

Selby District Council



Agenda

Meeting: **Executive**
Date: **3 April 2014**
Time: **4pm**
Venue: **Committee Room**
To: Councillor Mark Crane, Councillor Mrs Gillian Ivey, Councillor Cliff Lunn, Councillor John Mackman and Councillor Chris Metcalfe

1. Apologies for absence

2. Minutes

The Executive is asked to approve the minutes of the meeting held on 6 March 2014. Pages 1 to 5 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.

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.

Executive
3 April 2014

4. Selby Skate Park Petition

The Executive is asked to formally receive the petition.

5. Provision of Traveller Sites in the District - Position Statement

Report E/13/60 provides the Executive with a position statement. Pages 6 to 11 attached.

6. Access Selby Service Level Agreement

Report E/13/61 asks the Executive to approve a revised Service Level Agreement with Access Selby. Pages 12 to 39 attached.

7. Housing Support Service – ‘Assisted Living’ Equipment Procurement

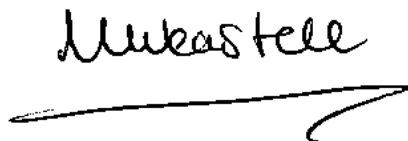
Report E/13/62 asks the Executive to consider the procurement options and to agree to proceed with the outright purchase of new ‘Assisted Living’ equipment without a service contract. Pages 40 to 47 attached.

8. New NNDR Reliefs

Report E/13/63 asks the Executive to consider the NNDR Retail Reliefs Policy. Pages 48 to 60 attached.

9. Retail Development at 43 Kirkgate, Tadcaster

Report E/13/64 asks the Executive to agree to fund the development of the retail space at 43 Kirkgate, Tadcaster. Pages 61 to 64 attached.



Mary Weastell
Chief Executive

Dates of next meetings
17 April 2014 - Executive Briefing
1 May 2014 Executive
15 May 2014 – Executive Briefing

Enquiries relating to this agenda, please contact Glenn Shelley on:
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Selby District Council



Minutes

Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	6 March 2014
Present:	Councillor M Crane (Chair), C Lunn, J Mackman and C Metcalfe.
Officers present:	Chief Executive, Deputy Chief Executive, Executive Director S151, Director, Solicitor to the Council, Business Manager (ES), Lead Officer – Contracts, Democratic Services Manager and Graduate Trainee.
Also Present:	Councillor J Crawford
Public:	0
Press:	0

NOTE: Only minute numbers 86, 87, 89, 90 and 91 are subject to call-in arrangements. The deadline for call-in is 5pm on 18th of March 2014. Decisions not called in may be implemented on 19 of March 2014.

83. Apologies for Absence

Apologies were received from Councillor Mrs G Ivey.

84. Minutes

The minutes of the meeting on 6 February 2014 were submitted and agreed as a correct record and signed by the Chair.

85. Disclosure of Interest

Councillor J Mackman declared that he had registered as an “other interest” his role on the Selby and District Housing Trust. He stayed in the room during the consideration but did not vote on items 7 and 8 on the agenda (Housing Development St Joseph’s Street, Tadcaster and 43 Kirkgate, Tadcaster). He also declared that he had registered as an “other interest” his role on the Selby Internal Drainage Board (Selby IDB). He stayed in the room during the consideration and voting on item 4 on the agenda (Works to Culvert on Portholme Road – key decision).

Councillor M Crane declared that he had registered as an ‘other interest’ his role on the Selby IDB. He stayed in the room during consideration and voting on item 4 on the agenda (Works to Culvert on Portholme Road – key decision). He declared that he had registered as an “other interest” his employment with HMRC. He stayed in the room during consideration and voting on items 7 and 8 on the agenda (Housing Development St Joseph’s Street, Tadcaster and 43 Kirkgate, Tadcaster) – both reports made reference to the tax implications of the proposals.

Councillors C Metcalfe and C Lunn also declared that they had registered as an “other interest” their roles on the Selby IDB. They stayed in the room during consideration and voting on item 4 on the agenda (Works to Culvert on Portholme Road – key decision)

At this point the Executive discussed the highways proposals for Finkle Street and Micklegate, Selby. The Executive requested that the Chief Executive write to North Yorkshire County Council (NYCC) asking that no action be taken until detailed dialogue had taken place between the two councils.

Resolved:

To request the Chief Executive write to NYCC asking that no further action be taken regarding the highways proposals for Finkle Street and Micklegate, Selby, until detailed dialogue has taken place between the two councils.

86. Works to Culvert Portholme Road Key Decision

Councillor M Crane presented the report on a blockage to a drainage culvert on Portholme Road, Selby. As the blockage, which had been caused by tree roots, was under Council owned land, the responsibility for repair, and any resulting liabilities, lay with the Council.

The Executive discussed the effects of repairing the culvert on the trees within that area.

Resolved:

- i. To approve the funding to enable the specification and procurement of repairs to the blocked culvert located under Portholme Road playing field;**
- ii. To delegate authority to a Director of Access Selby, following procurement, to award contracts in order to expedite the repairs.**

Reason for the decision:

The financial risk from flooding and associated claims will remain with the Council until such time as repairs have been affected. Approval of funding and expediting the award of contract will mitigate the financial and reputational risk to the Council.

87. Contaminated Land Strategy

Councillor M Crane presented the report on the new Contaminated Land Strategy 2013 – 2018 for Selby District.

Councillor M Crane set out that the Strategy explained how sites would be identified and prioritised and how land would be dealt with if it was felt that harm was being caused. The Executive acknowledged that contaminated land had potentially significant cost implications for the Council and it was important that the risks and issues were understood.

Resolved:

To approve the Contaminated Land Strategy 2013-18.

Reasons for the decision:

To comply with the Council's statutory duties with regard to contaminated land within the District.

88. Selby Leisure Village

This item had been removed from the agenda.

89. Housing Development St Joseph's Street, Tadcaster

Councillor M Crane presented the report on the revised Business Case for St Joseph's Street, Tadcaster, which considered the options

for the scheme in the light of changes following the development of a more detailed business case.

Councillor M Crane set out that following the agreement of the outline business case in November 2013, more detailed work had been undertaken. This work had identified that compliance with a specific planning condition would increase the costs of the scheme by around £60k.

The Executive considered four options for the scheme. It was felt that the two most feasible options to meet the additional costs were option three; to sell one of the properties outright on the open market or option four; to subsidise the scheme. After considering each option the Executive decided that option three represented the best way to progress the scheme.

Resolved:

- i. To approve the revised business case;**
- ii. To approve option 3 as the preferred approach;**
- iii. To approve the amended offer to Selby District Housing Trust;**
- iv. To delegate power to approve the transfer and agree the final sum and terms in accordance with this 'in principle' approval to the s151 Officer after consultation with the Lead Member for Resources and the Solicitor to the Council.**

Reasons for the decision

To provide affordable general needs housing in Selby District as identified in the evidence supporting the Core Strategy.

90. Housing Development 43 Kirkgate, Tadcaster

Councillor M Crane presented the report on the revised Business Case for 43 Kirkgate, Tadcaster. Councillor M Crane set out that, following the agreement of the outline business case in November 2013, more detailed work had been undertaken.

The Executive heard that following a condition survey on the property and notification of the expected planning conditions for the change of use, it had been necessary to revisit the business case and refer the matter back to the Executive as the assumptions underlying the previous "in principle" approval had changed.

Resolved:

- i. To approve the revised Business Case;**
- ii. To approve in principle the amended offer to Selby District Housing Trust;**
- iii. To delegate power to approve the transfer and agree the final sum and terms in accordance with this 'in principle approval' to the s151 Officer after consultation with the Lead Member for Resources and the Solicitor to the Council.**

Reasons for the decision

To provide affordable general needs housing in Selby District as identified in the evidence supporting the Core Strategy.

91. Overview and Scrutiny Work Programmes

Councillor M Crane presented the report on the Overview and Scrutiny Committee Work Programmes.

In considering the report, the Executive asked that Scrutiny Committee consider the addition of Travel Services to its work programme for 2014/15.

Resolved:

To note the Overview and Scrutiny work programmes and recommend their submission to Council for approval.

Reason for the decision:

That the Council ensures the contribution of Scrutiny is effective in supporting service improvement and delivery against district wide and Council priorities.

The meeting closed at 4.41 pm

Selby District Council

REPORT

Reference: E/13/60

Public – Item 5



To: The Executive
Date: 3 April 2014
Status: Non Key Decision
Report Published: 26 March 2014
Author: Eileen Scothern
Executive Member: Councillor Mark Crane
Lead Officer: Keith Dawson

Title: Provision of traveller sites in the District - Position Statement

Summary:

The Homes and Communities Agency (HCA) informed SDC on 9th December 2013 that they have withdrawn the offer to sell the portion of the Burn Airfield site to the Council for use as a traveller site. This report provides a position statement and options available to the Council in drawing down the HCA grant offer towards the provision of traveller pitches. This report does not consider the planning merits of any particular site.

Recommendations:

- i. To note the report**
- ii. To inform the HCA that the Council is not in a position to confirm that a traveller and gypsy site is deliverable by March 2015 and as a result the conditions of the grant offer can't be met.**
- iii. To consider whether to investigate and carry out public consultation on the potential of any sites outside the Sites and Policies Plan (SaPP) process. And/or**
- iv. Continue to seek sites through the Sites and Policies Plan and if and when a site has received planning permission explore alternative funding packages.**

Reasons for recommendation

To identify a scheme to deliver a 5 year supply of pitches.

1. Introduction and background

- 1.1 The Executive in 2012 authorised the submission of a planning application for 15 pitches and 2 transit pitches on land owned by the HCA at Burn Airfield site.
- 1.2 On 11 October 2013 the Council's planning application for 15 traveller pitches on land at Burn Airfield was considered and refused by the Planning Committee.
- 1.3 The Travellers Needs Assessment (2013) identifies a need of 33 Traveller pitches, 19 required within the first 5 year period. Following a recent planning appeal decision the need has reduced to 18.
- 1.4 On 9th December 2013 the HCA withdrew their willingness to sell the Council part of the Burn Airfield site for Gypsies and Traveller accommodation.
- 1.5 On 17th January 2014 the HCA wrote to SDC extending the deadline to find an alternative site for Gypsies and Traveller accommodation to April 2014 but did not extend the completion date which remains at March 2015.

2. The Report

- 2.1 At a time when the Core Strategy was delayed within the Examination in Public process, the Executive requested officers to submit a planning application on land owned by the HCA as a stand-alone application outside the local development framework process.
- 2.2 A bid for funding to develop the scheme was approved by the HCA subject to the scheme being delivered by March 2015. Clearly the refusal of the planning application and withdrawal of the offer to sell the site at Burn has impacted the deliverability of the Burn scheme within this timeframe. However, following discussions with the HCA this grant offer was still open to the Council subject to the Council identifying a deliverable scheme which could be completed before March 2015.
- 2.3 In an attempt to identify an alternative location and safeguard the offer of funding from the HCA a desktop review of sites previously

considered and potential new sites has been undertaken. This included consultation with colleagues at North Yorkshire County Council who identified a number of potential sites in their ownership which might be available to the District Council. The sites considered are those where there is known land availability and the sites have been initially assessed against the green belt and flood risk elements as specified in the Adopted Core Strategy.

All Traveller development will be considered on the basis of the policy in conjunction with up to date needs assessments and Government guidance. The Government guidance sets out detailed Development Management criteria and so it is unnecessary to repeat that in Policy SP11. Those criteria include issues such as: the inappropriateness of Green Belt locations; the flood risk sequential test; integration with neighbouring land uses and communities; limiting disruption to amenity; sustainable access to local services and facilities where there is capacity; local character such as existing land use; topography, landscape, wildlife and historic assets; ensuring a high quality development; providing appropriate access, parking and on-site amenity for residents; and ensuring any on-site employment uses are compatible with residential and neighbouring uses.

The results of the desktop study are set out in the following table:

Site	Not in Green Belt	Not in Flood Zone 3	Willing Landowner	Comments
Barlby Depot, Barlby	Yes	No		Discounted due to flood risk
Land on A163, Barlby	Yes	Yes	Yes	Consider under SaPP or a free standing application
Land at Old Great North Road, Brotherton	Partially	No		Discounted due to flood risk
Common Lane, Burn	Yes	Yes	No Landowner has withdrawn the site.	Discounted not a willing landowner
Land at Church	Yes	No		Discounted due to flood risk

Fenton				
Former Mushroom factory, Gateforth	Yes	Yes	No Planning Permission granted for Showpeoples' quarters.	Discounted not a willing landowner
Great Heck	No			Discounted due to Green Belt
Hazel Old Lane, Hensall	Yes	Yes	Yes	Consider under SaPP or a free standing application
Hillcrest (old A1 site)	No			Discounted due to Green Belt
Border farm, Hillam	No			Discounted due to Green Belt
Lumby A63 and A1(M) interchange	No			Discounted due to Green Belt
Bondgate former tip site, Selby	Yes	Yes	Yes	Consider under SaPP
Selby Common	Yes	No		Discounted due to flood risk
Former Civic Centre, Selby	Yes	No		Discounted due to flood risk
Land at Temple Hirst	Yes	No		Discounted due to flood risk
The Close, Towton	No			Discounted due to Green Belt
Land at Ulleskelf	Yes	No		Discounted due to flood risk
Poplar Farm Whitley	Yes	Yes	No Site now has	Discounted not a willing landowner

			planning permission for housing	
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- 2.4 Should any of the identified sites proceed, further investigation against the remaining matters identified in the Core Strategy must take place.
- 2.5 From the initial investigation two sites are identified as being outside the Green Belt and Flood Zone 3 with a willing landowner. Officers are seeking a decision of whether to carry out further investigation on these two sites and public consultation, negotiate and purchase the land subject to planning permission being granted (Recommendation iii) or to defer until the Sites and Policies Plan (Recommendation iv) later this year or to proceed with both options.
- 2.6 It is unlikely any site can be delivered by the deadline of March 2015 given the planning permission process and requirements. It is not known at this time whether the HCA would be willing to extend that deadline although if a site or sites were identified and in the process of delivery by March 2015 an approach to the HCA to extend could be made
- 2.7 An extensive site investigation on potential contamination has been undertaken on the Bondgate site in Selby, and further monitoring is required over the next 12 months. This site whilst submitted by SDC as a potential site is not immediately available and it is suggested this is considered as part of the Sites and Policies Plan.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.2 Failure to identify a 5 year land supply significantly weakens the Council's ability to resist inappropriate development of sites.

4. Financial Issues

- 4.1 There are no direct financial implications as a result of this position statement. The contribution from the HCA would not be drawn down and the Council's contribution reallocated. If the Executive requests officers to pursue recommendation iii, budget provision will be required for the investigation, submission of a planning application and purchase of a site.

5. Risk Management

- 5.1 There are two identified risks,

- a) As the Council can't identify a 5 year land supply the Council's ability to resist inappropriate development of sites is weakened.
- b) Any new applications submitted will need to consider the lack of pitches in the district as a material consideration.

6. Conclusion

- 6.1 After carrying out a review of historical and recently submitted sites no site can be delivered by March 2015. It is therefore recommended officers seek an alternative site either through a standalone application or through the Sites and Policies Plan.

Contact Officer:

Eileen Scothern
Business Manager
Selby District Council

Selby District Council

REPORT

Reference: E/13/61

Public – Item 6



To: The Executive
Date: 3 April 2014
Status: Non Key Decision
Report Published: 26 March 2014
Author: Caroline Sampson Paver – Commissioning & Performance Officer
Executive Member: Councillor Mark Crane
Lead Director: Keith Dawson – Director

Title: Draft Refresh of the Service Level Agreement with Access Selby for 2014/15

Summary:

This report presents for approval a revised Service Level Agreement (SLA) with Access Selby. The SLA has been refreshed with a light touch and with input from key stakeholders, and now takes the form of a final version for approval.

Recommendations:

That the extended Service Level Agreement be approved

Reasons for recommendation

To have an extended SLA in place for 2014/15.

1. Introduction and background

1.1 As part of delivering the Corporate Plan, an SLA has been adopted since 2012 to build on the partnership approach that the Council and Access Selby operate in delivering the Councils objectives. The SLA assists in defining and monitoring the outcomes that the Council expects to be delivered by Access Selby, whilst providing enough flexibility for the business to operate in a responsive and innovative way.

- 1.2 This report details where amendments are included within the refreshed agreement, to extend the life of the SLA for a further 14 months from the start of the financial year 2014. Subsequently it is planned to develop a range of new measures to reflect the Councils strategic plans and priorities.

2. The Report

- 2.1 In preparing a light touch refresh, Strategic and Corporate Management Teams have given input into the areas for development or attention and Officers from both parts of the organisation have worked to progress the document towards approval.
- 2.2 As previously noted, an important part of delivering an extended SLA is the need to ensure that the KPIs, which provide a regular health check on the progress of delivering the Councils key aims, are covering the most relevant parts of the business and that performance targets are reflective of achievable levels of performance. It is recognised that in many service areas efficiencies are already being made, and that performing to current target levels already represents a rise in performance.
- 2.3 You will find the refreshed KPIs at Schedule 2, which includes 3 new measures and some renewed targets, with additional text at Schedule 4 on reporting outcomes, to help build on the commentary that accompanies each KPI by including details of the outcomes that are being delivered on behalf of the Council in the defined service areas. Other updates are only to refresh to the most current data, as has been carried out annually in the past.

3. Legal/Financial Controls and other Policy matters

Legal Issues

There are no specific legal issues to consider

Financial Issues

There are no specific financial issues to consider

4. Conclusion

- 4.1 This report presents an extended SLA that has been lightly refreshed where appropriate, prior to a more substantial review taking place.

5. Background Documents

None

Contact Details

Caroline Sampson Paver – Commissioning and Performance Officer

Appendices:

Appendix 1 – Draft Service Level Agreement for 2014/15

Selby District Council

Service Level Agreement:

Provision of Services between The Core and Access Selby

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This Service Level Agreement is dated the

Between:

Selby District Council – The Core of The Civic Centre, Doncaster Road, Selby, YO8 9FT ('the Council'); and

Selby District Council – Access Selby of The Civic Centre, Doncaster Road, Selby, YO8 9FT ('Access Selby')

Whereas:

- i. The Council wishes to formalise its plan for the delivery of services in a flexible way making the most effective use of staff and resources across disciplines.
- ii. The Council wishes to procure the services ('the Services') set out in Schedule 1 of this Service Level Agreement ('SLA') in order to supplement its in-house provision and provide appropriate services to third parties
- iii. Access Selby is willing to provide the Services
- iv. This SLA clarifies the obligations of each party and sets the standards / specifications of the Services

It is agreed as follows:

1. Interpretation

1.1 In this agreement where the context so admits:

'Access Centre' shall mean the customer drop in and call centre located at Market Cross, Selby.

'Access Selby' is an arm's length service delivery vehicle for the provision of Services to the Council and third parties.

'Corporate Plan' a four year plan (2011-2015) set by the Council, showing how resources will be used to target the '5 big-things' identified as important to those who live and work in the District.

'KPIs' means the key performance indicators in relation to the provision of the Services as set out in Schedule 2.

'Service Standards' means the standards to which the services are performed to the level of the applicable KPI or if no KPI to the best applicable techniques and standards with all reasonable care, skill and diligence and in accordance with good local authority practice [or the level and standard specified in Schedule 4)

'the Council' includes the support core of the Council which has the role of giving democratic, monitoring and policy support to the Council.

'Budget' means the budget in clause 9.

'Liabilities' means any cost claims damages legal proceedings arising out of officer and councillor actions and officer time in dealing with liabilities.

'Partnering' means a relationship based on:

1. A shared understanding of the values, objectives and aspirations of the Council, Access Selby, stakeholders and the community in Selby District;
2. A commitment to people including staff and the users of the Services;
3. Recognition of the skill and experience of both parties facilitating development of the Services with continuous improvement;
4. Seeking to improve the Services within the Budget;
5. A sharing of information, particularly regarding the performance of the Services, but also including financial and other commercially sensitive information (subject to the appropriate obligations under the Freedom of Information and Data Protection Act, and Environmental Information Regulations);
6. A non-confrontational and collaborative relationship, based on trust and openness, whilst recognising the need for a formal partnering management process to ensure the responsibilities and obligations of the parties are maintained; and
7. Seeking to amicably resolve any disputes that arise with the aim of avoiding, wherever possible, recourse to formal contractual procedures.

'the Parties' means the Core and Access Selby.

2. Duration

- 2.1 This agreement commenced on 1 April 2014 and shall end on 31 May 2015 unless both parties formally agree in writing to extend it.
- 2.2 In the third quarter of this SLA, the Parties shall meet to review the SLA and to consider extending its term.

3. Services Specification

Access Selby agrees to provide and/or procure the Services to the Council and other third parties to the Service Standard and Access Selby agrees to use and/or procure all reasonable endeavours to meet those standards, and where no standards are specified Access Selby shall provide or use reasonable endeavours to procure the Services in a competent and professional manner to provide a high quality service working towards agreed outcomes and key milestones set out in Schedule 5.

4. Access Selby's Obligations

Access Selby will:

- 4.1 deliver or procure the delivery of the Services
- 4.2 work in effective partnership with the Council to deliver Value for Money in accordance with the provisions of Schedule 3 to this SLA
- 4.3 Lead Officers and/or Deputies to provide quarterly updates, accounts and progress reports on Key Performance Indicators to the Council within 5 working days of the beginning of the month.
- 4.4 comply with the Service Standards set out in Schedule 4.
- 4.7 in providing the Services comply with and take into account all applicable laws, enactments, orders, regulations and other similar instruments, the requirements of any court with relevant jurisdiction and any local, national or supranational agency, inspectorate, minister, ministry, official or public or statutory person of the government of the United Kingdom or of the European Union and the Council's Constitution throughout the Term of this SLA.
- 4.8 ensure data entry of KPIs so that Covalent reports are available to the Council within five working days of the beginning of each month.
- 4.9 actively participate in Partnering.
- 4.10 keep Covalent up to date with the Lead Officers and deputies responsible for reporting each KPI.
- 4.11 fulfil the statutory duties associated with the Services that it will deliver, and carry out the Services to the defined levels or towards the levels and specifications under development, as set out in Schedule 2.
- 4.12 Maintain plans relating to business continuity and disaster recovery, and any such plans that exist for this purpose between the Parties and any agents, partners or sub-contractors.

5. The Council's Obligations

The Council will:

- 5.1 Actively participate in Partnering.
- 5.2 Work in effective partnership with Access Selby to deliver Value for Money in accordance with the provisions of Schedule 3 of this SLA
- 5.3 Make decisions in a timely manner to enable Access Selby to work efficiently and effectively
- 5.4 Delegate to access Selby to make decisions where appropriate (for example in relation to internal Access Selby objectives)

6. Monitoring and Review

- 6.1 With regard to item 4.3 above, an Access Selby Lead officer for Data and Systems shall meet quarterly with the Council's Commissioning and

Performance Officer and upon request from the Council provide a report to the Executive of the Council to update on performance and issues raised to date.

7. Quality Assurance

- 7.1 The Council will receive a quality of service which is in line with the Service Standards (attached to this SLA at Schedule 4).
- 7.2 Access Selby will ensure that there will always be a clear and transparent audit trail in respect of Services delivered or procured by Access Selby.
- 7.3 The Core and Access Selby shall agree a set of PIs against which the effectiveness of the Services can be measured.

8. Dispute Resolution

- 8.1 In the event of a dispute, officers of the Core and Access Selby shall work together to resolve the matter.
- 8.1.2 In the event that the matter cannot be resolved in accordance with clause 8.1, the matter shall be escalated to an Executive Director of the Council and Access Selby's Managing Director.
- 8.1.3 The Parties shall attempt in good faith to negotiate a settlement to any dispute between them within 30 days, and either Party may at any time formally refer such dispute to the Chief Executive or other Senior Officer nominated by him.
- 8.1.4 Any dispute resolution arrangements that exist between the Council and/or Access Selby and existing partners will continue to apply.

9. Risk statement

- 9.1 The risks relating to the SLA are as set out in Schedule 4.

10. Budget

- 10.1 The annual budget and financial arrangements for the Services shall be as set out in Schedule 5.

11. Amendments etc

- 11.1 With reference to dispute resolution, clause 8) this Agreement may not be released, discharged, supplemented, interpreted, amended, varied or modified in any manner except by an instrument in writing signed off by Strategic Management Team.

12. Variation of the Services

- 12.1 Any variation to the services commissioned which are described in Schedule 1 shall be agreed between Access Selby and the Core and signed off by Strategic Management Team.

12.2 Both Parties reserve the right on giving reasonable written notice from time to time to the other to require changes to the Services (whether by way of the removal of Services, the addition of new Services, or increasing or decreasing the Services or specifying the order in which the Services are to be performed) for any reasons whatsoever. Such a change is hereinafter called “a Variation”. Any additional or reduced cost agreed to by the Council and incurred by Access Selby as a result of a Variation will be reimbursed on an open book basis by the Council, or by Access Selby if a reduction.

12.3 Any such fundamental Variation shall be communicated in writing and will form an addendum to this SLA.

12.4 In the event of a Variation the Budget may also be varied. Such Variation in the Budget (“Price Variation”) shall be calculated by Access Selby, for review by the Council, with reference to the budget and agreed in writing with the Council and shall be such amount as properly and fairly reflects the nature and extent of the Variation in all the circumstances. Failing agreement the matter shall be determined by negotiation or Dispute Resolution in accordance with the provisions of clause 8.

12.5 Access Selby shall provide such information as may be reasonably required to enable such varied price to be calculated.

13. 'Contra proferentum' rule

13.1 The Parties acknowledge and agree that this Agreement has been jointly drafted by the Parties and accordingly it should not be construed strictly against either Party.

14. Equal opportunities

14.1 Access Selby shall, in the performance of its obligations under this SLA, comply with the Council’s policies on equal opportunities.

15. Liabilities

15.1 The Parties shall agree the apportionment or responsibility for costs in relation to the Liabilities.

16. Third parties

16.1 Nothing in this SLA is intended to confer any benefit on any person who is not a party to it.

17. Notices

17.1 Except as otherwise expressly provided within this SLA, no notice or other communication from one Party to the other shall have any validity under this SLA unless made in writing by or on behalf of the Party concerned.

17.2 For the purposes of clause 16.2 the address of each Party shall be:

- Commissioning and Performance Officer
- Lead Officer Data and Systems

Signed on behalf of the Council acting by:

.....
Duly Authorised Person

Signed on behalf of Access Selby acting by:

.....
Duly Authorised Person

Schedule 1 – the Services

- 1 A planned, responsive and flexible approach to satisfying customer requirements, focused on the shared values, objectives and aspirations of the partnership
- 2 The provision of advice, support and guidance by the Directors of Access Selby to lead members of the Executive.
- 3 The provision of administration and business support to the Council.
- 4 Assistance with any and all emergency planning occurrences and elections and referendums to be held in the District.
- 5 The provision in accordance with the Council's Constitution of statutory mandatory and discretionary functions and duties in connection with but not limited to the following core areas of the Council's services, as amended from time to time:
- 6 Provision of a development management function working with applicants, stakeholders and the community.
- 7 Provision of a responsive repairs and planned maintenance service to tenants of Council dwellings and other Council owned properties.
Provision of facility management service for other Council buildings
- 8 Financial management to support strategic and operational decision making
- 9 The provision of legal advice, advocacy and general legal work
- 10 Ensure delivery of quality, value for money services using effective procurement and contract management
- 11 Enable robust, effective and efficient use of information and systems to support business delivery that includes extracting robust business intelligence to aid high level decision making
- 12 Provision of corporate communications and marketing support, to help with the running of the business
- 13 Provision of a 'right first time' and one-stop-shop approach to customer queries and to provide enquiry service via telephone or face to face contact at the Access Selby Contact Centre and out in the community
- 14 Provision of housing support service to older and vulnerable households across all tenures working with North Yorkshire County Council to encourage independent living

- 15 Provision of advice and support to management and employees on the appropriate interpretation of the Organisational Development Strategy and the application of Human Resources policies and procedures
- 16 Protect vulnerable residents from becoming homeless and to prevent homelessness across the district
- 17 Provide a range of effective revenue collection functions and maximise recovery rates
- 18 Provide a range of effective enforcement and regulatory functions and activities
- 19 Provision, management and delivery of key corporate policies
- 20 Provision of a billing and collection service for Local Taxation including the administration or allocation of relevant benefits, discounts and exemptions

Schedule 2 – Key Performance Indicators

Code	Short Name	Direction of Travel	2014-2015 Target	Collection Frequency
SLA_001	% of satisfied customers	Aim to Maximise	85%	Quarterly
<i>The % of customers surveyed who are satisfied with the face to face contact that they have received through the Contact Centre or through other customer facing areas. KPI based on responses from customers returning customer pledge cards.</i>				
SLA_002	% of contact 'right first time'	Aim to Maximise	90%	Quarterly
<i>The % of customer queries that were dealt with at their first point by the Contact Centre, rather than being directed to the back office. Further development is on hold pending the implementation of the new CRM system.</i>				
SLA_003	% satisfied with street cleanliness	Aim to Maximise	80%	Annually
<i>% satisfied with street cleanliness. This KPI is based upon an aggregated score from a number of KPIs from the Streetscene contract covering complaints and response times relating to street cleanliness.</i>				
SLA_004	% satisfied with leisure facilities provided on behalf of the Council	Aim to Maximise	80%	Annually
<i>% satisfied with leisure facilities provided on behalf of the Council. This KPI is based on the annual customer satisfaction survey carried out by WLCT in April / May each year. As an interim report, Access Selby will report monthly on the complaint numbers and participation rates received from WLCT.</i>				

Code	Short Name	Direction of Travel	2014-2015 Target	Collection Frequency
SLA_009a	% of repairs to council-owned properties completed within agreed timescales (URGENT REPAIRS)	Aim to Maximise	97%	Monthly
% of repairs to council-owned properties completed within agreed timescales (EMERGENCY/URGENT REPAIRS combined)				
SLA_009b	% of repairs to council-owned properties completed within agreed timescales (NON-URGENT REPAIRS)	Aim to Maximise	90%	Monthly
% of repairs to council-owned properties completed within agreed timescales (NON-URGENT REPAIRS)				
SLA_010	Average time taken to re-let local authority housing	Aim to Minimise	24 days	Monthly
Average time taken to re-let local authority housing				
SLA_013	% increase in employees confidence and perception of the organisation	Aim to Maximise	60%	Annually
% increase in employee's confidence and perception of the organisation. The overall result is derived from the total number of people responding recording a positive response to the following question: I am excited about being part of this organization in the future.				

Code	Short Name	Direction of Travel	2014-2015 Target	Collection Frequency
SLA_014	Inspections of premises in accordance with statutory code of practice	Aim to Maximise	100% High and Medium Risk	Monthly
Inspection of regulated premises in accordance with statutory code of practice (Premises covered by Food safety, Health & Safety and Local Authority Pollution Prevention & Control regulations)				
SLA_015	% Response to Environmental Health enquiries and complaints	Aim to Maximise	100.00%	Monthly
% Response to Environmental Health enquiries and complaints in the area of food and safety.				
SLA_016	Number of high risk enforcement issues resolved	Aim to Maximise	70.00%	Quarterly
Number of high risk enforcement issues resolved. High risk enforcement issues are defined as those requiring action due to statutory functions and/or duties placed upon Selby District Council.				
SLA_018	% of new benefit claims and changes processed within 5 days upon receipt of complete application	Aim to Maximise	90%	Monthly
% of new benefit claims and changes processed within 5 days upon receipt of complete application				
SLA_019	% of Council Tax debt recovered	Aim to Maximise	97.9%	Monthly
% of Council Tax debt recovered. Target is based on the % collected, from the potential revenue billed				

Code	Short Name	Direction of Travel	2014-2015 Target	Collection Frequency
New KPI	Council Tax Base	Aim to Maximise	TBA - 28,089 (properties)	Monthly
Measurement of Council Tax Base achieved				
New KPI	% non-domestic rate debt recovered	Aim to Maximise	98.55%	Monthly
% of NNDR debt recovered. Target is based on the % collected, from the potential revenue billed				
New KPI	Amount of Business Rates Retention Income Achieved	Aim to Maximise	TBA - £2,189,755	Monthly
Measurement of business rates retention income achieved				
SLA_020	% of Council Rent debt recovered	Aim to Maximise	98.10%	Monthly
% of Council Rent debt recovered. Target is based on the % collected, from the potential rent revenue due for current year and arrears brought forward				
SLA_021	% of applications considered within time under scheme of delegation	Aim to Maximise	80.00%	Monthly
% of planning applications considered within time under scheme of delegation				
SLA_023	% of invoices paid on time	Aim to Maximise	95%	Monthly
% of invoices paid on time (within 30 days)				
SLA_025	% yield on commercial assets	Aim to Maximise	7.00%	Quarterly
% rate of return on commercial assets (net income in year as a percentage of asset value)				
SLA_026	Reducing internal costs on non	Aim to Maximise	3.00%	Quarterly

Code	Short Name	Direction of Travel	2014-2015 Target	Collection Frequency
	operational sites			
Reducing internal costs on non operational sites including maintenance costs (aims to achieve year on year reductions in costs of holding non-operational assets)				
SLA_027	% increase in income generation	Aim to Maximise	3%	Quarterly
% increase in income generation, aligned with target in the savings plan				
SLA_028	% Efficiency improvements	Aim to Maximise	2.5%	Quarterly
% total ongoing cashable efficiency savings delivered – reflecting the savings plan				
SLA_029	% Productivity improvements	Aim to Maximise	2.5%	Quarterly
% total non-cashable efficiencies delivered – e.g. from absorbing demand increases within existing resources				
SLA_030	% efficiency gain in outsourced services	Aim to Maximise	2.5%	Annually
Efficiency and productivity improvements. This is based upon efficiencies negotiated on contracts that deliver services to the community. Supporting narrative includes savings generated from contracted services reported under the savings plan				
SLA_031	Capital Programme Delivery	Aim to Maximise	85%	Quarterly
Reporting proportion of capital programme delivered on time and within budget.				

Schedule 3 - Value for Money

Both parties to this SLA are committed to working in effective partnership with the overriding aim of achieving and demonstrating the achievement of value for money for customers.

To this end, both parties shall work collaboratively and in good faith to achieve efficiency savings. The following principles of business underpin all Services delivered under this SLA:

- i. implementing the recommendations of any current procurement initiatives;
- ii. openly sharing knowledge and best practice to secure value for money and efficiency savings;
- iii. identify opportunities for collaborative purchasing – either together or as part of larger (regional and / or national) purchasing consortia – particularly where this approach will deliver efficiency savings for both organisations; and
- iv. review spend and identify opportunities to aggregate spend wherever possible.

Schedule 4 - Service Standards

This Schedule sets out the working arrangements, practices and protocols governing the working relationship between the Core and Access Selby.

These processes will enable the collation of Services and performance information as required by this SLA.

This Schedule should be updated on a regular basis as the working relationship develops.

Reporting outcomes

It is the practice that Key Performance Indicators are reported together with an element of commentary, which allows results to be explained and comparisons made – adding to the value of the overall report.

It is recognised as important to ensure that KPI commentary gives an appreciation of how different service performance outcomes have an impact on the community.

Handling Additional Work Requests

Both parties will consider the benefits of improving outcomes for the community through:

- Business improvements to maximise efficiency
- Enhancing the good reputation of the Council

All additional work requests must be outlined in a Project Brief and contain the following information:

Name of sponsor

Description of the outcome expected

Timescale for completion

Confirm available budget

Additional work requests and the consequent monitoring of progress will follow the procedures within Access Selby's programme and project management framework

Where it is considered appropriate by the Core a work request will be made using a commissioning template, which will enable the two parties to share knowledge and add clarity to the work request.

Customer Relationship

Customer satisfaction information is gathered through the Customer Pledge – which involves front line officers asking a range of simple questions or leaving a card to be completed with the customer.

As well as providing performance data, the pledge card enables customer to give their views and comments on the service they receive in their own words. These comments are passed back to the service areas who use the feedback to learn about what matters to people, what they would like to see improve and any good practice that can be adopted.

It is hoped that by learning from what customers tell us, trust will increase between the Council and its customers.

Client satisfaction / Quality Assurance

The Core shall provide feedback on the quality of service received during progress update meetings and through the Project Management process to enable the Core and Access Selby to work together to develop and maintain satisfaction with the quality of services provided.

Client satisfaction with the fulfilment of the requirements of the SLA shall be gathered quarterly through liaison meeting between the two parties

Councillor Liaison

Three routes have been defined as the most efficient to make contact with Access Selby, to ensure that Councillors enquiries are directed to the right Officer designated to deal with an issue.

- 1) Calling the Councillors Direct Line to the Access Centre means that the next available Customer Services Advisor will take the call – bringing the Councillor to the head of any queue. Depending on the nature of the query, the advisor will either be able to respond to the query themselves, or will send a message to the right back office specialist, who may be a Community Officer, who will respond to the Councillor directly.

Calls passed from the Customer Services Advisor to a Community Officer will be acknowledged by the Community Officer within one working day. The acknowledgement will outline who will be responsible for providing a response and will give an estimate as to how long the response should take. If the response takes longer than expected, the Community Officer will provide an update and a further estimate of the length of time required to resolve the enquiry, following on with progress as appropriate and the outcome.

- 2) Contacting a Community Officer in the relevant area team (contact details have been issued to Councillors for the area they represent), who will be able to investigate, and respond to queries as the first point of contact out in communities.

Contact made directly with a Community Officer by email or by mobile phone will result in an acknowledgement from the Community Officer within one working day, in line with the procedure for contact routed through the Customer Services Team.

- 3) Alternatively, an enquiry may be placed using e-mail to the address info@selby.gov.uk and return, or follow on, contact will be made by Access Centre staff, and be resolved using the same route as a telephone call.

If it is necessary for the query to be passed to a specialist officer, due to its technical and complex nature, the Councillor will be acknowledged and informed of the contact name. The specialist officer will make contact with the Councillor within 3 working days, to provide either a response, or the initial estimate for resolving the enquiry, with further updates and outcome provided as per the above standard.

Risk Statement

Risk No	Description	Impact 1-5	Likelihood 1-5	Mitigating actions
1	Partnering – the arrangements defined do not reflect the essence of the SLA – particularly in relation to performance and engagement between the Core and Access Selby	4 – an unsuccessful partnership could lead to a break down in collaboration – also the client not being furnished with performance data is a high risk to trust and knowledge of value for money	4 – Principles of the relationship need to be a priority for all concerned. Lots of interdependencies, need to ensure that no aspect falters	Commitment to delivery based on partnership. Review any aspect upon initial sign of weakness
2	Value for money – Lack of joint commitment towards achieving value for money and efficiency savings	5 – ongoing funding cuts mean that gaining value for money in the services provided and through our purchasing power is vital to joint success	4 – Projects that evidence this issue are on-going and further cuts for the coming years are not currently known	KPI on efficiency to be put in place to measure success. A watching brief for action required in quarterly financial reports
3	Key Performance Indicators – Absence of a range of agreed KPIs reporting performance on a regular basis	4 – KPIs tell the business and client about the success of service delivery – without good quality results, holes in knowledge exist and appropriate actions cannot be taken	3 – Slippage in development occurs due to resource issues and conflicting priorities	Development plan – reporting progress to CMT. Core and Access reps to manage towards timely delivery.
4	Service descriptions – Insufficient clarity of the support and services to be provided or contracted on behalf of the Council	3 – Details in the SLA are high level – outcomes are either detailed in KPIs or a matter of good faith and communication between the parties	3 – Should an aspect of service delivery be missed, or increased, the value for money in service provision may be compromised	All service areas and the Core to be vigilant about service scope and develop commissioning processes to give added clarity to the requirements of projects
5	Business failure – Services fail to be delivered at a level to meet the requirements of the Core	5 – Breakdown of service delivery - risk to health, welfare and economy of the District	2 – Partnership arrangements ensure regular contact and performance reporting designed to highlight risks at an early stage	Maintain regular performance monitoring. Management of A/S and the Core continue to meet regularly to discuss any issues of concern

Schedule 5 – Budget

Access Selby Budgets 2014/15

In managing income and expenditure (revenue and capital) Access Selby shall be subject to Selby District Council's Financial Procedure Rules.

Revenue Income and Expenditure

Access Selby's fees (net cost envelopes) for running services on behalf of Selby District Council in 2014/15 are:

- General Fund Services - £6,142,240
- Housing Revenue Account Services - £4,231,110

Access Selby will operate within these net cost envelopes unless additional work or variations to the performance specification are requested in accordance with section 11 of this agreement.

The net cost envelopes will be further subdivided into income and expenditure with a requirement that net costs are contained within the overall envelope but any additional income achieved above an agreed threshold will be subject to sharing between Access Selby and the Core.

The net cost envelopes are sub-divided into the following income and expenditure envelopes:

General Fund – 2014/15	£
Income	
Government Grants (specific)	18,027,890
Fees and Charges	3,541,020
Total Income	21,568,910
Gross Operating Costs (net of CECs)	27,711,150
Net Operating Costs	6,142,240

HRA – 2014/15	£
Fees and Charges	239,700
Gross Operating Costs (net of CECs)	4,470,810
Net Operating Costs	4,231,110

These income and expenditure envelopes will be used to determine Access Selby's financial performance and any income sharing arrangements that may apply for the year. These envelopes will be rebased for 2015/16 and each subsequent renewal period to take account of changes in legislation, inflation and other factors as agreed between Access Selby and the Core as deemed necessary.

The Access Selby Board have approved detailed budgets which support these envelopes and these detailed budgets will be used to manage Access Selby's finances.

Government Grants

Government grants are excluded from any income sharing arrangements that may apply on the premise that for Access Selby, such grants are awarded for specific purposes. Any grants awarded to Selby District Council that are not specific (that is are not ring-fenced for specific activities) are income of Core Selby and shall be distributed as determined by the Executive.

Income Sharing

The following income thresholds will be used in determining any revenue income sharing arrangements for 2014/15:

- General Fund - £3,541,020
- Housing Revenue Account - £239,700

The following income sharing arrangements will apply following closure and audit of the accounts for the 2014/15 year:

Income above threshold	Access Selby	Core
< £100k	75%	25%
£101k - £200k	50%	50%
> £201k	25%	75%

Where the generation of additional income above the income threshold will require expenditure above the Gross Operating Costs then the generation of such income shall be subject to a business case from Access Selby Board to the Executive and subsequently where a business case is approved then the additional costs above the Gross Operating Costs shall be deducted from the additional income before income sharing applies.

These income thresholds will be rebased for 2015/16 each subsequent renewal period to take account of changes in legislation and Council policy, inflation and other factors as agreed between Access Selby and the Core as deemed necessary.

Surpluses

Following any income sharing arrangements any surpluses generated by Access Selby (that is Access Selby income in excess of expenditure after all costs attributable to Access Selby for the year have been taken into account) shall be retained by Access Selby – 50% for Access Selby's own business development needs and 50% for reinvestment in services delivered under this agreement.

Out Performance on Council Tax, Housing Rent and NNDR Collection

Access Selby is responsible for collecting all revenue income due to the Council. In order to incentivise Access Selby to exceed collection rates on these significant income streams the following income sharing arrangements shall apply:

	Threshold after which Income Sharing Applies	Access Selby Share of Income Over Threshold
Council Tax	98.1%	5%
Housing Rents	98.1%	50%
NNDR	98.5%	5%

The income threshold is calculated taking into account all incomes due for the year plus total arrears brought forward from previous years and before any write-offs.

Additional Expenditure

Where Access Selby has reacted or may be required to react to circumstances resulting in additional expenditure, negotiation may take place regarding recovery of all or part of the cost incurred.

Capital Expenditure

Access Selby will also be responsible for delivering a programme of capital works on behalf of the Council.

The programme of works will be approved by the Council as part of the Council's budget setting process following the submission of 'bid' proposals from Access Selby. 'Bid' proposals shall be submitted using the agreed process and templates details of which are available on the intranet.

The approved programme is set out at Schedule 6 of this agreement and the total spend is:

- General Fund - £1.48m
- Housing Revenue Account - £4.331m

It is assumed that management costs to support the capital programmes as stated above are included within Access Selby's Gross Operating Costs save where bids have been previously submitted and include provision for such costs.

In the event that any new schemes come forward for approval and completion in the year, Access Selby's bid submission estimates for work to be undertaken shall include provision for Access Selby's management fee and these fees shall be in accordance with an agreed schedule of rates based on productive staff costs, including reasonable overheads. The requirement for specialist external support and all other external fees associated with the capital scheme shall be included within the 'bid' submission.

Schedule 6 – Capital Expenditure

The Approved Programme of Capital Works

2013/14 – 2016/17 GENERAL FUND CAPITAL PROGRAMME

<u>PROJECTS</u>	Current Programme 2013/14 £	Estimated Programme 2014/15 £	Estimated Programme 2015/16 £	Estimated Programme 2016/17 £
Asset Management Plan Leisure Centres & Park	20,500			
Tadcaster Central Area	250,690			
Road Adoption - Industrial Units Sherburn	25,000			
All weather sports pitch		250,000		
Mast Relocation	145,210			
CCTV	23,600			
Telephony System (Subject to bid)		67,000		
Collapsed Culvert - Portholme Road (Subject to bid)		150,000		
Lifeline Equipment (Subject to bid)		180,000		30,000
Housing Development		300,000	1,250,000	1,250,000
<u>Grants</u>				
Disabled Facilities Grants	350,000	300,000	300,000	300,000
Repair Assistance Loans (Subject to bid)	35,800	30,000	30,000	30,000
Energy & Efficiency Grants	13,640			
<u>ICT Hardware & Systems Within ICT Strategy</u>				
Implementation & Infrastructure Costs	284,190	75,000	55,000	307,000
Desktop Replacement Programme	15,000	17,500	17,500	17,500
CRM		55,385		
Mobile Working Solution		55,000	113,800	
TOTAL	1,163,630	1,479,885	1,766,300	1,934,500
<u>SUMMARY OF FUNDING</u>				
Capital Receipts	249,720	185,000	185,000	185,000
Grants & Contributions	149,720	145,000	145,000	145,000
Revenue				0
Reserves	764,190	849,885	186,300	354,500
Borrowing	0	300,000	1,250,000	1,250,000
TOTAL	1,163,630	1,479,885	1,766,300	1,934,500

2013/14 – 2016/17 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

	Current Programme 2013/14 £	Estimated Programme 2014/15 £	Estimated Programme 2015/16 £	Estimated Programme 2016/17 £
<u>PROJECTS</u>				
<u>Current Projects</u>				
Electrical Rewires	260,000	260,000	260,000	260,000
Central Heating - Gas	1,012,840	575,480	575,480	575,480
Central Heating - Solid Fuel to Gas	99,000			
Central Heating - Solid Fuel	250,000	-	232,500	75,000
Roof Replacements	560,000	350,000	210,000	
Damp Surveys & Works	300,000	300,000	300,000	300,000
Door Replacements	145,510	48,000	134,000	50,000
Kitchen Replacements	353,570	237,000	237,000	237,000
Pre Paint & Cyclical Repairs	150,990	113,000	113,000	113,000
Fencing	17,990			
<u>New Projects</u>				
Window Replacements	30,450			
Void Property Repairs	51,750	53,500	53,500	53,500
Additional External Door Replacements	15,500			
Additional Pre Paint & Cyclical Repairs	34,000			
Central Heating - Economy 7 to Gas	573,000	372,000	200,000	
Airey Properties	486,980	1,722,000		
Bathroom Replacements			180,000	180,000
Pointing Works (Subject to bid)			300,000	300,000
New Build Projects		300,000	1,250,000	1,250,000
TOTAL	4,341,580	4,330,980	4,045,480	3,393,980

SUMMARY OF FUNDING

Revenue Contributions	2,088,150	2,150,350	1,418,240	771,690
Other Contributions (Depreciation Proxy)	1,358,740	1,351,750	1,377,240	1,372,290
Major Repairs Reserve	894,690	528,880		
Borrowing		300,000	1,250,000	1,250,000
TOTAL	4,341,580	4,330,980	4,045,480	3,393,980

Selby District Council

REPORT

Reference: E/13/62

Public – Item 7



To: The Executive
Date: 3 April 2014
Status: Non Key decision
Report Published: 26 March 2014
Author: Simon Parkinson, Lead Officer: Community Support
Executive Member: Councillor C Lunn
Lead Director: Karen Iveson

Title: Housing Support Service: Assisted Living Equipment Procurement

Summary: Selby Council signed a 10 year lease agreement in 2004 to provide 'Lifeline' equipment to all council owned sheltered housing stock and to private sector households who qualified for the service. This agreement ends in October 2014.

The report considers the procurement options available to Access Selby from October 2014, and seeks agreement to proceed with the outright purchase of new 'Assisted Living' equipment without a service contract (Option 1).

Recommendations:

- (i) The Executive approves the decision to tender for the outright purchase of new 'Assisted Living' equipment without a service contract. And that the purchase (up to £150,000) is funded up-front from the Access Selby Reserve.**

Reasons for recommendation

To allow officers to proceed with the procurement of new 'Assisted Living' equipment to ensure service continuity beyond October 2014.

1. Introduction and background

- 1.1 The Supporting People programme is a national initiative that plans, commissions and funds housing related support for vulnerable people. It was introduced by the Office of the Deputy Prime Minister on the 1 April 2003 and delegated to local authorities to administer. In North Yorkshire the programme is administered by North Yorkshire County Council and delivered by the District Councils.
- 1.2 The service offers support to elderly, disabled and vulnerable customers in the district by way of an emergency alarm ('Assisted Living') with pendant connected to a call centre answering calls 24 hours a day 365 days of the year, supported by regular visits from a Support Officer.
- 1.3 Selby Council signed a 10 year lease agreement in 2004 to provide this equipment to all council owned sheltered housing stock and to private sector households who qualified for the service. This agreement ends in October 2014.

2. The Report

2.1 Analysis of the Existing Service

- 2.1.1 The service offers support to elderly, disabled and vulnerable customers in the district by way of an emergency alarm ('Assisted Living') with pendant connected to a call centre answering calls 24 hours a day 365 days of the year and supported by regular visits from a Support Officer.
- 2.1.2 The current alarm is a 'Lifeline 4000' unit that is connected to an electricity supply and telephone line. It comes with a pendant that is worn around the person's neck. The unit and pendant have a red button that is pressed in an emergency; this then automatically dials through to the control centre that then provides the appropriate help and support.
- 2.1.3 At the start of the lease agreement in 2004/5 the Council leased 1276 units with pendants to council tenants. The cost of this lease was £51,264 per year, supported by an annual maintenance contract at a cost of £24,663.

Despite retaining a similar number of units, the scope of the 'Assisted Living' service has changed dramatically over the last 10 years. The service split is now 50% Council and 50% private with the % of private clients continuing to increase. Also the service no longer covers just elderly people with disabled and vulnerable from 18 years upwards now benefiting.

- 2.1.4 The needs of the resident have also changed. There is a need for the ageing population to live independently at home for longer and the increased use of Telecare is central to this ambition.

Any equipment installed as part of the service must be compatible with North Yorkshire's Telecare services. Telecare is a system that uses a range of sensors linked to an 'Assisted Living' unit which further help residents to live at home

2.1.5 The fitting and monitoring of customers with Telecare equipment forms part of the contract commissioned by Supporting People and demand is expected to grow in this area over the coming years. Under the terms of this contract all 'Assisted Living' equipment has to be CE compliant and meet all EN standards. 'Assisted Living' equipment should be capable of expansion over time to ensure continued compatibility with Telecare.

2.1.6 The current Lifeline unit is no longer compatible with some of the Telecare equipment available. There is also an increasing possibility that units could start failing and risk the safety of our vulnerable customers.

Failure to replace the equipment is likely to mean that the council will be unable to fulfil the contract with the Supporting People Service and unable to provide a full support service to vulnerable residents in the district.

2.2 Options Appraisal

2.2.1 The options available to us are as follows:

1. Purchase new equipment without service contract
2. Purchase new equipment with service contract
3. New lease agreement for new equipment
4. Purchase lease expired kit
5. Do nothing

1. Purchase new equipment without service contract	
Equipment purchased without a service contract. Instead the 3/5 year warranty is relied upon for repair or replacement and following that period, replacement units would need to be bought if they develop a problem (Estimated life of the unit is 6 years).	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Council fully own the asset. 	<ul style="list-style-type: none"> • Large capital cost in year 1
<ul style="list-style-type: none"> • Latest model – compatible with telecare and therefore gives 	<ul style="list-style-type: none"> • SDC are responsible for replacing faulty equipment after initial 3/5

flexibility in service delivery	year period.
<ul style="list-style-type: none"> Likely to be the best value 'new equipment' option over a 6 year period. 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Likely to ensure best price on further purchases as cost of units is likely to reduce over time. 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> 3/5 year warranty available 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Gives us strong 'stock control' to manage likely fluctuations in demand. 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Most popular option amongst other local authority providers 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> We have strong product knowledge so purchase decisions are less risky. 	<ul style="list-style-type: none">

2. Purchase new equipment with service contract	
Equipment purchased along with a service contract which offers battery replacement and repair or replacement of units should any develop a problem after 3/5 years. (Estimated life of the unit is 6 years).	
Strengths	Weaknesses
<ul style="list-style-type: none"> Council fully own the asset. 	<ul style="list-style-type: none"> Large capital cost in year 1
<ul style="list-style-type: none"> Latest model – compatible with telecare and therefore gives flexibility in service delivery 	<ul style="list-style-type: none"> Addition cost of service contract for generally reliable equipment
<ul style="list-style-type: none"> More costly than option 1 but still likely to be better value than 'new equipment' lease 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Likely to ensure best price on further purchases as cost of units is likely to reduce over time. 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> All defects/breakages covered by service contract for the lifetime of the unit. 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> Gives us strong 'stock control' to manage likely fluctuations in demand. 	<ul style="list-style-type: none">
<ul style="list-style-type: none"> We have strong product knowledge so purchase decisions are less risky 	<ul style="list-style-type: none">

3. New lease agreement for new equipment	
Enter into a new lease service support agreement that includes an upgrade to all new equipment including integrated.	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Latest model – compatible with telecare and therefore gives flexibility in service delivery 	<ul style="list-style-type: none"> • Cost spread evenly over a longer period of time.
<ul style="list-style-type: none"> • Costs spread over the entire lease period (lower first year costs) 	<ul style="list-style-type: none"> • Council can be locked into inflexible medium or long-term agreements.
<ul style="list-style-type: none"> • All defects/breakages covered by lease agreement for the lifetime of the unit. 	<ul style="list-style-type: none"> • Additional administration of managing a lease agreement.
<ul style="list-style-type: none"> • Easier to upgrade/replace equipment if necessary (although warranty option on new purchase makes this less of an issue) 	<ul style="list-style-type: none"> • Equipment may be obsolete at the end of lease period and therefore upgrade will still be necessary.
<ul style="list-style-type: none"> • Option to purchase equipment at the end of lease period 	

4. Extend current lease with existing equipment	
Retain the existing equipment on an extended lease arrangement including integrated service support.	
Strengths	Weaknesses
<ul style="list-style-type: none"> • May initially be a low cost option (although equipment failure may result in renegotiation or additional costs) 	<ul style="list-style-type: none"> • Current units are beyond estimated life expectancy.
	<ul style="list-style-type: none"> • Current units are not compatible with Telecare.
	<ul style="list-style-type: none"> • Likely to include very high maintenance agreement costs
	<ul style="list-style-type: none"> • Equipment failures risk safety of clients and reputation of council.
	<ul style="list-style-type: none"> • Not sustainable beyond a short period of time

5. Do Nothing	
If we do nothing, there is a requirement to return all equipment to the lease company upon expiry of the lease in October 2014.	
Strengths	Weaknesses
<ul style="list-style-type: none"> No cost (other than cost of removing equipment). 	<ul style="list-style-type: none"> Unable to provide service as all equipment needs to be returned at the end of lease period.
	<ul style="list-style-type: none"> Cost of removing and returning equipment.
	<ul style="list-style-type: none"> Reputation risk of not providing 'Assisted Living' service.

2.2.2 Indicative costs of options 1 – 3 and projected savings against current costs.

	Option 1 Purchase New without Service Agreement	Option 2 Purchase New with Service Agreement	Option 3 Lease New Equipment	Current Lease Costs
2014/15	150,000	180,000	72,000	76,000
2015/16	- ¹	- ¹	72,000	76,000
2016/17	- ¹	- ¹	72,000	76,000
2017/18	50,000 ²	36,000 ³	72,000	76,000
2018/19	40,000 ⁴	25,000 ⁴	72,000	76,000
2019/20	40,000 ⁴	50,000 ⁴	72,000	76,000
2020/21	40,000 ⁴	65,000 ⁴	72,000	76,000
2021/22	10,000 ³	10,000 ³	72,000	76,000
2022/13	10,000 ³	5,000 ³	72,000	76,000
2023/24	25,000 ⁵	30,000 ⁵	72,000	76,000
Total	365,000	401,000	720,000	760,000

¹ Includes repayment of initial capital cost to reserves at £60k/year.

² Cost of replacement pendants which have a shelf life of 3 years (£40k) plus commence replacement of base units (£10k).

³ Cost of replacement pendants which have a shelf life of 3 years.

⁴ The projected costs allow for a proposed staggered approach to replacement units commencing in year 4 and increasing over years 5 and 6.

⁵ It is anticipated that this will become the yearly cost to ensure on-going replacement of units and pendants.

2.3 The Preferred Option

2.3.1 The preferred option is Option 1 – being to purchase the equipment outright without a service agreement. This option includes for the use of SDC reserves to fund the purchase and provides the following benefits.

- SDC would fully own the equipment.
- We are not tied into long-term and inflexible agreements.
- Costs much less overall as the equipment has a life expectancy in excess of 5 years.
- Likely to ensure best price on further purchases as cost of units is likely to reduce over time.
- Gives us strong ‘stock control’ to manage likely fluctuations in demand.
- Unlikely to buy equipment we don’t need due to our well established knowledge of the market.
- Whilst the value of the asset will depreciate over time, there is evidence of established trade-in agreements with suppliers.

2.3.2 Net Present Value Calculation

Option	1 – Purchase new (minus service contract)	2 – Purchase new (plus service contract)	3 – Lease new
NPV	£323,885	£356,588	£598,795

A net present value calculation confirms that option 1 has the lowest NPV over the life of the project.

2.3.3 Why no Service/Maintenance contract? - Our current projections indicate that the cost of a maintenance contract for 1200 units would be around £30,000.

Based on a unit cost of £100/unit, 300 of our 1200 units would need to fall outside the warranty period to reach this figure in replacement costs. Strong product reliability and flexible warranty options suggest the likelihood of such failure is highly unlikely.

2.3.4 The repayment to reserves would be achieved by year 3 using the annual revenue savings delivered from the proposal. Projected

savings would increase to £36,000 from Year 5+ and £50,000 from year 10.

3. Legal/Financial Controls and other Policy matters

Legal Issues

The procurement of new 'Assisted Living' equipment will be carried out under the Northern Housing Consortium Assisted Living Procurement Framework and will comply with all legal aspects of that framework specification.

Financial Issues

The preferred option (to purchase the equipment outright without a service agreement) requires an upfront spend of up to £150,000 from the Access Selby Reserve. This option identifies projected savings of approximately £35,000 from Year 5+ and £51,000 from year 10 based on current lease costs. It is anticipated that the up-front cost would be repaid to reserves over the first 2 full years of the agreement.

Indications from the Northern Housing Consortium Procurement Framework suggest that the total purchase price is likely to be below £150,000. However, provision has been made in the Forward Plan for the procurement to become a key decision should the purchase cost be over £150,000

4. Conclusion

- 4.1 The current 'Lifeline' Lease comes to an end in October 2014 at which time the Council must replace 1200 'Assisted Living' units.
- 4.2 The preferred option for replacement is to purchase new equipment outright (without service contract) using capital reserves. This is the option adopted by our North Yorkshire colleagues and provides the greatest savings over time (based on current lease costs).
- 4.3 The procurement of new 'Assisted Living' equipment will be carried out under the Northern Housing Consortium Assisted Living Procurement Framework.

5. Background Documents

Northern Housing Consortium Procurement Framework for Assisted Living

Contact Details

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Selby District Council

REPORT

Reference: E/13/63

Public - Item 8



To: The Executive
Date: 3 April 2014
Status: Non Key Decision
Report Published: 26 March 2014
Author: Ralph Gill
Executive Member: Councillor Cliff Lunn
Lead Director: Karen Iveson

Title: NNDR Retail Reliefs from April 2014

Summary: The Government announced in the Autumn Statement on 5 December 2013 that it will provide a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16.

The Government is also providing a 50% discount for 18 months for those businesses that move into retail premises that have been empty for a year or more. This is available for businesses which move into empty premises between 1st April 2014 and 31st March 2016.

A policy has been drawn up to cover the operation of these reliefs.

Recommendations:

- i. That the policy be considered, and
- ii. a steer be given on the treatment of charity shops with regards to the £1,000 relief

Reasons for recommendation

To adopt a policy for the implementation of the retail reliefs

1. Introduction and background

- 1.1 The Government announced in the Autumn Statement on 5 December 2013 that it will provide a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16.
- 1.2 The Government is also providing a 50% discount for 18 months for those businesses that move into retail premises that have been empty for a year or more. This is available for businesses which move into empty premises between 1st April 2014 and 31st March 2016.
- 1.3 The Government have stated that it is for each individual Billing Authority to adopt a local scheme and decide in each individual case when to grant relief under section 47. Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects Billing Authorities to grant relief to qualifying ratepayers.

2. £1,000 Relief

- 2.1 A discount of up to £1,000 from the net liability for Business Rates will be given for occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments
- 2.2 Members have previously decided not to award discretionary rate relief to charity shops
- 2.3 As such the draft policy shows charity shops as being excluded from this relief; however central Government have suggested that charity shops should benefit from the relief
- 2.3 Executive are asked to decide whether or not they wish to give the £1,000 relief to charity shops.

3. Reoccupation Relief

- 3.1 Where hereditaments that were previously used as shops, restaurants, cafes and drinking establishments have been empty for at least a year, a discount of 50% of the net liability for Business Rates will be given to the new occupier provided they move in between 1st April 2014 and 31st March 2016.
- 3.2 It is not a requirement that the new occupation is for retail purposes, merely that it was previously such
- 3.3 There are no points in relation to this relief that Executive need to give a steer on.

4 Legal/Financial Controls and other Policy matters

4.1 Legal Issues

4.1.1 None

4.2 Financial Issues

4.2.1 Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The amount of grant being paid is inflated by 1.06% in order to cover administration costs.

4.2.2 We estimate the amount of relief to be given across the District in relation to the £1,000 relief to be in the order of £400,000

4.2.3 We estimate the amount of relief to be given across the District in relation to the reoccupation relief to be in the order of £12,000

5. Conclusion

5.1 Executive are asked to consider the draft policy and decide if they wish to adopt it in its current form, or adopt it with charity shops benefitting from the £1,000 relief

5.2 The draft policy is attached as Appendix A

Contact Details

Ralph Gill
Lead Officer
Benefits & Taxation



Selby District Council

National Non Domestic Rates (NNDR)

Retail Relief Policy

March 2014

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1. Background

In recent years the traditional retail sector has seen increased competition from internet shopping and the continued growth of hypermarkets and large chain stores. Many high street retailers are experiencing challenges as they look to adapt to changing consumer preferences in how people shop. In order to support small to medium size retailers in town centres and rural communities a new form of Business Rate Relief is being introduced for two years from April 14.

The Government announced in the Autumn Statement on 5 December 2013 that it will provide a relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-15 and 2015-16.

The Government is also providing a 50% discount for 18 months for those businesses that move into retail premises that have been empty for a year or more. This is available for businesses which move into empty premises between 1st April 2014 and 31st March 2016.

2. Legislation

As these are temporary measures for 2014-15 and 2015-16 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in guidance, reimburse local authorities that use their discretionary relief powers, introduced by the Localism Act (under Section 47 of the Local Government Finance Act 1988, as amended) to grant relief.

The Government have stated that it is for each individual Billing Authority to adopt a local scheme and decide in each individual case when to grant relief under section 47. Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003). The Government expects Billing Authorities to grant relief to qualifying ratepayers.

3. Purpose of the Policy

The purpose of this Policy is to specify how the Council will operate its discretionary powers under section 47 of the Local Government Finance Act 1988 and to indicate the factors it will consider when deciding if the retail reliefs can be awarded.

Through this policy, Selby District Council is providing a mechanism to reduce the business rate liability from such retail businesses that are providing valuable facilities and services to communities within Selby District.

The policy is intended to provide a simple transparent process that aligns awards of discretionary rate relief with the Council's corporate priorities.

4. Types of retail relief

There are two distinct forms of retail relief available:

- £1,000 discount for occupied hereditaments with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes and drinking establishments
- 50% discount for a maximum period of 18 months for former retail hereditaments that have been empty and unoccupied for at least a year, that are being reoccupied

5. Properties that will benefit from the retail reliefs

We consider shops, restaurants, cafes and drinking establishments to mean:

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

- Art galleries (where art is for sale / hire)
- Car or caravan show rooms
- Furnishing shops or display rooms (such as: carpet shops, double glazing, garage doors, etc.)
- Garden centres
- Markets
- Opticians
- Petrol stations
- Post Offices
- Second hand car lots
- Shops (such as: bakers, butchers, chemists, florists, greengrocers, grocers, hardware stores, jewellers, newsagents, off-licence, stationers, supermarkets, etc.)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Car and van hire
- Dry cleaners
- DVD / video rentals
- Funeral Directors
- Hair and beauty services (such as: barbers, beauty salons, hair dressers, nail bars, tanning shops, etc.)
- Launderettes

- PC / TV / domestic appliance repair
- Photo processing / photographic studio
- Shoe repairs and key cutting
- Ticket offices (e.g. for theatre)
- Tool hire
- Travel agents

iii. Hereditaments that are being used for the sale of food and / or drink for consumption by visiting members of the public:

- Bars
- Coffee shops
- Pubs
- Restaurants
- Sandwich shops
- Takeaways

The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses.

To qualify for the relief the hereditament should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation.

Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

6. Properties excluded from retail reliefs

The list below sets out the types of uses that are either:

- Not considered to fit with the authority's wider objectives for the local area, or
- Not considered to be retail use for the purpose of this relief

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

We will not grant the £1,000 relief to the following category of shops as to do so would go against the authority's wider objectives for the local area:

- Charity shops

However former charity shops will benefit from the 18 month reoccupation relief.

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, betting shops, building societies, bureau de change, cash advance, cash points, payday lenders, pawn brokers, personal loans)
- Medical services (e.g. chiropodists, chiropractors, dentists, doctors, osteopaths, podiatrists, therapeutic treatments, vets)
- Other services (e.g. employment agencies, estate agents, letting agents)
- Professional services (e.g. accountants, financial advisers, insurance agents, solicitors, tutors)
- Post Office sorting office

iii. Hereditaments that are not reasonably accessible to visiting members of the public

We will not grant the £1,000 relief to premises where we do not consider the business to be genuinely and effectively operating in a retail capacity.

This is a test on use rather than occupation and will be in two parts:

- Can the general public reasonably access the premises?
- Is the building open for trade for a reasonable number of hours per week?

7. £1,000 relief – Period and amount of award

Award Period

Whilst the Government has stated that this is a temporary measure for 2014-15 and 2015-16 only it is recognised that other temporary rate relief measures introduced by the government have been extended.

Therefore the period of award will be from the later date of either:

- April 1st 2014, or
- The first date of beneficial occupation

The award period will end on the earliest date of either:

- The date the property ceases to be beneficially unoccupied, or
- March 31st 2016, or
- Such later date that the Government may extend the scheme to

Amount of award

The maximum amount of relief to be paid for each property for each of the financial years under this scheme is the lower amount of either:

- £1,000, or
- The net amount due on the bill after the application of all other reliefs

For any period of entitlement that is less than a complete financial year, the amount due will be calculated on a daily basis.

The amount does not vary with rateable value and there is no taper.

There is no relief available under this scheme for properties with a rateable value of more than £50,000.

The eligibility for the relief and the amount of relief given will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a particular hereditament in the financial year:

$$\text{Amount of relief to be granted} = \text{£1,000} \times \frac{A}{B}$$

Where:

A. is the number of days in the financial year that the hereditament is eligible for relief; and

B. is the number of days in the financial year

The relief will be applied against the net bill after all other reliefs.

Where the net rate liability for the day after all other reliefs but before retail relief is less than the retail relief, the maximum amount of this relief will be no more than the value of the net rate liability. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day.

A ratepayer who already pays a heavily discounted rate could find that the £1,000 discount reduces their business rate liability to nil. The discount will not apply to empty properties.

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, subject to State Aid De Minimis limits.

A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the relief on that day.

Example 1 – An occupied shop with a rateable value of £40,000

Rateable Value	= £40,000
Rates due (excluding any reliefs) = £40,000 x 0.482	= £19,280
Minus 12 months retail relief = £19,280 - £1,000	= £18,280
Rates due (including retail relief)	= £18,280

Example 2 – An occupied shop with a rateable value of £40,000 that is unoccupied between 1 April 2014 and 30 September 2014 and is then occupied until 31 March 2015

Rateable Value	= £40,000
Rates due (excluding any reliefs) = £40,000 x 0.482	= £19,280.00
Minus 3 months (no empty rates payable)	
= £40,000 x 0.482 x $\frac{91}{365}$	= £ 4,806.79
Minus 6 months retail relief (01/10/14-31/03/15)	
= £1,000 x $\frac{182}{365}$	= <u>£ 498.63</u>
Total due for year	= £13,974.58

Example 3 – An occupied shop with a rateable value of £10,000 that is in receipt of small business rate relief of £1,554 per year.

Rateable Value	= £10,000
Rates due (excluding any reliefs) = £10,000 x 0.471	= £4,710
Minus small business rate relief of 33%	
= £4,710 - £1,554	= £3,156
Minus 12 months retail relief = £3,156 - £1,000	= £2,156
Rates due (including all reliefs)	= £ 2,156

8. Reoccupation Relief – Period and award

The relief will be granted to businesses moving into long-term empty retail properties on or after 1 April 2014 and on or before 31 March 2016.

It is intended that there will be no restrictions based on the type, or the size, of the business which takes the property on – i.e. it will not be required to be a retail business – merely that its last use was as a retail property.

The granting of relief however will be subject to State Aid De Minimis limits.

Whilst the Government has stated that this is a temporary measure for 2014-15 and 2015-16 only it is recognised that other temporary rate relief measures introduced by the government have been extended. Should the Government choose to extend the provision of this relief, it will continue to operate as below until such time as the Government withdraw the relief.

Award Period

The relief will be granted to businesses moving into retail properties that have been empty for at least a year.

The maximum award period will be 18 months.

Where a relief has been awarded and the property becomes empty again, the relief shall only have effect for the period that the property was occupied.

Amount of award

The reoccupation relief will take the form of a 50% discount from business rates for new occupants of previously empty retail premises for 18 months, to help reduce the number of boarded up shops on English high streets.

This relief is awarded on the net liability after every other eligible relief has been applied, except the £1,000 relief.

Example 4 – A shoe shop with a rateable value of £30,000 that has occupied premises previously used as a jewellers shop that was empty for more than 12 months immediately prior to occupation.

Rateable Value	= £30,000
Rates due (excluding any reliefs) = £30,000 x 0.482	= £14,460
Minus reoccupation relief of 50% = £14,460 - £7,230	= £ 7,230
Minus 12 months retail relief = £7,230 - £1,000	= £ 6,230
Rates due (including all reliefs)	= £6,230

9. State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Retail Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

To administer De Minimis it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000 of De Minimis aid.

For the haulage industry the State Aid limit is €100,000 over 3 fiscal years.

Note that the threshold only relates to aid provided under the De Minimis Regulations (aid under other exemptions or outside the scope of State Aid is not relevant to the De Minimis calculation).

In making an application the liable party needs to make a De Minimis declaration to confirm that the award of relief will not result in State Aid limits being breached.

10. Claim Forms

A claim must be made on an application form approved and issued without charge by the Council. Applications forms can be downloaded from the Council website.

We will issue application forms on request or in circumstances where we consider an organisation may be entitled to relief.

The form must be completed by the ratepayer or a person authorised to sign on behalf of the ratepayer.

A person authorised to sign on behalf of the ratepayer is:

- a partnership – a partner of the partnership
- a trust – a trustee of that trust
- a body corporate – a director of that body
- in any other case – a person duly authorised to sign on behalf of the ratepayer

Selby District Council

REPORT

Reference: E/13/64

Public – Item 9



To: The Executive
Date: 3 April 2014
Status: Non Key Decision
Report Published: 26 March 2014
Author: Rose Norris
Executive Member: Cllr Chris Metcalfe
Lead Director: Rose Norris

Title: Development of the ground floor of 43 Kirkgate, Tadcaster for retail use

Summary:

As part of the work on 'Tackling the Tough Stuff' a project board was set up in March 2012 to take forward the work to unlock the potential of Tadcaster. The project board identified the ground floor of the now empty former council office at 43 Kirkgate as having the potential to provide retail space. Planning consent for the change of use has been granted, and agreement is now sought from the Executive to fund the development of the retail space, to subsequently be rented out as part of the Council's assets.

Recommendation:

- i. **To agree to the allocation of funds to enable the development of the ground floor of 43 Kirkgate, Tadcaster, to be marketed and let for the Council on an ongoing basis as retail space.**

Reasons for recommendation

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

1. Introduction and background

- 1.1** As part of the work on 'Tackling the Tough Stuff' a project board, chaired by Cllr Chris Metcalfe, was set up in March 2012 to take forward the work to unlock the potential of Tadcaster. The project board has recognised the importance of engaging with the Tadcaster and Villages Community Engagement Forum (CEF) on this work and a member of the CEF Partnership Board sits on the project board.
- 1.2** The objectives of the Tadcaster Tough Stuff project are to improve the image, vitality and viability of the town through improved land use in the town, more focused street scene services and a reinvigorated culture offer. The project is working towards achieving these objectives through three separate, but linked, work streams: land use; street scene and the environment; and leisure and culture.

2. The Report

- 2.1** The Tadcaster Tough Stuff project land use work stream has been reviewing residential, retail and other premises, as well as vacant lots, owned by the council, other public sector bodies, community groups and other owners to plan how assets in the town can be brought into use, bringing maximum benefit to the town and from the council's perspective, increasing the return on our assets for the benefit of the whole district.
- 2.2** The building at 43 Kirkgate, owned by the council but surplus to operational requirements, and in a state of dilapidation, has been identified as having potential for re-development, where a combination of retail space plus three flats could be accommodated. Planning consent has now been granted for the scheme as a whole – and in particular for the change of use of the ground floor to A1 retail use – which could accommodate a range of business including shops, hairdressers, travel agent and cold food take-away. The size of the retail unit is 64m² or 689 ft².
- 2.3** The Tadcaster Tough Stuff Project Board is keen that swift progress is made on bringing this building back into use for the benefit of the community, in order to increase much needed footfall in the town centre and to improve the 'look and feel' of the environment of the town. The proposal has the support of the Tadcaster and Villages CEF as it would help deliver on a number of objectives in the Tadcaster and Villages Community Development Plan 2012-2015, which particularly highlights in its economic vision the need for a greater and more varied retail offer.
- 2.4** To not develop the ground floor of the building has the potential to compromise the housing scheme on the upper two floors.

2.5 The report is therefore seeking agreement from the Executive for funding to undertake the renovation and development works to the ground floor.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

There are no specific legal issues to consider.

3.2 Financial Issues

3.2.1 The projected estimated capital costs and associated revenue implications, at current prices are as follows

Item	2014/15 £	2015/16 £	2016/17 £
Capital:			
Estimated conversion cost (contractor)	£54,713		
Contingency (10%)	£5,471		
Sub total	£60,184		
QS (Access Selby) (Site supervision)	£2,900		
Fees	£2,500		
Total Capital Cost	£65,584		
Revenue			
Rental income	0	5,425	5,425
Saving on Business Rates	0	1,590	1,590
Total Revenue Income/Saving	0	7,015	7,015

3.2.2 The assumed rental income is a conservative estimate based on investigation of local circumstances, and takes into account the shared front access and lack of a traditional shop front, which may be a disadvantage to some potential occupiers. The rental income agreed will depend on the property being marketed towards the most suitable businesses.

3.2.3 The revenue implications assume that the capital costs will be met from existing Council resources and no prudential borrowing will be required.

3.2.4 Applying the Asset Management KPI of yield on the additional capital investment alone, the projects achieves a yield of 8.27% against our current benchmark of 7% although this does not take into account any value of the building shell.

3.2.5 Applying a 'Net present Value' calculation using a 'cost of capital' of 2% (the assumed loss in investment interest) the project achieves payback in just over 12 years, which may under normal circumstances, be considered too long for a commercial property.

3.2.6 However, the reason for developing this unit is to achieve important 'Tadcaster Tough Stuff' project objectives i.e. increasing footfall within

the town centre - helping to stimulate the local economy when there is arguably current market failure.

3.2.7 It is proposed that capital costs are met from the Programme for Growth budget.

4. Conclusion

The council has prioritised work to unlock the potential of Tadcaster as part of 'Tackling the Tough Stuff', one of the Five Big Things in the Corporate Plan 2011-15. Since then, retail, and improving the environment of our town centres have all been identified as major work streams in the council's Programme for Growth. The potential development at 43 Kirkgate would improve the town's retail offer, increase footfall in the heart of the town centre and help improve the 'look and feel' of the environment of the town.

5. Background Documents

None

Contact Details

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