

# Selby District Council



## Agenda

Meeting: **Executive**  
Date: **7 November 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 meetings held on 3 and 18 October 2013. Pages 1 to 9 attached.

### 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](http://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. Fees and Charges 2014/15 – Key Decision**

Report E/13/30 asks the Executive to agree the fees and charges for commercial waste in 2014/15 and review the introduction of a new charge for dealing with Freedom of Information requests. Pages 10 to 15 attached.

**5. 2<sup>nd</sup> Interim Budget Exceptions Report – Key Decision**

Report E/13/31 asks the Executive to endorse the actions of Officers and note the financial results and budget exceptions to 30 September 2013. Pages 16 to 35 attached.

**6. 2<sup>nd</sup> Interim Treasury Management Report – Key Decision**

Report E/13/32 asks the Executive to endorse the actions of officers on the Council's treasury activities for the period ending 30th September 2013. Pages 36 to 45 attached.

**7. Programme for Growth – Asset Transfer Policy – Key Decision**

Report E/13/33 asks the Executive to approve the Asset Transfer Policy for consultation in November-December. Pages 46 to 60 attached.

**8. Housing Development Business Case – 43 Kirkgate, Tadcaster - Key Decision**

Report E/13/34 asks the Executive to consider the Business case. Pages 61 to 70 attached.

**9. Housing Development Business Case – St Joseph, Tadcaster – Key Decision**

Report E/13/35 asks the Executive to consider the Business case. Pages 71 to 78 attached.

**10. Neighbourhood Plan – Appleton Roebuck**

Report E/13/36 asks the Executive to approve the designation of the Neighbourhood Area for Appleton Roebuck with Acaster Selby. Pages 79 to 86 attached.

**11. 2<sup>nd</sup> Interim Corporate Plan Progress Report**

Report E/13/37 asks the Executive to approve the details of Access Selby key performance indicators following the 2nd quarter of reporting for the financial year 2013/14. Pages 87 to 98 attached.

**12. Affordable Housing SPD (incorporating Affordable Rent) – Key Decision**

Report E/13/38 asks the Executive to recommend to Council the adoption the Affordable Housing Supplementary Planning Document. Pages 99 to 181 attached.

**M Weastell**  
**Chief Executive**

<b>Dates of next meetings</b>
<b>21 November 2013 - Executive Briefing</b>
<b>5 December 2013 Executive</b>

Enquiries relating to this agenda, please contact Glenn Shelley on:  
Tel: 01757 292007  
Fax: 01757 292020  
Email: [gshelley@selby.gov.uk](mailto:gshelley@selby.gov.uk)

# Selby District Council



## Minutes

### Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	3 October 2013
Present:	Councillor M Crane (Chair), Mrs G Ivey, J Mackman and C Metcalfe.
Officers present:	Deputy Chief Executive, Executive Director S151, Director of Community Services, Head of Legal Services, Lead Officer Contracts, Policy Officer and Democratic Services Manager.
Also Present:	
Public:	0
Press:	0

NOTE: Only minute numbers 37, 38, 39, 40 and 41 are subject to call-in arrangements. The deadline for call-in is 5pm on 15<sup>th</sup> of October 2013. Decisions not called in may be implemented on 16<sup>th</sup> of October 2013.

### 32. Apologies for Absence

Apologies were received from Councillor C Lunn.

### 33. Minutes

The Executive agreed a correction to minute 29 - Traveller Needs Assessment. It was agreed to correct the final sentence of the second paragraph to read:

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

**Resolved:**

**Subject to the above correction, the minutes of the meeting on 5 September 2013 were submitted and agreed as a correct record and signed by the Chair.**

**34. Disclosure of Interest**

None were received.

**35. Core Strategy Update – Inspector’s Report - Key Decision**

Councillor J Mackman presented the report which updated the Executive on the close of the Examination in Public and the publication of the Inspector’s Report. It proposed the approval of the Modifications to the Core Strategy identified in the report appendices and the formal adoption of the Core Strategy. This would provide the strategic framework not only for planning but also for investment decisions for the District over the plan period from 2011 to 2027.

Councillor J Mackman set out that the adoption of the Core Strategy would provide the important strategic element of an up-to-date development plan in line with the statutory requirements under the National Planning Policy Framework (NPPF). In addition, the Core Strategy would protect key environmental assets and support growth and prosperity by promoting sustainable development to deliver homes and jobs and underpin the Programme for Growth.

Cllr J Mackman highlighted the role of both the Sustainability Appraisal and the Strategic Environmental Assessment in the Core Strategy’s development and commented that the Post Adoption Statement may be ready in time for Full Council for information purposes.

The Executive placed on record its thanks for the hard work of Councillor J Mackman and all the officers involved in the development of the Core Strategy.

**Resolved:**

- i. To note the contents of the report;**
- ii. To agree the Modifications and the revised Selby District Core Strategy Local Plan as set out in Appendix 3;**

- iii. **To recommend to Council the adoption of the Selby District Core Strategy Local Plan provided in Appendix 4, with the Main Modifications (recommended by the Inspector) and the Additional Modifications (which the Council is entitled to make) as specified in Appendix 3 of this report;**
- iv. **To delegate authority to the Director of Community Services to a) make any further minor grammatical, typographical and formatting changes; and b) undertake the necessary regulatory procedures for Adoption.**

Reason for the decision:

To provide an up to date development plan for the District in accordance with statutory requirements.

### **36. Local Development Framework – New Local Plan for the District – Key Decision**

Councillor J Mackman presented the report on the preparation of a new Local Plan document encompassing both Site Allocations and Development Management policies.

Councillor J Mackman informed the Executive that as the Council was now in a position to consider adopting the Core Strategy it must reconsider its approach to completion of the Local Plan in the light of the Localism Act 2011, NPPF 2012 and the 2012 Local Plan regulations which set the framework for the format and content of Local Plans. It was now considered that the best way forward was to develop the remainder of the new Local Plan as a combined Sites and Policies Local Plan (the 'SAPP').

The report set out the format, scope, broad content and the proposed timetable for the "New Local Plan" document encompassing both the site allocations and development management policies and the necessary steps needed to complete it.

The report also provided a draft revised Local Development Scheme for 2013 – 2016 which includes the SAPP and two other planning documents (the Community Infrastructure Levy and the Appleton Roebuck and Acaster Selby Neighbourhood Development Plan) which are programmed to go to Examination in Public in the next three years.

The Executive approved an additional recommendation as set out below:

“To delegate authority to the Director of Community Services to make any necessary minor grammatical, typographical and formatting changes to the revised draft Local Development Scheme in Appendix 3 prior to presentation to Council”

**Resolved:**

- i. To note the report;**
- ii. To approve the format and scope for a new Local Plan for Selby District to cover both Sites Allocations and Development Management policies (the new Sites and Policies Plan (SAPP)) as set out in the report; and the proposed timetable as set out in Appendix 1;**
- iii. To approve the broad content of the SAPP as set out in Appendix 2 as a basis for developing the Issues and Options document;**
- iv. To give delegated authority to the Lead Member for Place Shaping to provide the necessary liaison with officers on the SAPP on behalf of the Executive in conjunction with the Director of Community Services as detailed in Paragraph 3.26 – 3.28;**
- v. To recommend to Council for approval, the revised Local Development Scheme (LDS) attached at Appendix 3;**
- vi. To delegate authority to the Director of Community Services to make any necessary minor grammatical, typographical and formatting changes to the revised draft Local Development Scheme in Appendix 3 prior to presentation to Council.**

Reasons for the decision:

To progress the new Local Plan in a timely but robust fashion to meet statutory requirements and to deliver sustainable growth in the District in line with the Council’s key priorities.

**37. Leisure Landlord Maintenance Programme**

On behalf of Councillor C Lunn, Councillor Mrs G Ivey set out that the current 10 year planned maintenance programme reflected only the Council’s Landlord responsibilities for Tadcaster Leisure Centre and Selby Park, because of the planned rebuild and opening of the new Abbey Leisure Centre towards the end of the 2014/15 financial year. The programme was reviewed each year when the Council

refreshes its Medium Term Financial Plan and rolling Capital Programme.

The Executive heard that the programme at Tadcaster Leisure centre included the main roof, the gutters and downpipes and the roof of the changing room. Plans for Selby Park included repairs to the car park, and the bandstand roof and resurfacing of the crazy golf course.

The Executive asked that following the resurfacing of the crazy golf course Wigan and Leisure Culture Trust review the charging policy.

In total the works were estimated to cost just over £87k and provision for this sum was included within the Buildings Repairs Reserve.

**Resolved:**

- i. To agree the Year Five Landlord Planned Maintenance Programme for Tadcaster Leisure Centre and Selby Park.**
- ii. To fund the Year 5 programme from the Building Repairs Reserve within the budget proposals for 2014/15.**

Reasons for the decision:

To ensure essential maintenance work required at the Council's leisure facilities is included in the Council's capital programme to enable the Council to discharge its duties as a landlord and ensure the facilities are maintained to an appropriate standard.

**38. ICT Application Delivery and migration from Window XP to Windows 7**

On behalf of Councillor C Lunn, Councillor Mrs G Ivey presented the report which recommended the migration of all the Council's Windows XP desktop equipment to Windows 7.

The Executive heard that without an upgrade the Council would be susceptible to data security risk and would no longer comply with the Government's 'code of connection' meaning that the transfer of data between the Government and the Council could not take place.

The upgrading of the Council's desktop environment also allowed the opportunity for improved working practices in line with the Council's vision for flexible, mobile and remote service delivery.



The Executive considered two solutions to the issue. Option two was the preferred option as it met the upgrade requirements at a significantly lower cost to a virtualisation option. It was also less technically complex and less risky.

**Resolved:**

**To approve work be carried out to rationalise the Council's file sharing structures and that all old Windows XP Desktops be replaced at a total cost of £104k.**

Reasons for the decision:

To ensure that the Council's desktop operating system continues to be supported and to enable more secure, efficient and flexible working arrangements.

### **39. Spend to Save Investment in Planning**

On behalf of Councillor C Lunn, Councillor Mrs G Ivey presented the report on Access Selby Board's commercial decision to invest additional resources in Planning, resulting in the withdrawal of free advice and the introduction of a charge for this service.

Councillor Mrs G Ivey set out that Access Selby Board was keen to further develop the idea of tailored, right first time services as well as plan for the economic upturn. It had approved the investment of £46k from its 'Spend to Save' budget to improve pre-application planning advice.

The Executive were supportive of the proposals and asked that they receive a report in July 2014 which detailed the outcomes achieved in the first six months of operation.

**Resolved:**

- i. To limit free advice on planning matters;**
- ii. To introduce an appointment system with a £25 charge;**
- iii. To receive an outcomes report at the Executive meeting in July 2014.**

Reason for the decision:

To improve the overall offer of planning services to the client and customer.

#### **40. Programme for Growth – A New Leisure Centre for Selby and Sport England Grant Funding – Key Decision**

Councillor Mrs G Ivey presented the report which sought approval to accept a condition from Sport England to create a land charge on the new leisure centre to protect its grant funding should the Council decide to dispose of the site at a future stage.

Councillor Mrs G Ivey outlined that such a condition was not unreasonable and was typical of such grant funding.

##### **Resolved:**

**To accept the grant condition required by Sport England and to authorise the Deputy Chief Executive, after consultation with the Deputy Leader of the Council and the Executive Director (S.151), to formally accept the offer of grant funding from Sport England and to enter into the lottery funding agreement.**

Reason for the decision:

To allow the Council to complete the funding arrangements and continue the work to secure a new leisure centre for Selby District.

#### **41. Scrap Metal Dealers Act 2013 – Setting of Fees**

Councillor C Metcalfe presented the report on the Scrap Metal Dealers Act 2013 which requires Selby District Council to set fees in connection with the implementation of the new legislation.

##### **Resolved:**

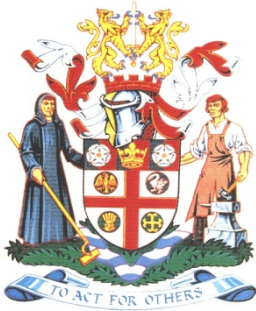
**To approve the adoption of the fee structure outlined at appendix A in the report.**

Reason for the decision:

To conform with the Scrap Metal Dealers Act 2013.

The meeting closed at 4.46 pm

# Selby District Council



## Minutes

### Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	18 October 2013
Present:	Councillor M Crane (Chair), Mrs G Ivey, J Mackman, C Lunn.
Officers present:	Deputy Chief Executive, Executive Director S151, Director of Community Services, Head of Legal Services, Democratic Services Manager.
Also Present:	Mary Weastell
Public:	0
Press:	0

NOTE: Only minute number 45 is subject to call-in arrangements. The deadline for call-in is 5pm on 29 of October 2013. Decisions not called in may be implemented on 30 of October 2013.

#### **42. Apologies for Absence**

Apologies were received from Councillor C Metcalfe.

#### **43. Disclosure of Interest**

None were received.

#### **44. Private Session**

**Resolved:**

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

**45. Tender Evaluation – Construction of a New Leisure Centre in Selby**

Councillor Mrs G Ivey presented the report which explained the tender process, the submissions, the evaluation process and the recommendations for the appointment of a contractor to construct the new leisure centre in Selby.

The Executive discussed the tenders and the associated completion dates.

**Resolved:**

- i. To receive and note the Tender Evaluation Report;**
- ii. To accept the tender from Contractor A in the sum of £6,314,077.78 and to appoint that contractor as the Main Contractor for the construction of the new Selby Leisure Centre.**

The Meeting closed at 13:58

# REPORT

Reference: E/13/30

Public – Item 4



**To:** The Executive  
**Date:** 7 November 2013  
**Status:** Key Decision  
**Report Published:** 30 October 2013  
**Author:** Eileen Scothern  
**Executive Member:** Councillor C. Lunn  
**Lead Officer:** Executive Director – Karen Iveson

**Title:** Fees and Charges

**Summary:** This report provides an update on the fees and charges approved last year and to agree any exceptions against the Medium Term Financial Strategy (MTFS).

## Recommendation(s):

- i. To receive a progress report on Fees and Charges introduced in April 2013
- ii. To agree the fees and charges for commercial waste in 2014/15.
- iii. To review the introduction of a new charge for dealing with Freedom of information requests at a future meeting.

## 1. Introduction and Background

1.1 The Medium Term Financial Strategy (MTFS) provides the strategic framework for the Council in determining the Fees and Charging policy, the MTFS states that

*Fees and charges will be set to recover the full cost of services unless there is a specific decision to subsidise a service. As a minimum, fees and charges will be increased by RPI as at September each year unless there is a clear business case for a lesser increase.*

## 2. The Report

- 2.1 The Council generates around £3.4m in income from levying fees and charges for the provision of certain services. Under the Council's organisational model, fees and charges income from services forms part of Access Selby's resources although responsibility for approving annual increases remains with the Executive.
- 2.2 This report provides an update following the decisions made by the Executive in November 2012, a potential new charge for Freedom of Information Requests and an increase in commercial waste above RPI.

### Update from last year

- 2.3 Last year the Executive agreed changes to Legal Fees, Bulky Waste, Commercial Waste, Export Health Certificates and considered the discounted rate for railcards.

Service/Charge	Charge agreed last year	Predicted Outcome over 12 months	Position as at 30/9/13
Legal Fees	Variable	£7,200	On target
Bulky Waste	To move from deficit to Cost Neutral	Cost neutral	On target
Commercial Waste	To move from deficit to Cost Neutral	Cost Neutral	On target
Export Health Certificates	New Charge	£1,750	Projected to be above target
Railcard discounts	£5.00 Disabled Persons £5.00 Older Person*	Reduce cost to the authority by £2,263	Estimated Saving reduced to £113

\* in addition to the discount received by the Council from ATOC.

- 2.4 Legal Fees –The legal section as at September 2013 are ahead of profile and expect to meet the income target set last year.
- 2.5 Bulky Waste - The service in 2012/2013 was operating at a deficit of approximately £6,000 reflecting a combination of reducing service demand and a static price. Based on trend analysis of demand and other North Yorkshire council charges for the service it was estimated the increase in charge would result in a cost neutral service for 2013/2014.

- 2.6 A booking service was also fully introduced in 2013/2014 after a successful pilot scheme, providing collection certainty to residents that was previously lacking. To date all pre-booked bulky collections have been completed as scheduled. Based on the demand for bulky collections to date and income received it is forecast the service will return to a cost neutral position in 2013/2014. Therefore on the basis that the collection cost is increased with RPI the increase in charge for the service should also increase with RPI.
- 2.7 Commercial waste - The increase for 2013/2014 was an average of 11% ranging from 3% to 20% depending on producer band and after an analysis of business retention following the annual billing process in March 2013 there was no discernible decrease in business. In fact to date this year the business has grown due primarily to our competitive edge and a targeted marketing exercise that is planned to continue.
- 2.8 Export Health Certificates (EHC) - The charging for export health certificates to reflect actual costs of delivering this service commenced in April of this year. The requests for EHCs are seasonal and reactive and we expect the number to reduce over the winter months, the Council is however are on track to exceed the projected estimated income.
- 2.9 Railcards - In November 2012 a decision was made to provide a discount of £5 for disabled residents and £10 (ATOC £5 and SDC £5) for the older person. In March 2013 the Association of Train Operating Companies (ATOC) informed local authorities there would be a reduction available to the Council. Following negotiations with the Selby and District Rail Users Group (S&DRUG) it was agreed that the Council "discount" be increased to £6 for older persons railcards and £8 for disabled railcards.
- 2.10 It is to be noted that ATOC are not proposing to increase charges next year but will be reviewing the discount provided to local authorities on the older person railcard. It is therefore envisaged that whilst the recommended retail price will remain the same the price paid by those seeking to purchase the older person railcard is likely to increase.
- 2.11 Freedom of Information – New Charge - The Government has recently announced that local authorities can under the Freedom of Information (Release of Datasets for Re-use) (Fees) Regulations 2013 can charge for dealing with Freedom of Information requests seeking information in a format that the person who has requested that information can re-use. As a Council we regularly receive requests from commercial organisations for example companies seeking spread sheets on business rates. Officers are currently undertaking an exercise to estimate the number of FOIs that fall into this category to identify the appropriate Cost Recovery Charge.

2.12 Commercial Waste - The annual calculation process followed last year has been updated to reflect increases in disposal and collection costs and after comparison with the competition a variable price increase is proposed albeit at a reduced level than last year which reflects competitor pricing. The proposed increase is an average of 11% ranging from 7% to 15% that maintains the competitive edge for four out of five price bands whilst also further reducing the difference on the remaining price band. Details are attached in Appendix A.

### **3. Legal/Financial Controls and other Policy matters**

3.1 Legal Issues – None Identified

3.1.1 Financial Issues – The proposed increase in Commercial Waste will be at full cost recovery and therefore be cost neutral, if the charges are not increased in line with this report the service will be running at a loss. If Freedom of Information charges are introduced these will be a Full Cost Recovery basis and any discount on the railcards will be funded from the Commissioning Contingency.

### **4. Conclusion**

It is recommended that the fees and charges for commercial waste are increased by an average of 11% and that consideration of the fees and charges FOI requests is considered when more information is available.

### **5. Background Documents**

Medium Term Financial Strategy

#### ***Contact Officer:***

Eileen Scothern  
Business Manager  
[escothern@selby.gov.uk](mailto:escothern@selby.gov.uk)  
01757 292148

#### **Appendices:**

Appendix A – Commercial Waste



Appendix A Commercial Waste

<b>Commercial waste Charges 2014 / 2015</b>				
<b>Standard Contracts - Refuse Charges</b>				
<b>Bin</b>	<b>Price per Lift 13/14</b>	<b>Price per Lift 14/15</b>	<b>% Increase</b>	<b>Competitor Charge*</b>
60	1.55	1.78	15%	2.59
120	2.96	3.40	15%	n/a
140	2.96	3.40	15%	n/a
240	4.97	5.47	10%	6.69
360	6.80	7.14	5%	7.92
660	9.58	10.25	7%	10.71
1100	15.97	17.09	7%	14.06
1280	19.94	21.34	7%	n/a
<b>Standard Contracts - Recycling Charges</b>				
<b>(profit does not include income from sale of recyclates)</b>				
<b>Bin</b>	<b>Price per Lift 13/14</b>	<b>Price per Lift 14/15</b>	<b>% Increase</b>	<b>Competitor Charge*</b>
55	0.95	1.09	15%	n/a
120	1.60	1.84	15%	n/a
140	1.60	1.84	15%	n/a
240	2.51	2.76	10%	4.98
360	3.80	3.99	5%	n/a
660	5.22	5.59	7%	n/a
1100	8.68	9.29	7%	n/a
1280	10.04	10.74	7%	n/a
<b>Chargeable Domestic - Refuse Charges</b>				
<b>Bin</b>	<b>Price per Lift 13/14</b>	<b>Price per Lift 14/15</b>	<b>% Increase</b>	<b>Competitor Charge*</b>
60	1.03	1.18	15%	n/a
120	1.55	1.78	15%	n/a
140	1.55	1.78	15%	n/a
240	2.69	2.96	10%	n/a
360	3.59	3.77	5%	n/a
660	5.42	5.80	7%	n/a
1100	9.00	9.63	7%	n/a
1280	9.97	10.67	7%	n/a

<b>Chargeable Domestic - Recycling Charges</b>				
<b>(profit does not include income from sale of recyclates)</b>				
<b>Bin</b>	<b>Price per Lift 13/14</b>	<b>Price per Lift 14/15</b>	<b>% Increase</b>	<b>Competitor Charge*</b>
55	0.59	0.68	15%	n/a
120	1.10	1.27	15%	n/a
140	1.10	1.27	15%	n/a
240	1.62	1.78	10%	n/a
360	2.23	2.34	5%	n/a
660	3.62	3.87	7%	n/a
1100	6.07	6.49	7%	n/a
1280	7.00	7.49	7%	n/a
* Competitor prices provided for comparable service only				

# Selby District Council

## REPORT

Reference: E/13/31

Public – Item 5



**To:** The Executive  
**Date:** 7 November 2013  
**Status:** Key Decision  
**Report Published:** 30 October 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 30 September 2013

### Summary:

At the end of quarter 2, the full year forecast for the General Fund shows an estimated surplus of £445k and the HRA an estimated surplus of £109k. Progress with both the Capital Programme and savings target is positive however officers need to work to identify further savings for 2013/14 to ensure the savings target is achieved.

### Recommendations:

**The Executive endorse the actions of officers and note the contents of the report.**

### 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. The Report

### Financial Results

- 1.1 Appendix A presents the major forecasted variances identified to date for the first half of 2013/14 against the approved budgets.

#### General Fund - Revenue

- 1.2 The full year forecast for the General Fund currently shows an estimated surplus of £445k (£211k Access Selby & £234k Core) against a budgeted surplus of £129k (Core) – A Variance of £316k:

General Fund	Budget £000's	Forecast Full Year variance £000's
Core	4,659	(105)
Access Selby	6,049	(211)
Communities Selby	199	0
	10,907	(316)

- 1.3 The core surplus is due to savings on audit fees and drainage board levies as well as savings on staff costs, slightly offset by reduced investment interest as a result of lower than budgeted interest rates.
- 1.4 Access Selby General Fund is currently forecasting a 2013/14 surplus of £211k, a large proportion of this relates to employee costs, which are under constant review to ensure they are always as up to date as possible. Additional recycling income is also contributing to the profit as well as a number of smaller savings.

#### Housing Revenue Account

- 1.5 The HRA full year forecast surplus is £109k (£89k Access Selby & £20k Core):

HRA	Budget £000's	Forecast Full Year variance £000's
Core	4,297	(20)
Access Selby	(4,297)	(89)
Communities Selby	0	0
	0	(109)

- 1.6 The core HRA surplus of £20k is largely contributed to by increased housing rents, this is subject to change over the year depending on tenancy changes and the number of void properties. This figure is kept under constant review and will be updated accordingly.

- 1.7 Access Selby HRA is forecasting a current year end surplus of £89k largely due to maintenance savings and increased maintenance recharges on community centres and corporate buildings, as well as Supporting People private subscriber income. There have also been savings on professional fees such as audit.

### **Capital**

- 1.8 There are several capital budget exceptions for 2013/14, the details of which are set out in Appendix B. General fund is experiencing delays with the mast relocation project which is not likely to be complete in 2013/14. However legal issues in relation to Tadcaster Central area redevelopment have been resolved with work on the car park expected to commence in January 2014. Further work has taken place on the ICT capital investment with procurement for the CRM system to commence in October 2013. HRA is seeing good progress with the programme with minimal slippage expected for the year and a number of programmes already complete.

### **Savings**

- 1.9 Appendix C presents an update on progress against the Council's savings action plan for the General Fund and HRA.
- 1.10 General Fund savings of £3.380m (£456k Core & Communities Selby and £2.924m Access Selby) and HRA (Access Selby) savings of £546k have been achieved or likely to be achieved up to the end of quarter 2. Officers continue to work to identify additional savings, however with forecasted surpluses for the year the target is expected to be achieved.

## **2. Legal/Financial Controls and other Policy matters**

### **2.1 Legal Issues**

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

### **2.2 Financial Issues**

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

## **3. Conclusion**

- 3.1 Overall, the financial results show a good first half to the year. Capital programme is progressing well and progress with savings needs to be continued to achieve the target for the year.

**Contact Details**

Jodie Taylor  
Lead Officer – Finance  
Selby District Council  
[jotaylor@selby.gov.uk](mailto:jotaylor@selby.gov.uk)

**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 2013 - September 2013

## Core

## General Fund Income

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Investment Interest	(200)	23	On-going	Decreased forecast for investment income due to poor interest rates earned on investments as a result of a flat economy.
Recharges	(15)	7	On-going	Reduced recharge income from the HRA for its proportion of pension charges due to savings in employee costs below.
<b>Total Variance - General Fund Income</b>		<b>30</b>		

## Core

## General Fund Expenditure

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Employees	1,455	(68)	On-going	Estimated savings (£28k) on pension payments to other Local Authorities for old pension schemes. There is also a forecast saving of 1.5 FTE in Democratic Services.
Supplies & Services	412	(42)	On-going	Savings expected on External Audit fees through the dissolution of the Audit Commission and replacement by Mazars LLP (£24k), savings on member training (£5k) and savings on the new Internal Audit Contract through Veritau (£14k).
Drainage Boards	1,503	(24)	On-going	Budget increased by 2.9% from 2012/13. Actual increases from the Drainage boards equate to a 1.24% increase. The impact of the Danvm board was lower than first anticipated as they have not yet implemented an equalisation of their rate across the Councils they levy upon.
Other minor variances		(1)	On-going	
<b>Total Variance - General Fund Expenditure</b>		<b>(135)</b>		
<b>Total Variance - Operating (Surplus)/deficit</b>		<b>(105)</b>		

**Access Selby  
General Fund Income**

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Customer and Client Receipts***	(3,303)	(77)	On-going	There is a forecasted increase in Recycling Income (£110k) from recycling credits, Supporting People from increased private payers for the service, this will be offset by a recharge from HRA (£26k), Street Cleansing Joint Efficiency Contract Savings (£15k) and (£17k) additional Wheelie Bin income from the Moor Lane development in Sherburn. This will be offset by anticipated Commercial Waste income shortfall of £41k, Land & Property Management £20k, and Car Park Pay & Display income £35k.
Government Grants	(17,732)	12	On-going	Based on current data, a shortfall in Supporting People Grant is anticipated, this will offset slightly by an increased level of private payers. Supporting People has a net nil impact on the General Fund.
<b>Total Variance - General Fund Income</b>		<b>(65)</b>		

**Access Selby  
General Fund Expenditure**

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Employees	5,569	(120)	One-Off	Current underspend relates to vacant and frozen posts across Access Selby. A portion of these savings may be utilised to fund planned future commitments.
Premises	719	(19)	One-Off	Small savings are anticipated to date on CCTV repairs and maintenance (£10k), footpaths (£6k), and car park maintenance and NNDR costs (£7k), offset by NNDR payable at Barlby CRD £7k.
Supplies and Services	6,592	(34)	One-Off	There are savings expected on Commercial Waste Disposal charges (£40k), Land Charges (£4k), CCTV contract costs and equipment rental (£11k), Mediation and Night Stop Services (£8k), offset by increased NYBCP Contract payments £15k, and increases in gate fees incurred in the disposal of Recycling materials £17k.
Support Services***	372	14	On-going	This is the corresponding recharge to the HRA for increased Supporting People Private Payers, as identified in the customer and client receipts heading and Government Grants.
Transport	113	17	On-going	Anticipated shortfall in Car Allowances for the Assets, Community Support, Policy Strategy, AS Management Team, Debt Control and Business Transformation teams offset slightly by Enforcement and Planning.
Other minor variances		(4)	On-going	
<b>Total Variance - General Fund Expenditure</b>		<b>(146)</b>		
<b>Total Variance - Operating (Surplus)/deficit</b>		<b>(211)</b>		

\*\*\* Additional Supporting People Private Payer Income is recharged to the HRA through Support Services.



**Core  
Housing Revenue Account Income**

<b>Budget Description</b>	<b>Annual Budget £000's</b>	<b>Forecast Variance £000's</b>	<b>One-Off/ On-going</b>	<b>Comments</b>
Housing Rents	(11,742)	(32)	One-Off	Current forecasts suggest rents will exceed budget. To date there has only been five evictions and the impact of under occupancy has not yet filterered through. Void turnover remains good at an average of 22 days. This means the property can be tenanted quicker rather than being left empty.
Investment Interest	(45)	5	On-going	Decreased forecast for investment income due to poor interest rates earned on investments as a result of a flat economy.
<b>Total Variance - HRA Income</b>		<b>(27)</b>		

**Core  
Housing Revenue Account Expenditure**

<b>Budget Description</b>	<b>Annual Budget £000's</b>	<b>Forecast Variance £000's</b>	<b>One-Off/ On-going</b>	<b>Comments</b>
Pension Past Service Adjustments	191	7	One-Off	The budget for 2013/14 was not increased sufficiently to cover the increases in the pension basc-funding payments to NYCC.
<b>Total Variance - HRA Expenditure</b>		<b>7</b>		
<b>Total Variance - Operating (Surplus)/deficit</b>		<b>(20)</b>		

**Access Selby  
Housing Revenue Account Income**

<b>Budget Description</b>	<b>Annual Budget £000's</b>	<b>Forecast Variance £000's</b>	<b>One-Off/ On-going</b>	<b>Comments</b>
Customer & Client Receipts	(118)	(8)	On-going	Occupancy levels at Ousegate are good which overcompensates for poor occupancy levels at Edgerton Lodge.
Recharges	(392)	(33)	One-Off	Non-dwelling properties/capital schemes recharges expected to generate surpluses through the number of capital projects (£19k). Supporting People Recharge to General Fund increased due to Private Payers (£14k).
Garage Rents	(123)	6	One-Off	Low rent income due to level of occupancy and lettable condition. Garage plots are being identified as possible locations for new-build housing projects.
<b>Total Variance - HRA Income</b>		<b>(35)</b>		

**Access Selby  
Housing Revenue Account Expenditure**

<b>Budget Description</b>	<b>Annual Budget £000's</b>	<b>Forecast Variance £000's</b>	<b>One-Off/ On-going</b>	<b>Comments</b>
Employees	67	13	One-Off	Agency staff costs incurred for work on Asset Management, including garages.
Premises	856	(36)	One-Off	Due to the responsive nature of the work corresponding with pro-active capital works it is expected there will be saving on Gutter work (£5k), Gas Central Heating replacement and servicing costs (£10k), footpath maintenance (£10k) and Electrical Testing Contractors (£10k) due to an in-house Electrician.
Supplies and Services	1,311	(29)	One-Off	Small savings identified to date on grant audit fees (£6k) as a result of Self Financing eliminating subsidy returns, Materials (£5k) through pro-active procurement, Telephones (£3k) from usage and contributions towards GF costs (£15k), including External Audit, Bank Charges and old pension schemes.
Other minor variances		(2)	On-going	
<b>Total Variance - HRA Expenditure</b>		<b>(54)</b>		
<b>Total Variance - Operating (Surplus)/deficit</b>		<b>(89)</b>		

**2013/14 Selby District Council Capital Programme - September 2013**

**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	This budget has been carried forward from 2012/13. Progress is being made and plans for work are being drawn up, with a view to complete in 2013/14.
ICT - Desktop Replacement Programme	15,000	7,500	5,911	-1,589	15,000	This is for a continuous cycle of updating desktop equipment.
Tadcaster Central Area Redevelopment	250,690	0	3,117	3,117	250,690	Planning conditions have now been discharged and documents are going out for tender with a view to starting the work in January 2014.
Mast Relocation Project	145,210	0	2,760	2,760	145,210	Further options are being considered in regard to the future of the mast and its location. Not likely to be completed in 2013/14.
ICT - Capital Investment Projects	345,845	8,750	8,232	-518	345,845	System upgrades & replacements within ICT Strategy - subject to business case - covers areas such as infrastructure review, website development, Revs and Bens, DIP, Housing and CRM. The procurement process for the CRM is to commence October 2013, with a view to going live during 2014/15 after vigorous testing it is expected to link in with other projects such as mobile working and web-site development.
Mobile Working Solution	81,000	0	0	0	81,000	Linked to the CRM IT Project, a specification is being put together for the procurement process.
CCTV - Fibre Hub	23,600	3,000	1,103	-1,897	23,600	Fibre Hub is now installed and are now waiting for the electricity to be disconnected so the old columns can be removed.
P4G Abbey Leisure Centre Rebuild			250,922	250,922		Early Planning and Development stage of the Leisure Centre rebuild. Full costs of project are yet to be finalised. Confirmation of £2.032m Sport England funding has been confirmed.
Programme for Growth			503,375	503,375		Land purchase costs and specialist fees for the Bondgate project. Project costs are to be funded as milestones are met.
Private Sector - Home Improvement Loans	35,800	0	1,340	1,340	35,800	Loans continue to be processed. To date, 5 have been paid out and 3 repayments have been received which are recycled in to the scheme. There is a further application that has been approved.
Disabled Facilities Grants	350,000	100,000	32,929	-67,071	350,000	Applications for funding are being received, to date 18 applications have been approved, the work has been completed on 7 of these and final payments made, there is approx £100k committed to this. Due to changes in working practices and the criteria set by NYCC Occupational Therapists regarding assessment needs the number of referrals have reduced. This is expected to generate some savings in the year.
Energy Efficiency & Fuel Poverty	13,640	0	0	0	13,640	Public interest in this service generally occurs in the autumn / winter and therefore is anticipated that the budget will be spent by year end.
	<b>1,285,785</b>	<b>119,250</b>	<b>809,689</b>	<b>690,439</b>	<b>1,285,785</b>	

**2013/14 Selby District Council Capital Programme - September 2013**

**Appendix B**

Housing Revenue Account	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	
Kitchen Replacements	353,570	176,785	330,661	153,876	353,570	Programme complete for the year, the remainder of the budget is for 'emergency' replacements.
Electrical Rewires	260,000	130,000	153,163	23,163	260,000	Work continues well on a programme of rewires and consumer units, progress is being closely monitored.
Airey Property Works	486,980	0	22,560	22,560	486,980	Licence fees paid with a view to starting the next phase during November.
Central Heating System Replacements	1,684,840	842,420	604,156	-238,264	1,684,840	Programme of replacements continues. To date 274 systems have been replaced or ordered this year, including fuel switches (see below). Any refusals will be addressed in future years of the 3 year programme or when the property becomes vacant.
Solid Fuel System Replacements	250,000	0	984	984	250,000	Linked to the Central Heating Replacement programme, encountering refusals due to disturbance and in some case the receipt of free coal by some tenants. These will continue to be looked at in the rolling programme.
Roof Replacements	560,000	560,000	544,140	-15,860	560,000	The programme of roof replacements has now been completed with the exception of 2 properties which will be rolled in to the next phase.
Damp Works	300,000	150,000	122,953	-27,047	300,000	Work continues to cover more responsive works, it is anticipated demand will increase over the autumn winter period.
External Cyclical Repairs (Painting & Windows)	184,990	92,495	31,147	-61,348	184,990	The new programme has been issued and good progress is being made and are awaiting invoices from the contractor. The work is being combined with the external door replacement and window replacement programmes and is expected to be completed this year.
External Door Replacements	161,010	80,505	59,261	-21,244	161,010	As External Cyclical Repairs.
Window Replacements	30,450	15,225	21,363	6,138	30,450	As External Cyclical Repairs.
Void Property Repairs	51,750	25,875	25,636	-239	51,750	This work is responsive to the level of void properties and is dependent on each individual scenario as to the level of work required. The largest element of spend to date is on Electrical work. The level of void work is being managed both through capital and revenue budgets.
Fencing Programme	17,990	17,990	17,962	-28	17,990	This programme is complete, responsive works are managed through revenue.
	<b>4,341,580</b>	<b>2,091,295</b>	<b>1,933,986</b>	<b>-157,309</b>	<b>4,341,580</b>	
<b>Total Capital Programme</b>	<b>5,627,365</b>	<b>2,210,545</b>	<b>2,743,675</b>	<b>533,130</b>	<b>5,627,365</b>	

**ACCESS SELBY**  
**GENERAL FUND BASE BUDGET**  
**SAVINGS/EFFICIENCIES ACTION PLAN 2013/14 -**  
**2015/16**

## Key:



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 £	
Inflation factor		0.020	0.020	0.020	
<b>Procurement Workstream</b>					
Collaborative corporate contracts through shared procurement service Note: The balance of this target will reduce as individual procurement projects are identified	Red	13,910	61,060	61,060	The target has been impacted by the delay in the delivery of the CCTV project and the reduction in saving from the green waste project.
<b>Total Procurement</b>		<b>13,910</b>	<b>61,060</b>	<b>61,060</b>	
<b>Transformation</b>					
Spend to save initiatives	Red	0	25,000	25,000	Saving to be reviewed.
CRM Replacement - Capital investment required to achieve revenue savings	Amber	0	52,262	52,262	Approval has been given for the CRM replacement project. Realisation of savings is highly dependant on staff efficiencies being achieved.
Mobile Working - Capital investment required to achieve revenue savings	Amber	0	134,500	145,500	Approval has been given for the mobile working project. Realisation of savings is highly dependant on staff efficiencies being achieved and is tied in with the CRM system.
<b>Total Transformation</b>		<b>-</b>	<b>211,762</b>	<b>222,762</b>	
<b>Asset Management Workstream</b>					
Running costs of new Civic Centre	Amber	40,000	40,000	40,000	An NNDR appeal has been logged, a decision is anticipated before the end of the financial year.
Barlby Depot	Amber	0	-	-	Options for the future of the depot are currently being explored as part of asset management strategy.
<b>Total Asset Management</b>		<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	
<b>Value for Money Workstream</b>					
Telecommunications Mast	Red	-	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 relocation. There is no set timescale for this. This will generate an income however the figures have not been agreed. There will be no savings achieved during 2013/14.
Negotiation for share of out performance on Council Tax collection	Red	25,000	25,000	25,000	Directly linked to collection rates. Year end reconciliation will be completed to confirm if a share will be received and how much.
Car Park Income	Green	57,500	57,500	57,500	Future estimates have been reflected in the 13/14 budget process.
<b>Total Value for Money</b>		<b>82,500</b>	<b>95,500</b>	<b>95,500</b>	

**ACCESS SELBY  
GENERAL FUND BASE BUDGET  
SAVINGS/EFFICIENCIES ACTION PLAN 2013/14 -  
2015/16**

**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 £	
<b>Base Budget Review Workstream</b>					
Car Allowances	Green	24,000	24,000	24,000	Completed
Housing Benefit Overpayments Recovery	Green	125,000	125,000	125,000	Due to the nature of the debt, on-going review required.
ICT	Green	10,000	10,000	10,000	Additional savings from the review of the profile of software maintenance payment.
<b>Total Base Budget Review</b>		<b>159,000</b>	<b>159,000</b>	<b>159,000</b>	
<b>Discretionary Service Review Workstream</b>					
New charge for planning advice	Green	30,000	30,000	30,000	Now charging for planning advice, further proposals for additional income generation within planning are being considered.
Maximise current income streams	Amber	50,000	100,000	100,000	Progress against pilot projects in marketing strategy is being made including Civic Centre room hire. 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. going forward, the programme for Growth will significantly contribute to achieving the target.
Redeploy resources to pursue grant funding opportunities	Red	0	50,000	50,000	Lead officers considering grant opportunities as part of their budget monitoring.
Policy changes to introduce new income streams	Red	-	-	100,000	Options currently being reviewed.
<b>Total Discretionary Service Review</b>		<b>80,000</b>	<b>180,000</b>	<b>280,000</b>	
Inflation adjustment		15,167	45,742	70,753	
<b>General Fund Savings in Progress</b>		<b>390,577</b>	<b>793,064</b>	<b>929,075</b>	
<b>Completed (GREEN) General Fund Savings</b>		<b>2,667,109</b>	<b>2,829,872</b>	<b>2,983,153</b>	
<b>Total General Fund Savings</b>		<b>3,057,685</b>	<b>3,622,936</b>	<b>3,912,229</b>	
<b>Savings Target</b>		<b>3,173,668</b>	<b>3,340,335</b>	<b>3,457,103</b>	
<b>New Target</b>		<b>3,173,668</b>	<b>3,340,335</b>	<b>3,457,103</b>	
<b>Headroom/Deficit (+/-)</b>	** -	<b>115,983</b>	<b>282,601</b>	<b>455,126</b>	
<b>Green Savings</b>		2,923,567	3,091,460	3,249,973	
<b>Amber Savings</b>		93,636	346,762	365,604	
<b>Red Savings**</b>		40,482	184,714	296,651	
<b>Total</b>		<b>3,057,685</b>	<b>3,622,936</b>	<b>3,912,229</b>	

**ACCESS SELBY**  
**GENERAL FUND BASE BUDGET**  
**SAVINGS/EFFICIENCIES ACTION PLAN 2013/14 -**  
**2015/16**

**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	
<b>Procurement Workstream</b>					
Change provider for telephone calls and rationalisation of telephone accounts	Green	20,480	20,530	20,530	Completed
CCTV	Green	32,950	32,950	32,950	Completed
Partnering Back Office Support	Green	93,000	93,000	93,000	Completed
Pest Control Contract	Green	1,200	1,200	1,200	Completed
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	Completed
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
Change in printer / photocopier paper	Green	600	600	600	Completed
Change in Washroom Service contracts	Green	3,200	3,200	3,200	Completed
Citizen Link Printing	Green	800	800	800	Completed
Coshh Management	Green	3,500	3,500	3,500	Completed
Negotiate savings within Street Scene Contract	Green	31,870	31,870	31,870	Completed
		<b>392,760</b>	<b>392,810</b>	<b>392,810</b>	

**ACCESS SELBY**  
**GENERAL FUND BASE BUDGET**  
**SAVINGS/EFFICIENCIES ACTION PLAN 2013/14 -**  
**2015/16**

**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
Cash collection/cash in transit contract costs	Green	2,200	2,200	2,200	Completed
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	Completed
<b>Total Transformation</b>		1,475,060	1,472,530	1,473,090	
<b>Asset Management Workstream</b>					
Vacation of Portholme Road Depot	Green	13,497	13,497	13,497	Completed
<b>Total Asset Management</b>		13,497	13,497	13,497	
<b>Value for Money Workstream</b>					
<b>Total Value for Money</b>		-	-	-	



**ACCESS SELBY**  
**GENERAL FUND BASE BUDGET**  
**SAVINGS/EFFICIENCIES ACTION PLAN 2013/14 -**  
**2015/16**

**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
<b>Base Budget Review Workstream</b>					
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	Completed
Frozen posts/vacancies	Green	19,320	19,320	19,320	Completed
Compensation for legacy costs/income pressures	Green	136,000	136,000	136,000	
Redundant ICT systems	Green	25,000	25,000	25,000	Savings achieved are Intech Benefit Fraud £5890, Legal Radius Arms £4463 and negotiation of Revs and Bens Priv Circuit bill £5,860, plus inflation. One off refund of £2730 in 1314
Finance Budget Savings	Green	1,900	1,900	1,900	Completed
Additional Licensing Income	Green	5,660	5,660	5,660	Completed
O/S Survey Mapping Fees	Green	15,000	15,000	15,000	Completed
Housing Benefit Admin Miscellaneous Savings	Green	3,800	3,800	3,800	Completed
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	6,500	6,500	6,500	Completed
Further Base Budget Review Savings - details on supplementary list	Green	78,385	99,425	99,426	Completed
<b>Total Base Budget Review</b>		<b>589,225</b>	<b>694,815</b>	<b>783,576</b>	

**ACCESS SELBY**  
**GENERAL FUND BASE BUDGET**  
**SAVINGS/EFFICIENCIES ACTION PLAN 2013/14 -**  
**2015/16**

**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
<b>Discretionary Service Review Workstream</b>					
HR - Budget review	Green	5,000	5,000	5,000	Completed
Reduce opening hours at Access Selby	Green	35,000	35,000	35,000	Completed
Barlow Nature Reserve	Green	53,000	53,000	53,000	Completed
<b>Total Discretionary Service Review</b>		93,000	93,000	93,000	
<b>Inflation adjustment</b>		103,567	163,220	227,181	
<b>Total General Fund Savings</b>		2,667,109	2,829,872	2,983,153	
<b>Savings Target</b>		3,173,668	3,340,335	3,457,103	
<b>New Target</b>		3,173,668	3,340,335	3,457,103	
<b>Headroom/Deficit (+/-)</b>		** - 506,559	- 510,463	- 473,950	
<b>Green Savings</b>		2,667,109	2,829,872	2,983,153	
<b>Amber Savings</b>		-	-	-	
<b>Red Savings**</b>		-	-	-	
<b>Total</b>		2,667,109	2,829,872	2,983,153	

**GENERAL FUND BASE BUDGET**  
**SAVINGS/EFFICIENCIES ACTION PLAN**  
**2013/14 - 2015/16 (V3)**

## 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	
<b>Procurement Workstream</b>					
Election software	Green	4,700	4,700	4,700	Completed
Audit Partnership	Green	15,000	15,000	15,000	Completed
		<b>19,700</b>	<b>19,700</b>	<b>19,700</b>	
WTT - Transformation (Core)	Green	50,000	50,000	50,000	Completed
Core Structure	Green		82,000	82,000	
<b>Total Transformation</b>		<b>50,000</b>	<b>132,000</b>	<b>132,000</b>	
<b>Asset Management Workstream</b>					
<b>Total Asset Management</b>		-	-	-	
<b>Value for Money Workstream</b>					
Internal Drainage Boards	Green	146,000	146,000	146,000	Completed
Community Safety	Green	15,000	15,000	15,000	Completed
Ward Boundary Review	Green			30,000	To be implemented following next election May 2015 - amount subject to review of allowances.
<b>Total Value for Money</b>		<b>161,000</b>	<b>161,000</b>	<b>161,000</b>	

**GENERAL FUND BASE BUDGET**  
**SAVINGS/EFFICIENCIES ACTION PLAN**  
**2013/14 - 2015/16 (V3)**

**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

<b>Proposed Savings</b>	<b>Status</b>	<b>2013/14</b> £	<b>2014/15</b> £	<b>2015/16</b> £	<b>Progress</b>
<b>Base Budget Review Workstream</b>					
External Audit Fee	Green	53,370	53,370	53,370	Completed
Early Retirements - Strain on Pension Fund	Green	96,580	96,580	96,580	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
Internal Audit	Green	13,520	13,520	13,520	Completed
Car Allowances	Green	2,850	2,850	2,850	Completed
Joint CE with NYCC appointed and 1 further FTE reduction	Green	-	82,000	82,000	Completed
<b>Total Base Budget Review</b>		<b>195,550</b>	<b>288,470</b>	<b>303,438</b>	

**GENERAL FUND BASE BUDGET  
SAVINGS/EFFICIENCIES ACTION PLAN  
2013/14 - 2015/16 (V3)**

**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
<b>Discretionary Service Review Workstream</b>					
External Grants	<b>Green</b>	12,000	12,000	12,000	Completed
<b>Total Discretionary Service Review</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	
Inflation adjustment		17,705	37,531	51,779	
<b>Total General Fund Savings</b>		<b>455,955</b>	<b>650,701</b>	<b>679,917</b>	
<b>Target</b>		<b>569,867</b>	<b>720,147</b>	<b>574,650</b>	
<b>Headroom/Deficit (+/-)</b>		<b>- 113,912</b>	<b>- 69,446</b>	<b>105,267</b>	
<b>Green Savings</b>		455,955	650,701	712,390	
<b>Amber Savings</b>		-	-	-	
<b>Red Savings**</b>		-	-	-	
<b>To Be Delivered</b>		113,912	69,446	-	
<b>Total</b>		<b>569,867</b>	<b>720,147</b>	<b>712,390</b>	

**HOUSING REVENUE ACCOUNT BASE BUDGET SAVINGS 2013/14 - 2015/16**

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

Status	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Progress
Inflation factor	0.020				
<b>Proposed Savings</b>					
Review of Property Services unfilled posts	Green	50,000	50,000	50,000	50,000 Completed
Gas Servicing Contract	Green	20,000	20,000	20,000	20,000 Completed
Grassed Areas & Open Spaces base budget review	Green	29,000	29,000	29,000	29,000 Completed
Various Suppliers	Green	22,000	22,000	22,000	22,000 Completed
WTT - Savings	Green	129,591	129,591	129,591	129,591 Completed
2011/12 Pay Award	Green	27,000	27,000	27,000	27,000 Completed
Car Allowances	Green	5,600	5,600	5,600	5,600 Completed
Savings on Audit Fees and early Retirement Charges	Green	24,800	40,460	40,460	40,460 Completed
Ryecare Help-Line Telecom Saving	Green	700	700	700	700 Completed
Consolidation of IT Budgets	Green	23,685	23,685	23,685	23,685 Completed
Electrical Testing - R&M	Green	10,000	15,000	15,000	15,000 Completed
Vehicle Tracking System	Green	500	500	500	500 Completed
Direct Works - Phones	Green		2,000	2,000	2,000 Completed
Grants Audit Fees	Green		6,000	6,000	6,000 Completed
Clear Access Footways	Green		2,500	2,500	2,500 Completed
Footpaths	Green		10,000	10,000	10,000 Completed
Gutters & Fallpipes	Green		5,000	5,000	5,000 Completed
Tenants Participation - Housing Reports	Green		450	370	370 Completed
Energy Performance Certificates	Green	3,000	3,000	3,000	3,000 Completed
WTT - Savings from recharges from GF	Green	200,000	200,000	200,000	200,000 Completed
<b>Total Housing Revenue Account Savings</b>		<b>545,876</b>	<b>592,486</b>	<b>592,406</b>	<b>592,406</b>
<b>Target Savings</b>		<b>360,000</b>	<b>360,000</b>	<b>360,000</b>	<b>360,000</b>
<b>Headroom/Deficit (+/-)</b>		<b>185,876</b>	<b>232,486</b>	<b>232,406</b>	<b>232,406</b>
Green Savings		545,876	592,486	592,406	592,406
Amber Savings					
Red Savings**					

# Selby District Council

## REPORT

Reference: E/13/32

Public – Item 6



**To:** The Executive  
**Date:** 7 November 2013  
**Status:** Key Decision  
**Report Published:** 30 October 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 30 September 2013

### Summary:

This report reviews the Council's borrowing and investment activity (Treasury Management) for the first six months of 2013/14 and presents performance against the Prudential Indicators.

Investments – Money market investment rates have remained low throughout 2013 with investment rates continuing at historically low levels and a rise in bank rate now not expected until 2016. As a result, an outturn position of £217k is forecast, which is £28k below budget.

Borrowing – the Council has long term borrowing of £60.33m at 30 September 2013.

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

### Recommendations:

**Councillors endorse the actions of officers on the Council's treasury activities for the period ending 30<sup>th</sup> September 2013 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 second monitoring report for treasury management in 2013/14 and covers the period 1 April to 30 September 2013. 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 26 February 2013.
- 1.4 The two key budgets related to the Council's treasury management activities are the amount of interest earned on investments £245k (£200k General Fund, £45k HRA) and the amount of interest paid on borrowing £2,525k (£112k 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). Following the Council’s Treasury Management advisors latest review of interest rate forecasts a rate rise is not expected until 2016. Interest rate forecasts were revised following the Bank of England’s Inflation Report and other economic news, including forward guidance from the new Governor of the Bank of England, Mark Carney, that the Bank will not consider raising interest rates until the unemployment rate has fallen to 7%.
- 2.2 Consumer Price Inflation (CPI) started the financial year in April at 2.4%, rising to 2.9% in June, but has subsequently fallen back to 2.7% in August. The Retail Price Index (RPI) was at 3.5% in April, falling back to 3.1% in July and had risen to 3.3% in August 2013.
- 2.3 Table 1 shows recent average investment rates available up to a duration of 12 months and reflects the lack of movement in rates since



the start of this year. As bank rate remains low and with no expectation for any increases until 2016, investment rates are not expected to improve in 2013/14.

Table 1: Average Interest Rates 1 April 2013 to 30 September 2013

	<b>April 2013</b>	<b>May 2013</b>	<b>June 2013</b>	<b>September 2013</b>
<b>Base Rate (Bank Rate)</b>	0.50	0.50	0.50	0.50
<b>Over Night</b>	0.40	0.40	0.40	0.40
<b>7 Days</b>	0.40	0.40	0.40	0.40
<b>1 month</b>	0.40	0.40	0.40	0.40
<b>3 Months</b>	0.45	0.45	0.45	0.45
<b>6 Months</b>	0.55	0.55	0.55	0.55
<b>1 Year</b>	0.80	0.75	0.75	0.75

- 2.4 The Council's Treasury Advisors, Capita Asset Services (formerly Sector Treasury Services) 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

	<b>2013</b>		<b>2014</b>				<b>2015</b>	
	<b>Now</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>		<b>%</b>
<b>Bank Rate</b>	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00
<b>5 Yr PWLB</b>	1.60	1.60	1.70	1.70	1.80	2.00	2.20	2.30
<b>10 Yr PWLB</b>	2.60	2.60	2.70	2.70	2.70	2.80	3.00	3.30
<b>25 Yr PWLB</b>	3.80	3.80	3.90	3.90	4.00	4.10	4.30	4.40
<b>50 yr PWLB</b>	4.00	4.00	4.10	4.10	4.20	4.30	4.50	4.60

- 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 continue to vote for no change to the levels of quantitative easing in recent meetings and any change in approach is unlikely in the short term.

Table 3: Forecast for Interest Rates September 2013

	2013		2014				2015	
	Now	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	%	%	%	%	%	%		%
<b>Bank Rate</b>	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>5 Yr PWLB</b>	2.50	2.50	2.60	2.70	2.70	2.80	2.80	2.90
<b>10 Yr PWLB</b>	3.70	3.70	3.70	3.80	3.80	3.90	4.00	4.10
<b>25 Yr PWLB</b>	4.40	4.40	4.40	4.50	4.50	4.60	4.70	4.80
<b>50 yr PWLB</b>	4.50	4.40	4.40	4.50	4.60	4.70	4.80	4.90

### **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.

2.9 The Council continues to invest in only highly credit rated institutions using the Capita Asset Services 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 second quarter of the year (maximum £5m). Appendix A shows an analysis of Investments at 1 April, 30 June 2013 and 30 September 2013.

2.10 Interest rates continue to remain low and market investment rates fell sharply in early 2013, which has resulted in returns slightly lower than budgeted for the Council. Deposits have been placed with government backed banks and other local authorities. The current forecast is that the Council will achieve interest income of £217k (£177k allocated to the General Fund; £40k to the Housing Revenue Account) a shortfall of £28k against the budget.

2.11 The average level of funds available for investment during the six months to September was £23.06m, of which £12.66m was invested in fixed term deposits at an average of 1.74%. £10.4m was held in Money

Market Funds and instant access deposit accounts. Investments held on instant access deposits earned an average of 0.62% while Money Market Funds returned an average rate of 0.38%. 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 September of 1.17% is marginally below benchmark. A cautious approach has been taken when forecasting the average rate for the year due to the uncertainties in the market. The forecast is kept under constant review. However, the Council's cash balances remain high which will support the interest earned budget as investment income rates remain low.
- 2.13 The impact of lower than forecast interest rates means the interest earned is less. The forecast at the time the budget was set was for interest rates to remain relatively low in 2013/14. However, investment rates have reduced further in 2013 as base rate is now not expected to rise until at least 2016. Interest rates currently on offer are averaging between 0.2% up to 1.00% depending on the period and the institution.

### **Borrowing**

- 2.14 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 six months of the year.
- 2.15 The TMSS indicated that there was no requirement to take long term borrowing during 2013/14 to support the budgeted capital programme. The latest capital programme funding forecast 2013/14 to 2015/16 for both the General Fund and Housing Revenue Account does not currently include a borrowing requirement. However, both the Programme for Growth and Abbey Leisure Centre capital projects have been identified as schemes which may potentially require funding from borrowing. Any borrowing requirement will be confirmed as the project plans are finalised.
- 2.16 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 2013/14. The highest total gross amount of debt in the year to 30 September has not been more than

£68m on any occasion.

- 2.17 Internal capital borrowing (use of reserves and balances) to part fund the Council's Capital Financing Requirement was £2.1m at 31 March 2013. Over the next 3 years investment rates are expected to continue to be below long term borrowing rates. A value for money assessment would therefore indicate that value could be obtained by delaying new borrowing and continuing to use internal cash balances to finance capital expenditure.

### **Selby and District Housing Trust**

- 2.18 The Council has established Selby and District Housing Trust – a company limited by guarantee, to support the delivery of additional affordable homes across the district. The Council's Housing Development Strategy, approved by the Council on 10 September 2013 details how the Council plans to contribute to the development of additional affordable housing in the district through the Trust.
- 2.19 The Development Strategy set out initial proposals on the funding of the Trust from the Council through loans and Section 106 contributions. The Council's general investment powers, which enable it to enter into loan agreements with companies come from the Local Government Act 2003. Under this Act a local authority has the power to invest for any purpose relevant to its functions or for the purpose of the prudent management of its financial affairs.
- 2.20 In addition to investment, the Council has the power to provide loans and financial assistance to Limited Companies under the Localism Act 2011 (and also formally under the general power of wellbeing in the Local Government Act 2000) which introduced a general power of competence for authorities (to be exercised in accordance with their general public law duties).
- 2.21 Any such loans made to the Housing Trust by the Council, will therefore be made under these powers. They will not however be classed as investments made by the Council and therefore will not impact on the Investment Strategy. Although such loans do not come within the Accounting Code of Practice's definition of fixed assets, they nevertheless constitute expenditure for capital purposes under the Government's capital controls regime. Thus the loans will be classed as capital expenditure by the Council under the Local Authorities (Capital Finance and Accounting) Regulations 2003, and will be approved, financed and accounted for accordingly. They will be financed by Prudential Borrowing but this borrowing will, at least initially, be taken internally from cash balances rather than external debt. This internal financing will however, be kept under review and managed as part of the Council's overall Treasury Management Strategy. The revenue impact of this of this internal Prudential Borrowing in terms of 'lost interest' will be financed from interest charged to the Housing Trust. The Council's

Minimum Revenue Provision (MRP) policy will be amended to ensure that no MRP needs to be charged on these loans which will be fully repaid as arranged. The loans will also be required to be reflected in the Council's Prudential Indicators that are affected by Capital spending including the Capital Financing Requirement and debt limits (authorised limit and operation boundary)

### **3. Legal/Financial Controls and other Policy matters**

#### **3.1 Legal Issues**

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

#### **3.2 Financial Issues**

There are no financial implications as a result of this report. However, the Executive Director (s151) and Lead Officer - Finance will, with advice from the Council's advisor (Capita Asset Services formerly 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 and will continue to do so for some while. Officers are managing the investment and borrowing portfolios in accordance with the approved Treasury Management Strategy and the necessary changes to allow lending to Selby and District Housing Trust will be incorporated into the strategy as part of the next update in 2014/15.

### **5. Background Documents**

Treasury Management Strategy 2013/14

#### **Contact Details**

Jodie Taylor  
Lead Officer – Finance  
Selby District Council  
[jotaylor@selby.gov.uk](mailto:jotaylor@selby.gov.uk)

#### **Appendices:**

Appendix A – Analysis of Deposits at 1 April 2013, 30 June 2013, 30 September 2013  
Appendix B – Prudential Indicators as at 30 September 2013

**Analysis of Deposits At 1 April 2013, 30 June 2013, 30 September 2013**

Institution	At 1 April 2013			At 30 June 2013			At 30 September 2013		
	Amount £'000	Maturity	Rate %	Amount £'000	Maturity	Rate %	Amount £'000	Maturity	Rate %
Doncaster Council	1,000	24-May-13	1.40						
Fife Council	1,000	06-Jan-14	1.30	1,000	06-Jan-14	1.30	1,000	06-Jan-14	1.30
Lloyds TSB	3,000	16-Oct-13	0.90	3,000	16-Oct-13	0.90	3,000	16-Oct-13	0.90
Lloyds TSB	2,000	01-Aug-14	1.30	2,000	01-Aug-14	1.30	2,000	01-Aug-14	1.30
Nat West	1,000	09-Sep-13	1.28	1,000	09-Sep-13	1.28			
Nat West	1,000	15-Nov-13	1.50	1,000	15-Nov-13	1.50	1,000	15-Nov-13	1.50
Newcastle City Council	3,000	07-May-15	1.00	3,000	07-May-15	1.00	3,000	07-May-15	1.00
Newcastle City Council	1,000	28-Sep-15	1.00	1,000	28-Sep-15	1.00	1,000	28-Sep-15	1.00
North Lanarkshire	2,000	20-May-13	1.20						
Handelsbanken							3,000	Call	0.60
NatWest				2,000	30 day	0.70	2,000	30 day	0.55
NatWest	2,397	Call	0.60	729	Call	0.60	1,812	Call	0.50
Money Market Fund - Prime Rate				5,000	Call	0.38	3,250	Call	0.38
Total Deposits	17,397			19,729			21,062		

**Prudential Indicators – As at 30 September 2013**

Note	Prudential Indicator	2013/14 Indicator	Quarter 2 Actual
1.	Mid Year Capital Financing Requirement £'000	61,674	60,830
	Gross Borrowing £'000	61,726	61,726
	Investments £'000	15,000	21,062
2.	Net Borrowing £'000	46,726	40,664
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	4,000
	2 to 3 Years £'000	15,000	0
	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 %	50%	10.77%
	10 Years to 15 Years %	50%	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.

## APPENDIX B

2. Net Borrowing (Gross Borrowing less Investments) – this must not 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 Councillors 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/13/33

Public - Item 7



**To:** The Executive  
**Date:** 7<sup>th</sup> November 2013  
**Status:** Key Decision  
**Report Published:** 30 October 2013  
**Author:** Julia Jennison – Policy Officer  
**Executive Member:** Councillor Cliff Lunn  
**Lead Officer:** Karen Iveson – Executive Director

**Title:** Asset Transfer Policy

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

### Recommendation:

- i) **It is recommended that, subject to amendments by the Executive at this draft stage, the Asset Transfer Policy is approved for consultation in November-December.**

### Reasons for recommendation

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

#### 1. Introduction and background

- 1.1 There are a number of existing plans and strategies which provide the framework for asset transfer within the context of Selby District Council (SDC)'s strategic aims.
- 1.2 The policy has made particular reference to the aims and processes set out in the Asset Management Strategy 2010-15, and takes account of other plans/strategies; Housing Revenue Account (HRA) Business Plan 2012-17, and Empty Homes Strategy 2013-16.

- 1.3 The Housing Development Strategy 2013 sets out the Council's plans to contribute to the development of additional affordable housing in the district, concentrating on the contribution it can make itself. It identifies two mechanisms for the Council to increase its affordable housing stock which will deliver additional affordable homes across the district, initially concentrating on the opportunities provided by using Council owned land.
- 1.4 Building on these plans and strategies, this Asset Transfer Policy will provide the framework for consideration of when transfer to the Housing Trust would be beneficial to the Council's vision and objectives.

## **2. The Report**

- 2.1 The Asset Transfer Policy sets out guidance as to when assets may be considered for transfer, and an evaluation process to ensure that the justification for disposal set out in the Asset Management Strategy is met.
- 2.2 It will enable the transfer of SDC owned buildings, land or void housing subject to individual business cases and the relevant approvals.
- 2.3 All assets are re-valued every 5 years, with a desktop revaluation every year, through the Asset Value Survey; this will provide an opportunity to consider possible transfer.
- 2.4 In addition, assets may be reviewed at other times such as to enable a particular scheme or project to progress, or when HRA housing stock comes void.
- 2.5 Once a potential opportunity has been identified, the business case will dictate the best way forward, and establish whether or not transfer to the Trust is appropriate.
- 2.6 For void housing stock, it may be practical to identify certain types of hard to let or low demand units (for example by unit size, or by specified locations in the district) where transfer might be considered, in order to avoid the necessity for consideration of each individual property as it comes void. This would reduce delays in re letting (existing HRA stock or as new lets through the Housing Trust dependent on the outcome) to potential residents in need of housing, and minimise the loss of income.
- 2.7 For other assets this may not be so critical, and review would generally be led by the periodic asset value survey.
- 2.8 The diagram at 4.3 of the Policy shows the process by which these development mechanisms would be considered, and should be read alongside the flowchart at 5.2.
- 2.9 An Evaluation sheet is provided to align with the requirements of the Asset Management Strategy, and a checklist is provided at 5.11.

- 2.10 Criteria are set out under which individual business cases would be worked up, and the framework provided will ensure full consideration by officers and Members, and fit with the processes laid out in the Asset Management Strategy.
- 2.11 Any transfers to the Trust would be by means of private sale subject to the relevant authority and consents. As part of a business case the Council may impose conditions, covenants, buy-back clauses, overage clauses and any other terms or conditions upon any asset transfer as it considers appropriate.
- 2.12 Most transfers will require Executive approval as a key decision, whether the asset sits in the HRA or General Fund. In addition, various central government consents may be needed according to the type of land/asset.
- 2.14 Each case will need to be fully evaluated to ensure risk is minimised, but risks which the Council will need to take into consideration include;
- any longer term opportunity which might be provided by the asset, including possible ransom strip or strategic transfers;
  - the financial impact on the HRA of the Council reducing its housing assets, or on the General Fund;
  - the impact on the practical management arrangements for its housing stock;
  - any economies of scale relating to housing management;
  - ensuring that opportunity is taken to protect any long term interest in the asset in the terms of the transfer/disposal;
  - emerging projects considered by different teams;
  - In terms of Council housing stock, the emerging Right to Transfer (Autumn 2013) will give tenants the right to the transfer of their homes to a Housing Association (Registered Provider) and to request new homes be built. If this were to happen, the Council would no longer have individual homes to transfer to the Trust.
- 2.15 The potential benefits are:
- The policy will enable additional affordable housing to be developed to meet housing need in the district – a priority identified in the Corporate Plan;
  - Redevelopment of obsolete, hard to let or low demand property will allow the Council to achieve efficiency and added value from its asset base;
  - It will help to safeguard existing affordable homes for those in need;
  - It provides the opportunity to help the Council sustain the HRA through external property management;
  - And through the additional redevelopment work, it will help to provide employment opportunities in the district.

## Timescale

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

Date	Event	Action
7 November	Executive	Consideration of draft Policy
November - December	Consultation	
19 November	Policy Review	As part of consultation
6 February	Executive	To consider results of consultation and agree recommendation to Council
25 February 2014	Council	Policy Adopted

## 3. Legal/Financial Controls and other Policy matters

### Legal Issues

- 3.1 Ongoing legal advice will be sought to inform our approach to transfers in the policy, and will be required as part of each business case.
- 3.2 Any conditions, covenants, buy back clauses, or other terms or conditions need to be considered in addition to longer term issues such as potential ransom strips.
- 3.3 The Council will need to be clear that the disposal or transfer represents Best Value
- 3.4 Internal and/or external approvals may be required according to the type of land or asset involved.

### Financial Issues

- 3.5 The policy provides an additional option at Asset Value Survey in considering the possible reuse of assets.
- 3.6 Financial input will be required as part of each business case.
- 3.7 The Council will need to be clear that the disposal or transfer represents Best Value.
- 3.8 Consideration will be required of the possible impact on the HRA of the Council reducing its housing assets, and of the economies of scale relating to housing management.

#### **4. Conclusion**

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

#### **5. Background Documents**

Housing Development Strategy 2013  
Asset Management Strategy 2010-15  
Housing Revenue Account (HRA) Business Plan 2012-17

#### **Contact Details**

Julia Jennison – Policy Officer  
[jjennison@selby.gov.uk](mailto:jjennison@selby.gov.uk)

#### **Appendices**

Appendix A – Consultation Draft Asset Transfer Policy 2013

**Consultation Draft - Selby District Council Asset Transfer Policy.  
A Policy for the Transfer of Assets to Selby & District Housing Trust**

**1 Introduction and Purpose**

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

**2 Policy Context**

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

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

### 3 Strategic Consideration of Asset Disposal/Transfer

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

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

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

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

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

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

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

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

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

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

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



consideration may be given to the disposal of the asset.

- 3.7 *Disposal means to sell either*
- *the Council's freehold interest in the land, property or void home or*
  - *to grant a leasehold interest to a buyer with the Council retaining its freehold interest in the land, property or void home.*
- 3.8 *Disposals of assets will be made in accordance with:*
- *statutory provisions;*
  - *Corporate objectives;*
  - *the policies and procedures recorded in the Council's Constitution and this policy document;*
  - *the proper council authority having been obtained*
  - *external consents obtained*

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

- 3.9 The asset may be transferred by way of sale or gift to the Trust at less than market value, subject to business case which should include reference to state aid. Where assets are disposed of for less than the best price the Council can achieve, it will only do so in accordance with the guidance set out in Circular 06/03 Local Government Act 1972: General Disposal Consent (England) 2003.
- 3.10 Where a disposal forms part of a mixed transaction involving the procurement of public "works", "supply" or "services the Council must consider whether the disposal amounts to procurement rather than a simple land transaction in which case the Council's Contract Procedure Rules and EU Procurement Regulations may apply. Legal advice must be sought from the Council's Solicitor.
- 3.11 Conditions may be applied to a sale (the section in italics is from the Asset Management Strategy):

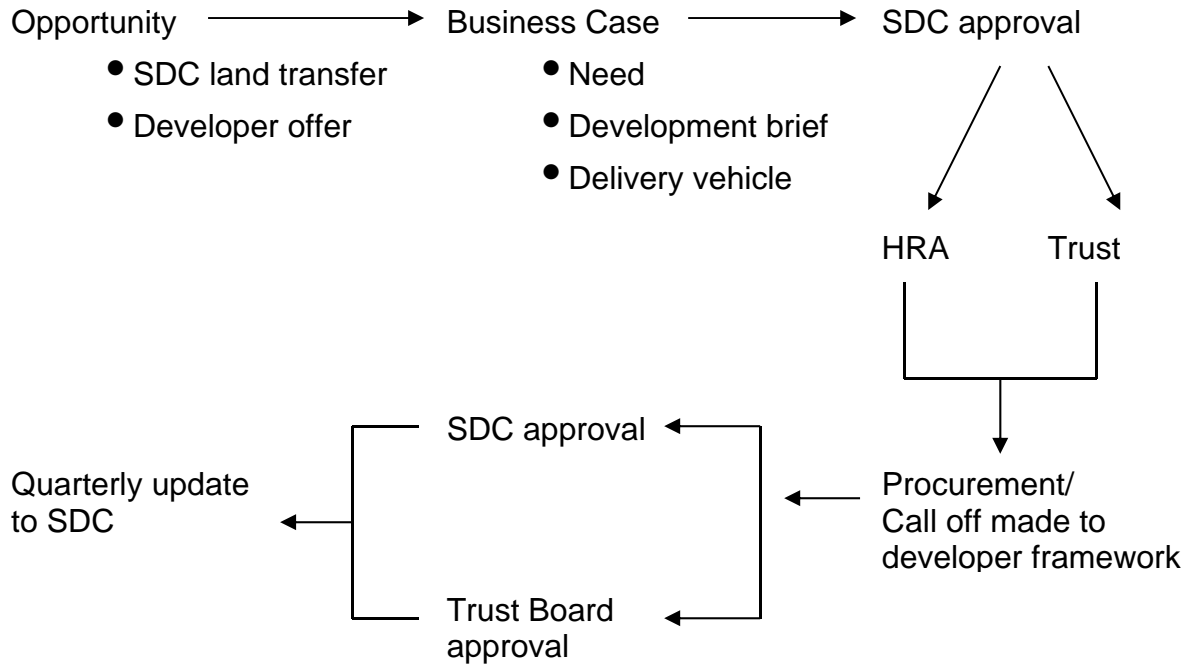
*As part of a business case the Council may impose conditions, covenants, buy-back clauses, overage clauses and any other terms or conditions upon any asset transfer as it considers appropriate. Such actions would be placed in the interest of the community, either to ensure best value, or in the interests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

## 4 **Options**

- 4.1 The Council works in partnership with Registered Providers in the district to enable the development of affordable homes to meet identified housing need.
- 4.2 In addition, there are two mechanisms available to the Council to increase affordable housing stock; properties could be
1. developed and financed through the HRA, or
  2. developed through a Housing Delivery Vehicle, Selby Housing Trust, established to develop affordable homes in Selby District.
- 4.3 The diagram below shows the process by which these development mechanisms would be considered. Once a potential opportunity has been

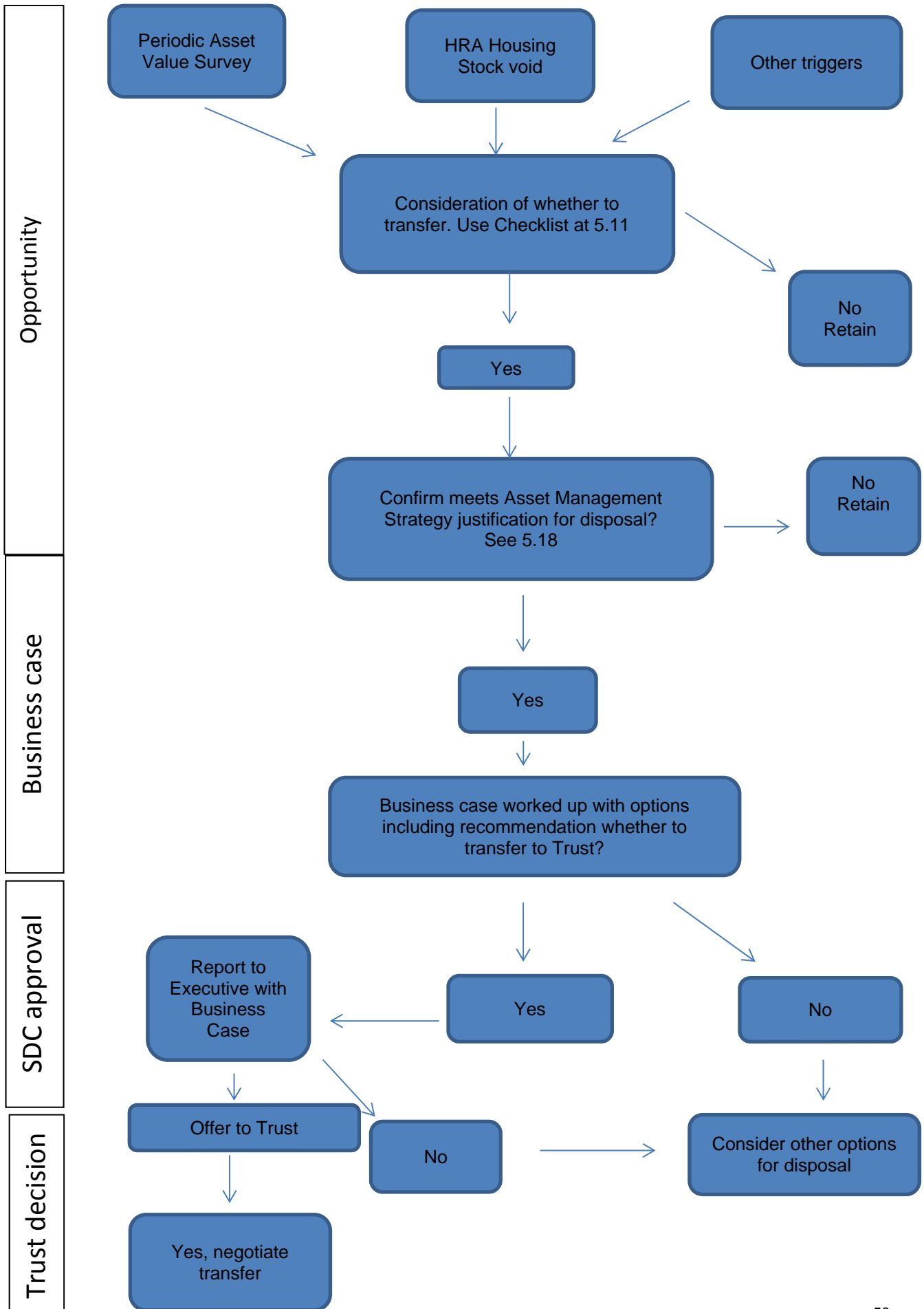
identified, the business case will dictate the best way forward, and establish whether or not transfer to the Trust is appropriate.

### Development Mechanisms



## 5 Disposal/transfer to the Trust - Issues to consider

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



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

#### **Periodic Asset Value Survey**

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

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

#### **HRA Void Housing Stock**

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

#### **Other triggers**

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

#### **General**

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

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

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

- 5.12 With the benefit of this evidence a Business Case can be made for the transfer/disposal of the asset, and consideration of whether the asset would be suitable for transfer to the

Trust. Opportunities should enable the development of affordable housing either directly through the disposal of a void property or the provision of land to build affordable housing, or indirectly through the transfer of land or property which would enable an affordable scheme to progress.

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

this will need to be clearly evidenced.

## **6 Process**

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

## **Internal approvals.**

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

## **Officer delegation**

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

## **External approvals**

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

## **7 Potential Risks**

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

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

- 7.2 In terms of Council housing stock, the emerging Right to Transfer (Autumn 2013) will give tenants the right to the transfer of their homes to a Housing Association (Registered Provider) and to request new homes be built. If this were to happen, the Council would no longer own individual homes which could be transferred to the Trust.

## **8 Potential Benefits**

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

---

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

<sup>i</sup> General Consents 2003 and 2013; Housing and Regeneration Act 2008, Local Government Act 1988

# Selby District Council

## REPORT

Reference: E/13/34

Public – Item 8



**To:** The Executive  
**Date:** 7 November 2013  
**Status:** Key decision  
**Report Published:** 30 October 2013  
**Author:** Steven Parker – Development Manager  
**Executive Member:** Cllr Mark Crane  
**Lead Officer:** Karen Iveson

**Title: Business Case Report on proposed re-development of the building at 43 Kirkgate, Tadcaster**

### Summary:

The report refers to the Council owned building at 43 Kirkgate Tadcaster previously used as an area office by the council. The report relates to the potential development of general needs flats at 43 Kirkgate, Tadcaster (See plan at Appendix A).

The residential development of the First & Second floors is proposed subject to a lease of that part of the property. The Council would retain the Ground Floor to let out for commercial (i.e. retail / office) space.

The proposed development is subject to planning approval.

The figures in the report have taken current construction prices for conversion / refurbishment. The rent income is calculated on the basis of these flats being at affordable rents, i.e. at 80% of local market rents for similar properties.

As the development of the residential accommodation is for general needs it is proposed the development be offered to Selby & District Housing Trust (S&DHT), with the lease to the Trust at a “below market” rent in accordance with the draft Asset Transfer Policy and subject to the necessary consents.

Subject to acceptance of the development offer, the cost of the scheme would be borne by the Trust with financial support from Selby District Council.



Based on the business case, it is proposed that a 30 year annuity loan at the prevailing Public Works Loan Board (PWLB) rate + 1% be offered to Selby and District Housing Trust for the full capital cost of the development – estimated at £218,500.

### **Recommendations:**

- i. Make an offer to Selby and District Housing Trust for the development of the First & Second floors of the building at 43 Kirkgate, Tadcaster for general needs affordable housing;**
- ii. Agree in principle the transfer by a 99 year lease at consideration of £36,500 (subject to valuers report and the necessary consents) of the First & Second floors of 43 Kirkgate from SDC to S&DHT within the Assets Transfer Policy to Selby & District Housing Trust. Approval of the transfer being delegated to the s151 Officer in consultation with the Lead Member for Resources and the Solicitor to the Council;**
- iii. Subject to acceptance of the development offer and confirmation of the capital cost, approve a loan to Selby & District Housing Trust to purchase a leasehold interest and refurbish the property, with agreement on the final sum and terms being delegated to the s151 Officer in consultation with the Lead Member for Resources and the Solicitor to the Council**

### **Reasons for recommendation**

The Executive is asked to agree the recommendations above to enable the residential re-development on the First & Second floors of the building at 43 Kirkgate, Tadcaster by Selby & District Housing Trust. This will provide affordable housing for the Selby DC area as identified in the evidence supporting the Core Strategy.

#### **1. The Report**

- 1.1 The Council own the building at 43 Kirkgate which has previously been used as an area office by the council. See Appendix A for the proposed floor layout plans.
- 1.2 The building is approximately 200m<sup>2</sup> over 3 floors.
  - The Ground Floor is approx 77m<sup>2</sup> subject to survey
  - The First Floor accommodation is 77m<sup>2</sup> subject to survey
  - The Second Floor (top floor) is 57m<sup>2</sup> (usable area) subject to survey
- 1.3 The re-use of the building to form residential accommodation on First and Second Floors will be subject to a planning application for change of use and would therefore be considered at a future Planning Committee.

- 1.4 We understand that it is proposed the Ground Floor will become a retail unit to be rented out by SDC. The First and Second Floors are to be converted to become residential accommodation as flats. We have had preliminary discussions with planning and their response was that it is worth investigating but they would need further details. We are therefore seeking councillors views whether we should pursue this.
- 1.5 The SHMA and the Core Strategy identify that 7% of the district's "affordable need" is in the Tadcaster and northern sub – area. The SHMA 2009 concluded that a variety of affordable housing should be provided, with a particular emphasis on delivering affordable housing for general needs. Therefore, in accordance with the Council's Housing Development Strategy, it would be appropriate for development by Selby and District Housing Trust (SDHT).
- 1.6 The planning officer who looked at the initial principle of the re-development of the building pointed out, in a letter of 09-01-2013, that;  
  
*"National and regional policies generally support the re-use of buildings in town centres for retail use and there is positive support for the re-use of upper floor accommodation"*
- 1.7 The Council (SDC) commissioned architects to produce a layout plan of the building to enable a cost appraisal and ultimately to enable a planning application for change of use to residential units on the upper floors of the building.
- 1.8 The present layout as submitted shows a layout of flats arranged over two floors, First Floor & Second Floor. The flat on the second floor will require refurbishment of the dormer to allow more natural light into the property.
- 1.9 The First Floor can accommodate two small one bed flats (for 2 people). The Second Floor will provide a good size 2 bedroomed flat (up to 3 people). The Council has had experience of hard to let 1-bed accommodation in other areas of the district; Access Selby has therefore undertaken further research to ascertain if there would be sufficient demand for one bed accommodation in this locality. Our records show 240 applicants have registered an interest in Tadcaster of which 33 applications indicate a need for 1-bed units and 12 require 2-bed units, the records do not pick up whether any of these applicants would be willing to under occupy, however, in times when social housing is in such short supply, we envisage no difficulties in letting these units.
- 1.10 A financial assessment of the development has been carried out. This shows typical refurbishment / construction prices and rental values gained from market research. The appraisal shows the scheme would pay back the original capital outlay within the 30 years target.

## **2. Legal / Financial Controls and other Policy matters**

### **2.1 Legal Issues**

- 2.1.1 There are various consents required for the disposal of the lease interest and the proposed loan. There are some deemed general consents such as for disposals of land or buildings at less than best consideration where disposal promotes the improvement of economic, social or environmental well-being. Other general consents would only apply if the SDHT is a registered provider of social housing prior to disposal.
- 2.1.2 In addition if there is a prior agreement between the Council and the Housing Trust for the Council to manage and/or maintain the dwellings they would not apply.
- 2.1.3 Depending on the timing of the disposal and loan, the status of the SDHT at the time and the covenants, management agreements and potential nomination rights it is likely that we will need to apply for specific consent from the Secretary of State supported by a business case.
- 2.1.4 The Council would therefore have responsibilities to any retail/office user at Ground Floor level and would lease the upper floors to S&DHT. The Trust would require a long enough lease to borrow against so that it is an “asset” but it is clear the Trust is not able to deal with commercial letting of the Ground Floor space.
- 2.1.5 The lease required by S&DHT to enable to borrow the costs of residential conversion would need to be a long lease of at least the term of the loan.
- 2.1.6 The split of responsibility for the “envelope” (i.e. external walls / roof) of the building would need to be dealt with in the lease
- 2.1.7 In addition, it is noted that SDHT and the Council will require separate legal representation for the transactions proposed in principle in this report.

### **2.2 Financial Issues**

- 2.2.1 The recommendation is to proceed to develop the upper floors of the building as residential accommodation via the Housing Trust subject to the appropriate lease and planning change of use being granted.
- 2.2.2 The Ground Floor of the building will remain the responsibility of the Council to bring up to a “lettable” and DDA standard for retail use (A1) or office (B1) and if necessary obtain a change of use from offices (B1) to retail (A1). Any costs associated with this would be for SDC, however it may be worth considering that all works are done at same time by same contractor as the residential conversion. There is currently no budget provision for these works.

2.2.3 The cost of building works to the upper floors is estimated as £124,000 based on 3 flats as 1 x 2b 3p (30.2 m<sup>2</sup>) and 1b 2p flat (37.2 m<sup>2</sup>) on First Floor and a single 2b 3p flat (56.2 m<sup>2</sup>) on the Top Floor (Second Floor) and current refurbishment / building costs at £1000 per m<sup>2</sup> plus VAT.

### 2.3 Financial Summary

Lease of First & Second floor	= £ 36,500
Estimated Refurbishment – Flats @ £1000per m <sup>2</sup>	= £124 000
VAT @ 20%	= £ 24 800
Development Costs (Architect / Surveys etc (say 9% of construction)	= £ 11,160
Other costs (Legal, Feasibility + Contingency)	= £ 12 200
Capitalised Interest	= £ 9,831
Estimated Total Scheme Cost as 3 flats	= <u>£218,491</u>

2.3.1 The completion of design work and full survey will reduce the uncertainty of development costs but whichever design option is favoured the Trust has a viable scheme.

2.3.2 Assuming lease value of £36,500, the financial appraisal shows that the scheme would payback the original capital outlay at year 30 or and would achieve an Internal Rate of Return over 30 years of 5.0% against our benchmark of 5%. The actual terms of the loan would be subject to confirmation following tendered scheme costs and the prevailing PWLB rates.

## 3. Conclusion

3.1 The Executive is asked to agree the re-development of the Upper Floors of the building at 43 Kirkgate, Tadcaster and retain the Freehold and the Ground Floor area to lease commercially for an office or retail use.

3.2 The Executive is asked to approve the development offer to SDHT and to the disposal of the First & Second Floors at 43 Kirkgate by Lease to SDHT subject to an independent valuation and the necessary consents.

3.3 In making the development offer to SDHT the proposal is to offer a 30 year annuity loan for the capital costs of the scheme (actual amount and rate to be determined but based tendered costs and on prevailing PWLB rates + 1%).

*Contact Officer:*

**Steven Parker**  
Development Manager  
Selby District Council  
sparker@Selby.gov.uk

**Appendices:**

**Appendix A** – Development Plans as proposed

**Appendix B** – Development Finance Summary October 2013

## **APPENDIX A**

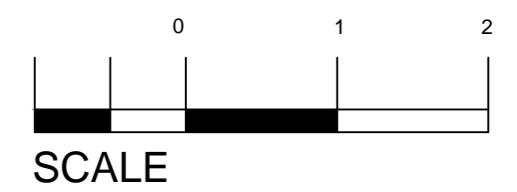
### **Development Plans & Layout - October 2013**

Notes

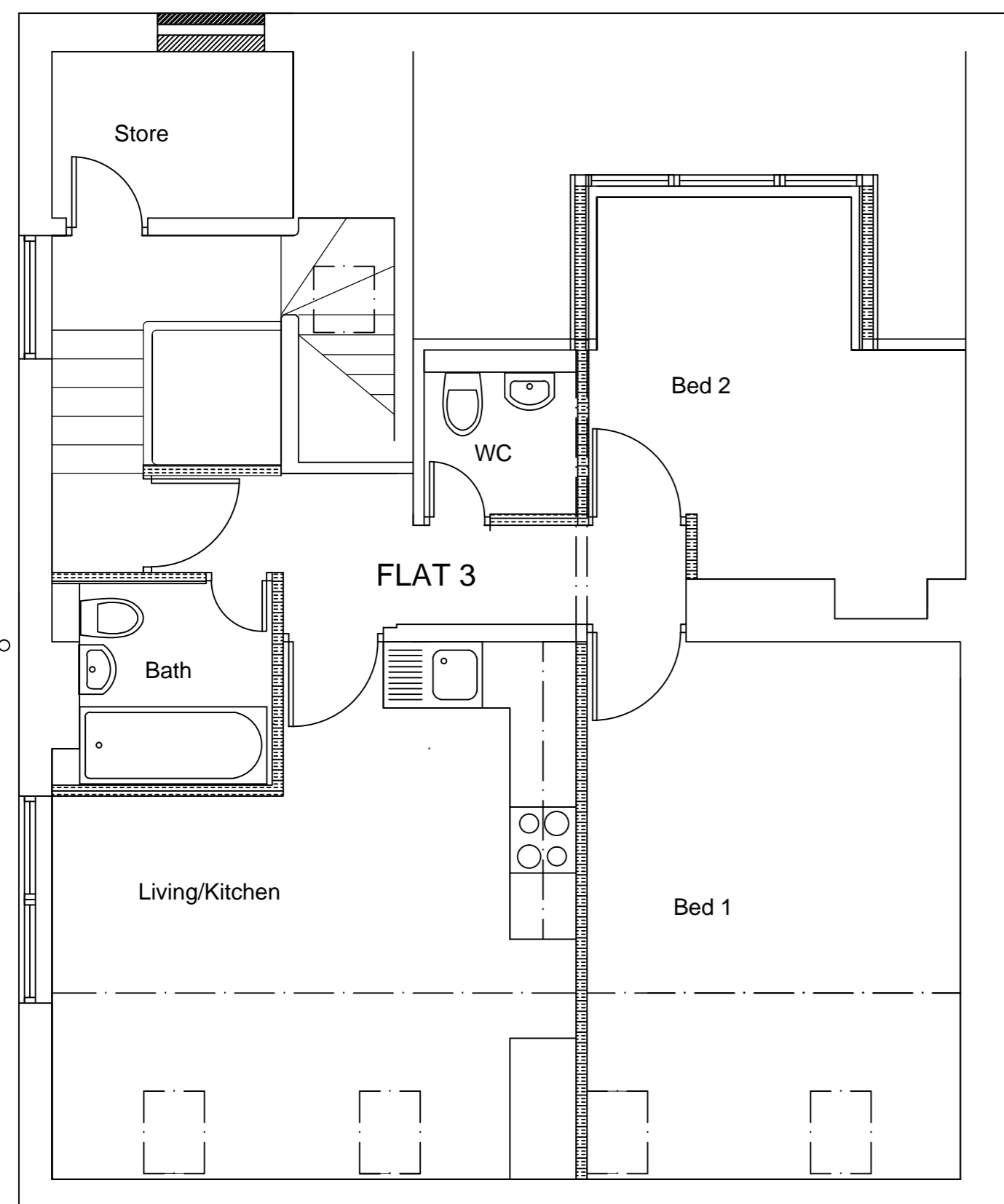
Do not scale from this drawing, figured dimensions to be worked to in all cases.

The contractor is responsible for checking dimensions, any discrepancies to be determined by the Architect before proceeding with the works.

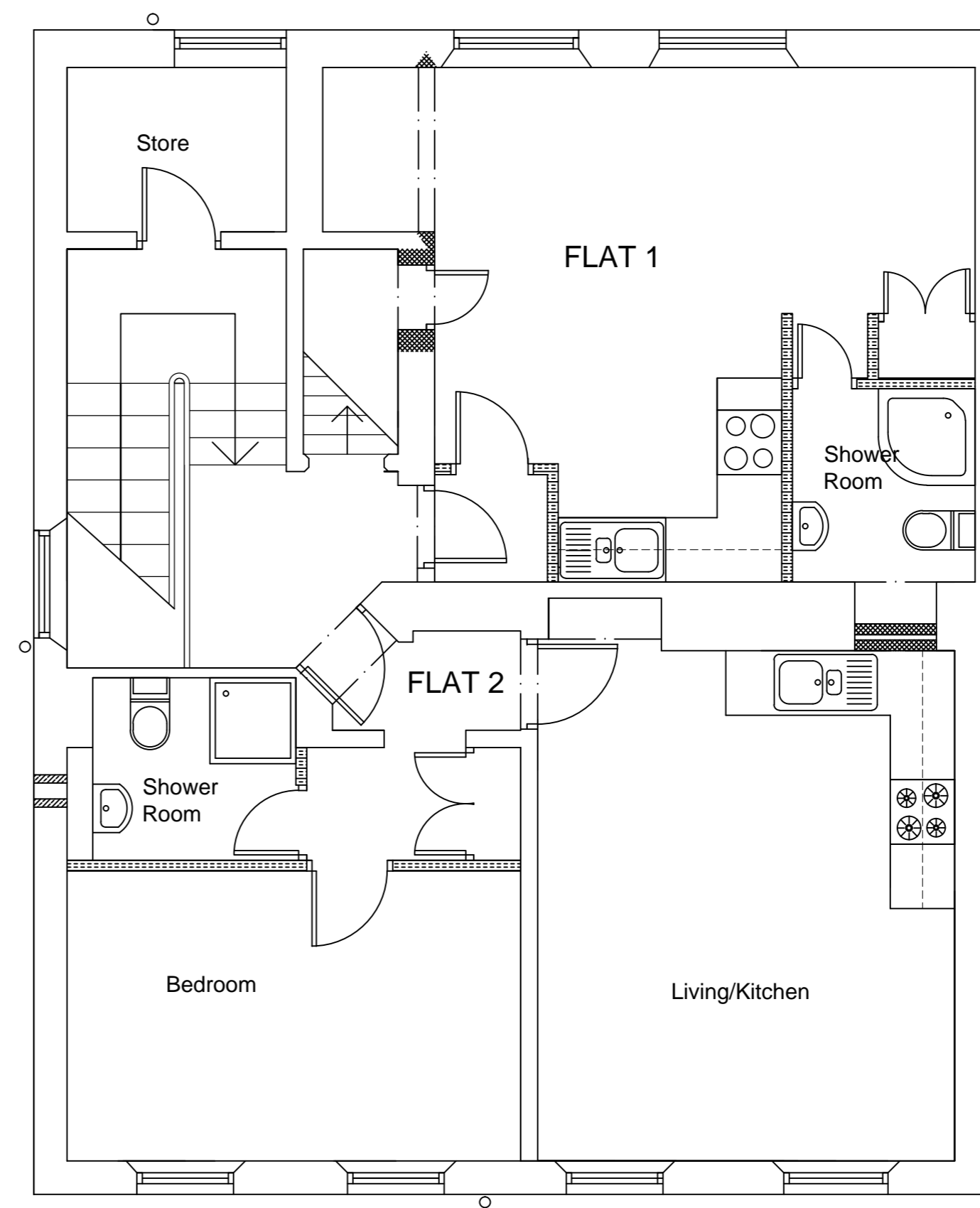
All materials used and work undertaken to be in accordance with relevant British Standard Codes of Practice and current Building Regulations with subsequent amendments.



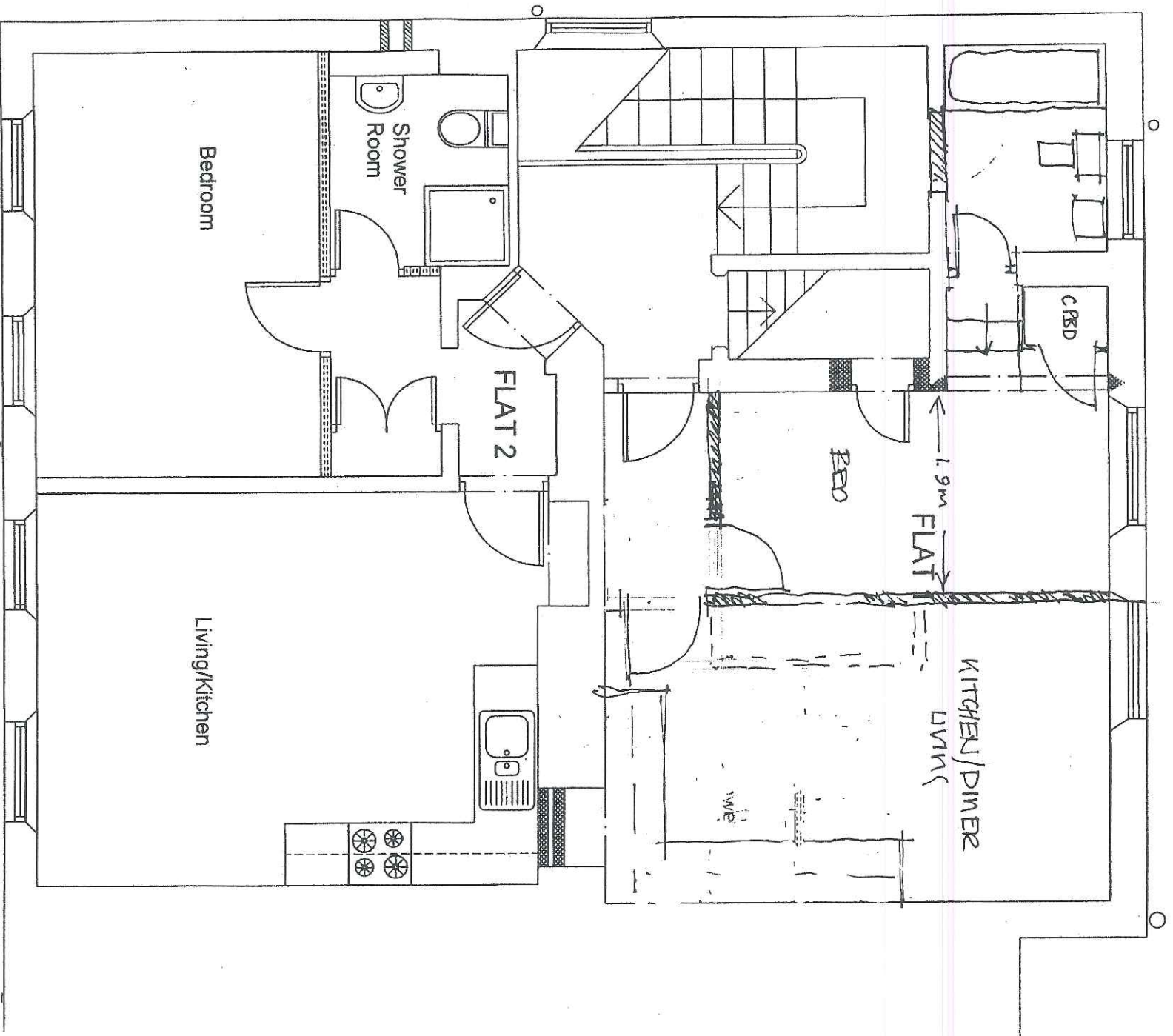
Rev.	Comment	Date
<b>RICHARD HUTCHINGS LTD</b> CHARTERED ARCHITECT  Trevor House 22 York Place Knaresborough HG5 0AA tel/fax: 01423 862990		
Client		
<b>SELBY DISTRICT COUNCIL</b>		
Project		
<b>43 KIRKGATE, TADCASTER</b>		
Title		
<b>FIRST AND SECOND FLOOR PLANS AS PROPOSED</b>		
Drawn		Checked
Scale	1:50	Date April, 2013
Drawing No.		Revision
<b>1517/07</b>		



Second Floor



First Floor



First Floor



## APPENDIX B

### Development Appraisal Financial Summary October 2013:

Performance Criteria/Output				
	Output	Benchmark	Test	Pass/Fail
30 Year Net Present Value	77.04	0	Output>Benchmark	PASS
60 Year Net Present Value	121,470.06	0	Output>Benchmark	PASS
Payback Year	30	30	Output<Benchmark	PASS
30 Year IRR%	5.00%	5%	Output>Benchmark	PASS
60 Year IRR%	7.35%	5%	Output>Benchmark	PASS

Please refer to Excel Spreadsheet;

Development Appraisal Financial Summary – October 2013 - 43 Kirkgate, Tadcaster

# Selby District Council

## REPORT

Reference: E/13/35

Public – Item 9



**To:** The Executive  
**Date:** 7 November 2013  
**Status:** Key Decision  
**Report Published:** 30 October 2013  
**Author:** Steven Parker – Development Manager  
**Executive Member:** Cllr Mark Crane  
**Lead Officer:** Karen Iveson

### **Title: Business Case Report on the proposed re-development of land at St. Josephs Street, Tadcaster**

#### **Summary:**

This report relates to the potential development of affordable housing for rent on Council owned land at St Josephs Street, Tadcaster (see plan at Appendix A). The proposed development had planning permission granted for the site at Planning Committee 11 September 2013.

The financial appraisal for the development indicates that the scheme is viable subject to agreement on the value of the land – currently assumed at nil.

The figures in the report have taken current construction prices with the rent income calculated on the basis of affordable rents, i.e. at 80% of local market rents for similar properties.

As the development is for general needs housing it is proposed that the development be offered to Selby and District Housing Trust (SDHT), with the land gifted to the Trust in accordance with the draft Asset Transfer Policy and subject to the necessary consents.

It should also be noted that the land is an asset covered by the General Fund and does not fall in the HRA.

Subject to acceptance of the development offer, the cost of the scheme would be borne by the Trust with financial support from Selby District Council.

Based on the business case, it is proposed that a 30 year annuity loan at the prevailing Public Works Loan Board (PWLB) rate + 1% be offered to Selby and District Housing Trust for the capital cost of the development – estimated at £320,000.

### **Recommendations:**

- i) Make an offer to Selby and District Housing Trust for the development of the site at St Josephs St, Tadcaster for general needs affordable housing;**
- ii) Agree in principle the transfer of land from SDC to SDHT at nil consideration (subject to valuers report and the necessary consents) with approval of the sale being delegated to the s151 Officer in consultation with the Lead Member for Resources and the Solicitor to the Council;**
- iii) Subject to acceptance of the development offer and confirmation of the capital cost, approve a loan to Selby & District Housing Trust to develop the site, with agreement on the final sum and terms being delegated to the s151 Officer in consultation with the Lead Member for Resources and the Solicitor to the Council.**

### **Reasons for recommendation**

The Executive is asked to agree the recommendations above to enable the development of the site at St Josephs Street, Tadcaster by the Selby and District Housing Trust to provide affordable housing for the Selby DC area as identified in the evidence supporting the Core Strategy.

#### **1. The Report**

- 1.1 The Council own a 0.0817 Ha (0.2 acres) site at St Josephs Street, Tadcaster. The site is currently used as an informal car park but prior to this the site was a housing site containing terraced properties that were demolished in the late 1960's / early 1970's. Appendix A presents a site plan.
- 1.2 The scheme has come forward following recommendations from the Tadcaster 'Tough Stuff' Board and currently follows the Board's recommendations of developing 3no. three bedroom town houses with separate garages.
- 1.3 The Executive approved the submission of a planning application for 3 dwellings on the site at its 3 January 2013 meeting and was granted planning permission in September 2013, subject to a number of conditions to be fulfilled by the developer.

- 1.4 The SHMA and the Core Strategy identify that 7% of the district's "affordable need" is in the Tadcaster and northern sub – area. The SHMA 2009 concluded that a variety of affordable housing should be provided, with a particular emphasis on delivering affordable housing for general needs. The SHMA goes on to identify the need for 2 and 3 bed general needs housing and that there was no evidence of a shortfall for affordable housing for older people in Tadcaster, which all points towards general needs housing for this development and therefore, in accordance with the Council's Housing Development Strategy, it would be appropriate for development by Selby and District Housing Trust (SDHT).

## **2. Legal / Financial Controls**

### **2.1 Legal Issues**

- 2.1.1 To assist in the proposed land transfer the Title Searches have been carried out for the site at St Josephs Street, Tadcaster. The land is currently in ownership of Selby District Council.
- 2.1.2 There are various consents required for the disposal of the land and the proposed loan. There are some deemed general consents such as for disposals of land at less than best consideration where disposal promotes the improvement of economic, social or environmental well-being. Other general consents would only apply if the SDHT is a registered provider of social housing prior to disposal.
- 2.1.3 In addition if there is a prior agreement between the council and the Housing Trust for the Council to manage and/or maintain the dwellings they would not apply.
- 2.1.4 Depending on the timing of the disposal and loan, the status of the SDHT at the time and the covenants, management agreements and potential nomination rights it is likely that we will need to apply for specific consent from the Secretary of State supported by a business case.
- 2.1.5 In addition, it is noted that SDHT and the Council will require separate legal representation for the transactions proposed in principle in this report.

### **2.2 Financial Issues**

- 2.2.1 A financial appraisal of the development has been carried out using typical construction prices, rental values and management costs gained from market research along with an assumed land value.

#### **Financial Summary:**

Land Cost = £ Nil

Estimated Construction - 3 houses@ £1100 per m2	=	£262,615
Development Costs (fees & survey = 9% of construction cost)	=	£ 23,635
Trust Legal Fees / Original feasibility / Contingency	=	£ 19,130
Capitalised Interest	=	£ 14,388
<b>Estimated Total Scheme Cost</b>	=	<b><u>£ 319,768</u></b>

Assumed rental value per unit = £124 per week (80% of market rent)

2.2.2 The appraisal model identifies a range of key tests to help determine viability:

- Net Present Value (30 and 60 years)
- Payback year
- Internal Rate of Return (30 and 60 years)

Ideally schemes should achieve the necessary 'pass' criteria over a 30 year period but there may be cases where up to a 60 year assessment would be acceptable.

2.2.3 Based on the cost appraisal, a nil value would be required for this site in order to achieve a positive NPV over the 30 years. If the Council does agree to dispose of the land to SDHT then an independent valuation would be required before making a development offer. A development offer would include the provision of financial support from the Council for the project by way of a loan to SDHT.

2.2.4 Assuming a nil land value, the financial appraisal shows that the scheme would payback the original capital outlay at year 29 based on a 30 year annuity loan at a fixed rate of 4.5% (Public Works Loan Board + 1%) and would achieve an Internal Rate of Return over 30 years of 5.2% against our benchmark of 5%. The actual terms of the loan would be subject to confirmation following tendered scheme costs and the prevailing PWLB rates.

2.2.5 The summary output from the financial appraisal is set out at Appendix B and demonstrates a viable scheme.

### 3. Conclusion

3.1 The development of 3no. 3 bedroom general needs, affordable, homes on Council owned land at St Josephs Street Tadcaster has been subject to a financial appraisal. The appraisal summary shows that, subject to agreement on the land value for the scheme, the project is considered viable.

- 3.2 The Executive is asked to approve the development offer to SDHT and to the disposal of the site at St Josephs Street, Tadcaster to SDHT subject to an independent land valuation and the necessary consents.
- 3.3 In making the development offer to SDHT the proposal is to offer a 30 year annuity loan for the capital costs of the scheme (actual amount and rate to be determined but based tendered costs and on prevailing PWLB rates + 1%).

Contact Officer:

**Steven Parker**  
Development Manager  
Selby District Council  
sparker@Selby.gov.uk

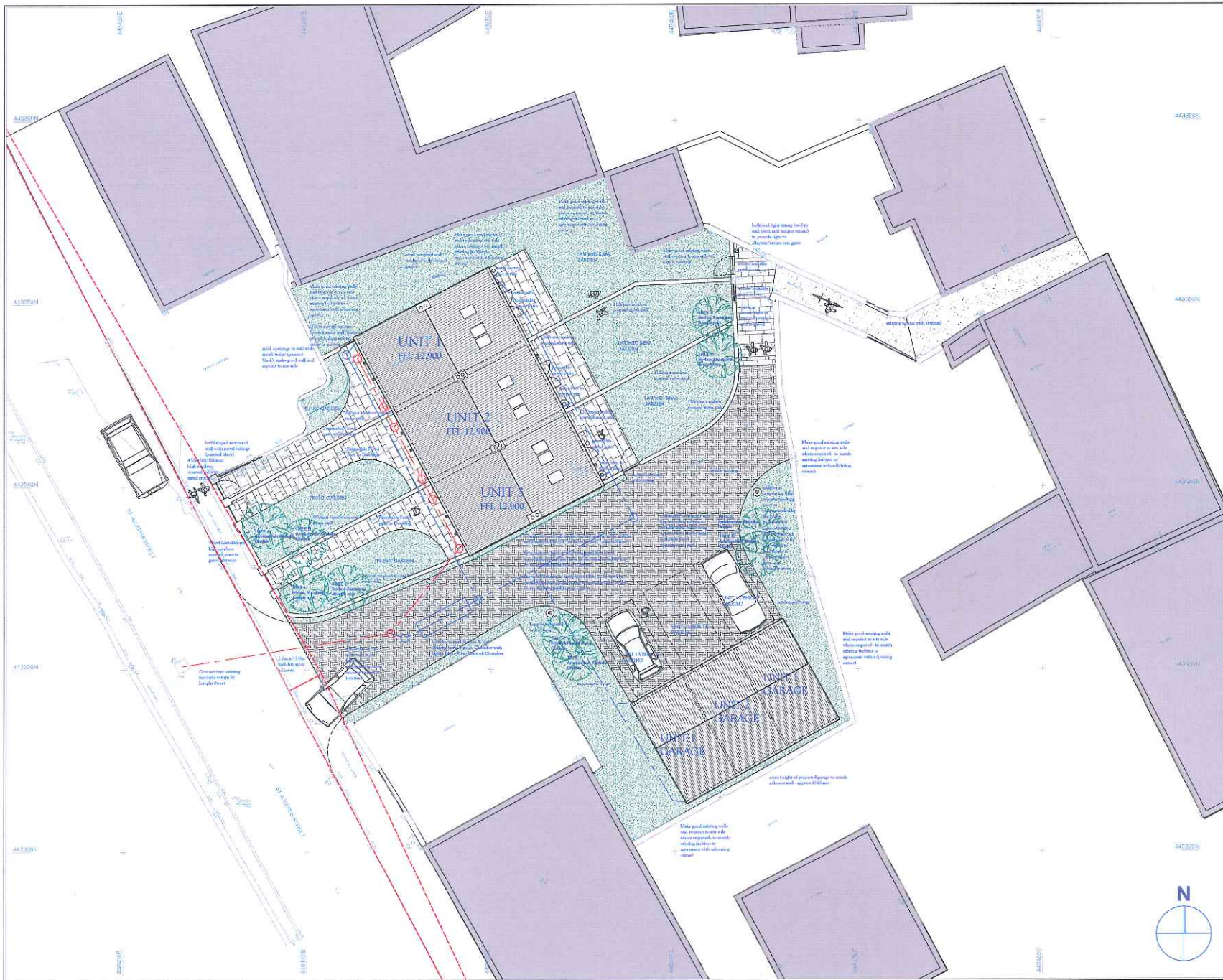
**Appendices:**

**Appendix A** – Site Plan

**Appendix B** – Summary Financial Appraisal Output

# **APPENDIX A**

**Site Plan as approved at Planning Committee on 11 September 2011**



**PLEASE NOTE**  
 This is a site plan and does not constitute a contract. All dimensions for structures and materials must be checked on site. Scheduling of work must be checked in case of any delays. All information is provided for your information only. Any changes to the plan must be agreed in writing with the Planning Department.

**WARNING TO HOME PURCHASERS**  
 THIS IS A PROPOSED DEVELOPMENT AND IS NOT TO BE TAKEN AS A GUARANTEE OF ANYTHING. THE DEVELOPER ACCEPTS NO LIABILITY FOR ANY LOSS OR DAMAGE TO ANY PROPERTY OR PERSONS, OR FOR ANY INJURY TO ANY PERSONS OR PROPERTY, ARISING FROM THE USE OF THE INFORMATION CONTAINED IN THIS DOCUMENT. THE DEVELOPER ACCEPTS NO LIABILITY FOR ANY LOSS OR DAMAGE TO ANY PROPERTY OR PERSONS, OR FOR ANY INJURY TO ANY PERSONS OR PROPERTY, ARISING FROM THE USE OF THE INFORMATION CONTAINED IN THIS DOCUMENT.

**THE PLANNING ACT 1990**  
 This plan is a site plan and does not constitute a contract. All dimensions for structures and materials must be checked on site. Scheduling of work must be checked in case of any delays. All information is provided for your information only. Any changes to the plan must be agreed in writing with the Planning Department.

**THE PLANNING ACT 1990**  
 This plan is a site plan and does not constitute a contract. All dimensions for structures and materials must be checked on site. Scheduling of work must be checked in case of any delays. All information is provided for your information only. Any changes to the plan must be agreed in writing with the Planning Department.

**SITE AREA 817m<sup>2</sup>**

RECEIVED  
 13.03.2013  
 BUSINESS SUPPORT

NB EXISTING SURVEY INDICATED FOR REFERENCE ONLY

**The Planning & Design Partnership**  
 PLANNING, ARCHITECTURE, INTERIORS, LANDSCAPE

The Chicory Barn Studio,  
 The Old Brickyards, Moor Lane, Stamford Bridge,  
 York, The East Riding Of Yorkshire, YO41 1HU.

Telephone 01759 373656 Fax: 01759 371810  
 Email: chicorybarn@the-pdp.co.uk www: the-pdp.co.uk

Client  
**SELBY DISTRICT COUCIL**

Project  
**PROPOSED RESIDENTIAL DEVELOPMENT  
 ST JOSEPHS CAR PARK, TADCASTER**

Drawing  
**PROPOSED SITE PLAN**

Date	MARCH 2013	Drawn	
Scale	1:100 @ A1	Rev.	
Status	PLANNING		
Drawn No.	STE-329-001 03		



# APPENDIX B

## Summary Financial Appraisal Output

	<b>Output</b>	<b>Benchmark</b>	<b>Test</b>	<b>Pass/Fail</b>
30 Year Net Present Value (£)	8,624.57	0	Output>Benchmark	PASS
60 Year Net Present Value (£)	194,225.64	0	Output>Benchmark	PASS
Payback Year	29	30	Output<Benchmark	PASS
30 Year IRR%	5.20%	5%	Output>Benchmark	PASS
60 Year IRR%	7.32%	5%	Output>Benchmark	PASS

# Selby District Council

## REPORT

Reference: E/13/36

Public – Item 10



**To:** The Executive  
**Date:** 7 November 2013  
**Status:** Non Key Decision  
**Report Published:** 30 October 2013  
**Author:** Diane Wilson, Assistant Policy Officer  
**Executive Member:** Leader of the Council Cllr Mark Crane  
**Lead Director:** Keith Dawson Director

**Title:** Designation of Appleton Roebuck with Acaster Selby Neighbourhood Area

**Summary:** The Localism Act (2011) introduced a new duty for the Council to provide support to local communities to draw up Neighbourhood Plans.

As part of the Council's pilot project for Neighbourhood Plans, Appleton Roebuck with Acaster Selby Parish Council has submitted an Area Application to the Council requesting that their existing parish boundary be designated a Neighbourhood Area. A public consultation exercise has been undertaken and no objections have been received.

The report recommends designation of the proposed Neighbourhood Area.

### Recommendations:

- i. **Approve the designation of the Neighbourhood Area for Appleton Roebuck with Acaster Selby (attached at Appendix 2)**
- ii. **Recommend to Council for approval, the designation of the Neighbourhood Area for Appleton Roebuck with Acaster Selby**

### Reasons for recommendation

1. Having undergone public consultation, to support the designation of the Neighbourhood Area for Appleton Roebuck with Acaster Selby
2. To enable the next stages of the development of the Appleton Roebuck with Acaster Selby Neighbourhood Plan to commence.

## **1. Introduction and background**

- 1.1 In May 2013, The Executive commissioned Access Selby to deliver a pilot Neighbourhood Plan to assist the Council in meeting its duty in supporting local communities. A pilot scheme was agreed with Appleton Roebuck with Acaster Selby Parish Council to enable them to produce a Neighbourhood Plan. The Council could then use its experience gained in this project to develop a support package for other Parishes that chose to undertake a Neighbourhood Plan.
- 1.2 Neighbourhood Plans are developed in a similar process to Selby District Council's own planning documents (such as the emerging Core Strategy), and may:
- set out a vision for the area's development
  - seek to allocate land for development
  - introduce more general localised planning policies for the use and development of land.

Only one Plan may be adopted for each designated Neighbourhood Area.

- 1.3 A Neighbourhood Plan must be evidence-based, accompanied by a Sustainability Appraisal, and be subject to public consultation. The draft Neighbourhood Plan must in due course be subject to an independent Examination In Public.
- 1.4 Upon approval from the Inspector, (and unlike the Council's own plans) the Neighbourhood Plan is then subject to a local referendum where it must win the support of at least 50% of voters if it is to be brought in to effect by the Local Planning Authority. Upon such adoption, the Neighbourhood Plan will form part of the development plan used by the Council to make decisions on planning applications, alongside the Core Strategy and emerging Local Plan.
- 1.5 The Council as Local Planning Authority is responsible for:
- Designating the Neighbourhood Area
  - Assisting with the preparation of the Plan
  - Arranging and financing the Independent Examination
  - Arranging and financing the community referendum
  - Adopting the Plan if it passes the examination and is approved at the referendum.

## **2. Appleton Roebuck with Acaster Selby Parish Council Area Application**

- 2.1 It is the responsibility of Appleton Roebuck with Acaster Selby Parish Council to prepare the Neighbourhood Plan. In July 2013 the Parish Council submitted a proposal to Selby District Council to formally designate all land within the Parish boundary as a Neighbourhood Area.
- 2.2 A 6 week consultation period was held between 12<sup>th</sup> August – 16<sup>th</sup> September 2013 allowing the application to be publicised and brought to the attention of

people “living, working and carrying out business in the proposed Neighbourhood Area”.

- 2.3 The Application For Designating A Neighbourhood Area (the “Area Application”) was publicised on the Council’s dedicated Neighbourhood Planning web page. Copies of the application including details of how to respond were placed in the Access Selby offices, the District’s libraries, together with posters given to the Parish Council to place around the villages of Appleton Roebuck and Acaster Selby. A press release was also prepared which resulted in an article in the York Press.
- 2.4 Statutory consultees were notified on the Area Application including neighbouring authorities as part of our Duty to Cooperate. Town and Parish Councils, planning agents, local societies and organisations including the Community Engagement Forum were also informed of the Area Application.
- 2.5 Ten representations have been received. General comments received include:
- General encouragement from Sport England to encourage communities to become physically active by providing sport and recreational activities, and developing local policies that comply with the NPPF.
  - The NFU noted that Neighbourhood Planning should identify the issues and opportunities of farming and consider that sustainable communities include the needs for farmers.
  - The Consortium of Internal Drainage Boards noted that watercourses in this particular area are operating at their maximum capacity, and that infrastructure needs to be protected via a strong policy background and good governance within the context of the planning process.
  - The Coal Authority noted that there are no recorded risks from past mining activity which could present stability problems for new surface development proposed through the Neighbourhood Plan.
  - Other organisations generally noted general support for proposals being put forward but no specific comments to be made.
  - Roy Wilson MBE comments; the proposed area should only include parishes which agree and are supportive of the proposals. Successive Governments have misled communities by claiming their voice will be heard in planning matters. The Parish Council are acting in the best interests of their residents by trying to ensure they are involved.
- 2.6 More directly-relevant comments received (those relating to Appleton Roebuck with Acaster Selby Parish Council Area Application for Neighbourhood Plan) include:
- English Heritage: no objection to the proposal however would raise the following issues for consideration in subsequent stages of plan preparation:
    - i. There are buildings within the Parish that appear on the “At-Risk Register”.

- ii. EH offer direct assistance to the Parish Council to develop its Neighbourhood Plan in terms of heritage assets advice.
- iii. EH note that plan preparation also offers the opportunity to harness a communities interest in the historic environment by getting them to help add to the evidence base, perhaps by creating and or review a local heritage list, including preparation for Conservation Area appraisals and undertaking historic characterisation surveys.

2.7 The Council is now required to make a decision on the application to designate the area as a Neighbourhood Area. The Council may suggest modifications to the proposed area boundary (the Parish boundary), however in most cases it is anticipated Neighbourhood Areas will follow existing parish boundaries unless there are valid reasons to suggest otherwise. With no objections, officers see no reason not to approve the Area Application.

### 3. Legal/Financial Controls and other Policy matters

#### 3.1 Legal Issues Determining the Area Application

3.1.1 The Council have followed the statutory steps for consultation on the 'Area Application' designation of the Neighbourhood Plan.

3.1.2 The forthcoming Neighbourhood Plan must have regard to National Planning Policy Framework and be in 'general conformity' with the strategic policies in the development plan (e.g. the Core Strategy).

3.1.3 The proposed Neighbourhood Area conforms with the existing Selby District Local Plan and the emerging Core Strategy. There are no reasons to suggest the proposed Neighbourhood Area is inappropriate or should be revised.

3.1.4 The time line for the Designation of Appleton Roebuck and Acaster Selby Neighbourhood Area is as follows:

<b>Action</b>	<b>Meeting</b>	<b>Date</b>
Designation of Neighbourhood Area	Executive	7 <sup>th</sup> November 2013
Designation of Neighbourhood Area	Council	10 <sup>th</sup> December 2013

3.1.5 If the Area Application is approved, the details of the designated Neighbourhood Area will be published on the Council's Website. This will include the name of the Neighbourhood Area, a map identifying the area and the name of the body applying for the designation (Appleton Roebuck with Acaster Selby Parish Council).

## 3.2 Financial Issues

- 3.2.1 The Council can apply for funding to help with Neighbourhood Plan development; CLG is currently offering Councils a payment of £5,000 for each of up to a maximum of 4 designations of a neighbourhood area per financial year.
- 3.2.2 The Executive (9 May 2013) agreed that a fixed fee of £5,000 is paid to Access Selby on receipt of the pilot application to assist with stage one. This payment will be due on 10<sup>th</sup> December if Full Council considers the area application at its meeting on that date.
- 3.2.3 Appleton Roebuck with Acaster Selby Parish Council has been successful in receiving funding from the 'Locality' organisation to support their Neighbourhood Plan preparation.

## 4. Conclusion

- 4.1 Appleton Roebuck with Acaster Selby Parish Council has requested their existing Parish boundary be designated as a Neighbourhood Area for the purposes of preparing a Neighbourhood Plan. This report recommends designation of the proposed Neighbourhood Area as there are no valid reasons suggesting the proposed Neighbourhood Area is inappropriate or should be revised. The Executive is recommended to agree the proposed Neighbourhood Area and in turn recommend to Full Council in December that the area may be designated as a Neighbourhood Area.

## 5. Background Documents

- Appendix A: Area Application from Appleton Roebuck with Acaster Selby Parish Council
- Appendix B: Map of proposed designated area.

### Contact Details

**Diane Wilson**  
**Assistant Policy Officer**  
[diwilson@selby.gov.uk](mailto:diwilson@selby.gov.uk)  
**01757 292063**

**APPLETON ROEBUCK & ACASTER SELBY PARISH COUNCIL**  
**Clerk to the council: Mrs Fiona Vicary, Honeysuckle House,**  
**Marsh Lane, Bolton Percy, York, YO23 7BA**  
**E-mail: parishclerk1@btinternet.com**  
**Telephone: 01904 744204**

Mr Martin Connor

Selby District Council  
Civic Centre  
Doncaster Road  
Selby  
North Yorkshire  
YO8 9FT

**APPLICATION FOR DESIGNATION OF A NEIGHBOURHOOD AREA: APPLETON ROEBUCK  
WITH ACASTER SELBY**

Appleton Roebuck with Acaster Selby Parish Council, being a relevant body as required by legislation under Neighbourhood Planning (General) Regulations 2012, wishes to prepare a Neighbourhood Development Plan. Our decision was endorsed by a public meeting held in our community on 20<sup>th</sup> March 2013.

The Neighbourhood Area defined by the Parish Council is the whole of the civil parish of Appleton Roebuck with Acaster Selby, as illustrated on the attached map.

We confirm that Appleton Roebuck with Acaster Selby Parish Council is a relevant body for the purposes of section 61G of the 1990 Town and Country Planning Act.

We consider the area defined as being an appropriate area to be designated as a neighbourhood area for the following reasons:

1. The area defined is covered by Appleton Roebuck with Acaster Selby Parish Council in its entirety.
2. The whole of the Parish has been the subject of previous community-led local planning exercises, for example the production of the 2011 Village Design Statement.

Please advise us at the earliest opportunity regarding your arrangements for publicising this application and the effective dates for this consultation period so that we are able to undertake similarly publicity in the parish specifically.

Yours sincerely

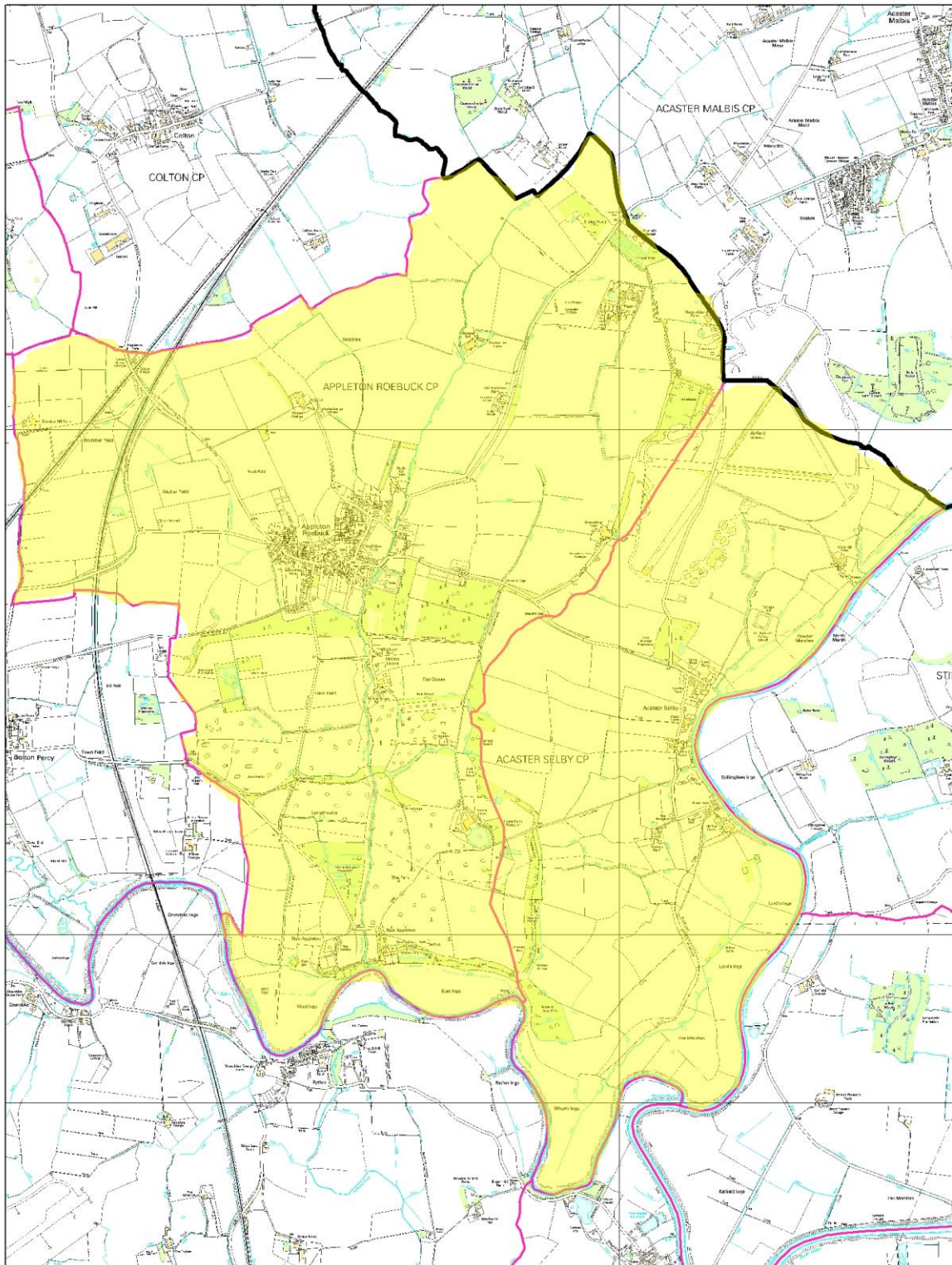
Janet Flint

Chairman

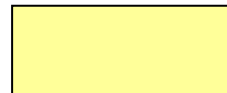
Appleton Roebuck with Acaster Selby Parish Council



# APPLETON ROEBUCK WITH ACASTER SELBY PARISH – PROPOSED NEIGHBOURHOOD AREA.



Reproduced from the Ordnance Survey mapping with the permission of the controller of Her Majesty's Stationary Office. © Crown Copyright. Unauthorised reproduction infringes crown copyright and may lead to prosecution or civil proceedings. Selby District Council 100018656



Proposed Neighbourhood Area

# Selby District Council

## REPORT

Reference: E/13/37

Public – Item 11



**To:** The Executive  
**Date:** 7 November 2013  
**Status:** Non Key Decision  
**Report Published:** 30 October 2013  
**Author:** Chris Smith and Caroline Sampson Paver  
**Executive Member:** Councillor Mark Crane  
**Lead Director:** Mark Steward

**Title:**

**Access Selby 2<sup>nd</sup> Interim Key Performance Indicator Progress Report:  
April 2013 – September 2013**

**Summary:**

This report provides details of Access Selby key performance indicators following the 2<sup>nd</sup> quarter of reporting for the financial year 2013/14, and recommends appropriate action where required.

**Recommendations:**

**It is recommended that the Executive approves the report.**

**Reasons for recommendation**

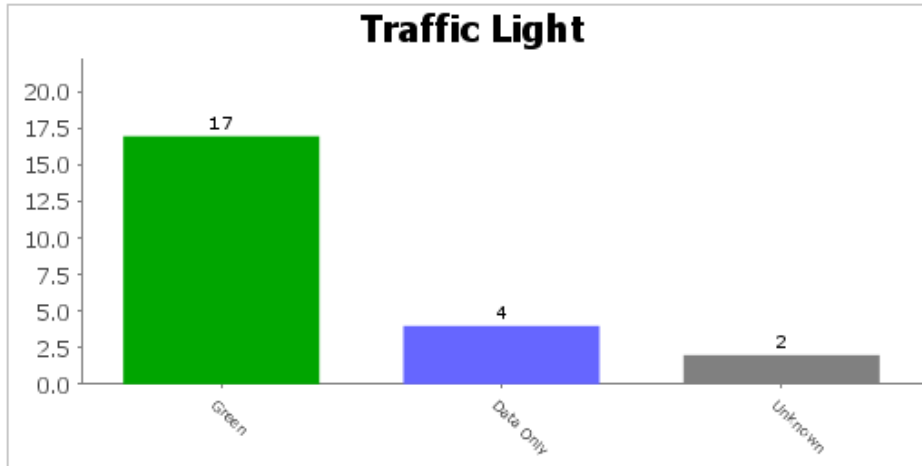
The on-going management of performance and improvement data assists Access Selby in achieving its priorities for 2013/14.

### **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 23 key performance indicators have been created and divided into four themes: *customer and community, learning and growth, process and finance*. These four themes form the basis of the

'balanced scorecard' approach, and are designed to support the long-term sustainability of the organisation.

## 2. The Briefing Paper



2.1 Based on the monthly and quarterly performance data, results are above target on 17 indicators following quarter one reporting. The data only indicators present a baseline position from which targets will be set. Two indicators remain unknown as these are reported annually.

2.2 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.

## 4. Conclusion

4.1 In summary, performance has been maintained in the 2<sup>nd</sup> quarter of reporting with improvements evident in the progress of the Access Selby performance indicators.

4.2 Mechanisms have been put in place to resolve on-going performance issues with continued improvements in the Benefits monthly performance. It is anticipated through the benefits improvement plan that on-going performance will remain consistent throughout the year.

- 4.3** 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**

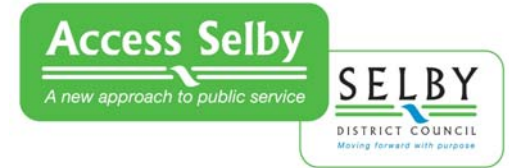
Commissioning & Performance Officer, Core Selby

**Appendices:**












**Appendix A –**

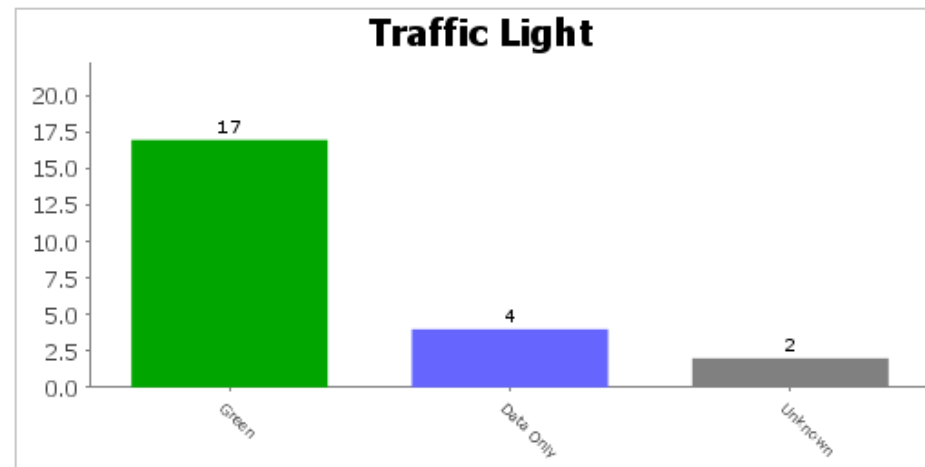
Access Selby 2<sup>nd</sup> Interim Key Performance  
Indicator Report: April 2013 – September 2013

# Access Selby 2<sup>nd</sup> Interim Key Performance Indicator Report: April 2013 - September 2013



**Report Type:** PIs Report  
**Report Author:** Data & Systems  
**Generated on:** 07 October 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	Quarter 2 2012-2013 Performance	Latest Note
SLA_001	% of satisfied customers	<b>Aim to Maximise</b>	70.00%	<b>98.72%</b>	↑	↑	🟢	98.03%	<b>How are we doing/Moving Forward?</b> A total of 3,269 satisfaction surveys have been completed in the 1 <sup>st</sup> half of the year with 3,227 customers satisfied with the service received. Quarter 2 has seen the introduction of surveys collected from the Duty Planning Officer role and Housing Options service following successful roll out of the surveys across the Assets, Benefits, Community Officers and at the Customer Contact Centre.
SLA_002	% of contact 'right first time'	<b>Aim to Maximise</b>	90.00%	<b>91.78%</b>	↑	↑	🟢	91.16%	<b>How are we doing/Moving Forward?</b> Total of 79,610 contacts were made to the CCC for the 1 <sup>st</sup> half of the year against 74,373 contacts made for the same period in 2012-2013. A total of 73,067 were dealt with at 1st point of contact with performance up by 0.62% on the same period in 2012-2013. (This good performance links to SLA001)
SLA_003	% satisfied with street cleanliness	<b>Aim to Maximise</b>	80.00%	<b>85.00%</b>	▬	↑	🟢	62.00%	<b>How are we doing/Moving Forward?</b> As we no longer carry out formal satisfaction surveys we have developed a method of measuring performance based on targeted complaints and response times. These categories have been weighted and individual targets have been set. Between July and September performance was as follows:-  We achieved target on 4 out of the 5 service areas which gives us a 'satisfaction' level of 85% for Q2.

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	Quarter 2 2012-2013 Performance	Latest Note
SLA_004	% satisfied with leisure facilities provided on behalf of the Council	<b>Aim to Maximise</b>	70.00%						<p><b>How are we doing/Moving Forward?</b></p> <p><b>This is an annual target</b> and is measured through an external suite 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><b>Complaints</b></p> <p>Between April and September a total of 4 complaints were received for the Leisure Service.</p> <p>2 complaints related to noise from Profiles, 1 to the floor surface during a class at Profiles and 1 relating to the weight loss programme in Tadcaster.</p>
SLA_009.1	% or repairs to council-owned properties completed within agreed timescales (EMERGENCY/URGENT REPAIRS combined)	<b>Aim to Maximise</b>	90.00%	<b>98.67%</b>	↑	↑	✔	94.95%	<p><b>How are we doing/Moving Forward?</b></p> <p>Target continues to be met and sustained with a further improvement over the last three months. YTD performance has improved by 4% against the same period in 2012-2013 with generated urgent repairs reducing by 5% over the same period in 2012-2013.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	Quarter 2 2012-2013 Performance	Latest Note
SLA_009.2	% or repairs to council-owned properties completed within agreed timescales (NON-URGENT REPAIRS)	<b>Aim to Maximise</b>	90.00%	<b>97.38%</b>	↑	↓	🟢	98.74%	<b>How are we doing/Moving Forward?</b> Target continues to be met and sustained with slight variance month on month. YTD performance has decreased by 1.36% against the same period in 2012-2013. However it is worth noting that the number of repairs has increased by 600 to 4063 in the same time period.
SLA_010	Average time taken to re-let local authority housing	<b>Aim to Minimise</b>	24 days	<b>22.5 days</b>	↑	↓	🟢	21.3 days	<b>How are we doing/Moving Forward?</b> Continuous improvement seen month on month since July 13 although there are still some hard to let properties in the system that will impact on this. A working group has been setup to identify and implement solutions to enable a further reduction in re-let times.
SLA_013	% increase in employees confidence and perception of the organisation	<b>Aim to Maximise</b>	10% on 2011 level						<b>How are we doing/Moving Forward?</b> Reports Annually in Quarter 3
SLA_014.1	Inspection of premises in accordance with statutory code of practice (High Risk)	<b>Aim to Maximise</b>	100.00%	<b>100.00%</b>	▬	▬	🟢	100.00%	<b>How are we doing/Moving Forward?</b> Inspections of <b>high-risk premises: Food hygiene, health and safety and PPC (environmental permits)</b> . 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.





Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	Quarter 2 2012-2013 Performance	Latest Note
SLA_014.2	Inspection of premises in accordance with statutory code of practice (Medium Risk)	<b>Aim to Maximise</b>	100.00%	<b>100.00%</b>	▬	↑	🟢	96.49%	<p><b>How are we doing/Moving Forward?</b></p> <p>Inspections of <b>medium risk premises: Food hygiene, health and safety and PPC (environmental permits)</b>. Resources are focussed upon higher &amp; medium risk premises (SLA14.1 &amp; 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 performance in relation to annual inspection programme. Demand is comparable to the previous year at this period. Slight shortfall easily managed and no long term concerns at present.</p>
SLA_015	% Response to Environmental Health enquiries and complaints	<b>Aim to Maximise</b>	100.00%	<b>100.00%</b>	▬	▬	🟢	100.00%	<p><b>How are we doing/Moving Forward?</b></p> <p>100% - 31 out of 31 food and safety complaints responded within target this month. Comparing figures for the same period last year shows a 50% increase in the number received. Sub regional target is 95% through North Yorkshire Quality Management System (ISO accredited). Environmental Health business area has maintained high performance by continuing the working practices in respect of proactive &amp; reactive work streams and support from community officers in respect of general environmental health enquiries &amp; service requests.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	Quarter 2 2012-2013 Performance	Latest Note
SLA_016	Number of high risk enforcement issues resolved	Aim to Maximise	70.00%	100.00%	▬	▬	✔	100.00%	<p><b>How are we doing/Moving Forward?</b></p> <p>High Risk Enforcement resolved – 100%</p> <p>High risk enforcement issues are defined as those requiring action due to statutory functions and/or duties placed upon Selby District Council.</p>
SLA_018	% of new benefit claims and changes processed within 5 days upon receipt of complete application	Aim to Maximise	90.00%	93.04%	↑	↑	✔	80.69%	<p><b>How are we doing/Moving Forward?</b></p> <p>We have continued to see an increase of claims and changes received in the 1<sup>st</sup> part of the year. A total of 17,190 claims/changes have been received compared to 16,700 during the first half of 12/13. The improvement plan put in place has seen the target exceeded every month since May 13. We are confident this performance will be sustained in the second half of the year.</p>
SLA_019	% of Council Tax debt recovered	Aim to Maximise	49.69%	49.80%	↑	↓	✔	58.41%	<p><b>How are we doing/Moving Forward?</b></p> <p>Monthly performance continues to be above the re-profiled target applied following the re-billing process.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	Quarter 2 2012-2013 Performance	Latest Note
SLA_020	% of Council Rent debt recovered	<b>Aim to Maximise</b>	92.09%	<b>94.74%</b>	↑	↓	🟢	95.76%	<p><b>How are we doing/Moving Forward?</b> Collection is running 1.02% lower than at 30.9.12. Collectable figure to date is £6,596,388 &amp; we have collected £6,249,344 so far. The effects of Welfare Reform have seen a decrease in the number of tenants entitled to full Housing Benefit and an increase in tenants arrears compared to the same period in 2012-2013. Notwithstanding this we are still currently on track to achieve the end of year collection target. Work continues with the Welfare Reform Project group to assist with maximising collection and delivering a range of other interventions to engage with customers to provide support and advice.</p>
SLA_021	% of applications considered within time under scheme of delegation	<b>Aim to Maximise</b>	80.00%	<b>89.97%</b>	↓	↑	🟢	66.57%	<p><b>How are we doing/Moving Forward?</b> Since April 2013 the Team has met the target every month and the service is well on track with a performance of 92.45% for September and a year to date performance of 89.97%.</p>
SLA_023	% of invoices paid on time	<b>Aim to Maximise</b>	85.00%	<b>95.24%</b>	↑	↑	🟢	89.32%	<p><b>How are we doing/Moving Forward?</b> Monthly performance continues to be above the set target.</p>
SLA_025	%yield on commercial assets	<b>Aim to Maximise</b>	7.00%	<b>7.00%</b>	↓	↑	🟢		<p><b>How are we doing/Moving Forward?</b> The actual Return on Investment at the end of quarter 2 is 7.00%. This has surpassed the Q2 target of 3.5% and has already achieved the annual target of 7%. This target has been achieved mainly due to car park returns as returns on industrial units are below target.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	Quarter 2 2012-2013 Performance	Latest Note
SLA_026	Reducing internal costs on non-operational sites	<b>Aim to Maximise</b>	3.00%	<b>19.96%</b>	↑	↑	🟢		<p><b>How are we doing/Moving Forward?</b></p> <p>Current forecast at the end of quarter 2 is that costs in 13/14 have reduced by 19.96% mainly due to unusual costs associated with the Leisure Centre fire in 12/13. This equates in monetary terms to approximately £5k.</p>
SLA_027	% increase in income generation	<b>Aim to Maximise</b>	Target to be Agreed	<b>-1.56%</b>			🌐		<p><b>How are we doing/Moving Forward?</b></p> <p><b>Fees &amp; Charges:</b> A number of large planning applications have resulted in a Planning income increase of approx £100k. The trend is difficult to predict but projections are that Planning income will be on target by the end of the year. Conversely, there has been a decline in Commercial waste income, this is mainly due to loss of some contracts. It is expected that there will be £50k deficit at the end of the year, this is offset by savings in disposal charges. Year to date there appears to be a reduction in renewals for gambling licences that could result in a shortfall by year end. The current shortfall of -1.56% equates to -£26k in monetary terms.</p>
SLA_029	% Efficiency and productivity improvements	<b>Aim to Maximise</b>	Target to be Agreed	<b>2.80%</b>	↑		🌐		<p><b>How are we doing/Moving Forward?</b></p> <p>The percentage achieved in Q2 is 2.80%.</p> <p>This shows a slight decrease (0.06%) on Q1 due to a reduction in achievable Base Budget Review savings.</p>

Code	Short Name	Direction of Travel	Current Target	Current Value	Short Term Trend Arrow	Long Term Trend Arrow	Traffic Light	Quarter 2 2012-2013 Performance	Latest Note
SLA_030	% efficiency gain in outsourced services	<b>Aim to Maximise</b>	Target to be Agreed	5.87%	▬				<p><b>How are we doing/Moving Forward?</b></p> <p>To date, Access Selby had delivered gains of 5.87% on commissioned services. To reach the 10% further savings of approximately £190K is required.</p>
SLA_031	Capital Programme Delivery	<b>Aim to Maximise</b>	Target to be Agreed	35.36%	↑				<p><b>How are we doing/Moving Forward?</b></p> <p>The cumulative delivery up to the end of Quarter 2 is 35.36%. A number of ICT projects are underway which should increase activity in Qtr3 and 4.</p> <p>HRA performance is strong against budget. Fencing, roofing and Kitchen replacement planned work is complete for the year and the Airey scheme is about to commence.</p>

# Selby District Council

## REPORT

Reference: E/13/38

Public - Item 12



**To:** The Executive  
**Date:** 7 November 2013  
**Status:** Key Decision  
**Report Published:** 30 October 2013  
**Author:** Julia Jennison – Policy Officer  
**Executive Member:** Councillor Gillian Ivey  
**Lead Officer:** Keith Dawson – Director of Community Services

**Title:** Selby Affordable Housing Supplementary Planning Document

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

### Recommendation:

- i) To note responses to the consultation on the AHSPD, and approve the revised document
- ii) To delegate authority to officers to make final minor changes to the document
- iii) To recommend the Affordable Housing Supplementary Planning Document to Council for adoption

### Reasons for recommendation

To progress the statutory procedures for approval of the AHSPD in order to assist in the implementation of the Council's policies in the Core Strategy for delivery of affordable housing to meet identified need in the District. This will ensure the SPD is in place to allow the Core Strategy to be fully implemented following its adoption on 22nd October 2013.

## 1. Introduction and background

- 1.1 The Affordable Housing Supplementary Planning Document (AHSPD) sets out the Council's approach to delivering affordable housing in accordance with the Selby District Core Strategy Policy SP9 (Affordable Housing) and Policy

SP10 (Rural Exceptions) and the National Planning Policy Framework (NPPF).

- 1.2 It aims to assist a range of stakeholders on the Council's approach, standards and mechanisms required to deliver affordable housing which meets local needs.
- 1.3 It will support policy implementation by informing negotiations on all market sites following the adoption of the Core Strategy on 22nd October.
- 1.4 It will also provide clear advice on the Council's expectations for any necessary s106 agreements, and sets out the methods used to calculate the commuted sums where required by the Core Strategy in appropriate circumstances.
- 1.5 On 6<sup>th</sup> June, Executive approved the draft AHSPD for consultation, which ran for a 6 week period to 16<sup>th</sup> August 2013.

## **The Report**

### **Consultation feedback**

- 2.1 Formal consultation has been completed in accordance with Regulation 13 of the Town and Country Planning (Local Planning) (England) Regulations 2012, and in conformity with the Council's Statement of Community Involvement.
- 2.2 Regulation 12 also requires that before a local planning authority adopts a supplementary planning document it must:
  - (a) prepare a statement setting out:
    - (i) the persons the local planning authority consulted when preparing the supplementary planning document;
    - (ii) a summary of the main issues raised by those persons; and
    - (iii) how those issues have been addressed in the supplementary planning document; and.
  - (b) make copies of the statement available.

A Summary of the Consultation Responses is attached at Appendix A.
- 2.3 A screening statement for the draft AHSPD which assessed the need for Strategic Environmental Assessment (under the Strategic Environmental Assessment Directive 2001/42/EC), concluded that the AHSPD will not have impacts that require further assessment.
- 2.4 Twenty two representations were received within the consultation period with a further late submission shortly thereafter. This late representation did not include any additional issues over and above those raised in the other representations. Details of the consultation comments together with the Council's responses can be found in tabular form at Appendix A.

- 2.5 As part of the consultation process a report was taken to Policy Review on 12<sup>th</sup> September when the AHSPD was considered.
- 2.6 Consultation responses received initial consideration by the consultants on behalf of the Council (Arup) and Council Officers, prior to the internal working group meeting on 2<sup>nd</sup> September (including Cllr Gillian Ivey and Cllr Kay McSherry). At this meeting a number of amendments were agreed in the light of the representations received, with some further work required on particular topic areas which are set out below. This work is now complete, and a revised final AHSPD is attached at Appendix B.

### **Key issues**

- 2.7 These are set out under Topic areas in order to aid consideration of the responses.

### **Affordable Rent**

- 2.8 There were a number of comments about the need for the document to reflect Affordable Rent as a new tenure option. This included improving the reference to Affordable Rent throughout the SPD, and including Transfer Prices for affordable rent at 80% of market value (based on HCA Affordable Housing Programme information). A number of respondents noted that the required mix of Affordable Rent, compared to social rented and shared ownership should be set out.
- 2.9 The working group agreed that the SPD be updated to include reference to Affordable Rent. However further work to consider how the mix of Affordable Rent / Social Rent and Shared Ownership is reflected in the SPD is limited by the current evidence base which only considers Social Rent and Shared Ownership. The next Strategic Housing Market Assessment (SHMA) will consider Affordable Rent in more detail in the context of local rental levels and incomes. Dependant on the outcome of that work there may be a need to update the SPD in response at that time.

### **Space Standards and Design Requirements**

- 2.10 There were a number of comments about design standards. These included the requirement for affordable units to meet the HCA Design and Quality Standards, as these standards related to schemes directly funded by the HCA. The section was identified as needing to be referenced back to exact requirements in the Core Strategy. The evidence behind the space standards used in Table 1 was also questioned, and other alternative space standards were identified.
- 2.11 The working group agreed that the requirements be linked back to the Core Strategy, and that reference to the HCA guidance be removed as it is now out of date and is only a requirement for HCA funded schemes. The Core Strategy requires that the affordable units should be of a similar quality to the open market housing on site, and visually indistinguishable.



- 2.12 Further work has been completed regarding our approach to space standards in the SPD as there were conflicting comments from the consultation; some respondents wanting to see higher space standards, and others saying it is not for the SPD to require particular space standards. Additional information has been requested from Registered Provider (RP) partners about their own approaches, which showed a similar divergence of opinion. Consequently space standards are not specified in the SPD, but are only mentioned in relation to Transfer Values, in order to assist those who calculate these on a square metre basis.

### **Transfer Prices**

- 2.13 There were a range of queries about the transfer prices used. In some cases these related to the use of the term Affordable Rent rather than Social Rent. A number of respondents commented that the Transfer Prices were too low, and that Transfer prices should be included for Shared Ownership, Social Rent and Affordable Rent. In addition a number of respondents felt that transfer prices should not be set out in the SPD, but should be left to the discretion of RPs and developers to negotiate.
- 2.14 This issue was discussed at the working group and it was agreed that additional information be sought from RP partners in order to seek to establish a more robust average; these values would be based on actual transfer prices. These have now been collated from seven partner RPs to provide averages for each property type, and a note has been appended beneath the table at A1.7 Table 1 to explain this.
- 2.15 The working group confirmed that the agreed average transfer prices would be used to calculate the 10% commuted sum for 1 – 9 unit schemes, and the revised averages have been used to update the table at A1.15. However, for schemes of 10 units or more, a number of those responding to the consultation felt very strongly that transfer values should be set by the market through negotiation with Registered Providers. The group agreed it would be appropriate for developers to set their own transfer values through negotiation, but that the transfer prices set out in the SPD be retained as guidance where this was required / or as a fall back transfer price.
- 2.16 An additional statement has been included about how the transfer prices will be monitored / updated and published on our website annually.

### **Commuted Sum Calculation (over 10 units)**

- 2.17 A number of respondents considered that the market uplift calculation used for the commuted sum where affordable units are to be provided off site (favoured by the working group in order to capture the AH contribution from the resulting additional market units on site) is too complicated and also unfair as it means developers paying more for off-site commuted sum contributions. A similar approach has been used by Manchester City Council. A very detailed response was received which stated that the commuted sum had been calculated in the wrong way and proposed a new calculation.

- 2.18 Further work has been completed regarding the ‘market uplift’ approach to commuted sums, including confirmation that this approach is lawful. However, it is acknowledged that the original calculation was over-complicated, and a revised method of calculation has now been devised. The principal issue relating to the application of an affordable housing requirement to the additional market units able to be developed on site, meets the requirement of our Core Strategy, and if found to be too onerous would be subject to viability testing as part of the overall scheme.

### **Validation Requirements**

- 2.19 There were a number of comments about validation requirements which need to be linked back to the Selby Validation Checklist. A few respondents noted that it may be difficult to name a RP when an application is submitted, as the scheme may not be sufficiently progressed. A single respondent asked if conditions attached to any planning permission could be used to secure affordable housing, rather than S106 agreements.
- 2.20 The working group agreed that the wording be tightened to relate directly to the SDC validation requirements, and a clause be added relating to the usefulness of providing a draft S106 agreement 4 weeks before determination at committee or through delegated powers.
- 2.21 There was a discussion by the group about the use of planning conditions to secure affordable housing, but it was agreed this was not for this document to dictate. However, the working group agreed that it would be helpful for the wording of the document to be amended to allow either conditions or a S106 as appropriate.
- 2.22 The group noted that it may be appropriate for planning conditions to be used in preference to a S106 only in less complex schemes, for example when an affordable unit is being provided on-site and no money is being transferred.

### **Perpetuity**

- 2.23 Two respondents highlighted the use of the term ‘perpetuity’ stating that this was not an NPPF requirement. The Core Strategy states *‘An appropriate agreement will be secured at the time of granting planning permission to secure the long-term future of affordable housing’*.
- 2.24 The working group agreed that this section should directly reflect the wording of the Core Strategy, but also that a glossary definition of ‘long term affordable housing’ would be included.

### **Rural Exception Sites**

- 2.25 Respondents requested more information on when it would be acceptable for a Rural Exception Site to include an element of Market Housing and there was a comment about whether there was a requirement to allocate sites for Rural Exception Sites.

- 2.26 The working group agreed not to include more information in the SPD on setting the circumstances where an element of market homes is acceptable at this stage. This would amount to new policy and is not appropriate for the SPD. Instead a more direct reference will be made to Policy SP10 of the Core Strategy which states that an element of market housing ...*'may be allowed...at the Local Authority's discretion'*. SP10 also states that *'Future Local Plan documents will consider introducing a detailed policy and/or specific allocations for such sites.'*
- 2.27 The allocation of Rural Exception Sites will be considered as part of the emerging site allocations local plan.

### **Viability**

- 2.28 There were a number of comments in relation to viability, including who should pay the Valuer fees, whether they could be capped and that the Valuer should be independent. In addition a number of comments were raised about revising the wording of this section, to highlight that developers and landowners require a competitive return. This has been included.
- 2.29 Arup confirmed that it is not possible or practical to provide information on capping the District Valuer's fees as it depends how many times the valuer is consulted.
- 2.30 The working group agreed to add to this section to state that SDC's preferred approach is that developers contact the District Valuer and meet with SDC before submission of their planning application. This will allow the approach to viability to be confirmed before submission of the application with no need for continued negotiation.

### **General**

- 2.31 Work is now complete on the final AHSPD, included at Appendix B, which takes into account all the additional feedback which has been received during the development of the SPD.

### **Timescale**

- 2.32 The time line for the progression of the AHSPD to adoption is scheduled below.

<b>Date</b>	<b>Event</b>	<b>Action</b>
18 February 2013	Inception meeting	Agreement reached on work required and final timetable
6 June	Executive	Draft recommended to Council to be approved for consultation
25 June	Annual Council	Draft approved
Late June – early August		Consultation
16 July, now 12 September	Policy Review	As part of consultation
3 October, now 7 November	Executive	To consider a summary of responses received and officers recommendations to recommend to Council to adopt a revised SPD.
22 October, now 10 December	Council	To consider Executive recommendations and adopt SPD

### **3. Legal/Financial Controls and other Policy matters**

#### **Legal Issues**

- 3.1 The report has been prepared to set out the Council's approach to negotiations for affordable housing, and there has been legal representation at the working group meetings.
- 3.2 Commuted sums negotiated under S106 Agreements must be used for affordable housing, and should be ring fenced for this purpose. The Agreements generally provide for the repayment of unused sums after a certain period of time. Officers must ensure that mechanisms are in place for sums to be allocated in accordance with the provisions of the individual Agreements, and that spend and any pooling of contributions is robustly monitored.

#### **Financial Issues**

- 3.3 All costs associated with the production of the Affordable Housing SPD can be met from current budgets.
- 3.4 Once the SPD is adopted, it will be transparent to developers the formula used to ensure there is a balance between viability and the need to support affordable housing provision throughout the district. Upfront expression on the Council's expectations will be set out, enabling the planning process to be streamlined. The cost of the viability assessments lies with developer/applicant.
- 3.5 The SPD also proposes the collection of commuted sums in lieu of on-site contributions on smaller sites (and in certain circumstances potentially in cases of commuted sums on larger developments) and that these monies

could be used for the provision of more affordable housing across the District. Consideration will need to be made of the mechanisms for this to be effected in a way which meets the requirements of each S106, and allows the Council to meet its own aims and objectives for the district.

#### **4. Conclusion**

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

#### **5. Background Documents**

Draft Affordable Housing SPD 2010  
Selby District Adopted Core Strategy 2013

#### **Contact Details**

Julia Jennison – Policy Officer  
[jjennison@selby.gov.uk](mailto:jjennison@selby.gov.uk)

#### **Appendices**

Appendix A – Summary of Consultation Responses  
Appendix B - Affordable Housing Supplementary Planning Document 2013

## Summary of Consultation Responses

## Appendix A

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
<b>Section 3: National Planning Policy</b>			
<p>Background fails to recognise the principles in the NPPF in relation to the presumption in favour of sustainable development and the need for an up to date evidence base. It should also reflect that the key test for SPDs in paragraph 153 NPPF is that they should not be used to add unnecessarily to the financial burden on development.</p> <p>Welcome reference to the 2010 Community Infrastructure Regulations and the test of an obligation set out regulation 122.</p>	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. An extra sentence has been added to the SPD at 3.2.
<b>Section 6: Evidence</b>			
<p>Paragraph 6.1 states that the strategic Housing Market Assessment and other relevant evidence base documents should be consulted for information on the latest evidence of housing need. We presume that what this sentence is trying to say is that affordable housing provision should be based on the SHMA and other relevant information which forms part of the latest evidence base on housing need. This sentence should be re-worded to make this clearer.</p>	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. Section 6.1 has been amended to be more explicit.
<p>There is no further information in this section informing applicants what will be done to ensure that the evidence base is up to date. Nor is there any guidance explaining what applicants should do if the latest evidence base available is out of date and therefore not relevant.</p>	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. This has been added at 6.4 to be more explicit.
<p><b>Design Size and Tenure</b></p> <p><b>Question 1: Are there any other factors / evidence that should be considered in relation to the type, size and tenure of affordable housing provided in Selby District</b></p>			

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Agree with approach	1	Joanna Chambers, Leeds and Yorkshire Housing Association	No change.
Agree SHMA is most appropriate evidence base this should be updated as soon as possible	1	Russell Hall, Taylor Wimpey	No change. Noted.
Agree with 7.6 about affordable service charges – echoed in HCA 2011 – 2015 Affordable Housing Programme – states new Affordable Rent homes will be available at 80% of gross market rents – gross rents are expressed without any service charges.	1	Abdul A Ravat, Homes and Community Agency	
Type - mixed Size - mixed	1	Steve Wadsworth	No change
The size of affordable housing units should be based on the particular housing market area and not simply based on the size of dwellings of the market housing on a particular site. It should be informed by up to date local housing needs information.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. 7.4 sets out that the size should be based on an assessment of need in the district, whereas 7.7 states that it should be of a similar size to open market housing. In 7.7, 'size and' to be deleted.
The SPD should provide guidance on the size (GIA as well as number of bedrooms) of affordable units, in light of the recent Welfare Reforms which means that the size should allow some children to share rooms. Recent works with RP's suggests the following sizes as a guide: 1 bed / 2 person - 50 / 57 sqm	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	Change. A number of developers have requested the SPD not to be too restrictive on room sizes.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
<p>2 bed / 4 person - 65 - 70 sqm 3 bed / 6 person - 80 - 85 sqm</p> <p>The sizes would need to be tested with RP's</p> <p>Does the SPD also need to set out a preference for 2 bed / 4 person over 2 bed / 3 person units as these are more likely to be sustainable in the long term?</p>			<p>The sizes are the minimum acceptable to our RP partners, with the document now providing them as a guide to indicative transfer prices. We believe that negotiation between RPs and developers should clarify unit size and occupancy numbers on a scheme by scheme basis.</p>
<p>Para 7.1 – vague to stated that applicants should look at Selby’s website for up to date guidance / evidence base - should be specific about new evidence base documents – including titles of documents</p>	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. This section has been expanded.
<p>Para 7.2 needs to say ‘up to’ 40% not maximum – in line with CP5.</p>	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change.
<p>Para 7.5 - Object to paragraph 7.5 which suggest that the starting point for negotiation on the type, size and tenure will be based on the current evidence base (SHMA 2009) until it is superseded by the Councils new evidence base. Rather than referring to a particular piece of evidence that is out of date, this paragraph should be reworded so that the type, size and tenure is based on an up to date evidence base. Otherwise certain evidence could remain in place for sometimes, be out of date and</p>	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	<p>Change. The paragraph has been slightly amended.</p> <p>The housing policy in the Core Strategy is based on the current evidence base.</p>



Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
consequently not be applicable.			The SPD is setting out the Council's approach to delivering Affordable Housing in accordance with the Core Strategy / Local Plan.
Affordable Rent should be referenced in this section.	2	Mark Johnson, Jonathan Brook on behalf of Redrow Homes  Craig Barnes, Gladman Developments	Change. Affordable Rent to be referenced at 7.5.
We recognise the council has suggested a focus on 2-3 bed family housing, which is useful - but the role of the SPD should surely be to suggest the circumstances under which it might deviate from that policy and potentially to suggest any localities where a different priority might apply.	1	Craig Barnes, Gladman Developments	No change. The available information from the current evidence base has been set out in the SPD.
In relation to tenure (50-70%) social rent and (30 - 50%) intermediate it is not clear what the Council will consider to be a starting point for negotiation. If a developer proposed a 50/50 split - is this acceptable or would the Council prefer to see a split of 70/30 in the first instance and consider a change to that starting point on a basis of viability? Would the	1	Craig Barnes, Gladman Developments	The SPD states that this is the defined splits are a starting point for negotiation.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
location or nature of the site make a different mix more acceptable?			
<b>Design and Layout (Q2)</b>			
<b>Question 2: Are there any other factors / evidence that should be considered in relation to the design and layout of affordable housing provided in Selby District?</b>			
Para 7.7 requires affordable housing units to be of a similar size and quality to the open market housing. Our client objects to this requirement and requests that it is deleted from the SPD.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	No change. This is included in the Core Strategy. No amendments required.
Object to paragraph 7.8 Requiring affordable units to reach the latest HCA DQS (including the CfSH level 3 as this is a requirement for RPs). for the following reasons: 1) Latest HCA design standards are from 2007 - in 2010 the housing minister confirmed that the HCA would not progress any new standards - but retain existing ones for programmes directly funded by the HCA - incorrect to include this standard. 2) SPD is contrary to NPPF - which stated that affordable housing does not need to be provided through a RP (Annex 2: glossary). 3) Any requirement for CfSH should be viability tested.  Recommend this sentence is deleted.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. Reference to the HCA Design Standard has been removed.  No change. Paragraph 7.12 states a preference for RP, not a requirement.
If has to be built to CfSH / meet HCA design standards / Lifetime homes – affect viability	3	Joanna Chambers, Leeds and Yorkshire Housing Association	Change as above, and noted. The majority of the requirements in CfSH level 3 now form part of the

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
		Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)  Russell Hall, Taylor Wimpey	building regulation requirements. Noted on other standards.
Properties built to HCA standards have larger floor areas – welcome these requirements. As an RP we currently have to pay to enhance the specification of houses – this is a cost to us.	1	Joanna Chambers, Leeds and Yorkshire Housing Association	No change. Noted
Can Para 7.9 read 'applicants should work with registered providers to ensure that design <u>'and space'</u> standards meet their requirements'.	1	Sarah Hall, Rural Housing Enabler	No change. This would be additional to Core Strategy requirements.
Should there be specific reference to rural affordable reflecting the local vernacular?	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. This requirement is included in the Core Strategy Design Policy CP16 – this section refers to the requirements of the Core Strategy. This is deemed appropriate. No changes proposed to the SPD.
Accessibility	1	Steve Wadsworth	No change. Noted.
Supportive of section – but upper levels of CfSH is no longer a HCA funding requirements – reference should be removed – if council want it	1	Abdul A Ravat, Homes and Community	Change. Reference to HCA design guidance has been

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
to be good practice then state this.		Agency	removed.
<b>Distribution (Q3)</b>			
<b>Question 3: Are there any other factors / evidence that should be considered in relation to the distribution of affordable housing within an overall development scheme?</b>			
Agree with proposal	2	Joanna Chambers, Leeds and Yorkshire Housing Association  Craig Barnes, Gladman Developments	No change. Noted
Definition of local need	1	M Mason, Colton Property Development Ltd	No change. Noted
Text should encourage early engagement with RPs on the distribution of Affordable Units.	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	Change. Amended at 7.10.
Affordable housing should be mixed with normal market housing so that the sites are viable	1	Steve Wadsworth	No change. Noted
Broadly agree with AH should be dispersed across the site – extent of pepper potting should be considered on a scheme by scheme basis	1	Abdul A Ravat, Homes and Community Agency	No change. Noted
Experience of RPs – prefer to concentrate the AH in one part of the site	1	Russell Hall	No change. Noted.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
		Taylor Wimpey	
Para 7.16 should mention place of work local connection as well as residence as part of the cascade.		Sarah Hall, Rural Housing Enabler	Change. Amended at 7.16
<b>Transfer Price (Q4 and Q8)</b> <b>Question 4: Transfer prices have been provided by a number of Registered Providers and differ depending on providers. The transfer prices will be set out as an average per house type for social and for intermediate tenure. Do you agree with this approach? Please state your reasons.</b>  <b>Question 8: The information set out in Table 1 is based on three Registered Providers responses to questions regarding the calculation of Transfer Prices, which offered separate values for affordable rent and shared ownership. Other local authorities have demonstrated that these figures could be averaged to offer a single value for each, and this is the approach the Council will take. Do you agree with this approach?</b>			
Misses the point about how much it cost to build a house in the first place	1	M Mason, Colton Property Development Ltd	No change. Noted.
The affordable rent transfer price is higher than shared ownership. Usually the other way around. Please check this.	1	Joanna Chambers, Leeds and Yorkshire Housing Association	Change. Table was labelled incorrectly. Further work has been completed on the figures based on recent evidence provided by RP partners.
Using averages seems like a sensible approach	1	Joanna Chambers, Leeds and Yorkshire Housing Association	No change. Noted.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Some RPs are able to offer more than other RPs based on their own viability assumptions	1	Joanna Chambers, Leeds and Yorkshire Housing Association	No change – flexibility now built in through transfer prices as guidance only. Noted.
<p>The document refers to Affordable Rent as a tenure type – but this does not correlate with transfer prices in table 1 – which are social rent. Affordable Rent should represent 80% of market rent value.</p> <p>Transfer prices should be included for Affordable Rent – currently only for social rent and intermediate</p>	3	<p>Mark Johnson Jonathan Brook on behalf of Redrow Homes</p> <p>Abdul A Ravat, Homes and Community Agency</p> <p>Craig Barnes, Gladman Developments</p>	Change. SDC has further consulted with RPs about updating this table, and Affordable Rent transfer prices are similar to Shared ownership. This has now been reflected in the table, which shows transfer prices for guidance where required.
The transfer price should be based on £/sqm basis and be irrespective of tenure	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Price based on housing type as size does not impact on rent.
Transfer prices should be tested in reference to local incomes and local house prices.	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Transfer prices are provided by RP partners, and are for guidance only.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Wording should be amended to say that transfer prices in Table 1 are for guidance only - and that the affordable units will be transferred to developers at a price that enables the negotiated proportions, tenure split and mix to be delivered as NPPF compliant affordable housing based on the current market values at that time.	2	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)  Craig Barnes, Gladman Developments	Change. At working group it was agreed to refer to the transfer values in Appendix 1, Table 1 as being for guidance only – see A1.7.
Question need to fix transfer values – ultimately a commercial decision between developer and RP	2	Russell Hall, Taylor Wimpey  Craig Barnes, Gladman Developments	Change. The transfer values for schemes of 10 units or more have been provided for guidance. Applicants can use their own transfer prices. See Appendix 1, A1.7
Prices may need to alter as the cost of land / construction stage costs change	1	Steve Wadsworth	No Change. Noted.
The transfer price are too low	2	Craig Barnes, Gladman Developments	No change. Transfer prices have been averaged from information provided by 7

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
		Mark Johnson Jonathan Brook on behalf of Redrow Home	RPs now, but are now for guidance only
The Framework for Affordable Homes Programme states how AH values should be calculated	1	Abdul A Ravat, Homes and Community Agency	No change. Noted.
Shared ownership should be more like 70% market value, not 50%	1	Craig Barnes, Gladman Developments	No change. Transfer prices have been averaged from information provided by 7 RPs now, but are now for guidance only.
House sizes in transfer price table are higher than HCA Housing Quality Indicators – too high.	1	Craig Barnes, Gladman Developments	No change. The houses sizes in the table relate solely to the transfer prices. The Core Strategy does not specify sizes, and it would be inappropriate for the SPD to do so.
Question need for the Council to approve Registered Providers prior to entering into a contact.	1	Russell Hall, Taylor Wimpey	Change. This is simply to ensure that nominations are workable through our Allocations scheme, NY



Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
			HomeChoice. The Council will agree to developers working with RPs not listed in the Appendix provided this can be achieved. Wording at 7.13 amended.
Supportive of proactive approach of setting transfer prices	1	Abdul A Ravat, Homes and Community Agency	No change. Noted
Consideration also given to floor spaces / provided and quality of AH, not just price paid	1	Abdul A Ravat, Homes and Community Agency	No change. Noted.
Needs to be clearer where the transfer prices have come from	1	Barton Willmore (Barratt and David Wilson Homes)	Change. A1.7 has been amended to indicate that transfer prices are sourced from RP partners.
NPPF has note placed it in the remit of SPDs to set the prices that should be paid by RP's or equivalent for transfer of affordable housing - to do so would be restrictive and unreasonable and not in accordance with NPPF - which requires sufficient flexibility to take account of changing market conditions over time.	1	Barton Willmore (Barratt and David Wilson Homes)	Change. Text amended at Appendix 1 A1.7, so transfer values are just for guidance.
Recommend council use higher transfer values (circa £1,000 sq ft) to reflect the aspirational target of 40% AH – they should be tenure blind	1	Mark Johnson Johnathan Brook on behalf of Redrow	No change. Transfer prices are based on evidence from RP partners, and our

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
		Homes	approach is that they be set out according to tenure. However, the transfer prices are now indicative for guidance only.
<p><b>Scheme Viability (Q5 and Q11)</b></p> <p><b>Question 5: Do you agree with this approach to viability?</b></p> <p><b>Question 11: Do you agree with the proposed level of information that should be provided to inform a viability assessment? Is there any additional information that you think should be provided?</b></p>			
Agree with proposal	1	M Mason, Colton Property Development Ltd	No change. Noted.
Yes agree with approach to viability	2	Joanna Chambers, Leeds and Yorkshire Housing Association	No change. Noted.
Add underlined words in 9.1 overall cost of development, including the required planning obligations, <u>affordable housing transfer prices</u> and any abnormal costs.	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Affordable Housing is considered a planning obligation. This amendment is not necessary.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Para 9.5 – remove reference to changing sizes of AH – but leave in types	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	Change.
Para 9.5 seems to indicate that the final decision on AH level is with the Council – not from the findings of the valuation – amend to be in line with para 173 of NPPF – if the value concludes the scheme is not deliverable with 40% affordable housing then the Council should automatically look at reducing the AH requirement.	2	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)  B N Bartle, Bartles Ltd	Change. Amended para 9.5 to clarify.
Needs to be a balance between AH requirements and major infrastructure requirements – clarification in this section about the relationship between AH and the mechanisms for the delivery of infrastructure through a potential CIL or developer contribution.	3	Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates  Rachel Wigginton, North Yorkshire County Council	Change. Amended para 9.5.
AH should be mixed with normal market housing to make it viable	1	Steve Wadsworth	No change. Noted.
The HCA has a Development Appraisal Tool – which could be used to assess viability	1	Abdul A Ravat, Homes and Community Agency	No change. There are a number of Development Appraisal Tools available.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
			The Council's approach is for developers to provide a viability assessment which is considered by an independent valuer.
HCA Planning Obligation good practice guide could also be used for guidance.	1	Abdul A Ravat, Homes and Community Agency	No change. Noted.
Object to section 9 'scheme viability' as currently drafted	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	No change. Noted.
Para 9.1 fails to recognise that developers purchase land prior to the Council set and adopting a up to 40% AH policy – this paragraph needs to be more flexible and realistic.	2	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)  Russell Hall, Taylor Wimpey	Change. Noted. Rephrased para 9.1 to say 'wherever possible developers should'...
Para 9.4 – should be a maximum cap on fees for independent valuer / an idea of the costs of appraisals	2	Craig Barnes, Gladman Developments  Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. It is not possible to cap valuer fees – as it is dependent on the amount of advice received. Further text has been added at 9.4 to confirm preferred approach.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
It is unreasonable to ask a developer to pay the valuers fees – for example if the valuer is a council employee (this should be covered by planning fees)	2	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)  Craig Barnes, Gladman Developments	Change. It is not appropriate for SDC to pay valuer fees. However a pre-application approach would allow costs to be reduced. This approach has been added to the SPD at 9.3.
Para 9.4 – important that the method for valuation is agreed before any assessment takes place.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	No change. The approach is set out in Appendix 4 of the SPD.
Could an agreement be put in place that some sites, in particular areas will not be able to achieve 40% - and therefore do not need to carry out the appraisal?	1	Craig Barnes, Gladman Developments	No change. This is not possible. It would contradict the Core Strategy.
Para 9.4 – stipulate that the valuer is suitably qualified	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. Amended 9.4.
A clause should be added stating that any costs placed on the developer will be reasonable and justified.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change Amended and sentence added at 9.4.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Add sentence – valuers should be reasonable, transparent and fair in objectively undertaking and reviewing financial viability assessments			
Given the 40% requirement almost every application will require a viability appraisal – take up a great deal of officer and developer time.	1	Craig Barnes, Gladman Developments	No change. Noted
No, as the standard option for site purchases employed by property developers / builders is on a residual basis - so the question of viability is not often available to be tested.	1	B N Bartle, Bartles Ltd	No change. Noted
Yes agree with level of information required for viability assessments.	2	Sarah Hall, North Yorkshire Rural Housing Enabler Network  Joanna Chambers, Leeds and Yorkshire Housing Association	No change. Noted
Important to be flexible – consider timing of S106 payments	3	Abdul A Ravat, Homes and Community Agency  Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates	Change. A1.12 second sentence to be deleted. Timings are an element to be agreed through the planning process.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
<p>Viability assessment approach is not transparent – if a formula is to be used it should be made available.</p>	2	<p>Jennifer Hubbard Mark Newby, Yew Tree Associates</p>	<p>No change. The information required is set out in Appendix 4 of the SPD.</p>
<p>Relying on the advice of one valuer is unsound and accountability – should use a sub-committee to agree way forward</p>	2	<p>Jennifer Hubbard Mark Newby, Yew Tree Associates</p>	<p>No change. The use of an independent valuer is the current approach used by SDC and the majority of LPAs.</p>
<p>Reword this section to acknowledge that the level of affordable housing that a scheme can accommodate and associated viability assessment must be dependent on it creating a land value that provide a competitive return for a land owners so they are willing to bring the site forward for development.</p>	1	<p>Russell Hall, Taylor Wimpey</p>	<p>Change. Amended at 9.2.</p>
<p>Council must understand that if land is to come forward a landowner must make a reasonable return and this must be taken into consideration when assessing development viability. The SPD should recognise the difficulties currently facing the development industry.</p>	1	<p>Ziyad Thomas McCarthy and Stone Retirement Lifestyles Ltd</p>	<p>Change. Amended at 9.2.</p>
<p>It should be noted that any financial appraisal considered by a viability expert advisor (valuer) on behalf of the Council must be a co-operate process. Should amend para 9.4 to state:</p>	1	<p>Ziyad Thomas McCarthy and Stone Retirement Lifestyles</p>	<p>Change. Amended and suggested para included at 9.4.</p>

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
'the valuer's costs will be met by the applicant. As part of this co-operative process, the valuer will provide an independent assessment of the appraisal and the instruction will be jointly between the applicant and the Council'.		Ltd	
Viability assessment seems flawed - there seems to be anecdotal evidence that figures supplied in this process are being massaged. The land owner's position is not recognised and most deals are based on a target figure for which he has little or no input and paid out accordingly.	1	B N Bartle, Bartles Ltd	No change. Noted.
<b>Glossary (Q6)</b>			
<b>Question 6: Are there any other definitions that should be included in the glossary?</b>			
Regional viability	1	M Mason, Colton Property Development Ltd	Change. The following terms to be added - Core Strategy RPs CBL – not in the document, but add Choice Based Lettings and North Yorkshire HomeChoice Role and remit of HCA Note that LDF is not in the
Small provider exemption	1	M Mason, Colton Property Development Ltd	
Core strategy	1	Sarah Hall, North	
LDF	1	Yorkshire Rural	
Registered providers	1	Housing Enabler	
CBL	1	Network	
Role and Remit of HCA	1	Abdul A Ravat, Homes	



Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Explain how discount for sale and other shared ownership differ from affordable housing / social rent and Affordable Rent.	1	and Community Agency	document, and that Definitions of tenure are already included under Social Rented Housing, and Intermediate Housing/Shared Ownership, and are taken directly from the Core Strategy.
Definition of Affordable Housing Plan – definition in glossary different to para 11.6 – should not require a RP to be identified.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. Amended definition
<b>Market Value (Q7)</b> <b>Question 7: Do you agree with the parameters we have included in relation to calculating market value?</b>			
No I do not agree	1	M Mason, Colton Property Development Ltd	No change. Noted

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Yes I agree	2	Joanna Chambers, Leeds and Yorkshire Housing Association  Russell Hall, Taylor Wimpey	No change. Noted
A1.6 – a secondary source should be suggested for an average market value based on past sales – such as Zoopla, HMLR or Rightmove – to avoid presentation of anecdotal evidence.	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	Change. Market value is just used to calculate value for 1 – 9 units. Reference to sources included at A.1.6
Market values change dramatically over a short period.	1	Steve Wadsworth	No change. Noted
To be transparent the findings from the market value should be placed on the SDC website	1	Abdul A Ravat, Homes and Community Agency	No change. This might form part of an updated evidence base but currently cannot be resourced.
No do not agree – market values should be assessed according to the market area and sales within the area at a time.	1	Mark Johnson Jonathan Brook on behalf of Redrow Homes	No change. Zoopla is used to create a market value to develop a commuted sum for 1 – 9 unit schemes. Market values for schemes of 10 units or

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
			more will be provided by applicants.
It is not entirely clear why the developer of a scheme of 10 units or more should be required to demonstrate market value of the units if the 40% target is being achieved.	1	Craig Barnes, Gladman Developments	No change. Market values are part of the methodology used to calculate commuted sums – see A1.3.They would only be required if part of the 40% was being provided as a commuted sum.
Only in so far as they need adjustments to take account of suggested reduction in affordable housing targets.	1	B N Bartle, Bartles Ltd	No change. Noted.
The approach to use three separate valuations is excessive - a single professional valuation is quite sufficient to estimate market value	1	Craig Barnes, Gladman Developments	No change. Three valuations are deemed to be more robust.
<b>Commuted Sum - 1-9 units (Q9)</b>  <b>Question 9a: Do you have any further comments on our approach to commuted sums for smaller sites (1 to 9 dwellings)?</b> <b>Question 9b: Do you agree that a smaller fixed sum should be required for single dwelling?</b> <b>Question 9c: Do you consider that 'cost to applicant' should be composed of different elements to the size and type of units to be developed?</b> <b>Question 9d: Do you consider that the calculation for determining the maximum fixed sum should be published?</b>			

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
We accept that smaller development schemes carry greater development costs and accept that smaller commuted sums apply to sites of 1 - 9 dwellings.	1	Mark Johnson Johnathan Brook on behalf of Redrow Homes	No change. Noted.
Agree with approach	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Noted.
No comments	1	Joanna Chambers, Leeds and Yorkshire Housing Association	No change. Noted.
Research by the HCA found developers prefer to develop AH on site	1	Abdul A Ravat, Homes and Community Agency	No change. Noted.
Suggested that no charge should be levied for 1 or 2 units – the sliding scale should begin at 3 - 14	2	Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates	No change. The start point and level of charge for smaller numbers of units have been considered in some detail.
The DTZ viability study makes no assessment of the impact of a AH contribution for schemes of 1 – 9 units – this has not been tested and the evidence is not in place	1	Craig Barnes, Gladman Developments	No change. The Small Site Threshold Testing 2010 considered this. Additional paragraph to be added after 5.2 to explain the

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
			justification for the policy.
Proportionality should be reflected throughout, but a figure less than 40%	1	B N Bartle, Bartles Ltd	No change. Confirmed through the CS.
<b>Commuted Sum 10+ units (Q10)</b>			
<b>Question 10: Do you have any comments on the proposed approach to calculating commuted sum on schemes of 10 units or more?</b>			
Should begin at 25	1	M Mason, Colton Property Development Ltd	No change. Fixed through Core Strategy.
Should begin at 15	2	Jennifer Hubbard, Planning Consultant Mark Newby, Yew Tree Associates	No change. Fixed through Core Strategy.
No comments	1	Joanna Chambers, Leeds and Yorkshire Housing Association	No change. Noted.
Will there be guidance on how commuted sums will be spent – ringfenced, rural or urban?	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Commuted sums will be used to fund affordable housing in the district.
SDC may want to specify lower thresholds in the rural area and north of the District – which is closer to the York housing market with better house	1	Abdul A Ravat, Homes and Community	No change. Fixed through the Core Strategy.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
values		Agency	
<p>Object to para 10.4 - contrary to para 50 of the NPPF that allows off-site provision if it: 'can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed use and balanced communities'.</p> <p>NPPF does not require 'exceptional circumstances' - para 10.4 should be reworded to align with NPPF.</p>	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	No change. The 'exceptional circumstances' is referenced from the Core Strategy, not NPPF.
It is unreasonable to expect developers to pay commuted sum on commencement of development	3	<p>Jennifer Hubbard, Planning Consultant</p> <p>Mark Newby, Yew Tree Associates</p> <p>B N Bartle, Bartles Ltd</p>	<p>Change. A1.12 second sentence to be deleted. Timings are an issue to be negotiated on a scheme by scheme basis.</p> <p>.</p>
<p>Objects to the commuted sum calculation in Appendix 1 - the example given on page 26 shows that an 150 unit scheme would be required to 84 units (off-site contribution) this is an unusual approach, which our client has not seen elsewhere and would have a double impact on housing development. It is an unreasonable approach and one that appears to act as a punishment for off-site affordable housing. This approach would stifle development.</p>	4	<p>Jennifer Hubbard, Planning Consultant</p> <p>Mark Newby, Yew Tree Associates</p> <p>Mark Jones, Barton</p>	<p>Change. A similar model is used by City of Manchester. Most LPAs do not use an uplift model.</p> <p>However, SDC has reconsidered the</p>

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Approach is against NPPF – as it is restrictive		Wilmore (Barratt and David Wilson Homes) Mark Johnson Jonathan Brook on behalf of Redrow Homes	approach and the uplift element to the calculation.
<p>Approach works against the Councils own Housing Trust insofar as very few development schemes would pass the exceptional off site provision test. The SPD is too rigid, fails to understand how development sites in parts of the district will come forward at different rates and different times - which have the potential to oversupply affordable housing in a sub area - going against governments policy on balanced housing market.</p> <p>Refers to recent committee decision for a housing site in Sherburn in Elmet - where a part on site part off site approach was taken (to housing trust) to bring empty homes back into use.</p>	1	Mark Johnson Jonathan Brook on behalf of Redrow Homes	<p>A similar model is used by City of Manchester. Most LPAs do not use a uplift model.</p> <p>Advice has been sought and the approach was found to be legal. Our preference is on site provision; this provides clarity to existing Core Strategy policy. However, we have reviewed our approach to off site contributions.</p>
Welcome chance to speak to officers about this approach as it seems unusual	1	Russell Hall, Taylor Wimpey	<p>The SPD highlights at Appendix 1, A5.9 that empty homes work might be an appropriate use</p>

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
The way you have calculated the commuted sum is in correct	1	Craig Barnes, Gladman Developments	<p>A similar model is used by City of Manchester. Most LPAs do not use a uplift model.</p> <p>Advice has been sought and the approach was found to be legal. Our preference is on site provision; this provides clarity to existing Core Strategy policy. However, we have reviewed our approach to off site contributions.</p>
<p><b>Balanced Housing Market (Q12)</b>  <b>Question 12: Do you think there are any other factors / circumstances that should be taken into account when the Council is assessing whether a proposal might be considered to deliver a balanced housing market or clear benefits to the community? If so how could they be evidenced?</b></p>			
Object to A1.15, which states  'for schemes of 10 dwellings or more, where the applicant has demonstrated to the Council that there is a clear community benefit to provide some units on site and some as a commuted sum, the following	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. Wording amended at A1.15



Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
<p>calculation will be used'.</p> <p>This is contrary to policy CP5, which refers to relocating all or part of the housing contribution off site, not some. It is also not in accordance with NPPF - as detailed in question 4.</p>			
<p>Yes council should build their own</p>	1	M Mason, Colton Property Development Ltd	No change. Noted
<p>Agree with proposal</p>	1	Joanna Chambers, Leeds and Yorkshire Housing Association	No change. Noted.
<p>Although Selby is one housing market can there be a differentiation between urban and rural needs / market.</p>	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Evidence is provided in the SHMA 2009 – market areas will be considered again in the next SHMA.
<p>A5.9 need to be careful that lack of services, facilities and transport doesn't result in a justification of less on-site affordable housing in rural areas.</p>	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Noted.
<p>Also add potential for provision of specialist or supported unit in a specific location.</p>	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	Change. We would expect this to result from a negotiated approach. Additional wording

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
			provided to A5.9
<p>Whilst we recognise that the new SHMA scheduled for 2013 / 14 will provide a definition of what constitutes a balanced housing market - evidence that emerged through the CS and various examination in public consultation with regard to the imbalanced level of development in Tadcaster. It was perceived that the lack of development in Tadcaster was placing undue pressure on the rest of the District and in particular Selby town. SDC have an opportunity through the AHSPD to explain its objectives for development of housing and in particular affordable housing in Tadcaster and reflect in the LDF.</p>	1	Abdul A Ravat, Homes and Community Agency	No change. It is not for the SPD to consider the lack of overall housing development (and affordable housing development) in Tadcaster. This has been considered through the Core Strategy.
<p>Appendix A Para A5.2 (SDC intention to define a balanced housing market) is unhelpful:  1) there is no such definition in NPPF and therefore whether this can be defined.  2) if it is it will be important that it is not treated as an exhaustive list.</p>	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	NPPF provides a framework for LPAs to produce Local Plans. It is for the Local Plan and evidence base to interpret NPPF. A definition of a balanced housing market is helpful to attempt to provide a definition to create certainty of when a commuted sum might be acceptable. The list is not exhaustive.
Concerned by para A5.6 'Therefore based on current evidence, the	1	Mark Jones, Barton	No change. The

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
<p>Council cannot foresee that the exceptional circumstances when off-site provision can be demonstrated based on the balanced housing market test within Policy CP5. As such the only potential justification for off-site provision or commuted sum would be for an applicant to demonstrate a clear benefit to the community, as set out below'.</p> <p>SPD wrong to refer to exceptional circumstances - this para and section need amending.</p>		Wilmore (Barratt and David Wilson Homes)	'exceptional circumstance' policy is from the Selby Core Strategy, not NPPF.
<p>It is difficult to understand why SDC continue to adopt 'a single housing market area' approach -potentially challengeable. During CS discussions Council representatives discussed different housing market areas in Selby - in relation to the difficulty of delivering homes in Tadcaster.</p> <p>Difficult to assess if affordable housing needs in a certain settlement are being met if Selby is considered to be one Housing Market Area.</p> <p>1 respondent referred to a presentation by Roger Tym and Partners - show difference in house prices across Selby District.</p>	2	Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates	<p>No change. This has been confirmed through the Core Strategy. It is not an issue for the SPD.</p> <p>Throughout the CS process and at the Examination in Public, SDC consistently referred to evidence of a single housing market. House prices are a different issue – affordable housing is meeting a need across all the district, not in particular settlements. Different house prices do</p>

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
			not determine different market areas.
<b>Affordable Housing Plan (Q13) and Validation Requirements</b>			
<b>Question 13: Should the Affordable Housing Plan include any further requirements?</b>			
Agree with proposal	1	Joanna Chambers, Leeds and Yorkshire Housing Association	Noted.
Item 6 (details of open market valuations of affordable dwellings) – is this needed if we are setting out transfer prices here?	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Valuations are only needed to calculate a commuted sum (if part of the AH is being provided off site). Item 6 in Appendix 6 A6.2 to be removed from AH Plan / Statement.
To ensure sites come forward there should be a clear policy of promoting sites for mixed affordable and market housing	1	Steve Wadsworth	No change. Noted
The affordable housing plan should be refined in content to make it clearer and made more concise.	1	Steve Wadsworth	Change. Amended.
Concerned about para 2.5 of SPD - reference is made to information required for validation purposes. We object to this given that it is the role of the statutory national information requirements list produced by Government and a local information requirement list produced by Selby Council to dictate what constitutes a valid or invalid planning application.	2	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)  Craig Barnes, Gladman	Change. Amended.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
The validation of planning applications should be in accordance with section 6 of the Growth and Infrastructure Act and Town and County Planning (Development Management Procedures) Order. The SPD should not stipulate validation requirements and should not duplicate the validation checklist procedure. We have no objection to the SPD providing further detail on what type of information may be helpful in assisting the Council to assess affordable housing provision in relation to a specific proposal.		Developments	
Welcome paragraph 2.6 - government will always work proactively with applicants to find solutions which underpin Government advice to local planning authorities in the NPPF and look forward to such engagement.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	No change. Noted.
We should not have to produce a Draft S106 agreement, just a S106 draft heads of terms – this is reasonable based on NPPF policy	2	Craig Barnes, Gladman Developments  Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. Amended.
Para 11.1 – advises applicants to reflect AH policy at the earliest opportunity. Can this be rewritten to state – advice to encourage early consideration to take place rather than a requirement – as it isn't always possible.  In most cases the full costs of development cannot be established until	3	Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates	Change. Amended 11.1

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
planning permission is granted.		Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	
11.6 - confirm if these are validation requirements - not reasonable for a RP to be identified at applications stage - the developer may not have identified a RP - also NPFF states an RP is not required - so this requirement is flawed.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. Amended and linked to SDC validation requirements.
It is not always possible to confirm affordable housing details - as they will be negotiated alongside other requirements through the determination of the planning application. This section should be amended.	1	Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)	Change. Amended and linked to SDC validation requirements.
Unreasonable to expect an application to identify affordable units as a condition of validation. It would be more appropriate for planning applications to be accompanied by a commitment to provide a certain number of homes, an indication of the mix proposed and distribution. An affordable housing scheme could be submitted (from RP) prior to commencement.	2	Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates	
Conflict - section 11.7 suggests that the proportion, mix and location of affordable housing will be agreed at the time of reserved matters application for outline applications is in direct conflict with the requirement at para 11.1.	2	Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates	
<b>Other Comments</b>			
<b>Question 14: Do you have any other comments on the AHSPD or Section 106 Agreements?</b>			
Do not agree with the 40% AH figure – too high compared to surrounding	7	M Mason, Colton	No change. Fixed through

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
LPAs and NPPF requirements. It will be difficult to achieve		Property Development Ltd  Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)  Mark Newby, Yew Tree Associates  Jennifer Hubbard, Planning Consultant  Craig Barnes, Gladman Developments  Russell Hall, Taylor Wimpey  B N Bartle, Bartles Ltd Fixed through Core Strategy. No draft changes required.	Core Strategy.
A 20% AH figure would be better.	1	B N Bartle, Bartles Ltd	No change. Noted
The housing evidence base is out of date and should be improved to	4		No change. Fixed through

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
inform a new policy.		Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)  Jennifer Hubbard, Planning Consultant  Craig Barnes, Gladman Developments  Mark Newby, Yew Tree Associates	Core Strategy.
The AH requirements should start at a higher number of units (15)	3	M Mason, Colton Property Development Ltd  Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates	No change. Fixed through Core Strategy.
The big sites should provide affordable housing in full	1	M Mason, Colton Property Development	No change. Fixed through Core Strategy.



Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
		Ltd	
Tenure - only to residents of the locality for the previous 7 years	1	Steve Wadsworth	No change. SDC allocate Affordable Housing in accordance with their Allocations Scheme, North Yorkshire HomeChoice. This sets the relevant requirements.
Concerned about lack of viability in Tadcaster / younger people being pushed out by high house prices in villages	1	Brian Percival	No change. Fixed through Core Strategy.
Support the Affordable Housing SPD.	1	Tadcaster Town Council	No change. Noted.
SPD does not require an SEA or Appropriate Assessment	2	Nicolas Pedder, Environment Agency John King, Natural England	No change. Noted.
Concerns about provision for the travelling population in Selby. Requests further consultation with the travelling community in Yorkshire about likely needs going forward in the rising generation - we would urge you not to neglect the needs of traveller at present living in houses. Request continuing flexibility and open-ness to future planning applications for private site provision to meet future need.	1	Brian Foster, Advisory Council for the Education of Romany of other travellers (ACERT)	No change. Noted.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
The County has its own programme to provide extra care housing, which includes affordable provision. Where there is a major housing development we would ask the developer to consider making provision in the form of a site for extra care housing development within the County Council's procurement programme that will identify partner to develop extra care housing across the County.	1	Rachel Wigginton, North Yorkshire County Council	Change. Noted. Mention of Extra Care provision has been added at 7.7
No Comment on whole SPD	2	Richard Hollinson, Wakefield Council Ian Smith, English Heritage	No change. Noted.
Inspector recommended more evidence be gathered on the new affordable rented tenure and set out in the SPD. The council seems to have gathered no new evidence about the need for the different tenures.	1	Craig Barnes, Gladman Developments	Change. Affordable Rent to be referenced at 7.5.
<b>Registered Providers</b>			
Add Leeds and Yorkshire Association to the list of RPs in Appendix 2 – currently RP's on two S106 in Selby.	1	Joanna Chambers, Leeds and Yorkshire Housing Association.	Change. Amended.
SDC need to ensure that there is a system in place to nominate a partner RP to acquire and manage affordable homes on mixed tenure sites and exception site having regard to a number of factors including the location of their stock holdings and financial capacity. This measure will undoubtedly streamline the process but more importantly it will introduce transparency accountability and confidence.	1	Abdul A Ravat, Homes and Community Agency	No change. Our approach will be informed by liaison with RP partners.
Para 7.12 notes that the Council's preferred model is to work in partnership with RPs - welcome that the RPs in Appendix 2 is not	1	Mark Jones, Barton Wilmore (Barratt and	Change. Amended.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
restrictive - this is not clear though the whole document - this should be amended.		David Wilson Homes)	
<b>Rural Exception Sites</b>			
Rural exception sites have an important part to play in delivering affordable housing in rural area. To support their delivery and complement existing practice, SDC could introduce approaches which incentivise landowners to bring sites forward and provide a greater choice of affordable tenures for local households on a range of incomes. This approach allows for development of the homes by an applicant or landowner.	1	Abdul A Ravat, Homes and Community Agency	No change. Noted.
It would be helpful if the SPD could provide guidance on the circumstances where we might accept a proportion of market housing on rural exception sites.	1	Sarah Hall, North Yorkshire Rural Housing Enabler Network	No change. Confirm that this this will be considered on a site by site basis.
Wording of para 7.23 - demonstrate to the Council's satisfaction that the open market element is essential to the delivery of the affordable housing development - define what 'Council's satisfaction' means.	2	Jennifer Hubbard, Planning Consultant  Mark Newby, Yew Tree Associates	Confirmed that this this will be at SDCs discretion on a site by site basis. The Council must be satisfied that the scheme would not be able to progress without an open market element.
I don't understand why there is a need to identify rural exception sites as allocations in a forthcoming plan. By definition rural exception site where	2	Jennifer Hubbard, Planning Consultant	No change. It is not appropriate to consider

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
<p>housing development would not normally be allowed. To ensure delivery the Council needs to allow the widest possible range of sites to come forward. We suggest that this is only done when the existing settlement limits have been reviewed and allocations confirmed in an adopted allocations local plan. At that stage, the owners of land on the periphery of settlements will know that there is little prospect of permission being granted for market housing and consider rural exception sites. The council should not pre-judge where these should be.</p>		<p>Mark Newby, Yew Tree Associates</p>	<p>this in the SPD, which simply reflects the CS policy which says that further detailed policies and proposals will be considered as part of the sites and policies plan. 4.5</p>
<p><b>Perpetuity</b></p>			
<p>Para 7.12 and 7.15 both make reference to affordable housing being retained in perpetuity. NPPF seeks to provide affordable housing to include provisions to remain at affordable prices for future eligible households it also offers an alternative option which is for the subsidy to be recycled for alternative affordable housing provision. This part of NPPF has been repeated on pages 5 and 19 of the SPD when addressing providing a definition for affordable housing. Reference to perpetuity should be removed.</p>	<p>1</p>	<p>Mark Jones, Barton Wilmore (Barratt and David Wilson Homes)</p>	<p>Change. Confirm use of wording from the Core Strategy 'long term' and include a definition of long term affordable housing in the glossary.</p>
<p>Recognise the need to secure AH for the long term - there are significant restrictions associated with restriction in perpetuity. Many lenders will not accept such a restriction - refuse RPs finance. We are aware that the phrase is included in the Council's Core Strategy - but suggest SDC consult with providers on the acceptability of this clause - and rephrase to 'for the long term' or 'for as long as a need exists'</p>	<p>1</p>	<p>Craig Barnes, Gladman Developments</p>	<p>Change. Confirm use of wording from the Core Strategy 'long term' and include a definition of long term affordable housing in the glossary.</p>
<p><b>S106</b></p>			

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Could conditions be used to secure AH, rather than S106 agreements. The Planning Inspectorate has made it clear on a number of occasions that it is perfectly acceptable to use conditions and has produced model conditions.	1	Craig Barnes, Gladman Developments	No change. Working group confirmed that the SPD should not stop conditions being used.
It isn't always possible for an RPs to sign the S106 - as in many cases e.g. strategic land assembly of sites - a house builder is not involved at outline stage - remove this reference.	1	Craig Barnes, Gladman Developments	Change. Appendix 6, A6.2.4 added 'if known'
It is reasonable to expect a RP to be approved by the Council prior to commencement, but the Council should commit not unreasonably to withhold consent from any suitable RP.	1	Craig Barnes, Gladman Developments	No change. Noted
The mortgage in procession protection is weak in the drafting. A clause should be added - standard practice of Law Society.	1	Craig Barnes, Gladman Developments	No change. This is a matter for negotiation on the S106.
Occupation section - the clause is unnecessary and over restricted as drafted - Selby uses the choice based letting system - there may be a large stock refurbishment nearby - and you can use the new AH to decant the whole community.	1	Craig Barnes, Gladman Developments	No change. This reflects the Choice Based Lettings Policy.
The section of rented units is entirely redundant - the two clauses it contains are entirely duplicated by the definition in previous section.	1	Craig Barnes, Gladman Developments	No change. We consider this is required.
There should be no mention of CfSH	1	Craig Barnes, Gladman Developments	No change. This explains Shared Ownership.

Comments	Number of Respondents making this comment	Who made this comment?	SDC response.
Definition of Shared Ownership is unjustified - the price paid for affordable housing units should be a matter for negotiation.	1	Craig Barnes, Gladman Developments	

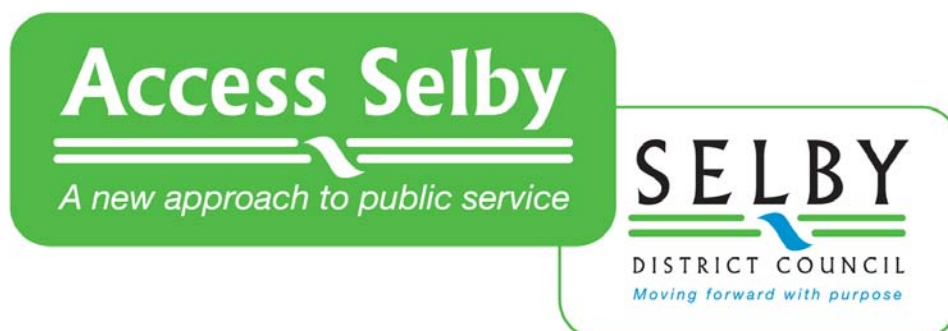
**Selby District Council**

**Draft Final**

**Affordable Housing**

**Supplementary Planning Document**

**October 2013**



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



## Contents

Section	Page No.	
1	Introduction	4
2	Purpose and Status of this Supplementary Planning Document	4
3	National Planning Policy	6
4	Affordable Housing	6
5	Local Plan Context	8
6	Evidence	12
7	Detailed Affordable Housing Requirements	12
8	Transfer Prices	16
9	Development Viability	17
10	Commuted Sums	18
11	Procedures for Applications	19
Appendix 1	Market Value, Transfer Prices and Commuted Sums	21
Appendix 2	List of Registered Providers operating in the Selby District	26
Appendix 3	Financial Appraisals	27
Appendix 4	Exceptional Off-site provision	29
Appendix 5	Information to accompany a planning application – the Affordable Housing Statement	31
Glossary		

# Draft Final Affordable Housing Supplementary Planning Document

October 2013

## Section 1: Introduction

- 1.1 The Council believes that everyone should have the opportunity of a decent home which they can afford in a community in which they want to work or live. Selby District Council is committed to providing high quality affordable housing for people who cannot access or afford market housing in the Council's administrative area ("the District").
- 1.2 Housing affordability is one of the biggest challenges facing the District. House prices are higher than regional average, and almost tripled over the period 1996 to 2011<sup>1</sup> from £66,364 in 1996 to £182,443 in 2011. However average house prices in Selby are lower than the North Yorkshire average of £218,113.
- 1.3 Affordability ratios (house price to earnings) are also significantly higher than the 'Affordable Definition' of 3.5 (an affordable mortgage being three and a half times annual income)<sup>2</sup> particularly in the northern part of the District. In 2011 the affordability ratio for Selby District was 6.02<sup>3</sup>. This means that average house prices are 6 times the average annual household income for Selby District.
- 1.4 The latest Strategic Housing Market Assessment (2009) ("SHMA") identifies the scale of need for affordable housing in the District over the Local Plan period. The SHMA establishes an overall target of 30-50% intermediate housing and 50-70% social rented housing. To meet identified need, affordable housing needs to be the right kind of housing in the right locations. Following the introduction of the Government's Affordable Rent category, the Council will be gathering evidence to establish the identified need and tenure split of rented housing. This will be set out through a combination of this SPD, future Strategic Housing Market Assessments (SHMAs) and future development plan documents (as appropriate).

## Section 2: Purpose and Status of this Supplementary Planning Document

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

---

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

<sup>2</sup> DCLG (2007) Strategic Housing Market Assessment- Practice Guidance (Version 2)

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

sites. Affordable housing provision will be required where site size thresholds, set out in this SPD are reached or exceeded, in accordance with Policy SP9 of the Selby District Core Strategy (“the Core Strategy”).

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



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

## Section 3: National Planning Policy

- 3.1 The National Planning Policy Framework (NPPF) was issued in March 2012. This provides the national planning policy guidance for the preparation of Local Plans and provision of affordable housing. The affordable housing policies contained within the Core Strategy SP9 and SP10 align with the NPPF guidance on affordable housing.
- 3.2 The NPPF Glossary definition of SPDs states that they add further detail to the policies in the Local Plan and *‘they can be used to provide further guidance for development on specific sites, or on particular issues, such as design<sup>4</sup>’*. Paragraph 152 of NPPF states that *‘Supplementary planning documents should be used where they can help applicants make successful applications or aid infrastructure delivery, and should not be used to add unnecessarily to the financial burdens on development.’* The NPPF also confirms that SPDs are capable of being a material consideration in planning decisions, but are not part of the development plan.
- 3.3. Paragraph 204 sets out the National Policy on planning obligations. This paragraph is relevant as planning obligations are a mechanism for delivering affordable housing. Paragraph 204 states that *‘planning obligations should only be sought where they meet all of the following tests:*
- *necessary to make the development acceptable in planning terms;*
  - *directly related to the development; and*
  - *fairly and reasonably related in scale and kind to the development’.*
- 3.4 These tests are also contained in Regulation 122 of the Community Infrastructure Regulations 2010 (“the CIL Regulations”).
- 3.5 The affordable housing policies included in the Core Strategy are consistent with guidance set out in the National Planning Policy Framework.

## Section 4: Affordable Housing

### Affordable Housing Definition

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

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

---

<sup>4</sup> Glossary at end

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

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

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

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

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

### **Rural Exception Sites Definition**

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

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

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



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

## **Section 5: Local Plan Context**

### **Selby District Core Strategy Overview**

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

---

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

<sup>6</sup> Affordable Housing Economic Viability Assessment by consultants DTZ for the Council , August 2009 [http://www.selby.gov.uk/service\\_main.asp?menuid=&pageid=&id=1821](http://www.selby.gov.uk/service_main.asp?menuid=&pageid=&id=1821)

<sup>7</sup> Affordable Housing Small Sites Threshold Testing – DTZ October 2010 [http://www.selby.gov.uk/upload/Affordable\\_Housing\\_Small\\_Sites\\_Threshold\\_Testing.pdf](http://www.selby.gov.uk/upload/Affordable_Housing_Small_Sites_Threshold_Testing.pdf)

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

### **Affordable Housing Policy**

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

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

#### **Policy SP9 Affordable Housing**

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

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

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

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

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

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

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

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

#### Future Local Plan Documents, Affordable Housing

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



## **Rural Housing Exceptions Sites**

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

### **Policy SP10 Rural Housing Exceptions Sites**

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

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

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

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

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

### Future Local Plan Documents, Rural Exception sites

- 5.16 The Sites and Policies Local Plan will consider further detailed policies and the allocation of Rural Exceptions Sites in line with the Core Strategy. Any rural exception allocations would be within or adjoining Designated Service Villages or Secondary Villages as per Core Strategy Policy SP10. Any allocations will also consider the national requirements set out in the NPPF.

## **Section 6: Evidence**

- 6.1 The Council recognises that housing need and market conditions vary over time, depending on economic circumstances. This is reflected in the flexible Core Strategy policies on affordable housing.
- 6.2 The Core Strategy sets out the Affordable Housing requirements, which are based on the latest evidence on housing need in the Strategic Housing Market Assessment (SHMA) 2009 (and the North Yorkshire SHMA (NYSHMA) 2011 and an Economic Viability Appraisal (EVA) 2009<sup>8</sup>. The EVA demonstrates that in good market conditions 40% affordable housing should be achievable on a high proportion of sites and as such is included in the Core Strategy as an upper target level over the plan period. For further information see the Core Strategy (Section 5 – Creating Sustainable Communities).
- 6.3 Negotiations on affordable housing provision on specific sites will also be informed by any further up to date evidence, which will include the latest Strategic Housing Market Assessment (SHMA), current information from the Selby District / North Yorkshire Housing Register, and evidence of existing affordable housing provision in the locality, including the Census 2011.
- 6.4 The Council intends to review and update both the SHMA and the Affordable Housing Economic Viability Appraisal at appropriate intervals. This will ensure that the evidence base remains up to date, and they will be made available on the Council's website.

## **Section 7: Detailed Affordable Housing Requirements**

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

### **Site Size and Suitability**

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

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

- 7.3 On sites below the threshold of 10 dwellings (or sites of less than 0.3ha) a commuted sum in lieu of on site provision of affordable housing will be sought to provide affordable housing within the District. The contribution sought will be equivalent to the provision of up to 10% on-site affordable housing units. For example, a 9 unit scheme would pay the cost of 0.9 of an affordable unit.

---

<sup>8</sup> Also Small Sites Threshold Testing 2010

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

### **Type, Size and Tenure**

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

### **Design and Layout**

- 7.8 The Council expects affordable housing to be built to the same high standard of design and amenity as market housing. Affordable housing units within new

residential developments should be of a similar quality to the open market housing and should be visually indistinguishable.



- 7.9 Applicants should meet the design requirements set out in the Core Strategy (Policies CP12, CP13 and CP16) and any other future Selby District Council Development Management policies and guidance relating to design. Applicants should work with Registered Providers early to ensure that design standards meet their requirements on a scheme by scheme basis.
- 7.10 Core Strategy Policy CP16 states that *'development schemes should seek to reflect the principles of nationally recognised design benchmarks to ensure that the best quality of design is achieved'*. The Core Strategy notes the Council is keen to encourage all new housing developments to attain LifetimeHomes standards and meet the Code for Sustainable Homes as well as supporting the key principles of the Building for Life scheme.

### **Distribution of Affordable Housing**

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

## **Registered Providers**

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

## **Local Connection**

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

## **Section 106 Legal Agreement**

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

## **Small Number of Market Dwellings on Rural Exception Sites**

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

## **Section 8: Transfer Prices**

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

*[include link – when available]*

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

## **Section 9: Development Viability**

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



- 9.2 On certain sites, development viability may be affected by a range or combination of factors not identified prior to purchase, such as high abnormal costs<sup>9</sup> and/or competing or existing land values. It is acknowledged that the level of affordable housing that a scheme can accommodate, and associated viability assessment must be dependent on it creating a land value that provide a competitive return for a land owner and developer so they are willing to bring the site forward for development.
- 9.3 Where the applicant considers that development viability is affected, the applicant should identify these issues and associated costs and submit a financial appraisal (at the applicant's own expense) to the Council at the earliest opportunity, and at the latest as part of any submitted planning application. The preferred SDC approach is for an agreed deliverable level of affordable housing to be negotiated through the results of a financial appraisal prior to submission of a planning application. This will avoid delay of the planning application as a result of on-going negotiation and result in a reduced level of costs from the District Valuer (see 9.4), from continuing amendments to the appraisal. The Appraisal should cover all of the costs and expected receipts arising from the development to provide a net residual valuation.

---

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

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

## **Section 10: Commuted Sums**

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

### Residential schemes of less than 10 dwellings

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

### Residential schemes of 10 dwellings or more

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



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

#### Pooling of Commuted Sums

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

### **Section 11: Procedures for Applications**

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

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

## Appendix 1

### Market Value, Transfer Prices and Commuted Sums

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

#### a) Determining the Market Value Methodology

##### Market Value for schemes of 1-9 dwellings or more

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

##### Market Value for schemes of 10 dwellings or more

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

#### b) Establishing Transfer prices – Methodology

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

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

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

**Table 1: Current Transfer Values**

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

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

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

## Calculating Commuted Sums

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

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

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

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

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

*(A-B) x10% proportion of total dwellings*

*A is the market value of a dwelling*

*B is the transfer value of a dwelling to RP*

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

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

*The values used are based on 2013 - average transfer value of £67,029<sup>10</sup> and market value of £163,000<sup>11,12</sup>*

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

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

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

<sup>12</sup> Figures will be revised annually.

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

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

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

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

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

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

A is the market value of a dwelling

B is the transfer value of a dwelling to a RP

C is the affordable housing percentage

D is the total number of dwellings

E is the number of additional market units on site

*Example calculation based on*

*Market value of a dwelling is £163,000<sup>13</sup>*

*Transfer value of a dwelling is £67,029<sup>14</sup>*

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

*The planning application is a 20 unit scheme*

### **Part 1 To capture the contribution required from the scheme**

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

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

### **Part 2 To capture the uplift as per A1.15**

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

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

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

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

**Part 3 The total commuted sum**

$$£767,768 + £287,913 = £1,055,681$$

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

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

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

## Appendix 2 – List Registered Providers operating in the Selby District

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



## Appendix 3 - Financial Appraisals

- A4.1 To justify the provision of less than the target for affordable housing, the Council requires a Financial Appraisal to be submitted with the planning application. The information contained in the Appraisal will only be made available to the Planning Officer and the viability expert advisor. It will not be placed on the public file nor made available to any third party.
- A4.2 The information to be supplied should include the value of the completed development proposed by this application, and all costs incurred or expected to be incurred in order to achieve this value. The information should ideally include the following as a minimum guide, but may also cover other items specific to the proposed development.

### Value

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

### Costs

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

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

Any other relevant items should be clearly defined and costed.

## **Appendix 4: Exceptional Off-site provision**

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

### **Defining a Balanced Housing Market and Clear Benefit to the Community**

#### **a) Justification of a proposal delivering a Balanced Housing Market**

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

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

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

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

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

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

The proposal would support the Core Strategy development strategy, aims, objectives and policies, which seek to focus development in Selby Town, then Local Service Centres and then Designated Service Villages.

The proposal results in the provision of affordable units in a location that is considered to have good access local services, facilities and access to public transport.

If the proposal results in empty homes being brought back into use for affordable housing on an identified site.

The proposed off site development would allow affordable housing to be delivered on an identified site, which would otherwise not be delivered by other means, including the delivery of specialist or supported units.

The delivery of affordable units off site is within the same timescale as the provision of market units on site, defined in the S106 agreement.

If a mechanism for delivery / delivery partner is identified to provide the affordable housing.

## Appendix 5

### Information to accompany a planning application – the Affordable Housing Statement

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

## Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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