,500	An increase of 20% for both long and short stay park was implemented from 1 December 2011. As saving was not fully achieved in 11/12, income continues to be monitored in 12/13. The Portholme Road Car Park Machine has been installed and charging due to commence in January 2013. Anticipating a £40k shortfall in income for the year.
Total Value for Money		20,000	135,500	142,500	142,500	
Base Budget Review Workstream						
Car Allowances	Amber	31,150	41,150	41,150	41,150	Full saving is not expected to be achieved in 12/13, there forecast has therefore been revised to reflect a £10k shortfall. As working practices in several service areas are still being reviewed, there is still potential for the full saving to be realised in 13/14.
Pay award - Estimate reduced from 2.5% to 1%.	Green		81,730	166,280	255,040	Completed
Rationalisation IT Support Costs	Green	50,000	50,000	50,000	50,000	Completed
Rationalisation of cost base	Green	100,000	100,000	100,000	100,000	£140k identified £40k added to Contingency to mitigate increased budget risk
Redundant ICT systems	Amber	25,000	25,000	25,000	25,000	Work ongoing to establish savings in year following system improvements and rationalisation. So far £19k has been identified through decommissioning of systems and renegotiation of contracts.
Frozen posts/vacancies	Green	50,000	19,320	19,320	19,320	Frozen posts continue to remain vacant. Customer Service Advisor post removed permanently from 13/14
Frozen posts/vacancies	Amber	-	4,110	-	-	Balance of saving yet to be identified.
Compensation for legacy costs/income pressures	Green	136,000	136,000	136,000	136,000	

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Progress
2011/12 Profits	Green	50,000	-	-	-	Carry Forward 11/12 profits to offset future losses.
Finance Budget Savings	Green	1,900	1,900	1,900	1,900	Completed
Additional Licensing Income	Green	5,660	5,660	5,660	5,660	Completed
O/S Survey Mapping Fees	Green	15,000	15,000	15,000	15,000	Completed
Housing Benefit Admin Miscellaneous Savings	Green	3,800	3,800	3,800	3,800	Completed
Housing Benefit Overpayments Recovery	Amber	90,000	90,000	90,000	90,000	An income budget has never been set for the recovery of Housing Benefit Overpayments. The nature of the income means that forecasting is difficult, but an estimate has been included based on current information and history.
Statutory Planning Notices	Green	3,500	3,500	3,500	3,500	Completed
Primary Care Trust	Green	10,000	10,000	10,000	10,000	Completed
Printing Supplies	Green	5,000	5,000	5,000	5,000	Completed
Pollution Monitoring Consultants	Green	-	5,000	5,000	5,000	Completed
Public Conveniences Contract - Inflation	Green	3,000	3,000	3,000	3,000	Completed
Licensing Income	Green	2,200	2,700	2,700	2,700	Completed
Domestic Waste - Sale of Goods	Green	5,000	5,000	5,000	5,000	Completed
Bus Station Repairs & Maintenance	Green	2,000	2,000	2,000	2,000	Completed
Health & Housing Call Out	Green	720	720	720	720	Completed
HR Budget Savings	Green	1,000	1,640	1,640	1,640	Completed
General Office Expenses	Green	7,480	8,480	8,480	8,480	Completed
Car Park Warden Van Lease	Green	2,890	2,890	2,890	2,890	Completed
Street Cleansing - General Advertising	Green	10,000	16,000	16,000	16,000	Completed
Further Base Budget Review Savings - details on supplementary list	Green	14,850	40,505	40,505	40,505	Completed
Further Base Budget Review Savings - details on supplementary list	Amber		12,620	12,620	12,620	Final figures to be confirmed
Total Base Budget Review		626,150	692,725	773,165	861,925	
Discretionary Service Review Workstream						
HR - Budget review	Green	5,000	5,000	5,000	5,000	Completed

Proposed Savings	Status	2012/13 £	2013/14 £	2014/15 £	2015/16 £	Progress
New charge for planning advice	Red	12,000	30,000	30,000	30,000	Income running behind expectations currently £18k under target 12/13 reduced to reflect this.
Reduce opening hours at Access Selby	Green	35,000	35,000	35,000	35,000	Completed
Maximise current income streams	Red	25,000	50,000	100,000	100,000	Progress against pilot projects in marketing strategy is being made including Civic Centre Room Hire although the impact will not be realised in 2012/13. A process is to be developed with the assistance of the Finance Team to establish where (if any) progress has been made to influence and establish whether this saving is achievable.
Redeploy resources to pursue grant funding opportunities	Red	-	50,000	50,000	50,000	Lead officers considering grant opportunities as part of their budget monitoring. Grants are only available for discretionary or new Government initiatives which limit the potential savings. No savings will be achieved in 2012/13.
Policy changes to introduce new income streams	Red	-	-	150,000	150,000	Potential for green waste/parking charges in Tadcaster etc. New charges introduced for hiring of committee rooms, water sampling. Parking Charges can't be considered at Tadcaster until the legal challenge has been heard and we have carried out the improvements. In 2012/13 additional 90 car spaces from September, plus any commuted sums from residential schemes of 1 - 9 houses (5% to be for administration)
Barlow Nature Reserve	Green	53,000	53,000	53,000	53,000	Completed
Total Discretionary Service Review		130,000	223,000	423,000	423,000	
Inflation adjustment		53,237	124,439	212,090	292,996	
Total General Fund Savings		2,715,094	3,204,601	3,677,162	3,847,388	
Savings Target		2,555,653	3,173,668	3,340,335	3,457,103	
New Target		2,555,653	3,173,668	3,340,335	3,457,103	
Headroom/Deficit (+/-)	**	159,441	30,933	336,827	390,285	
Green Savings		2,444,560	2,558,179	2,696,436	2,847,048	
Amber Savings		232,795	407,535	418,753	427,128	
Red Savings**		37,740	238,886	561,973	573,213	
Total		2,715,094	3,204,601	3,677,162	3,847,388	

HOUSING REVENUE ACCOUNT BASE BUDGET SAVINGS 2012/13 - 2014/15**Updated December (v10)**

Key:

Green

Savings likely to be achieved/low risk

Amber

Tentative savings - further work required/medium risk

Red

Savings require a change in Council policy or significant change in service delivery/high risk

	Status	2012/13 £	2013/14 £	2014/15	Progress
Inflation factor		0.020	0.020		
Proposed Savings					
Review of Property Services unfilled posts	Green	50,000	50,000	50,000	Completed
Gas Servicing Contract	Green	20,000	20,000	20,000	Reduced servicing costs from replacement boilers.
Grassed Areas & Open Spaces base budget review	Green	29,000	29,000	29,000	Completed
Various Suppliers	Green	22,000	22,000	22,000	Completed - Improvement in supplier terms and conditions.
WTT - Savings	Green	129,591	129,591	129,591	Completed
2011/12 Pay Award	Green	27,000	27,000	27,000	Completed
Car Allowances	Green	5,600	5,600	5,600	Identified as part of budget 2012/13 - input to spreadsheets
Savings on Audit Fees and early Retirement Charges	Green	24,800	24,800	24,800	Completed
Ryecare Help-Line Telecom Saving	Green	700	700	700	Completed
Consolidation of IT Budgets	Green	23,685	23,685	23,685	Completed
Electrical Testing - R&M	Green	19,970	10,000	10,000	Completed
Vehicle Tracking System	Green	500	500	500	Completed
Energy Performance Certificates	Green	3,000	3,000	3,000	Completed
WTT - Savings from recharges from GF	Green	200,000	200,000	200,000	
Total Housing Revenue Account Savings		555,846	545,876	545,876	
Target Savings		360,000	360,000	360,000	
Headroom/Deficit (+/-)		195,846	185,876	185,876	
	Green Savings	555,846	545,876	545,876	
	Amber Savings				
	Red Savings**				

Selby District Council

REPORT

Reference: E/12/55

Item 6 - Public



To:	The Executive
Date:	7 February 2013
Status:	Key Decision
Report Published:	30 January 2013
Author:	Jodie Taylor – Lead Officer Finance
Executive Member:	Councillor C Lunn – Lead Member for Finance & Resources
Lead Director:	Karen Iveson – Executive Director (s151)

Title: Treasury Management – Monitoring Report to 31 December 2012

Summary:

This report reviews the Council's borrowing and investment activity (Treasury Management) for the first nine months of 2012/13 and presents performance against the Prudential Indicators.

Investments – despite interest rates continuing at their low level and forecasts for a rise being put back to 2015 at the earliest, we are forecasting an outturn of £300k, which is £115k above budget.

Borrowing – the Council has long term borrowing of £60.33m at 31 December 2012.

Prudential Indicators – the Council's affordable limits for borrowing were not breached during this period.

Recommendation:

Councillors endorse the actions of officers on the Council's treasury activities for the period ending 31st December 2012 and approve the report

Reasons for recommendation

To comply with the Treasury Management Code of Practice, the Executive is required to receive and review regular treasury management monitoring reports.

1. Introduction and background

- 1.1 This is the third monitoring report for treasury management in 2012/13 and covers the period 1 April to 31 December 2012. During this period the Council complied with its legislative and regulatory requirements.
- 1.2 Treasury management in Local Government is governed by the CIPFA “Code of Practice on Treasury Management in the Public Services” and in this context is the management of the Council’s cash flows, its banking and its capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. This Council has adopted the Code and complies with its requirements.
- 1.3 The Council’s Treasury Strategy, including the Annual Investment Strategy and Prudential Indicators was approved by Council on 28 February 2012.
- 1.4 The two key budgets related to the Council’s treasury management activities are the amount of interest earned on investments £185k (£165k General Fund, £20k HRA) and the amount of interest paid on borrowing £2,532k (£119k General Fund, £2,413k HRA).

2. The Report

Interest Rates and Market Conditions

- 2.1 The Bank of England is continuing to maintain interest rates at 0.5% (the bank rate). Due to the economic situation forecasters are now not expecting a rise until at least 2015.
- 2.2 Consumer Price Inflation (CPI) started the financial year in April at 3% and fell unexpectedly to 2.8% in May, and has fallen further to 2.7% in November, which was good news for the markets, which hope that this trend will continue. The Retail Price Index (RPI) was at 3.5% in April and as with the CPI fell to 3% in May and in November stood at 3%.
- 2.3 Table 1 overleaf, shows that since the start of the year there has been a reduction in investment interest rates. This has reflected the market sentiment that the Bank of England may reduce rates and the expectation for a rise has now moved back to 2015 at the earliest.

Table 1: Average Interest Rates 1 April 2012 to 31 December 2012

	April 2012	June 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012
Base Rate (Bank Rate)	0.50	0.50	0.50	0.50	0.50	0.50
Over Night	0.50	0.50	0.40	0.40	0.40	0.40
7 Days	0.50	0.50	0.45	0.40	0.40	0.40
1 month	0.73	0.50	0.40	0.40	0.40	0.40
3 Months	1.05	0.85	0.48	0.45	0.45	0.45
6 Months	1.35	1.10	0.71	0.65	0.65	0.60
1 Year	1.85	1.65	1.00	0.90	0.93	0.90

- 2.4 The Council's Treasury Advisors, Sector provided a forecast for interest rates for both investments and PWLB borrowing as part of the Treasury Management Strategy. This forecast is monitored regularly and has recently been updated. Table 2 shows the forecast included in the Treasury Strategy and Table 3 shows the latest forecast.

Table 2: Forecast for Interest Rates Included in Treasury Strategy

	2012	2013		2014		2015
	Q4	Q1/2	Q3/4	Q1/2	Q3/4	Q1/2
	%	%	%	%	%	%
Bank Rate	0.50	0.50	0.88	1.38	2.13	2.50
5 Yr PWLB	2.40	2.55	2.75	3.00	3.40	3.70
10 Yr PWLB	3.40	3.55	3.75	4.10	4.50	4.80
25 Yr PWLB	4.30	4.45	4.65	4.85	5.05	5.20
50 yr PWLB	4.40	4.55	4.75	4.95	5.15	5.30

- 2.5 As can be seen from Tables 2 and 3 because the bank rate has remained at 0.5% this has had an impact on the forecast for rates later in this financial year and into the following financial years.
- 2.6 The forecasts are based on moderate economic recovery and Monetary Policy Committee (MPC) views about inflation looking two years ahead. There is a high level of uncertainty in all forecasts due to the factors involved and their sensitivity to each other. The MPC have left policy unchanged with most analysts having earmarked February 2013 for the next potential round of quantitative easing.

Table 3: Forecast for Interest Rates December 2012

	2012	2013		2014		2015
	Q4	Q1/2	Q3/4	Q1/2	Q3/4	Q1/2
	%	%	%	%	%	%
Bank Rate	0.50	0.50	0.50	0.50	0.50	0.88
5 Yr PWLB	1.50	1.50	1.60	1.70	1.90	2.25
10 Yr PWLB	2.50	2.50	2.60	2.70	2.90	3.25
25 Yr PWLB	3.70	3.80	3.80	3.90	4.05	4.35
50 yr PWLB	3.90	4.00	4.00	4.10	4.25	4.55

Annual Investment Strategy

2.7 The Annual Investment Strategy outlines the Council's investment priorities which are :

- ⊕ Security of Capital and
- ⊕ Liquidity of its investments

These priorities are consistent with those recommended by DCLG and CIPFA.

2.8 The Council aims to achieve optimum return on investments commensurate with these priorities. In the current economic climate officers are striving to achieve a balance of investments that will give at least an average of the budgeted level of return of 1.25% whilst minimising the ongoing risks within the banking sector. Investment interest rates currently on offer are averaging between 0.4% up to 1.55% depending on the period and the institution.

2.9 The Council continues to invest in only highly credit rated institutions using the Sector suggested creditworthiness matrices which take information from all the credit ratings agencies. Officers can confirm that the Council has not breached its approved investment limits during the third quarter of the year (maximum £5m). Appendix A shows an analysis of Investments at 1 April, 30 June 2012, 30 September 2012 and 31 December 2012.

2.10 Despite interest rates remaining low the Council secured some deposits generating returns above the budget estimate, and cash for investment is currently above estimate. These deposits have been placed with mainly other local authorities and government backed banks. The current forecast is that the Council will achieve an additional £115k on its interest income giving £300k of which £253k would be allocated to the General Fund (an additional £88k) and £47k to the Housing Revenue Account (an additional £27k).

- 2.11 The average level of funds available for investment during the nine months to December was £24.22m, of which £19.59m was invested in fixed term deposits at an average of 1.48% and £1.51m was held in the Council's immediate access deposit account at a rate of 0.5%. In June the Council started to invest in money market funds and since then has invested an average of £3.1m at an average rate of 0.6%. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme which has increased cash available to invest in the short term. The Council holds approximately £14.0m of core cash balances made up of earmarked reserves and capital receipts set aside to repay debt for investment purposes (i.e. funds available for more than one year).
- 2.12 The Council has a benchmark of its budget target of 1.25% to reflect performance of investments. The overall average rate to December of 1.3% is above the benchmark. Officers have taken a cautious approach to the forecast for the average rate for the year, which due to the uncertainties in the market is expected to be 1.26% which is marginally above the benchmark. This forecast is being kept under constant review. The Council's cash flows remain healthy and this should enable the interest earned to be above budget.

Borrowing

- 2.13 It is a statutory duty for the Council to determine and keep under review its "Affordable Borrowing Limits". The Council's approved Prudential Indicators (affordable limits) were outlined in the Treasury Management Strategy Statement (TMSS). A list of the limits is shown at Appendix B. Officers can confirm that the Prudential Indicators were not breached during the first nine months of the year.
- 2.14 The TMSS indicated there was no need to take long term borrowing during 2012/13 to support the budgeted capital programme. However since the budget was set the Council had to revise its HRA capital programme and up to £263k of prudential borrowing was approved. This borrowing can be accommodated within the Authorised and Operational borrowing limits set by the Council. The Council has not required any temporary borrowing during the first nine months of the year for cash flow purposes.
- 2.15 The Council approved an Authorised Borrowing Limit of £75.0m (£72m debt and £3m Leases) and an Operational Borrowing Limit of £71.0m (£68m debt and £3m Leases) for 2012/13. The highest total gross amount of debt in the year to 31 December has not been more than £66.6m on any occasion.

- 2.16 The actual interest chargeable to the HRA will be £2.413m (£314k below the original budget of £2.727m), and interest chargeable to the General Fund will be £119k.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

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

3.2 Financial Issues

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

4. Conclusion

- 4.1 The impact of the economy, and the turmoil in the financial markets, continues to have an impact on the Council's investment returns although forecast returns are expected to be above the benchmark for the year and buoyant cashflows mean our investment income budget will be exceeded..

5. Background Documents

Treasury Management Strategy 2012/13

Contact Details

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Appendices:

Appendix A – Analysis of Deposits at 1 April 2012, 30 June 2012, 30 September 2012 & 31 December 2012
Appendix B – Prudential Indicators as at 31 December 2012

Analysis of Deposits At 1 April 2012, 30 June 2012, 30 September 2012 & 31 December 2012

Institution	At 1 April 2012			At 30 June 2012			At 30 September 2012			At 31 December 2012		
	Amount £'000	Maturity	Rate %	Amount £'000	Maturity	Rate %	Amount £'000	Maturity	Rate %	Amount £'000	Maturity	Rate %
Barclays				1,000	14-Sep-12	0.92	1,000	14-Dec-12	0.59			
Doncaster Council	1,000	24-May-13	1.40	1,000	24-May-13	1.40	1,000	24-May-13	1.40	1,000	24-May-13	1.40
Fife Council	2,000	29-Mar-13	0.90	2,000	29-Mar-13	0.90	2,000	29-Mar-13	0.90	2,000	29-Mar-13	0.90
Fife Council	1,000	06-Jan-14	1.30	1,000	06-Jan-14	1.30	1,000	06-Jan-14	1.30	1,000	06-Jan-14	1.30
Leeds City Council	2,000	12-Sep-12	2.00	2,000	12-Sep-12	2.00						
Lloyds TSB	3,000	16-Jul-12	1.75	3,000	16-Jul-12	1.75	3,000	16-Oct-12	1.35	3,000	16-Oct-13	2.25
Lloyds TSB							2,000	01-Aug-14	3.20	2,000	01-Aug-14	3.20
Newcastle City Council	2,000	02-Apr-12	1.30							3,000	07-May-15	1.00
Newcastle City Council	2,000	03-Sep-12	1.70	2,000	03-Sep-12	1.70						
Newcastle City Council	1,000	30-May-12	1.60									
North Lanarkshire	2,000	20-May-13	1.20	2,000	20-May-13	1.20	2,000	20-May-13	1.20	2,000	20-May-13	1.20
Sheffield City Council	3,000	29-Nov-12	1.55	3,000	29-Nov-12	1.55	3,000	29-Nov-12	1.55			
NatWest							1,000	09-Sep-13	1.28	1,000	09-Sep-13	1.28
NatWest										1,000	15-Nov-13	1.50
NatWest				3,000	30 day	1.10	2,500	30 day	1.10	2,000	30 day	1.10
NatWest	2,030	Call	0.50	3,249	Call	0.50	331	Call	0.50	255	Call	0.50
Svenska Handelsbanken							3,000	Call	0.80			
Money Market Fund - Ignis				500	Call	0.69	2,750	Call	0.61	5,000	Call	0.43
Total Deposits	21,030			23,749			24,581			23,255		

APPENDIX A

Prudential Indicators – As at 31 December 2012

Note	Prudential Indicator	2012/13 Indicator	Quarter 3 Actual
1.	Mid Year Capital Financing Requirement £'000	63,529	62,407
	Gross Borrowing £'000	63,481	62,080
	Investments £'000	15,000	23,255
2.	Net Borrowing £'000	48,481	38,825
3.	Authorised Limit for External Debt £'000	75,000	75,000
4.	Operational Boundary for External Debt £'000	71,000	71,000
5.	Limit of fixed interest rates based on net debt %	100%	100%
5.	Limit of variable interest rates based on net debt %	30%	30%
6.	Principal sums invested for over 364 days		
	1 to 2 Years £'000	20,000	3,000
	2 to 3 Years £'000	15,000	3,000
	3 to 4 Years £'000	5,000	0
	4 to 5 Years £'000	5,000	0
7.	Maturity Structure of external debt borrowing limits		
	Under 12 Months %	20	0
	1 Year to 2 Years %	20	0
	2 Years to 5 Years %	50	1.66
	5 Years to 10 Years %	90	10.77
	10 Years to 15 Years %	90	0
	15 Years and above %	90	87.57

Notes to the Prudential Indicators

1. Capital Financing Requirement – this is a measure of the Council's underlying need to borrow long term to fund its capital projects. The information in the table shows a need to borrow £62.407m at 31

APPENDIX B

December. The actual figure reflects the updated value of the leases that are within the Street Scene Contract and held within the Council's accounts together with the impact of the additional borrowing approved for the HRA capital programme £263k has also been included in the Q3 actual figure.

2. Net Borrowing (Gross Borrowing less Investments) – this must not except in the short term exceed the capital financing requirement.
3. Authorised Limit for External Debt – this is the maximum amount of borrowing the Council believes it would need to undertake its functions during the year. It is set above the Operational Limit to accommodate unusual or exceptional cashflow movements.
4. Operational Boundary for External Debt – this is set at the Council's most likely operation level. Any breaches of this would be reported to Councillor's immediately.
5. Limit of fixed and variable interest rates on net debt – this is to manage interest rate fluctuations to ensure that the Council does not over expose itself to variable rate debt.
6. Principal Sums Invested for over 364 days – the purpose of these limits is so that the Council contains its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of investments.
7. Maturity Structure of Borrowing Limits – the purpose of this is to ensure that the Council is not required to repay all of its debt in one year. The debt in the 15 years and over category is spread over a range of maturities from 23 years to 50 years.

Selby District Council

REPORT

Reference: E/12/56

Item 7 - Public



To: The Executive
Date: 7 February 2013
Status: Key Decision
Report Published: 30 January 2013
Author: Jodie Taylor Lead Officer - Finance
Executive Member: Councillor C Lunn – Lead member for Finance & Resources
Lead Director: Karen Iveson – Executive Director (s151)

Title: Treasury Management – Treasury Management Strategy Statement 2013/14, Minimum Revenue Provision Policy Statement 2013/14, Annual Investment Strategy 2013/14 and Prudential Indicators 2013/14.

Summary:

This report presents for approval the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, Annual Investment Strategy for 2013/14 and Prudential Indicators 2013/14 as required by the Department of Communities and Local Government and CIPFA.

Recommendations:

It is recommended to Council that:

- i. The Operational Borrowing Limit for 2013/14 is set at £71m
- ii. The Authorised Borrowing Limit for 2013/14 is set at £75m
- iii. Councillors delegate authority to the Executive Director (s151) to effect movement within the agreed authorised boundary limits for long-term borrowing for 2013/14 onwards.
- iv. Councillors delegate authority to the Executive Director (s151) to

effect movement within the agreed operational boundary limits for long-term borrowing for 2013/14 onwards.

- v. **The treasury management strategy statement 2013/14 be approved.**
- vi. **The minimum revenue provision policy statement for 2013/14 be approved.**
- vii. **The treasury management investment strategy for 2013/14 be approved.**
- viii. **The prudential indicators for 2013/14 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 £75m for 2013/14, which is the maximum that can be borrowed in the year;
 - The 'Operational Boundary' (the maximum amount that is

expected to be borrowed) is £71m in 2013/14, providing £4m headroom for any unusual cashflow purposes, should this be required;

- Officers will manage the Council's exposure to interest rate variations during the year by working within agreed upper limits for fixed and variable interest rates (variable rate borrowing will be limited to 30%);
- Within its Treasury Management Strategy, the Council will contain its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of principal sums, by setting limits for the amounts that can be invested from 1 up to 5 years (ranging from £20m down to £3m 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 01/12/2012 is £60.333m at an average rate of 4.185%;
- Total investments are around £23.7m at an average rate of 1.29%.

Minimum Revenue Provision (MRP) Policy

- 2.2
- MRP for new borrowing will be based on the asset life;
 - Total MRP for 2013/14 is £1,688k (£1,368k for loans and £320k for leases)

Annual Investment Strategy

- 2.3
- The priorities for investing the Council's cash reserves are security of capital and liquidity of funds;
 - Credit ratings and other credit intelligence are used to inform decisions on investments;
 - Cash balances for investment are expected to range between £14m and £25m over the coming year dependent upon cashflows;
 - Interest rates are not forecast to increase over the coming months and therefore sums are being invested over a range of periods of time to try and achieve the budgeted return and to allow us to take advantage of rising rates as soon as possible;
 - An average rate of return of 1.25% has been estimated for 2013/14.

Prudential Indicators

- 2.4
- The Council plans to spend £4.215m on capital projects in 2013/14
 - This expenditure will be funded from major repairs reserve, capital receipts, grants or revenue resources;
 - Principle (Minimum Revenue Provision or MRP) and interest repayments on current and proposed borrowing, less interest on

investments, equate to 1.73% of the General Fund Budget and 0.17% of the HRA net budget in 2013/14 – even though the Council is a net investor the cost of borrowing outweighs the investment interest earned;

- Taking into account all capital spending plans during 2013/14 we are unlikely to need to borrow.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

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

3.2 Financial Issues

There are no financial implications as a result of this report. However, the Executive Director (s151) and Lead Officer - Finance will, with advice from the Council's advisor (Sector Treasury 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

Contact Details

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Appendices:

Appendix A – Treasury Management Strategy 2013/14

Appendix B – Minimum Revenue Provision Policy 2013/14

Appendix C – Annual Investment Strategy 2013/14

Appendix D – Prudential Indicators 2013/14

TREASURY MANAGEMENT STRATEGY STATEMENT 2013/14

1. **Introduction**
 - 1.1 Treasury management is defined as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. ”
 - 1.2 **Reporting requirements** – The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This role is undertaken by the Executive.
 - 1.3 **A Mid Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.
 - 1.5 **An Annual Treasury Report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
 - 1.6 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) (included as Appendix D); this sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.
 - 1.8 The suggested Treasury Management Strategy for 2013/14 covers the following Issues
 - the current treasury position;
 - treasury indicators which will limit the treasury risk and activities of the Council;
 - prospects for interest rates;
 - HRA self financing;
 - the borrowing strategy;
 - policy on borrowing in advance of need;
 - debt rescheduling;
 - the investment strategy;
 - creditworthiness policy; and
 - policy on the use of external service providers.
 - 1.9 These elements cover the requirements of the Local Government Act 2003, the CIPFA prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

- 1.20 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its council tax requirement for each financial year to include the revenue costs that flow from capital financing decisions. This includes: -
- Increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
 - Any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.
- 1.21 The Council uses Sector Treasury Services as its external treasury management advisors.
- 1.22 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. (Treasury Management Practice 11)
- 1.23 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 31/12/12

		Principal £m	£m	Ave. rate %
Fixed rate funding	PWLB	53.833		
	Market	<u>6.500</u>	60.333	4.185
Variable Rate Funding	PWLB	0		
	Market	0	0	0
Other long term liabilities	Leases	1.747	1.747	2.37
TOTAL DEBT			<u>62.080</u>	<u>4.134</u>
TOTAL INVESTMENTS			23.669	1.29

- 1.24 The Council's treasury portfolio position as at 1 December 2012 is shown in Table 1 and the forecasted position at 31 March 2013, with forward projections are 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

	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
External borrowing					
Borrowing at 1 April	12,773	62,084	61,726	61,406	61,052
Expected Change in Borrowing	50,224	-4	0	0	0
Leases	-994	-354	-320	-354	-342
Actual borrowing at 31 March	62,003	61,726	61,406	61,052	60,710
CFR – the borrowing need *	63,137	61,674	59,986	58,267	56,563
Under / (over) borrowing	1,134	(52)	(1,420)	(2,785)	(4,147)
Investments					
Total Investments at 31 March	21,030	20,000	20,000	19,000	20,000
Investment Change	1,834	(1,030)	0	(1,000)	1,000
Net Borrowing	40,973	41,726	41,406	42,052	40,710

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

2. Treasury Limits for 2013/14 to 2015/16

- 2.1 Selby District Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending.
- 2.2 CIPFA's Prudential code for Capital Finance in Local Authorities' includes the following key indicator of prudence;
"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any

additional capital financing requirement for the current and the next two financial years.”

- 2.3 The Executive Director (s151) reports that the authority had no difficulty meeting this requirement in 2011/12, nor are any difficulties envisaged for the current (2012/13) or future years (2013/14 – 2015/16). 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 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”, 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

	2011/12	2012/13	2013/14	2014/15	2015/16
Authorised Limit for External Debt	£'000	£'000	£'000	£'000	£'000
Borrowing	72,000	72,000	72,000	72,000	72,000
Other Long Term Liabilities	3,000	3,000	3,000	3,000	3,000
Total	75,000	75,000	75,000	75,000	75,000

- 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	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Borrowing	68,000	68,000	68,000	68,000	68,000
Other Long Term Liabilities	3,000	3,000	3,000	3,000	3,000
Operational Boundary Total	71,000	71,000	71,000	71,000	71,000

- 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 2011/12 and 2012/13 figures shown above are for comparative purposes. It is also recommended that members continue to delegate authority to the Executive Director (s151), within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities. Any such changes made will be reported to The Executive at its next meeting following the change.
- 2.10 The Executive Director (s151) reports that these authorised limits are consistent with the authority's current commitments, existing plans and the proposals in the budget for capital expenditure and financing, and with its approved treasury management policy statement and practices. The Executive Director (s151) confirms that they are based on the estimate of the most likely, prudent but not worst-case scenario, with in addition sufficient headroom over and above this to allow for operational management, for example unusual cash movements. Risk analysis and risk management strategies have been taken into account; as have plans for capital expenditure, estimates of the capital financing requirement and estimates of cash flow requirements for all purposes.

3. Prospects for Interest Rates

- 3.1 The Council appointed Sector Treasury 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 Sector central view.

Table 5: Sector View interest rate forecast – December 2012

	2013	2014	2015
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	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	%	%	%	%	%	%	%	%	%	%
Bank Rate	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00
3 Month Rate	0.50	0.50	0.50	0.50	0.50	0.60	0.60	0.70	0.80	1.10
1 Year Rate	1.00	1.00	1.00	1.00	1.10	1.10	1.20	1.30	1.30	1.50
5 Yr PWLB	1.50	1.50	1.60	1.60	1.70	1.70	1.80	2.00	2.20	2.30
10 Yr PWLB	2.50	2.50	2.60	2.60	2.70	2.70	2.80	3.00	3.20	3.30
25 Yr PWLB	3.80	3.80	3.80	3.80	3.90	3.90	4.00	4.10	4.30	4.40
50 yr PWLB	4.00	4.00	4.00	4.00	4.10	4.10	4.20	4.30	4.50	4.60

- 3.2 The Governments austerity measures, aimed at getting the public sector deficit into order over the next four years, now look as if they will fail to achieve their objectives in the original planned timeframe. Achieving this target is dependent on the UK economy growing at a reasonable pace but recession in the Eurozone, our biggest trading partner has impacted on this growth and it is creating a major headwind for recovery in 2013. It will be important for the Government to retain investor confidence in UK gilts so there is little room for it to change course other than to move back the timeframe.
- 3.3 Fixed interest borrowing rates are based on UK gilt yields. The outlook for borrowing rates is currently much more difficult to predict. The view is that gilt yields and PWLB rates will in the long run rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries.
- 3.4 This challenging and uncertain economic outlook has a several key treasury management implications:
- The Eurozone sovereign debt difficulties, provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
 - Investment returns are likely to remain relatively low during 2013/14;
 - Borrowing interest rates continue to be attractive, and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully;
 - There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

Borrowing Requirement

- 4.1 The present HRA subsidy arrangements were replaced by a new self-

financing regime from 1st April 2012. Under these arrangements the Council has become entirely self sufficient in respect of its HRA debt.

- 4.2 The Department for Communities and Local Government (DCLG) produced a settlement valuation based on assumed levels of income and expenditure over 30 years.
- 4.3 CIPFA provided guidance on the treatment of borrowing or debt liability and interest costs. The option chosen by the Council was based on advice and historical evidence to split its borrowing into two pools – one for the General Fund and one for the HRA. This will ensure that going forward all future borrowing undertaken by the Council is allocated to the appropriate service.
- 4.4 On 1st February 2012 the debt cap for the Council was confirmed at £63.068m and the settlement payment made to DCLG was £57.733m.
- 4.5 To comply with the Localism Bill the settlement payment was treated as capital expenditure and will had the effect of increasing the both the HRA CFR and Council's overall CFR.
- 4.6 The HRA debt cap valuation is the maximum amount that the Council is permitted to borrow for HRA capital expenditure throughout the 30 year financial plan. The Council was free to choose the length of borrowing it took and also the type of loan. With the assistance of the Council's Treasury Management Advisors at Sector a range of loans were taken over 30 to 50 years to give flexibility.
- 4.7 The Council currently had due to historic circumstances an over-borrowed position. This meant that the capital borrowing need (the Capital Financing Requirement), had been fully funded with loan debt and that there were additional loan debt balances over and above this formed part of the Council's investments until such time as the debt fell due for repayment. This situation was not ideal in the current climate. However, the need for the Council to borrow to pay for the HRA settlement on 28 March 2012 provided an opportunity to address this issue.
- 4.8 The use of the 'two debt pool option' provided an opportunity to align debt to the relevant fund (General Fund / HRA). As a consequence £7.5m of existing debt (£1m PWLB & £6.5m market debt) was identified as belonging to the HRA. This debt was classed as part of the HRA settlement figure which meant that to extinguish its liability to the Government the Council used £7.5m of its own cash from reserved capital receipts and borrowed the balance of £50.233m from the PWLB.
- 4.9 This left £2.6m of debt allocated to the General Fund and with a General Fund CFR of £4.7m (2012/13) this means that the capital borrowing need (the Capital Financing Requirement), is not fully funded with loan debt and that cash supporting the Council's reserves, balances and cash flow is used as a temporary measure. This strategy is prudent as investment

returns are low and counterparty risk is relatively high.

- 4.10 Against this background and the risks within the economic forecast, caution will be adopted with the 2013/14 treasury operations. The Executive Director (s151) will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- 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.
 - if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
- 4.11 Any decisions will be reported to the Executive at the next available opportunity.
- 4.12 The current capital programme funding forecasts for 2013/14 to 2015/16 for both the General Fund and the HRA shows that there is currently no borrowing requirement. However there may be a requirement to fund part of the Abbey Leisure Centre project from borrowing and this will be confirmed once the project plan is finalised. The borrowing needs for future years will be reviewed as the capital programmes are confirmed.
- 4.13 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	%	%	%	%	%
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Interest Rate Exposure					
Net Interest re Fixed Rate Borrowing / Investments	100	100	100	100	100
Upper Limit for Variable Rate Exposure	%	%	%	%	%
Net Interest re Variable Rate Borrowing	30	30	30	30	30
Net Interest re Variable Rate Investments	100	100	100	100	100

Table 7 : Maturity Structure Fixed Rate Borrowing 2013/14

Maturity Structure New Borrowing 2013/2014	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%

- 4.14 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.
- 4.15 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. These strategic initiatives may require the Council to reconsider its borrowing requirements, depending on the external resources it is able to lever towards the programme
- 4.16 In addition during 2013/14 the Council may need prudential borrowing to fund part of the Abbey Leisure Centre Project and this will be confirmed as part of the finalisation of the project plan. It is not currently envisaged that prudential borrowing will be required for the HRA capital programme.

5. Debt Rescheduling

- 5.1 The Council's current debt portfolio as shown in Table 1 is made up of

£53.833m of PWLB debt and £6.5m of market debt. Opportunities for debt rescheduling have been limited. Flexibility for rescheduling was put into the PWLB debt taken to fund the Community Office Project (£2.6m) and the HRA Self Financing Settlement (£50.233m) to enable opportunities to generate savings if appropriate. This element of the debt portfolio will be kept under review.

- 5.2 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).
- 5.3 Any rescheduling of debt will be reported to Executive at the meeting following its action.

6. Borrowing in Advance of Need

- 6.1 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.
- 6.2 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.

MINIMUM REVENUE PROVISION POLICY STATEMENT 2013/14

1 Introduction

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

2 Minimum Revenue Provision Policy

- 2.1 In May 2008 the Council set its MRP policy. As part of the budget setting process this policy is reviewed each year.
- 2.2 The currently agreed policy is that for all expenditure prior to 1 April 2008 which formed the General Fund Capital Financing Requirement (CFR) that is capital expenditure funded through borrowing be charged at 4% of the outstanding balance each year. The exception was public conveniences. The public conveniences element was to be charged over 15 years which was agreed as part of the funding for the refurbishment programme. The policy also agreed that all expenditure giving rise to MRP going forward would be charged over a period reasonably commensurate with the asset life.
- 2.3 The Council's MRP policy for 2012/13 is:
- CFR Method – Whereby the amount of MRP is calculated solely in relation to the CFR for the General Fund without any adjustments at the start of the year. This is the method that the Council has applied since an amendment to the regulations in 2006.
- And
- Asset Life Method – for the public conveniences project completed in 2006/07 which is being repaid over 15 years and all other projects funded from borrowing since April 2008.
- 2.4 It is proposed that this policy continues for 2013/14
- 2.5 The Council does not charge MRP on its non-operational assets i.e. those currently under construction. This option is in line with the principle that MRP should only be charged when assets are completed / become operational.

- 2.6 In 2013/14 MRP chargeable to the General Fund will relate to historic debt liability of £1.953m, public conveniences of £0.085m and the new civic centre £2.496m. This gives rise to an MRP liability of £193k for 2013/14 (£197k for 2012/13).
- 2.7 Should any expenditure incurred by the Council not be capable of being related to an asset because for example it is a grant to another organisations capital project then an asset life will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.
- 2.8 Any finance lease that comes onto the balance sheet via the requirements of International Financial Reporting Standards will already have taken capital financing into account as part of their revenue charges. For this reason they will be excluded from MRP calculations.
- 2.9 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.
- 2.10 Repayments included in finance leases are applied as MRP.

ANNUAL INVESTMENT STRATEGY STATEMENT 2013/14

1. **Introduction**

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

2. **Investment Principles**

- 2.1 All investments will be in sterling. The general policy objective for this Council is the prudent investment of its treasury balances. The Council's investment priorities are:

- the security of capital and
- liquidity of its investments.

- 2.2 The council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. The risk appetite of the Council is low in order to give priority to security of its investments.

- 2.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

- 2.4 Investment instruments identified for use in the financial year are listed in Annex 2 under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

3. **Creditworthiness Policy**

- 3.1 The Council uses the creditworthiness service provided by Sector Treasury Services. This employs a sophisticated modelling approach with credit ratings from all three agencies – Fitch, Moody's and Standard and Poors, forming the core element. The credit ratings of counterparties are supplemented with the following overlays:-

- Credit watches and credit outlooks from rating agencies
- Credit Default Swaps (CDS) spreads to give an early warning of likely changes in credit ratings. CDS spreads are a risk mitigation tool used by the financial markets to help assess the creditworthiness of financial institutions. A CDS is an insurance against debt default.
- Sovereign ratings to select counterparties from only the most credit worthy countries.

- 3.2 This modelling approach combines credit ratings, credit watches, and

credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative credit worthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council is satisfied that this service along with information from other sources such as the financial press and markets gives an additional level of security for its investments. It is also a service that the Council would not be able to replicate using in-house resources.

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

4. **Investment Strategy**
- 4.1 The Council's funds are managed in-house and are a mixture of cash-flow derived and a core balance available for investment up to 5 years if the market conditions are appropriate. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Core cash balances are derived from reserved capital receipts which are required for repayment of borrowing at a future date of more than 12 months.
- 4.2 Based on its cash flow forecasts, the Council anticipates its cash balances for investment in financial year 2013/14 to range between £12m and £25m. Cash balances consist of capital receipts, earmarked reserves General Fund and HRA balances and the Council's forecast cash flow. Balances will fluctuate during the year due to income being received in advance of expenditure occurring.
- 4.3 The bank rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 1 of 2015. Bank rate forecasts for financial year ends (March) are as follows: -
- 2012/13 0.50%
 - 2013/14 0.50%
 - 2014/15 0.75%
 - 2015/16 1.75%
- 4.4 There are risks to these forecasts if economic growth remains weaker for longer than expected then rates will remain lower for longer. However, should growth pick up more sharply than expected then rates could increase sooner than forecast.
- 4.5 The Council has budgeted for an average return of 1.25% on its investments for 2013/14. This has been based on the rates currently being offered for investments using a mixture of shorter periods for non-core balances and longer periods (if appropriate) for core balances. Sector forecast an average of 0.50% for returns on short-term deposits in 2013/14.
- 4.6 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (over night to three months) in order to benefit from the compounding of interest.
- 4.7 The Council is required to set limits for its investments it would need to contain its exposure to long-dated investments to avoid losses on forced early redemptions. This framework provides a balance between caution and the freedom to take advantage of suitable market opportunities that may arise. Advice is always sought from market information available through the Council's treasury management advisors (Sector Treasury Services) before making such a commitment for investment periods of longer than 364 days. This is shown in Table 1.

Table 1: Limit Principal Sum Investments Greater Than 364 Days

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

Table 2: Analysis of Core Cash Investments at 1 December 2012.

Institution	Amount £'000	Start Date	Maturity	Rate
Barclays	1,000	14.09.12	14.12.12	0.60
Doncaster MBC	1,000	24.10.11	24.05.13	1.40
Fife Council	2,000	24.11.11	29.03.13	0.90
Fife Council	1,000	05.01.12	06.01.14	1.30
Lloyds TSB	3,000	16.10.12	16.10.13	2.25
Lloyds TSB	2,000	01.08.12	01.08.14	3.20
NatWest	1,000	07.09.12	09.09.13	1.28
NatWest	1,000	16.11.12	15.11.13	1.50
NatWest	2,500	13.09.12	30 Day Notice	1.10
NatWest	309	N/A	Call	0.50
North Lanarkshire	2,000	18.11.11	20.08.13	1.20
Money Market Funds - Ignis	2,500	N/A	Call	0.50
Total	19,309			

4.8 Table 2 shows an analysis of the Councils cash balances investments as at 1 December 2012.

4.9 Investment instruments identified for use in the financial year are listed at

Annex 3 under the following categories:-

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

and

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

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

5 **Investments Defined as Capital Expenditure**

5.1 Investments in “money market funds” which are collective investment schemes and bonds issued by “multilateral development banks” – both defined in SI 2004 No 534 – will not be treated as capital expenditure.

5.2 A loan or grant or financial assistance by this Council to another body for capital expenditure by that body will be treated as capital expenditure.

6 **End of Year Investment Report**

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

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

7.1 The Council uses Sector as its external treasury management advisers.

7.2 The Council recognises that the responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed on our external service providers.

7.3 The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

THE CAPITAL PRUDENTIAL INDICATORS 2013/14 – 2015/16

1. Introduction

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

2. Capital Expenditure:

- 2.1 This prudential Indicator is a summary of the Council's capital expenditure plans. The figures include an estimated total of £7m for the rebuild of Abbey Leisure Centre (split £3.5m in 13/14 and £3.5m in 14/15), which is part of the Council's 'Programme for Growth'. At the time of writing this strategy accurate profiling of spend on the scheme is not available. Members are asked to approve the capital expenditure forecasts summarised in Table 1.

Table 1: Capital Expenditure

Capital Expenditure	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
General Fund	2,739	2,199	4,288	4,023	425
HRA	59,396	5,312	3,427	4,031	2,570

Note that the HRA programme in 2011/12 included the self financing settlement payment of £57.733m

- 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.

Table 2: Financing of Capital Expenditure

Capital Expenditure	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
General Fund	2,739	2,199	4,288	4,023	425
HRA	59,396	5,131	3,427	4,031	2,571
Total	62,135	7,330	7,715	8,054	2,996
Financed By:					
Revenue & Reserves	594	2,831	3,408	2,173	75
Capital Receipts	2,394	240	240	210	205
Grants	284	166	640	1,640	145
Major Repairs Allowance / Reserve	1,130	3,830	3,427	4,031	2,571
Borrowing - Debt	57,733	263	0	0	0
Borrowing - Leases	0	0	0	0	0
Total	62,135	7,330	7,715	8,054	2,996

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

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

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

Table 3: Capital Financing Requirement

	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
CFR General Fund	4,731	4,534	4,340	4,150	3,963
CFR GF Leases	1,747	1,393	1,074	720	378
Total CFR General Fund	6,478	5,927	5,414	4,870	4,341
CFR HRA	56,659	55,747	54,572	53,397	52,222
TOTAL CFR	63,137	61,674	59,986	58,267	56,563
Movement in CFR	56,731	(1,463)	(1,688)	(1,719)	(1,704)
Movement in CFR represented by					
Net Financing need for the year	57,805	263	0	0	0
Less MRP & Other financing movements	(1,074)	(1,726)	(1,688)	(1,719)	(1,704)
Movement in CFR	56,731	(1,463)	(1,688)	(1,719)	(1,704)

- 3.2 Following accounting changes the CFR includes any other long term liabilities (e.g. finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. These are also shown in Table 3.
- 3.3 Selby District Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast the capital financing requirement reflects the authority's underlying need to borrow for capital purposes.
- 3.4 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Table 4 shows the estimates of the year end balances for each

resource and anticipated day to day cash flow balances.

Table 4: Year End Resources

	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
GF Fund Balances / Reserves	9,215	8,160	7,803	6,460	6,810
HRA Fund Balances / Major Repairs Reserve	2,511	2,749	4,204	5,591	9,015
Capital Receipts	499	859	721	313	211
Other (Grants)	228	228	228	35	35
Total Core Funds	12,453	11,996	12,956	12,399	16,071
Working Capital	18,170	14,900	16,000	17,690	21,550
Expected Investments	21,030	20,000	20,000	17,000	18,000

4. **Affordability Prudential Indicators**

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

Table 5: Ratio of Financing Costs to Net Revenue Stream

	2011/12 Actual %	2012/13 Forecast %	2013/14 Estimate %	2014/15 Estimate %	2015/15 Estimate %
GF	12.00	9.57	8.90	10.02	10.95
HRA *	3.86	31.96	30.56	29.02	27.58

- 4.3 * This is the impact of the HRA settlement. The Council no longer pays into the housing subsidy system and keeps all of its income stream to service the debt.
- 4.4 In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:
- Affordability, e.g. Implications for the Council Tax
 - Prudence and sustainability, e.g. implications for external borrowing
 - Value for money, e.g. option appraisal
 - Stewardship of assets, e.g. asset management planning
 - Service objectives, e.g. strategic planning for the authority
 - Practicality, e.g. achievability
- 4.5 A key measure of affordability is the incremental impact on the Council Tax, and the Council could consider different options for its capital investment programme in relation to their differential impact on the Council Tax.
- 4.6 The estimate of the incremental impact of capital investment decisions agreed as part of the budget, over and above capital investment decisions that have previously been taken prior to the 2013/14 budget setting round are shown in table 6.

Table 6: Incremental Impact of Capital Investment Decisions

Capital Investment Impact Upon:	2012/13 £	2013/14 £	2014/15 £	2015/16 £
Annual Band D Council Tax	4.06	1.39	0.85	-0.07
Average Annual Housing Rent	1.01	0.00	0.00	0.00

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

Selby District Council

REPORT

Reference: E/12/57

Item 8 - Public



To: The Executive
Date: 7 February 2013
Status: Non Key Decision
Report Published: 30 January 2013
Author: Dean Richardson
Executive Member: Cllr C Lunn
Lead Officer: Karen Iveson

Title: Commissioning of Access Selby to deliver Homeless Prevention.

Summary: The report concerns the proposed commissioning of Access Selby to deliver homeless prevention work using additional funding provided by Department for Communities and Local Government.

Recommendations:

- i. That Access Selby are commissioned to deliver homeless prevention work using additional one-off DCLG funding, in the sum of £53,000.00 in accord with the attached delivery plan (annex 1) commencing 1st April 2013.
- ii. That the Access Selby cost envelope be adjusted subject to approval of i. above
- iii. That Access Selby develops a homeless prevention fund for 2013/14 and subsequent years and Officers be authorised to develop eligibility criteria and operating procedures.

Reasons for recommendation

1. Introduction and background

DCLG has provided additional one-off funding of £53,000.00 to Selby District Council for homeless prevention work coinciding with the introduction of national welfare reforms.

2. The Report

Access Selby currently provides the statutory homeless service, principally through the housing options business area, including delivery of a range of prevention initiatives with sub regional partners.

The additional funding, from DCLG, will be utilised broadly to; support homeless prevention work, provide additional capacity to deliver a range of initiatives and for Access Selby to develop a homeless prevention fund with appropriate local operating procedures and eligibility criteria. The fund would be administered by the housing options business area and provide financial support to prevent homelessness (maximum sum of £500 per household). Examples would include: rent /bond in advance, one-off payment to clear arrears, support to relocate to more suitable property, for example due to under-occupancy. It is anticipated that welfare reforms due to commence April 2013 will give rise to a significant increase in demand upon Access Selby although it is not possible to accurately project the demand at this stage. Forty households, currently in receipt of benefit support, have been identified as the most severely impacted initially and resources will be targeted accordingly to provide advice and support.

2.1 Delivery Plan (Annex 1)

Delivery will be managed with reference to the North Yorkshire Housing and Homeless Strategy, upon which progress is reported regularly to the North Yorkshire Chief Housing Officers Group and the North Yorkshire Housing Board which comprises Officers and Councillors from the constituent authorities of North Yorkshire and the City of York. Please refer to annex 1 attached.

Access Selby will build capacity and expertise in key front-line business areas engaged in welfare reform, to provide sustainable support to the community. Additional housing options resource will be provided in 2013/14 to provide the necessary capacity to deliver the proposed schemes concurrent with welfare reforms national implementation and to develop longer term support mechanisms for example, the homeless prevention fund that will be sustained in subsequent years by community support and housing options business areas.

The proposed homeless prevention fund has been developed to prevent homelessness and is a proactive “spend to save” approach to preventing homelessness and the costs that would have been incurred had the person become homeless including temporary accommodation costs. Moreover, the approach mitigates the social & welfare impact of homelessness upon customers. To provide some sustainability to the scheme, it will be integrated into existing homeless base budget in subsequent years (it is envisaged that a fund of £5,000.00 to £10,000.00 will be available in subsequent years). This will be achieved through a reprioritisation of existing commitments and

savings arising from the above initiatives and homeless prevention work.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

There are no specific legal implications arising from this report.

3.2 Financial Issues

DCLG has provided £53,000.00 additional one-off funding for Selby District Council for homeless prevention work coinciding with the introduction of national welfare reforms. This additional funding is outside the scope of the current Access Selby cost envelope.

4. Conclusion

The additional funding, from DCLG, will be utilised to provide sustainable homeless prevention work, additional capacity in the housing options team to deliver a range of initiatives in conjunction with partners and for Access Selby to develop a homeless prevention fund, for the prevention of homelessness with appropriate local operating procedures and eligibility criteria.

5. Background Documents

North Yorkshire Housing & Homeless Strategy
<http://www.northyorkshirehousingstrategy.co.uk/>

Contact Details: Dean Richardson (Business Manager – Access Selby)
Appendices: Annex 1. Delivery Plan

Annex 1. Delivery Plan

Strategy Objective	Performance Measure	Target	Notes	Outcome
No1. Preventing Homelessness	Number of homeless acceptances	To sustain the level / no increase in acceptances per annum	Acceptances in 11/12 (26) Statutory, priority need homeless acceptances.	Reduced homelessness by protecting & supporting vulnerable people
	Number of homeless preventions	To prevent a decrease in the levels	Homeless preventions in 11/12	

		per annum	(157)	
	Number of homeless households placed in Access Selby temporary accommodation	To sustain the level / no increase per annum	Number in 11/12 (50)	
	The number of cases diverted from homelessness through a Homeless Prevention Fund	25 -30 cases	£15,000.00	
	Access Selby Housing Options Resource	As above PI's	£35,000.00	
	Training & skills development for Access Selby front-line officers	As above PI's	£3,000.00	

Note.

- (1) The above targets, based upon 11/12 outturn, are based upon a total of 429 households approaching Access Selby housing options for advice or assistance in 11/12.

Selby District Council

REPORT

Reference: E/12/58

Item 9 - Public



To: The Executive
Date: 7 February 2013
Status: 30 January 2013
Report Published: Key Decision
Author: Rob Williams, Business Transformation Officer
Executive Member: Cllr Lunn
Lead Director: Karen Iveson – Executive Director (151 Officer)

Title: Implementation of mobile working for the community officer's team with scope for other business areas in the future

Summary: The report asks the Executive to consider the business case for the implementation of a new mobile working solution to mobilise the community officers team in the first instance and future development to incorporate other business areas and give authority for the procurement process to begin.

Recommendations:

- i. **For the Executive to approve the procurement of a mobile working solution to mobilise the community officers team in the first phase and scope to mobilise other business areas in future phases.**
- ii. **For the Executive to release resources of up to £211k from the Spend to Save Reserve to finance the purchase and implementation costs of the system.**

Reasons for recommendation

To ensure that the original concept of the Access Selby structure is delivered by providing outside officers with the necessary tools to do their job right first time while ensuring that the customer receives the highest possible level of service and delivering value for money.

1. Introduction and background

- 1.1 As a result of the restructure in 2011, most outside officer duties were transferred to the community officer's team, whose responsibility was to act as the face of Access Selby, and help our customers with issues concerning housing, environmental health complaints, fly tipping and local taxation and benefit issues and advice.
- 1.2 The team went live in August 2011 with only basic access to the internet and email when out in the field, with the intention to source a solution that would enable the community team to deliver efficient and responsive services as originally intended

2. The Report

- 2.1 The attached business case is the culmination of extensive work to scope and identify a technology solution that would meet the needs of users whilst delivering operational efficiencies.
- 2.2 The proposed new software uses a calendar system to prioritise and organise officer workloads and utilises mobile forms as a way of collecting information and through bespoke integration information can flow into back office systems triggering actions such as a letter or a new visit by another officer

The software ensures that each case assigned to an officer is accompanied with enough information to perform a visit by providing all the necessary background information and reason for visit. The integration also allows for officers to deal with any ad-hoc enquiries by allowing officers to search back office systems for information.

The software can be used with any mobile operating system (e.g. Android, Blackberry, Windows or iOS), giving plenty of flexibility to the kind of mobile hardware we could utilise. For example a community officer may require a tablet/iPad equivalent, while a repairs operative may require a PDA or smart phone.

- 2.3 The identified option is an example of what is available within the marketplace and subject to procurement could enable the organisation to:

- Mobilise the community officers team;
- Have full integration to back office systems;
- Reduce the amount of time officers spend in the office doing administration;
- Allow officers to have the information they require to conduct a visit;
- Offers functionality that ensures visits are maximised by making officers aware of any other issues apart from the reason for the visit e.g. outstanding council tax, arrears etc;
- Adaptable to include other business areas in the future;
- Put the business in a position to potentially provide services for others in the future.

2.4 Subject to approval of the business case, an EU compliant procurement exercise will be carried out to procure the system.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

3.1.1 It is proposed to procure the new mobile working system through the Buying Solutions Framework agreement. This EU compliant framework would allow us to run a mini tendering exercise without the need to go through a full pre qualification of suppliers etc – resulting in a much shorter tendering process than if we ran an open tender process ourselves. The process should take between 6 – 8 weeks to complete.

3.2 Financial Issues

3.2.1 The table below shows a summary of the financial implications and potential savings. For more information please see the attached report at Appendix 1, sections 5 and 6.

3.2.2 Purchase and implementation costs are estimated at **£211K**, £81k in Phase 1 and £130K in Phase 2 Taking all costs into consideration including annual maintenance and anticipated savings; pay-back is expected in **year 2**.

Year	2013/14 (£000's)	2014/15 (£000's)	2015/16 (£000's)	2016/17 (£000's)	2017/18 (£000's)	Total
Set up Cost	81	130				211
Maintenance / Tariff	7	28.5	28.5	36.5	60.5	161
Maintenance / Other Saving		(5)	(16)	(16)	(16)	(53)
Net Total	88	153.5	12.5	20.5	44.5	319
Capacity Savings* (Staff Costs)		(158)	(158)	(158)	(158)	(632)
Total Cost / (Saving)	88	(4.5)	(145.5)	(137.5)	(113.5)	(313)

3.2.3 Staff related savings will be sought through natural turnover wherever possible and no transitional costs are estimated.

3.3 Risks

3.3.1 The savings identified within the table above and within the business case are based on the assumption that all related existing systems are removed and the capacity benefits are realised. A robust benefits realisation plan will be adopted to ensure that the identified savings are achieved.

4. **Conclusion**

The implementation of a mobile working solution will provide officers out in the field with the tools necessary for them to provide an efficient and responsive service to customers whilst providing operational efficiencies for the organisation.

5. **Background Documents**

None

Contact Details

Rob Williams
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Access Selby
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Appendices:

Appendix 1 – Mobile Working Business Case
Appendix 2 – Support Officers Case Study

Title **Business Case – Mobile Working Procurement**
To **ICT Strategy Board**
From **Rob Williams – Business Transformation Officer**
Date **18 December 2012**

1 **Introduction**

- 1.1 In August 2011 the community officers' team officially went live with the remit of managing most of the outside officer duties including tenancy and estate management, fly tipping and environmental health complaints and taxation exemptions and discounts.

It was seen as a priority to look at the mobile options available to help make the community officers' structure work as originally intended by giving them the necessary tools to do the job. The officers deliver a wide range of services, but contend with a number of system issues and the constant problem of receiving work from many different sources. In addition to this, the amount of administration and double handling occurring within the team is seriously reducing the amount of 'value' adding time.

To build the capacity necessary, a solution that fully integrates to the back office is required which eliminates the need to spend time in the office updating systems by using smart integrations so that other business areas are informed of any actions they be required to do and involve a full trail of all undertakings, while removing the need to organise and prioritise workloads.

This was also seen as an opportunity to look at expanding the mobile platform, so other business areas with outside duties could benefit from the mobile platform.

By implementing a mobile working solution, it will help Access Selby achieve its key priorities as outlined in the business plan.

2 **Mobile Working Options**

2.1 **Procurement Brief**

To help differentiate between the different options available, a brief specification was assembled detailing the requirements we should be looking for in a Mobile Working Solution:

- Solution should integrate with back office systems to remove double inputting
- Provide the visiting officer with enough information to perform visit
- Allow officers to spend more time out in the field instead of inside the office
- Should prioritise workload for officers
- Job queuing through a work tray function
- Offer appointments
- Should function with a signal and without
- Solution should be flexible enough to be developed
- Should mobilise all business areas
- Solution should work on any device
- Any added functionality or features the solution offers that we have not considered

2.2 Business Options

Below are the options presented to the ICT Strategy board held on the 14 May:

1. Do Nothing
2. Civica Mobile – developing the current mobile repairs function further
3. NDL 3rd party integration and mobile working software
4. Victoria Forms – Mobile eforms
5. Firmstep using the online user portal and offline eforms
6. 1st Touch Mobile
7. Go back to market

2.3 Preferred Option

Using the procurement brief above we were able to decide upon a solution we felt would help deliver our vision of modernising our work practices, allow us to move resources across the business to meet demand and offer a higher level of service for our customers while delivering it in an efficient manner.

This led to a solution like 1st Touch mobile being identified as an example of what is available and was seen as a viable example in principle to base the business case on.

The solution identified would help the users by giving them the necessary information to conduct each visit without the need of any prior research or information gathering while enabling them to deal with any ad hoc enquiries that may occur while out on site and would compliment the current ongoing CRM project.

The ICT board agreed that in principle the system looked like it could help us deliver our vision and recommended that potential users of the system were given the opportunity to see the solution in action and to offer opinion. On receipt of positive feedback we could begin to build a business case.

3 Project Delivery

3.1 Procurement

One of the options available to us is to procure a mobile working solution through the 'buying solutions framework' agreement. This EU compliant framework would allow us to run a mini tendering exercise without the need to go through a full pre qualification of suppliers etc – resulting in a much shorter tendering process than if we ran an open tender process ourselves. The process should take between 6 – 8 weeks to complete. This route to market is in line with Selby District Council Contract Procedure Rule (CPR) 20.3 – whereby no exemption is required due to the procurement through a rules compliant framework agreement.

Contracts have advised the competition would last for 4 weeks and would require some pre and post work which would equate to between 2 - 4 weeks work.

Potential tenders would go through a weighted evaluation and be invited to demonstrate their product. Their tender would be based upon a detailed procurement specification that would be assembled if the project was given the go ahead.

Procurement should take up to 8 weeks.

3.2 Position with Contracts

Due to the project being wholly reliant on mobile technology and mobile signals, the mobile phone contract is vital. Contracts have been involved and are aware of the amount of data

usage required and this will be considered if/when a new mobile contract is negotiated.

3.3 **Project Delivery**

A detailed project plan will be drawn up to ensure the project is executed correctly and is delivered in a controlled manner, due to the potential risk the project carries.

The plan will detail how the project will be delivered, the distribution of resource and list all major milestones.

It would be beneficial to approach this project in phases, with the community officers' team going first. An order of when business areas should be mobilised would be drawn up on approval of the project.

In addition to this, a detailed communication strategy will be drawn up describing how all stakeholders will be kept up to date, as this would be an opportunity to help buy in and adoption from business areas by promoting all success stories.

3.4 **Project Team**

The project delivery will form part of the Transformation Team's work plan. From discussions with other authorities that have implemented similar sized mobile working projects we have learnt that they have incorporated a 'Mobile working delivery team' made up of users and IT technicians (Data and Systems equivalents).

3.5 **Project Implementation**

Suppliers have indicated that implementation of systems typically takes between 8 - 12 weeks when current processes are carried across to the new system and a full time project team is in place.

Implementation would take longer if processes required improving as part of the delivery, if this was a requirement, this would require some careful scoping.

Future system developments would be identified as part of every improvement project conducted by the Transformation Team, plus any improvements identified by business areas and executed by the Data and Systems team.

4 **Resources**

4.1 Within the Transformation team work plan, one officer has been set aside to work on the delivery of the CRM and Mobile working projects full time.

4.2 By following the lessons learnt from other authorities, I would suggest assembling a dedicated project team to ensure a smooth project delivery.

The budget set by the ICT strategy board for the project would determine the project team size. Section 5.2 proposes a project team and cost based on other councils' experiences.

5 **Mobile Working Implementation Costs**

The costs and benefits listed within this report use 1st Touch Mobile as the example as this solution supported our vision more than any other system. However, this is only used as an example and the eventual supplier would be dependent upon procurement.

5.1 The table below shows the expenditure / savings plan (please see appendix 1 for realisation plan):

Year	2013/14 (£k)	2014/15 (£k)	2015/16 (£k)	2016/17 (£k)	2017/18 (£)	Total (£k)
Community Officer Roll-out:-						
Set up Capital	47					47
Hardware	8			8		15
Back-Filling Project Team	22					
Other Costs	4					4
Set up Costs	81			8		89
Maintenance	4	4	4	4	4	19
Mobile Tariff	3	3	3	3	3	15
On-going Revenue Costs	7	7	7	7	7	34
Total Cost (CO's)	88	7	7	15	7	123
Capacity Saving		(85)	(85)	(85)	(85)	(339)
Net Cost / (Saving) CO's	88	(78)	(78)	(70)	(78)	(216)
Other Business Areas Roll-out:-						
Set up Capital		82				82
Hardware		32			32	63
Other Costs		16				16
Set up Costs		130			32	161
Maintenance		9	9	9	9	34
Mobile Tariff		13	13	13	13	50
On-going Revenue Costs		21	21	21	21	84
Total Cost (OBA)		151	21	21	53	245
Capacity Saving		(73)	(73)	(73)	(73)	(291)
Maintenance Saving		(2)	(13)	(13)	(13)	(40)
Other Savings		(3)	(3)	(3)	(3)	(12)
Total Savings (OBA)		(77)	(88)	(88)	(88)	(343)
Net Cost / (Saving) OBA		73	(67)	(67)	(36)	(97)
Grand Total	88	(5)	(145)	(137)	(114)	(313)

5.2 Project Team Costs

The budget set by the ICT strategy board for the project would determine the number of team members and the amount of time dedicated to delivery.

Using a similar project team as proposed for the CRM implementation:

- 1 Project Manager (Transformation Team 4a equivalent)
- 2 IT Technicians (Data and Systems equivalent 2c)
- 2 Business Area representatives (in the first instance community officers 2c)

6 Expected Benefits

6.1

Benefit	Link to Business Plan
Improved Customer Service delivery through better use of resources	<ul style="list-style-type: none"> Right first time Improved demand management Increased flexible working based around CEF areas
Reduced expenditure on paper and storage of files and reduction in data protection risk	<ul style="list-style-type: none"> Understanding business cost
Reduced administration costs	<ul style="list-style-type: none"> Minimising back office process Build capacity to deliver more with less
Increased efficiency through automation of manual tasks	<ul style="list-style-type: none"> Minimising back office process Build capacity to deliver more with less Investment in ICT
Reduced IT costs through integration	<ul style="list-style-type: none"> Investment in ICT
Flexible and adaptable	<ul style="list-style-type: none"> Increased flexible working Implementing generic working Build capacity to deliver more with less
More time out of office and in the CEF areas	<ul style="list-style-type: none"> Increased flexible working based around CEF areas Investment in ICT

6.2 By procuring and implementing a new mobile working solution the following application savings could be made (please see appendix 1 for realisation plan):

Civica Mobile – Annual Maintenance	£6846
You Track Annual Maintenance	£1762
Langdales Parking Ticket Software Annual Maintenance	£4040
Total	£12,648 (3 systems removed)

6.3 **Capacity Benefits Identified so far** (please see appendix 1 for realisation plan):

Potential Action and business area	Investment needed to attain capacity gain	Capacity Time Gain (per year)	Capacity Gain Staff Cost***
Removal of administration (community officers)	Part of initial mobile working implementation + est. 256 hours tailoring	5000* hours Approx 3 FTE, 2c	£84,690
Sub Total for Community Officers	-	5000* hours 3 FTE, 2c	£84,690
Risk assessments automatically update back office system (Support Officers)	Part of mobile working set up + est 128 hours tailoring	3120 hours Approx 2 FTE, 1b	£36,360
Data input from customer visits (Support Officers)	Part of mobile working set up + est 128 hours tailoring	3120 hours Approx 2 FTE, 1b	£36,360

Subtotal for Support Officers	-	6240 hours 4 FTE, 1b	£72,720
Total	576 hours	5,000hrs / 3fte 2c 6,240/ 4fte 1b	£84,690 £72,720

*Supplier's estimation after looking at the work conducted by the community officers and the mobile modules they can offer.

*** Cost to the authority as a result of inefficient processes or systems

The table below shows the capacity savings over the next 5 years:

Year	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Ongoing Capacity Savings (in Hours)	-	11,240	11,240 -	11,240 -	11,240 -	44,960 -
Ongoing Capacity Savings (in Staff costs for Access Selby)	-	£157,410	£157,410	£157,410	£157,410	£629,640

6.4 **Further Benefits**

Further benefits would be achieved by mobilising other business areas and these would be identified at the start of each project phase.

6.5 **Realisation of Benefits**

The capacity gains listed within section 6.3 and 6.4 have been identified through previous improvement projects and highlight the potential savings within the community officers and support officer's teams. These capacities puts Access Selby in the position to offer other commissioned services, develop business opportunities and in the case of the support officers have the capacity to build up a higher client base as outlined within our marketing plan.

7 **Conclusion**

- 7.1 The implementation of a new mobile working solution will enable the community officers to work in the way it originally intended and will offer the opportunity for other business areas to utilise mobile working in the future.

A new mobile working solution will allow outside officers to work flexibly, making the most of every visit and providing a service that is better value for money.

8 **Recommendation**

- 8.1 That the go ahead is given by the ICT strategy board for the business case to go before the executive for the go ahead to go through procurement
- 8.2 And in turn an endorsement to start building a detailed project plan and put together a project team to work on the project.

Appendix 1

Maintenance Savings and estimated realisation:

Potential Saving	2014/15
You Track Annual maintenance	£1762
Total	£1762

Potential Saving	2015/16
Langdales Parking Ticket Software	£4040
Civica Mobile	£6846
Total	£10,886

Capacity Savings and estimated realisation:

2014/15	Business Area	Hours	Staff Cost to Access Selby
Removal of administration	Community Officers	5000	£94,006
Risk Assessments	Support Officers	3120 2.08fte 1b	£37,814
Data Input	Support Officers	3120 2.08fte 1b	£37,814
Move to electronic files	Planning/Business Support	279 0.19fte 1b	£3,381
Total		6,519 4.35fte 1b	£173,015

Other Savings

2013/14	Business Area	Cash Saving
Removal of paper form printing	Support Officers	£2996.84
Total	-	£2996.84

Appendix 2: Support Workers Case Study

Background

The support service look after customers that require different levels of support to allow them either peace of mind or to stay in there homes on behalf of Selby District Council and North Yorkshire County Council, their role is to offer a range of care needs to the residents of Selby depending upon their care requirements.

Currently the support service supports 1112 customers through one of the following three ways:

- Lifeline service – which is based around a special pendant which can be pressed if the customer is in distress and requires assistance
- Level 1 – where they receive the lifeline service plus a initial assessment and a visit from a support officer every 6 weeks
- Level 2 – which is more intensive than level 1 as it includes weekly visits and daily phone calls.

Issue

The service is centred on a number of manual processes and double entry. The team has previously gone through a BPR project and has seen some positive improvements implemented such as start work from home; however the team is still spending many thousands of hours on manual data entry onto in some cases Microsoft office products instead due to not having a suitable IT solution on place.

- Currently **3120 hours per year** is taken up inputting the information gathered (again from a hand written form) at the assessment visit
- Another **3120 hours per year** is taken up inputting as a result of each check up meeting (again from a hand written form)
- A further **156 hours per year** is spent calling the contact centre to report repairs on behalf of the tenants
- Lastly **312 hours per year** is spent coming to the civic centre to drop paperwork off

Solution

The implementation of the new customer management system and mobile working solution would help modernise the service and reduce the need for paper forms and

Description of task currently	Frequency & Time Taken	Potential Change	Potential Saving
Risk/Needs assessments, SAP and Support Plan data input	Daily 20 hours per week per team	Information could be collected while on the visit and saved into the customer record through mobile working solution	20 hours per week per team 60 hours per week 3120 hours per year Staff time cost £29,390.40
Data input of customer reviews	Weekly 20 hours per week per team	Information could be collected while on the visit and saved into the customer record as with the assessment and support plan data through mobile working	20 hours per week per team 60 hours per week 3120 hours per year Staff time cost £29,390.40
Transporting paperwork to the Civic Centre for deletions etc	Weekly 2 hours per week per team	Information could be captured using eforms instead of being filled in by hand and then transferred electronically through the customer management system	2 hours per week per team 6 hours per week 312 hours per year Staff time cost £2939.04 + petrol cost

Reporting Repairs	Daily 1 hour per week per team	Repairs could be reported using self service portal via web site whilst on site using both the customer management system and mobile working solution	1 hour per week per team 3 hours per week 156 hours per year Staff time cost £1469.52
Details of repair taken while on visit, then phoned through to Contact Centre, who log the repair on the system			

Benefits

- Through the implementation of a new Customer management system and mobile working, up to 6708 hours of capacity could be built which equates to a staff cost of £63,189
- The capacity built would allow the support team to serve (based on a 3 way split) 319 further customers on level 1 support and another 106 customers on level 2 support and 559 new customers on lifeline.
- Remove the need for forms to be printed as the eForms would be used instead, currently conservatively 49 pages of forms are used per customer per year which equates to a printing saving of £2996.84 per year.
- Potentially reduce the amount of time each visit lasts – Reviews can take up to 2 hours, while a check up visit between 15 – 20 minutes

Opportunity

For Ryecare to be given access to the new customer management system so they follow our scripts and collect the information we require, it could also help to decide whether a situation is an emergency or if an officer is required.

Conclusion

The introduction of a new customer management system and mobile working would help automate a number of current manual processes, it would remove the need for officers to print and fill out paper forms then come back to the office to input, instead the mobile solution would allow them to fill out the necessary form electronically and this would then update the back office system.

This would also allow information to be passed to other business areas or partners (e.g. NYCC) automatically if this needs to be shared. Other processes such as delivering information to the civic centre and reporting repairs can also be automated by using the potential new software.

The capacity gained could be used to help reach our commercial lifeline aspirations or to encourage new users to take up one of the support packages, or the capacity could be used as part of a staff redeployment plan depending upon the needs of the business.

Selby District Council

REPORT

Reference: E/12/59

Item 10 – Public



To: The Executive
Date: 7 February 2013
Status: Non Key Decision
Report Published: 30 January 2013
Author: Chris Smith and Caroline Sampson Paver
Executive Member: Councillor Mark Crane
Lead Officer: Keith Dawson

Title:

**Access Selby 3rd Interim Key Performance Indicator Progress Report:
April 2012 – December 2012 and SLA development progress report**

Summary:

This report provides details of Access Selby key performance indicators following the 3rd quarter of reporting for the financial year 2012/13, and recommends appropriate action where required. An update is also provided of progress of the development plan that is included within the Service Level Agreement between The Core and Access Selby.

Recommendations:

It is recommended that the Executive approves the report.

Reasons for recommendation

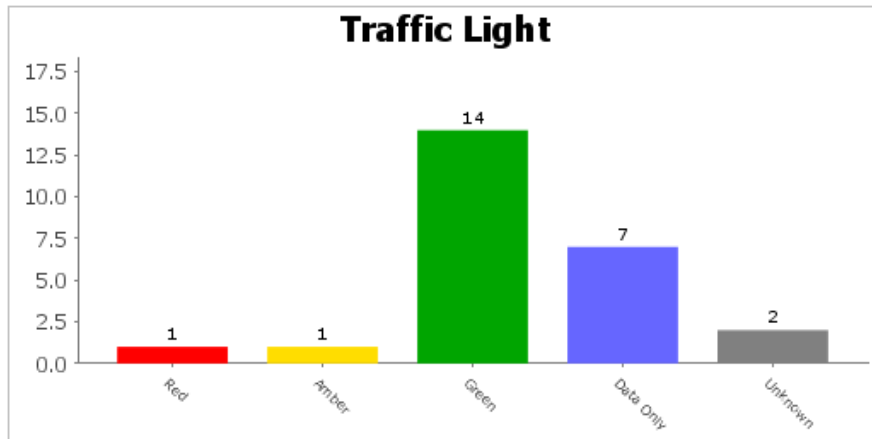
The ongoing management of performance and improvement data assists Access Selby in achieving its priorities for 2012/13.

1. Introduction and background

- 1.1** Performance indicators for the relevant period together with appropriate commentary from officers are shown at Appendix A.
- 1.2** A total of twenty-five key performance indicators have been created and divided into four themes: *customer and community, learning and*

growth, process and finance. These four themes for the basis of the 'balanced scorecard' approach, and are designed to support the long-term sustainability of the organisation.

2. The Report



- 2.1 Based on the performance indicators that hold reported data, results are above target on fourteen indicators with one indicator reported at Amber and one indicator at Red status.
- 2.2 The 11 KPIs that currently report annually, and are due for development this year, do not contain results for 2011/12, and are therefore reliant on commentary to reflect progress.
- 2.3 Work continues in key project areas such as Business Intelligence, which will further deliver on the SLA requirements.

3. Legal/Financial Controls and other Policy matters

- 3.1 Subject to the actions determined by councillors to address weakness identified, there are no financial implications arising from the contents of this report.
- 3.2 Any actions identified for improvements to performance would need to be properly assessed for financial implications and, if required, approval for any additional funding sought and such issues would be highlighted in the budget exceptions report elsewhere on the agenda.

Conclusion

- 4.1 In summary, performance has been maintained in those indicators where data has been provided with improvements evident. Mechanisms have been put in place to resolve ongoing performance issues and these will continue throughout quarter 4.
- 4.2 Additionally, development of performance measures, and other development projects within the SLA need to be kept under regular

review, and be afforded the necessary priority in the work plans of Access Selby and The Core, so that targets may be achieved.

5. Background Documents

None

Contact Details

Chris Smith

Lead Officer – Data & Systems Access Selby

Caroline Sampson Paver

Commissioning & Performance Officer, Core Selby

Appendices:

Appendix A - Access Selby 3rd Interim Key Performance Indicator Report: April 2012 – December 2012

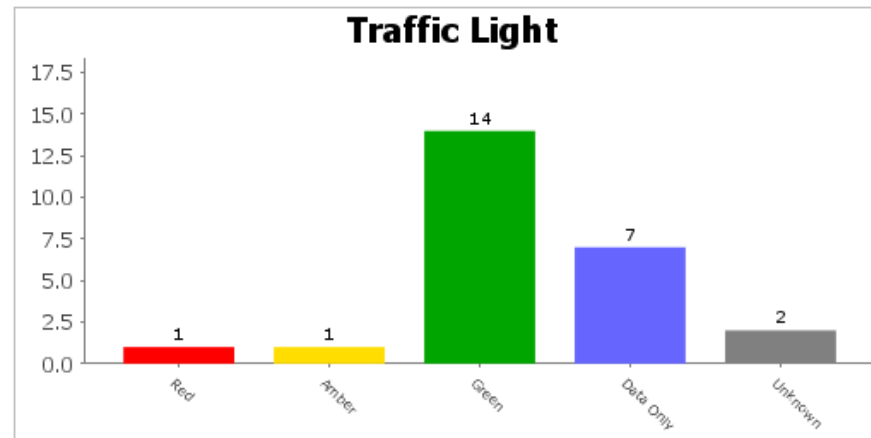
Appendix B – Service level Agreement Development Plan

Access Selby 3rd Interim Key Performance Indicator Report: April 2012 – December 2012 (Quarter 3)









Report Type: PIs Report
Report Author: Data & Systems
Generated on: 10 January 2013

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				


















Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
SLA_001	% of satisfied customers	Aim to Maximise	60.00%	98.35%	↑	↑	✔	97.04%	<p>How are we doing/Moving Forward?</p> <p>The scope has now been broadened to measure satisfaction across all public facing business areas following successful roll out of the customer pledge in accord with the approved timescale & project plan. The year to date results are therefore, extremely positive. As business intelligence emerges arising from the pledge we will be able to review the target.</p>
SLA_002	% of contact 'right first time'	Aim to Maximise	80.00%	90.50%	↓	↓	✔	91.65%	<p>How are we doing/Moving Forward?</p> <p>Total of 32578 contacts were made to the CCC for the period 01/10/12 - 18/12/12. A total of 28991 were dealt with at 1st point of contact. This SLA indicator was calculated on the 18th December due to the Christmas holidays and the tight reporting deadline in January 2013. This good performance links to SLA001.</p>
SLA_003	% satisfied with street cleanliness	Aim to Maximise	70.00%	85.00%	↑	—	✔		<p>How are we doing/Moving Forward?</p> <p>There has been an improvement in performance right across the service compared to Q2 with a reduction in the number of overall complaints and complaints about litter and dog bins, and an improvement in response times. This is as a result of targeted improvement work and proactive planning coming into leaf fall season.</p> <p>This resulted in the achievement of 85%</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
									for the service for the third quarter. This is the first year we have calculated this KPI using this weighted method and we will continue to monitor it to ensure we are providing a fair and accurate picture of the service.
SLA_004	% satisfied with leisure facilities provided on behalf of the Council	Aim to Maximise	70.00%	78.00%					<p>How are we doing/Moving Forward?</p> <p>This is an annual target and is measured through an external suit of satisfaction surveys WLCT commission for all their sites and is carried out in March.</p> <p>In the meantime, we report interim results based on monitoring of complaints, which provides some measure of satisfaction until the formal survey results are reported.</p> <p>Complaints</p> <p>Between October and December just 2 complaints were received by the leisure service. One was related to a member of staff and one to the cancellation of a class. All complaints were responded to with the target of 7 days.</p>
SLA_009.1	% or repairs to council-owned properties completed within agreed timescales (EMERGENCY/URGENT REPAIRS combined)	Aim to Maximise	90.00%	95.88%				84.50%	<p>How are we doing/Moving Forward?</p> <p>Target continues to be met and sustained with a further improvement over last two months.</p> <p>A total of 4105 emergency/urgent repairs have been generated for the period April - December that is an increase of 315 repairs for the same period in 2011/12</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
SLA_009.2	% or repairs to council-owned properties completed within agreed timescales (NON-URGENT REPAIRS)	Aim to Maximise	85.00%	98.81%	↑	↑	🟢	91.40%	How are we doing/Moving Forward? Target continues to be met and sustained with minimum variance month on month.
SLA_010	Average time taken to re-let local authority housing	Aim to Minimise	26 days	21.2 days	↑	↑	🟢	38 days	How are we doing/Moving Forward? Target continues to be met with processes constantly looked at for any areas of possible improvement. For January a possible dip in the figures may occur following the holiday period and the advertising cycle being extended but still expect to stay within the required target.
SLA_012	% of employees attaining behavioural competency key milestones	Aim to Maximise	90.00%						How are we doing/Moving Forward? This PI is currently under review to agree an appropriate measure of staff development and competence. In the meantime, we can report that performance contracts have been carried out for all staff and development plans are in place. Staff development is also supported by the Organisation Development Strategy which has a range of actions and measures to support the personal and professional development of the workforce
SLA_013	% increase in employees confidence and perception of the organisation	Aim to Maximise	Baseline	49.60%	↑	↑	📈	45.60%	How are we doing/Moving Forward? The overall percentage increase demonstrates the total number of people recording a positive response to the following question: I am excited about



Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
									<p>being part of this organization in the future.</p> <p>There are 27 targeted questions in the survey, for which we can measure the positivity of the result. In 2012, 20 of these showed an increase in positive responses. The other questions relate to a range of issues, for example the organisation's core values. The Staff Survey action plan 2013 is designed to address these issues, alongside the themes picked up through the open-ended questions. The increase in positive responses in the 2012 survey can be mapped to work undertaken in direct response to the 2011 survey.</p>
SLA_014.1	Inspection of premises in accordance with statutory code of practice (High Risk)	Aim to Maximise	100.00%	97.22%	▬	↓	🟢	100.00%	<p>How are we doing/Moving Forward?</p> <p>Inspections of high-risk premises: Food hygiene, health and safety and PPC (environmental permits). Resources are focussed upon higher & medium risk premises (SLA14.1 & 14.2 respectively) in accord with risk-rating schemes contained in Statutory Codes of Practice thus protecting consumers' public health and supporting businesses. Resources and plans in place to achieve final quarter demand and performance in relation to annual inspection programme. Demand is comparable to previous years.</p>


Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
SLA_014.2	Inspection of premises in accordance with statutory code of practice (Medium Risk)	Aim to Maximise	95.00%	95.48%					<p>How are we doing/Moving Forward?</p> <p>Inspections of medium risk premises: Food hygiene, health and safety and PPC (environmental permits). Resources are focussed upon higher & medium risk premises (SLA14.1 & 14.2 respectively) in accord with risk-rating schemes contained in Statutory Codes of Practice thus protecting consumers' public health and supporting businesses. Resources and plans in place to achieve final quarter demand and performance in relation to annual inspection programme. Demand is comparable to previous years.</p>
SLA_015	% Response to Environmental Health enquiries and complaints	Aim to Maximise	100.00%	100.00%				100.00%	<p>How are we doing/Moving Forward?</p> <p>Strong performance & compares well with sub regional target which is 95% through North Yorkshire Quality Management System (ISO accredited). Access Selby's performance in 2011/12 was 100%. Environmental Health business area has maintained this performance by focussing on specialist environmental health complaints with excellent support from community officers in respect of general environmental health enquiries & service requests. Demand is comparable to previous years.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
SLA_016	Number of high risk enforcement issues resolved	Aim to Maximise	60.00%	100.00%				100.00%	<p>How are we doing/Moving Forward? The enforcement team has achieved a 100 % resolution rate for high risk enforcement cases for the period 01st October 2012 – 31st December 2012.</p> <p>Year to date the Enforcement team have resolved</p> <ul style="list-style-type: none"> • 283 High Risk Enforcement Cases • 161 Medium/low Risk Enforcement Cases
SLA_018	% of new benefit claims and changes processed within 5 days upon receipt of complete application	Aim to Maximise	90.00%	80.73%				83.70%	<p>How are we doing/Moving Forward? Access Selby Management Group have agreed and implemented a benefits recovery plan directing additional resources to this area of the business in the context of national welfare reform and demand in accord with the priority to support vulnerable residents. Performance in December 2012 was 83.91% giving a year to date performance of 80.73%. The recovery plan projections are to achieve "amber" by March 2013 as improved performance in the fourth quarter impacts upon the annual cumulative performance.</p>
SLA_019	% of Council Tax debt recovered	Aim to Maximise	86.97% (97.90%)	86.70%				86.97%	<p>How are we doing/Moving Forward? Collection rate is currently 0.27% below target that equates to £114k in financial terms.</p> <p>The collection rate remains within normal monthly tolerances with robust recovery measures in force.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
SLA_020	% of Council Rent debt recovered	Aim to Maximise	97.38% (97.90)	97.92%	↑	↓	🟢	97.96%	<p>How are we doing/Moving Forward? Collection rate is ahead of target by 0.54% and slightly under year to date figure for December 2011 by 0.08%.</p> <p>We continue to proactively collect rent arrears by contacting tenants promptly. We have encouraged tenants in arrears to pay through the two non rent weeks in December and work closely with the Community Officers to support tenants and the Homeless Prevention team to prevent homelessness. We also work with the Benefits team and other external partner agencies to provide information, support and financial advice.</p>
SLA_021	% of applications considered within time under scheme of delegation	Aim to Maximise	70.00%	71.63%	↓	↓	🟢	84.04%	<p>How are we doing/Moving Forward?</p> <p>The main bulk of the backlog was determined within December (74.51%) this explains why the monthly performance has dipped slightly. However despite the monthly performance dipping the team still met its monthly target.</p> <p>With no significant designated backlog to deal with it is forecast that for the remainder of the year the monthly performance will be approximately 80%.</p> <p>It is forecast that the team will continue to build from the firm base that it now has to exceed the 70% target for year 2 and to be on course for attaining the 80% target for the commencement of year 3.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
SLA_022	Development of work program for policy development (Approve Priority)	Aim to Maximise	Baseline						<p>How are we doing/Moving Forward? There has been slippage in the work programme due to a further suspension by the Inspector to the LDF Examination in Public. At the request of Councillors Access Selby have brought forward the Anti Social Behaviour Policy plus providing additional support to developing the Countryside and Green Space Strategy.</p> <p>We have been working with Core with regard to the 5 big things which will inform the work programme for 2013/14.</p>
SLA_023	% of invoices paid on time	Aim to Maximise	80.00%	90.16%				76.66%	<p>How are we doing/Moving Forward? The year to date performance remains above target. The focus continues to be put on Business areas to ensure prompt payment of invoices to ensure that performance is maintained.</p>
SLA_025	% internal rate of return on commercial assets	Aim to Maximise	Baseline						<p>How are we doing/Moving Forward? This is an annual indicator and we are currently collecting the base data as part of the Asset Management Strategy. Target will be linked to the interest rate within the MTFS. A review of assets achieving less than 3% IRR will be undertaken in 2013/14</p>
SLA_026	Reducing internal costs on non operational sites	Aim to Maximise	Baseline						<p>How are we doing/Moving Forward? This is an annual indicator and we are currently collecting the base data as part of the Asset Management Strategy.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
SLA_027	% increase in income generation	Aim to Maximise	Baseline						<p>How are we doing/Moving Forward?</p> <p>The new and increased charges agreed in November and introduced in April 2012 are expected to exceed estimated additional income. A report was presented to Executive in November to consider exemptions to the MTFS for 2013/14. These have been agreed and will be implemented from 1 April 2013.</p>
SLA_028	Efficiency and productivity improvements (Delivering within Cost Envelope)	Aim to Maximise	Baseline						<p>How are we doing/Moving Forward?</p> <p>This is a KPI to be developed as part of the SLA with the CORE – to bring together all productivity and efficiency targets (currently SDV 28, 29 & 30).</p> <p>Access Selby has taken a number of steps to deliver effective and efficient services within the cost envelope. This includes the delivery of a range of BPI projects, robust financial management by Budget Officers and also the application of a flexible approach to the use of our resources which is a key value of Access Selby.</p>
SLA_029	% increase in productivity	Aim to Maximise	15.00%						<p>How are we doing/Moving Forward?</p> <p>Ongoing work to develop relevant and robust productivity measures across the business. This is integral to the Business Intelligence project and builds on the time recording project.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	3 rd Quarter performance 2011-2012	Latest Note
SLA_030	% efficiency gain in commissioned services, whether financial or added value	Aim to Maximise	Baseline						<p>How are we doing/Moving Forward?</p> <p>Access Selby has achieved over £70k efficiency savings through smarter procurement and commissioning so far in 2012/13. Further efficiency savings are identified for 2013/14 through negotiated efficiencies with Enterprise. Full details are highlighted in the Access Selby Savings Plan</p>

Service Level Agreement Development Plan – update to the Executive

Project	Ownership	Development	Update
To develop the range of KPI's identified in schedule 2	The Core & Access Selby	Business Areas, Data & Systems and the Core to jointly develop in line with known BPI's and emerging key projects	KPIs developed and agreed except 3 measures which continue to be negotiated towards reporting during this financial year.
An annual plan to deliver Services, to include work plans for individual service areas where appropriate and plans for business development	Access Selby	To progress from an adopted Business Plan, this is scheduled to be presented to Full Council in July 2012.	Refreshed Business Plan is scheduled for board approval in March 2013.
Further development of the outcomes expected of Access Selby by the Council	The Core	In conjunction with progressing projects to deliver the Corporate Plan through the 5 Big Things	Programme management framework & procedures being developed with Access Selby alongside the finalisation of the Programme for Growth. Propose to include in revised SLA through 'handling additional work requests'
Soft measures of performance in areas such as the customer relationship and	Access Selby	In line with progression of the Customer Pledge, improved	Slippage has occurred due to development of

developing trust.		customer satisfaction measures and the CEFs	new procedure. Trial output to be reported in Quarter 4.
Further details on the partnering arrangements.	The Core and Access Selby	Research best practice and consider the benefits of including additional protocol	Research carried out – being developed in step with the SLA refresh
Development of new income streams for Access Selby.	Access Selby	Scope and identify areas to increase income	Details to be included under ‘handling work requests’ in the refreshed SLA
Develop risk and reward statements, relating to key risks and ownership.	The Core and Access Selby	Identify risks specific to the partnership arrangement, and areas in which the potential for reward may be increased	Being finalised in step with SLA refresh
Further definition of Client satisfaction and quality assurance.	The Core and Access Selby	Linked to development of related KPI – (Mike James leading) – will help inform the identification of signs of quality	Access propose a measure of satisfaction will be gained through project management framework structure and review meetings – to be defined in refreshed SLA
A Customer Pledge	The Core	To improve customer satisfaction knowledge	Reporting commenced – slippage occurred in development – more detailed results to be reported for satisfaction in Q4

Selby District Council

REPORT

Reference: E/12/60

Item 11 - Public



To:	The Executive
Date:	7 February 2013
Status:	Key Decision
Report Published:	30 January 2013
Author:	Karen Iveson, Executive Director
Executive Member:	Cllr John Mackman
Lead Officer:	Martin Connor, Chief Executive

Title: PROGRAMME FOR GROWTH - Housing Trust

Summary:

As part of the 'Programme for Growth', a project has been established to consider the feasibility of a 'Housing Trust', to deliver new build affordable housing and in appropriate circumstances to transfer existing empty Council dwellings.

The project brief was to consider the merits of a trust compared to other models that are available to the Council and establish the necessary operating model.

Given the objectives of the project and the associated risks, the feasibility study recommends the establishment of a charitable company limited by guarantee.

Recommendations:

It is recommended that Council:

- i) Approve the establishment of a charitable company limited by guarantee;**
- ii) Approve the Council as a member of that company and appoint 2 Selby District Council members as directors on the Board;**
- iii) Delegate authority to the Executive to approve the governance documents of the company.**

Reasons for recommendation

To enable the charity to be established.

1 The Report

- 1.1 As part of its 'Programme for Growth' the Council has identified housing as a key work strand to help deliver economic growth within the district and help meet the identified need for affordable housing.
- 1.2 Specialist legal advice has been commissioned and a feasibility report has been prepared which concludes that the preferred option is for the Council to establish a company limited by guarantee that is registered as a charity and registered with the Homes and Communities Agency. The feasibility report is attached to this report.
- 1.3 The establishment of a company will require Council approval and the appointment of Council member representatives as directors on the charity's board. Assuming a board of 5 directors, 2 Council members would be eligible for appointment to ensure that the Board is independent of the Council.
- 1.4 In practical terms the model would see the Council establish a delivery vehicle to facilitate alternative new house building outside of the HRA. It should be stressed that it is also the intention to consider building within the HRA subject to the business cases for each individual scheme.
- 1.5 The charitable model allows financial benefits (exemption from corporation tax and relief from stamp duty) and secures the affordable dwellings for charitable purposes – a significant factor in areas of high demand, where affordable homes are at risk from Right to Buy and with limited (if any) opportunity for replacement.

2 Legal/Financial Controls and other Policy matters

2.1 Legal Issues

- 2.1.1 There are many legal issues to consider as part of the establishment of the charity and also in delivering the schemes (the Council's powers to establish companies, company law, Secretary of State consent for disposal of Council assets, state aid etc). Specialist legal has been obtained and is attached to the feasibility report and further advice will be sought as the project develops.

2.2 Financial Issues

- 2.2.1 A budget of £30k has been approved from the 'Programme for Growth' to support the feasibility/set-up phase of the project and this will cover the anticipated costs.

- 2.2.2 Funding of the individual build projects (or dwelling transfers) will be subject to separate business cases but in essence projects will be financed through a combination of s106 receipts, prudential borrowing via the Council or potentially Homes and Communities Agency grant. There may even be the opportunity to lever private sector funding in some cases.
- 2.2.3 Development costs and on-going management/maintenance costs will be covered by the future rental income stream from the properties.

2.3 Risks

- 2.3.1 A project risk register has been drawn up and action plans are in place for those risks that require active management.
- 2.3.2 In terms of risk to the Council, the recommended approach is considered low risk – the Council will be in control of the schemes put forward for development and each scheme will be subject to an individual business case.
- 2.3.3 The on-going growth of the charity (in terms of its property portfolio) is likely to be wholly dependent upon support from the Council and therefore any perceived risks associated with Board independence are not expected to be of significant concern.

3 Conclusion

- 3.1 There are a number of alternative options available to the Council but a charitable company limited by guarantee is considered to be the most appropriate to meet the stated objectives of the project.

4 Background Documents

Contact Details

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Appendices: Housing Trust Feasibility report (to follow)

Selby District Council

REPORT

Reference: E/12/61

Item 12 - Public



To:	The Executive
Date:	7 February 2013
Status:	Key Decision
Report Published:	30 January 2013
Author:	Jonathan Lund, Deputy Chief Executive
Executive Member:	Cllr Gillian Ivey
Lead Officer:	Jonathan Lund, Deputy Chief Executive

Title: PROGRAMME FOR GROWTH: Community Access to Sports Leisure Services – contract variation

Summary:

As part of the Council's Programme for Growth, consideration has been given to how best to expand access to sport and recreational activities and to take leisure provision out into the wider community at a time when Abbey Leisure Centre is out of action.

A set of proposals has been developed for implementation between 2013 and the planned opening of the new leisure centre at the end of 2014.

These proposals, the interim facilities at the former Walkers Bingo Hall and the loss of facilities as a result of the fire at Abbey Leisure Centre require a variation to the existing contract with Wigan Leisure and Cultural Trust (WLCT) and this report also seeks consent for that variation.

Recommendations:

- i. To note the implications of the fire at Abbey Leisure Centre on the existing contract between Selby District Council and WLCT**
- ii. To approve the proposals for new activities to improve community access to sports and leisure activities**
- iii. To authorise a variation to the existing Leisure Services Contract to reflect these changes and safeguard the Council's position.**

Reasons for recommendation

To expand community access to sports, leisure and recreation activities across Selby District as a consequence of the loss of facilities at Abbey Leisure Centre and to ensure that the new arrangements are properly reflected in the Council's contract with WLCT.

1 The Report

- 1.1** A fire at Abbey Leisure Centre in February 2012 forced the Council to close the facility and to consider how, in the meantime, to reprovide services elsewhere.
- 1.2** A number of measures were implemented to provide alternative leisure activities at other locations including Selby Park, Barlby High School at Selby College.
- 1.3** In addition the Council agreed to purchase the former Walkers Bingo Hall and refurbish and refit the facility as a Health and Fitness Centre with an 80 station gym and fitness/dance studio.
- 1.4** Subsequently the Council has agreed to demolish and rebuild a Leisure Centre on the Abbey Leisure Centre site and a submission has been made to Sport England for a £2.03m grant towards a total project cost of £7.25m. A decision on the Sport England grant application is expected in March 2013. If all goes to plan the new facility is expected to be open by the end of 2014.
- 1.5** The Council has recognised, however, that whilst Abbey Leisure Centre is unavailable, there is both a need and an opportunity to take leisure provision into the wider community and to explore the possibility of delivering services across more of the district.
- 1.6** The Council has discussed with WLCT how this objective might be achieved and a broad proposal covering a number of stands of activity has been put forward:-
 - 1.6.1** A "Midnight" soccer league delivering night-time floodlit competitive soccer for young people aged between 14 and 19. The programme would be delivered in partnership with the police and fire services and the County Youth Service. A pilot project has been launched in Selby (based at the fire station) and, if successful the project can be delivered in other parts of the district – for example in Tadcaster and Sherburn.
 - 1.6.2** An Active Living Programme – designed to identify and publicise existing activity and sports provision across the whole district and develop plans and bid for funds to address gaps in provision; develop a programme to recruit and develop volunteer "sportsmakers" and coaches, launch a "walk programme" in each CEF area and deliver a programme of activities for people with disabilities or social care needs.

- 1.6.3** Healthy Active Adults – a programme based in seven locations across the District (Tadcaster, Sherburn, Thorpe Willoughby, Hensall, Hemingbrough, Riccall and Selby) which provides a three month programme of activity and support including 2 sessions per week at the gym at Tadcaster or Selby, a speciality activity instructor and weight loss support through Slimming World. Referral onto the programme will be via local GPs and practice nurses. A pilot project targeted at 100 adults is underway and, if successful 250 adults per year will be able to participate. There will be a participation fee of £24 (£2 per week)
- 1.6.4** Healthy Active Children – a programme based in around 30 primary schools across Selby District and aimed at year 1 children which will provide a five week Activity and Healthy Lifestyles Programme, will help train and develop teachers who deliver PE in schools, provide some specialist equipment within schools, signpost children and their families to the activities available in their area, improve the physical activity of the participating children and provide fun-based healthy eating and oral health sessions.
- 1.7** Together these proposals are designed to secure a diverse range of activities across the District, maximise the delivery of services through “others”; bring people to activities and take activities to people, maximise activities already in the community, support people on lower incomes to take part in activities they might not be able to afford and engage partners. All these objectives were identified as part of the leisure element of the Programme for Growth.

2 Legal/Financial Controls and other Policy matters

2.1 Legal Issues

- 2.1.1** As a further consequence of the fire at Abbey Leisure Centre a number of elements of the formal contract with WLCT are now incapable of being delivered, principally those that were based at the Leisure Centre. As a result a formal variation to the contract needs to be agreed which reflects these inevitable changes and which incorporates the new activities proposed above. In addition, the variation needs to reflect that the management fee paid to Wigan will be varied to reflect the savings arising from the more limited range of services managed by WLCT as a result of the fire, and the additional costs payable to WLCT in respect of the new activities set out in this report.

2.2 Financial Issues

- 2.2.1** Negotiation with WLCT has determined that the new management fee payable to the Trust in respect of services delivered following the fire at

Abbey Leisure Centre is £148k for 2012/13 and £201k for 2013/14 and 2014/15r (a reduction of £314k over the 3 years)

- 2.2.2 The new activities outlined in paragraphs 1.6.1. to 1.6.4. will cost £126,500 per annum. However, there is an opportunity to seek external funding to support and sustain the activities and there are strong grounds to seek financial contributions from partners in the NHS and NYCC towards the Healthy Active Adults and Healthy Active Children Programmes.

3 Conclusion

- 3.1 The fire at Abbey Leisure Centre had resulted in both a need and an opportunity to take leisure provision into the wider community and deliver services across more of the district.
- 3.2 This report sets out a number of proposals to meet that objective in a way which is sustainable into the future when the new leisure centre opens and funding is less readily available.
- 3.3 The proposals can be funded from within the existing leisure services budget by reapplying funds intended to fund services at Abbey Leisure Centre.
- 3.4 In addition, it is necessary to amend the formal documentation between the Council and WLCT to reflect the closure of Abbey Leisure Centre, the interim facilities and arrangements and, if accepted, the new community delivery proposals outlined in this report.

4 Background Documents

None

Contact Details Jonathan Lund – jlund@selby.gov.uk

Appendices: none

REPORT

Reference: E/12/62

Item 13 - Public



To: The Executive
Date: 7 February 2013
Status: Non- Key Decision
Report Published: 30 January 2013
Author: Jonathan Lund, Monitoring Officer
Executive Member: Cllr. M Crane
Lead Director: Jonathan Lund, Deputy Chief Executive

Title: REVIEW OF THE CONSTITUTION

Summary:

Selby District Council adopted its new Constitution with effect from the May elections in 2011. The Constitution is reviewed periodically and changes to legislation over the past year have made a number of changes necessary. In addition a further opportunity has been taken to review how the Constitution works and propose minor amendments to improve its operation and correct any anomalies, oversights or errors. The report sets out the proposals.

Recommendations:

- i. **To amend the Constitution as set out in this Report to come into effect on 1 March 2013**

Reasons for recommendation

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

1. Introduction and background

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

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

2. The Report

2.1. Standards Committee and Councillor Code of Conduct

2.1.1. Article 9 (page 20 of the Constitution) and the Councillor Code of Conduct (pages 172 to 180) have been substantially amended to reflect decisions taken by the Council in April and June 2012 in response to the Localism Act 2011 and the amendments it made to the standards regime. Consequential amendments to reflect these changes have been made throughout and the revised responsibilities of the Monitoring Officer are also reflected in Part 3 of the Constitution (page 51).

2.1.2. The Planning Code of Conduct at pages 195 to 231 has also been amended in accordance with the new Councillor Code of Conduct.

2.2. Council Procedure Rules

2.2.1. Rule 11.1 (page 64) of the Council Procedure Rules has been amended to reflect the decision of Council taken on 26 June 2012 to allow Councillors to ask the Leader, Executive Member or Chair of a Committee any question on matters relevant to their responsibilities, with a 10 minute limit per postholder.

2.3. Community Engagement Forums

2.3.1. A group of councillors has been considering how to improve the effectiveness of the Community Engagement Forum process. A number of amendments are proposed to Article 10 (page 22 onward) and to the CEF Procedure Rules at Pages 107 to 110 to help facilitate these any changes which the Council may decide to make in the future, following reports and recommendations from this group.

2.4. Joint Committees

2.4.1. Article 12 (page 27) and Part 3 (page 47) is amended to reflect that Internal Audit Services are no longer delivered by a Joint Committee.

2.5. Overview and Scrutiny

2.5.1. Part 4 (page 78) is amended to reflect Council's wish to relax the rule preventing substitutions on Overview and Scrutiny Committees.

2.5.2. Part 4 (page 102) is amended to allow the O&S Work Programmes to be considered and agreed, if practicable, before the start of each municipal year.

2.5.3. Part 4 (page 103) is amended to reflect the decision of Council to clarify that Scrutiny should proceed to consider all matters which have been called-in, after hearing first from one of the co-signatories to the call-in.

2.6. The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

2.6.1. The Access to Information Procedure Rules are amended to reflect the changes introduced by the 2012 Regulations (pages 80 to 90)

2.7. Procurement Procedure Rules

2.7.1. Part 4 Page 145 is amended to remove the need formally to report to the Executive with a shortlist of potential tenderers. This amendment will reduce the time taken in this part of the tender process.

2.8. Policy Framework

2.8.1. Article 4 of the Constitution (Page 10) sets out details of the plans and strategies which, together, form the Council's Budget and policy Framework. These are matters where the Council reserves to itself the power to make the final decision rather than the Executive.

2.8.2. The current list of Policy Framework matters reflect the model constitution which was drafted in 2000. Some of the strategies and plans contained in the Policy Framework are no longer produced and others, which might deserve a place on the list, are omitted.

2.8.3. The current list of Policy Framework matters are set out below:-

- Sustainable Community Strategy
- Corporate Plan
- Community Safety Partnership Plan
- Asset Management Strategy
- Plans and Strategies which together comprise the Local Development Framework
- Plans and Strategies which together comprise the Housing Investment programme.

2.8.4. The **new list** of Policy Framework matters is proposed as set out below

- Sustainable Community Strategy
- Corporate Plan

- Community Safety Partnership Plan
- Asset Management Strategy
- Local Plan Development Plan Documents
- The Housing Revenue Account Business Plan
- Licensing Policy and Statement
- Gambling Policy

2.9. Scheme of Delegations

2.9.1. Part 3 Para 11 of the Constitution (Pages 50-52) sets out the delegations to Chief Officers and Executive Directors.

2.9.2. The Executive has agreed to delegate decisions arising from the Community Right to Bid to the Executive Director (Communities Selby)

2.9.3. As a consequence a new paragraph is proposed as follows:-

“11.1.2 Functions delegated to the Executive Director (Communities Selby)

(a) To undertake all of the Council’s functions in connection with the Community Asset Register and the Community Right to Bid.

(b) Limits, controls and conditions

This delegation is limited and shall not apply where an application to register an asset on the Community Asset Register relates to land or buildings owned by Selby District Council or by a councillor or officer of the Council the application. In such cases the application shall be determined by the Executive.”

2.10. All of the proposed changes can be viewed online at www.selby.gov.uk/upload/Constitution_Amendment_Draft_Jan13.doc

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues - None

3.2 Financial Issues - None

4. Conclusion

The administrative amendments set out above are proposed to comply with new legislation or statutory regulations or decision of Council taken during the course of the year or as sensible improvements to the Constitution which have come to light since the last review.

5. Background Documents

Contact Officer: Jonathan Lund, Monitoring Officer