

# Selby District Council



## Agenda

Meeting: **Executive**  
Date: **4 December 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 November 2014. Pages 1 to 9 attached.

### 3. Disclosures of Interest

A copy of the Register of Interest for each Selby District Councillor is available for inspection at [www.selby.gov.uk](http://www.selby.gov.uk).

Councillors should declare to the meeting any disclosable pecuniary interest in any item of business on this agenda which is not already entered in their Register of Interests.

Councillors should leave the meeting and take no part in the consideration, discussion or vote on any matter in which they have a disclosable pecuniary interest.

Councillors should also declare any other interests. Having made the declaration, provided the other interest is not a disclosable pecuniary interest, the Councillor may stay in the meeting, speak and vote on that item of business.

If in doubt, Councillors are advised to seek advice from the Monitoring Officer.

#### **4. Draft Corporate Plan – Key Decision**

Report E/14/46 asks the Executive to approve a draft of the emerging new Corporate Plan. Pages 10 to 23 attached.

#### **5. Local Land Charges Litigation**

Report E/14/47 provides the Executive with an update on the Local Land Charges Litigation. Pages 24 to 29 attached.

Appendix 1 to the report is exempt from publication by virtue of paragraph 3 in Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). If councillors wish to discuss information contained within the appendix it will be necessary to pass the following resolution to exclude the press and public:

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

#### **6. Draft Budget and Medium Term Financial Plan – Key Decision**

Report E/14/48 asks the Executive to consider the Draft Revenue Budget and Capital Programme 2015/16 and Medium Term Financial Plan. Pages 30 to 78 attached.

#### **7. Phase 2 Housing Delivery Programme – Key Decision**

Report E/14/49 asks the Executive to approve the proposed phasing programme for the Housing Development Strategy. Pages 79 to 86 attached.

#### **8. Leisure Landlord PPM 14/15 Revised Costs**

Report E/14/50 asks the Executive to approve funding for the Leisure landlord maintenance program for 2014/15. Pages 87 to 89 attached.

#### **9. SDC Employer Discretion Policy (LGPS) 2014 – Key Decision**

Report E/14/51 asks the Executive to adopt the SDC Employer Discretion Policy. Pages 90 to 101 attached.

#### **10. Local Plan Update – 5 Year Housing Land Supply and AMR – Key Decision**

Report E/14/52 provides the Executive with an update on the performance of the Core Strategy's policies in the Authority Monitoring Report. Pages 102 to 250 attached.

**11. Proposed Joint Venture – Revenues and Benefits Service**

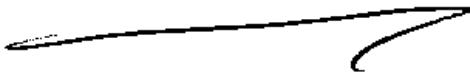
Report E/14/53 asks the Executive to consider a joint venture with Craven District Council. Pages 251 to 254 attached.

**12. Housing Development Strategy – Phase 1 Business Case - Eggborough, Site 3 – Key Decision**

Report E/14/54 asks the Executive to consider the outline business case. Pages 255 to 264 attached.

**13. Housing Development Strategy – Phase 1 Business Case – Byram, Byram Park Road – Key Decision**

Report E/14/55 asks the Executive to consider the outline business case. Pages 265 to 287 attached.



**Mary Weastell**  
**Chief Executive**

<b>Dates of next meetings</b>
<b>18 December 2014 - Executive Briefing</b>
<b>8 January 2015 Executive</b>

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 November 2014
Present:	Councillor M Crane (Chair), Mrs G Ivey, C Lunn and J Mackman.
Officers present:	Chief Executive, Executive Director (S151), Director, Solicitor to the Council, Business Manager (ES), Lead Officer – Finance, Lead Officer – Policy, Policy Officer, Assistant Policy Officer, Housing Development Manager, Democratic Services Manager.
Also Present:	Councillor Jack Crawford
Public:	0
Press:	0

NOTE: Only minute numbers 56 to 63 are subject to call-in arrangements. The deadline for call-in is 5pm on the 18th of November 2014. Decisions not called in may be implemented on the 19<sup>th</sup> of November 2014.

#### 51. Apologies for Absence

Apologies were received from Councillor C Metcalfe.

#### 52. Minutes

The minutes of the meeting on 2 October 2014 were submitted and agreed as a correct record and signed by the Chair.

**53. Disclosure of Interest**

None were received.

**54. Local Plan – Sites and Policies Plan – Key Decision**

The Solicitor to the Council gave an overview of the recent decision by the High Court to dismiss the legal challenge against the Council's Core Strategy. The judgement meant that the Council could now move forward with the next stage of the Local Plan.

Councillor J Mackman presented the report which asked the Executive to consider the draft documents for consultation on PLAN Selby, the new Sites and Policies Plan.

Councillor J Mackman set out that, following the dismissal of the legal challenge to the Core Strategy by the High Court, it was appropriate to progress public consultation on PLAN Selby. PLAN Selby added detail to the broad strategic policies in the Core Strategy and, once adopted, would identify specific sites in the settlements for new developments. It would also add detailed criteria based policies for Development Management decision making where necessary.

The Executive heard that, like the Core Strategy, PLAN Selby would be assessed by an independent inspector at an Examination in Public. The Executive welcomed the report and discussed the timeline for its approval. Councillor J Mackman outlined that PLAN Selby needed to be approved for consultation by the Council. The Executive requested that, with the Chairman's approval, an Extraordinary Council meeting take place on 18 November 2014. The Executive approved a minor amendment to the first recommendation in the report to reflect this.

**Resolved:**

- i. To recommend to Council, at an Extraordinary meeting on 18 November 2014, to approve the Draft 'PLAN Selby' document and associated documents provided in Appendices A-G for consultation purposes.**
- ii. To delegate to officers the arrangements for that consultation to take place between 24 November 2014 and 19 January 2015.**
- iii. To give delegated authority to Officers to make any minor amendments required to the documentation for typographical, grammatical, factual or Plain English purposes prior to Council and/or for the purposes of publishing.**

**iv.To invite Policy Review Committee to provide input to policy development prior to the next stages of consultation as part of the plan preparation process.**

Reason for the decision:

To enable the Local Plan to be progressed to promote growth to meet the housing needs and economic aspirations for the District.

## **55. Local Plan – Flood Risk SPD – Key Decision**

Councillor J Mackman presented the report on the Draft Supplementary Planning Document (SPD) which set out new, smaller geographic areas in which to apply the “Sequential Test” to enable the balancing of sustainability issues in determining planning applications with greater ease and in accordance with the settlement hierarchy in the Core Strategy.

The Executive welcomed the report and discussed the consultation process.

**Resolved:**

**i. To note the report.**

**ii. To authorise Officers to carry out a public consultation exercise on the Flood Risk Sequential Test SPD.**

Reason for the decision:

i. To agree the approach to managing flood risk positively to enable development to take place in the most appropriate locations.

ii.To ensure transparency and openness in applying planning policies.

## **56. Anti-Social Behaviour Policy**

Councillor Mrs G Ivey presented the report on the Anti-Social Behaviour Policy. Councillor Mrs G Ivey set out that in 2012 the Council adopted informal officer guidance to bring its anti-social behaviour (ASB) service into line with best practice. The Anti-Social Behaviour, Crime and Policing Act 2014 brought new powers to tackle ASB into force on 20 October 2014. The report detailed the Council’s revised Anti-Social Behaviour Policy in light of this new legislation.

The Executive heard that Council staff had received training on the powers contained within the new legislation. The Chief Executive

highlighted the importance of the Council's partnership work with North Yorkshire Police in this and a number of other areas.

**Resolved:**

- i. To adopt and approve the updated Anti-Social Behaviour Policy.**
- ii. To sign up to the implementation of the community trigger agreed with our partner organisations and outlined in the report and policy.**
- iii. To note that a new set of anti-social behaviour procedures is currently being devised in conjunction with the Community Safety Partnership.**

Reasons for the decision:

To bring the council's anti-social behaviour service in line with new legislation and secure major benefits in the form of joined-up working with partner organisations.

**57. Fees and Charges 2015/16 – Key Decision**

Councillor C Lunn presented the report which proposed new charges and a reduction in fees as part of the corporate open for business initiative.

Councillor C Lunn reported that the changes affected four services: Legal, Commercial Waste, Mobile Caravan Licenses and Street Naming and Numbering. It was estimated that through implementing the recommendations in the report the Council could recover an additional £50,000 toward the cost of delivering those services.

**Resolved:**

- i. To agree the proposed fees and charges for Legal as set out in Appendix A in the report.**
- ii. To agree the proposed fees and charges for Commercial waste as set out in Appendix B in the report.**
- iii. To agree the introduction of charges for Mobile Caravan licences as set out in Appendix C in the report.**
- iv. To agree the introduction of charges for Street Naming and Numbering as set out in Appendix D in the report.**

Reasons for the decision:

To enable fees for 2015/16 to be set in line with the Medium Term Financial Strategy protocol and to recover costs incurred in delivering discretionary services.

**58. 2<sup>nd</sup> Interim Budget Exceptions Report – Key Decision**

Councillor C Lunn presented the report to update the Executive with details of major variances between budgeted and actual expenditure and income for the financial year to 30 September 2014 for the Core, Access Selby and Communities Selby.

Councillor C Lunn identified that at the end of quarter 2, the full year forecast for the General Fund showed an estimated surplus of £184k, £147k for the Core and £37k for Access Selby. The Housing Revenue Account showed an estimated surplus of £170k, £65k for the Core and £105k for Access Selby.

The Executive discussed the proposed refurbishment scheme at Tadcaster Bus Station in the context of the previous work undertaken there. The costs of the works, approximately £51k, would be split between the Council and North Yorkshire County Council.

**Resolved:**

- i. To endorse the actions of officers and note the contents of the report.**
- ii. To approve the use of savings from Tadcaster central area car park capital programme to fund refurbishment of Tadcaster bus station to a value of £25k.**

Reasons for the decision:

- i. To ensure that budget exceptions are brought to the attention of the Executive with explanations from officers; in order to approve remedial action if necessary.
- ii. To enable Tadcaster Bus Station to be refurbished.

**59. 2<sup>nd</sup> Interim Treasury Management Report – Key Decision**

Councillor C Lunn presented the report which reviewed the Council's borrowing and investment activity for the first six months of 2014/15 and showed performance against the Prudential Indicators.

Councillor C Lunn set out that money market investment rates had remained low and a rise in the bank rate was not expected until 2015 at the earliest. As a result, an outturn of £200k was forecasted which was below budget.



**Resolved:**

**To endorse the actions of officers on the Council's treasury activities for the period ending 30<sup>th</sup> September 2014 and approve the report**

Reasons for the decision

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

**60. 2<sup>nd</sup> Interim Corporate Plan Progress Report**

Councillor M Crane presented the report which provided details of Access Selby key performance indicators following the second quarter of reporting for the financial year 2014/15.

The Executive welcomed the report which demonstrated the strong performance of Access Selby over the last quarter. Councillors discussed the target of reducing internal costs on non-operational sites and the associated issue at Barlby Depot.

The Executive discussed a number of the amber performance indicators and received an update on the Mobile Working project from the Director of Finance.

**Resolved:**

**To approve the report.**

Reason for the decision:

To enable the Council to monitor the level of service delivered by Access Selby and to assist the Council in achieving its strategic priorities.

**61. Housing Development Strategy – Phase 1 Business Case - Byram East Acres – Key Decision**

Councillor M Crane presented the report which outlined the business case for the development of affordable housing on the Council's garage site at East Acres, Byram.

Councillor M Crane set out that the scheme had the support of local members. The Executive discussed the options for the scheme and, subject to there being sufficient space, agreed the preferred option

was to build five rather than four bungalows on the site. This would maximise the provision of these much needed homes.

**Resolved:**

- i. To prepare a detailed business case for option A, five bungalows, for development within the HRA of the land to the rear of East Acres Byram for non-general needs housing.**
- ii. To note that the development forms part of phase one of the Housing Development Programme.**
- iii. To allocate up to £25,000 from the HRA Housing Development Strategy budget for the preparation of the detailed business case.**

Reason for the decision:

- i. To increase the provision of non-general needs affordable housing in Selby District Council area (as identified in the evidence supporting the Core Strategy) - and in particular in Byram.
- ii. To maximise the use of an under-utilised site.
- iii. To increase the number of properties contributing to the HRA.

**62. Housing Development Strategy – Phase 1 Business Case – Eggborough, Site 1 – Key Decision**

Councillor M Crane presented the results of the outline business case for the proposed redevelopment of the Council's garages at Westfield Grove, Eggborough (site 1) for affordable homes within the Council's HRA. The outline business case gave an overview of the issues associated with developing five bungalows on the site.

The Executive discussed the report and in particular the impact of the proposal to widen the access road and provide adjacent off street parking on the scheme's financial viability. The Housing Development Manager set out that these considerations would be discussed in the detailed business case and that alternative sources of funding may be available to contribute toward the cost of the off street parking.

**Resolved:**

- i. To prepare a detailed business case for development within the HRA of the land to the rear of Westfield Grove for non-general needs housing in the form of five bungalows.**
- ii. To consider the widening of the access road and provision of adjacent off-street parking as part of the scheme.**

- iii. To allocate up to £25,000 from the HRA Housing Development Strategy budget for the preparation of the detailed business case.**

Reason for the decision:

- i. To increase the provision of non-general needs affordable housing in Selby District Council area (as identified in the evidence supporting the Core Strategy) - and in particular in Eggborough.
- ii. To maximise the use of an under-utilised site.
- iii. To increase the number of properties contributing to the HRA.

**63. Housing Development Strategy – Phase 1 Business Case – Eggborough, Site 2 – Key Decision**

Councillor M Crane presented the results of the outline business case for the proposed redevelopment of the Council's garages at Westfield Road, Eggborough (site 2) for affordable homes within the Council's HRA.

The Executive discussed the different options for the scheme and the impact of the providing parking for the adjacent properties facing Weeland Road. These issues would be discussed in greater depth in the detailed business case.

**Resolved:**

- i. To prepare a detailed business case for development within the HRA of the land to the rear of Westfield Road for non-general needs housing in the form of three bungalows (to allow room for additional parking);**
- ii. To consider in the detailed business case the provision of off-street parking for the affected properties facing Weeland Road;**
- iii. To allocate up to £25,000 from the HRA Housing Development Strategy budget for preparation of the detailed business case.**

Reason for the decision:

- i. To increase the provision of non-general needs affordable housing in Selby District Council area (as identified in the evidence supporting the Core Strategy) - and in particular in Eggborough.
- ii. To maximise the use of an under-utilised site.

- iii. To increase the number of properties contributing to the HRA.
- iv. To conserve the available 'off-street' parking for adjacent residents.

The meeting closed at 5.21 pm

# Selby District Council

## REPORT

Reference: E/14/46

Public – Item 4



**To:** The Executive  
**Date:** 4 December 2014  
**Status:** Key Decision  
**Report Published:** 26 November 2014  
**Author:** Caroline Sampson Paver – Commissioning and Performance Officer  
**Executive Member:** Councillor Mark Crane – Leader of the Council  
**Lead Officer:** Mary Weastell – Chief Executive

**Title:** Draft Corporate Plan

### Summary:

This report presents for approval a draft of the emerging new Corporate Plan to cover the years 2015-2020. The document has been developed with the input of key internal and external stakeholders including all Councillors.

### Recommendations:

- i. To approve the draft Corporate Plan for a period of public consultation
- ii. To authorise the Chief Executive to make any amendments requested by the Executive prior to publishing for consultation.

### Reasons for recommendation

The Executive is asked to agree the recommendation to enable progress to be made towards finalising and adopting a new Corporate Plan, to be adopted by the start of the financial year 2015.

## **1. Introduction and background**

- 1.1** The Council is developing its new vision for the organisation for the next five years, built around the plan to make Selby District a Great Place – to do business, to enjoy life, and to make a difference – supported by the council delivering great value.
- 1.2** The views and opinions of customers, staff, business leaders, service providers and all district Councillors have been sought during the planning and development this year. The document has now reached a stage where it is considered appropriate to go out and seek the comments of the wider community through a period of public consultation.

## **2. The Report**

- 2.1** As the current Corporate Plan runs until 2015, a replacement document has been in development during this year. The State of the Area Address announced the future corporate direction in the summer and work has been on-going to develop the priority outcomes that will help deliver these themes.
- 2.2** The development of the Corporate Plan Priorities has been evidenced by a needs assessment that gathers and analyses statistics that tell the story of the issues and needs that impact on the district and its communities.
- 2.3** Priority outcomes are also supported by the views of local business leaders and service providers, and customers have been interviewed in a recent survey on their aspirations for themselves, their community and the wider district. Council staff have also been asked to give their views on draft priorities – considering issues from their perspective as staff, and in many cases as local residents and service users.
- 2.4** Executive Councillors have developed the direction and priorities of the document through workshops, and all Councillors have had the opportunity to contribute to its development.
- 2.5** The draft Corporate Plan at Appendix 1 reflects on the successes of the previous plan; defines the values of the organisation; defines and explains the vision for the future and each of the proposed new priorities – with key areas of focus, and measures that will demonstrate how goals will be met and success demonstrated.
- 2.6** The draft Corporate Plan is scheduled for a period of public consultation alongside the Budget during December and January.

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

### **Legal Issues**

- 3.1** There are no specific legal issues to consider

## **Financial Issues**

- 3.2 Corporate Plan priorities are reflected in the emerging Budget.

## **Impact Assessment**

- 3.3 An Equality, Diversity and Community Impact screening document is currently being drafted and will be updated following the period of public consultation to ensure that any impact of the Corporate Plan is considered.

## **4. Conclusion**

- 4.1 This report presents a draft of the organisations vision for the next five years, focusing on priorities to deliver outcomes, with partners, that will help make the district a great place and make a difference to people's lives. A range of stakeholders have contributed to the development of the priorities, and the planned period of public consultation will enable the Council to share its vision with the wider public and gather further views that will contribute to the final Corporate Plan, for adoption in 2015.

## **5. Background Documents**

Selby District Needs Assessment 2014

Contact Officer:

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Selby District Council  
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### **Appendices:**

Appendix 1 - Draft Selby District Corporate Plan 2015-2020

**Title page**

Selby District Corporate Plan 2015 – 2020

Making Selby a great place

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



## 1. Foreword

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

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

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

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

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

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

**Cllr Mark Crane, Leader of Selby District Council**

[Image 1.1]

**Mary Weastell, Chief Executive of Selby District Council**

[Image x.x – NEED HEADSHOT IMAGE]

**Selby, Autumn 2014**

## 2. The context

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

### Progress against our five Big Things

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

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

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

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

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

- We’ve put in place a programme of support for the district’s businesses, which has included monthly networking and business development sessions.
- We’ve facilitated the creation of the Selby Town Enterprise Partnership to bring together key business and community leaders in the town to deliver a range of new investment and improvements.
- We’re delivering improvements to key gateways into Selby to encourage visitors into the town which supports local traders.
- We’ve worked with private developers to facilitate new development at the Proving Ground in Sherburn in Elmet, providing a significant boost for new business space and jobs in the district.

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

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

- We’ve worked proactively with key developers to support major new investment in our district to deliver new homes and business space. By working collaboratively, we’ve recently secured over £16m of funding to help deliver the Olympia Park development at Barlby which is a key site to support growth across the district.
- We’ve introduced new ways of working within our planning service, in direct response to customers’ views, to help support new development in the district.
- We’ve been re-awarded the *Investors in People* standard for our work in supporting staff to make the most of our talent, which directly benefits the way in which we deliver services.
- We’ve supported changes to our ward boundaries, by inviting a review from the *Local Government Boundary Commission for England*; from 2015 this will help to deliver new savings.

- We've started work, in partnership with NYCC, with the people of Sherburn in Elmet and South Milford on shaping the future of service delivery with them.

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

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

- We have delivered a total reorganisation of how we work, which has delivered annual efficiency savings of £1.5m. On top of this we've delivered further efficiency savings of £x. This has involved looking at every aspect of what we do and how we do it.
- We've embarked on an ambitious programme of joint working with our County Council, to support further efficiencies and to improve services for our joint customers. This has included the appointment of new Chief Executive with joint County Council responsibilities. We have driven through savings by working together on procurement of back office systems. We are finalising plans to deliver a key County Council community service from the District Council offices.
- We've developed new partnerships to run key countryside sites in the district, to bring in new expertise to secure the future of these important environments for generations to come.
- Throughout most of this period we've kept Council Tax on hold, because the savings we've delivered have meant we've been able to help our residents through tough economic times.
- We've developed new ways of customers getting the information they need about local services by opening up social media channels.

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

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

- We have supported the creation of a brand new Housing Trust to help build new affordable homes in the district, with plans already in place for new developments in Tadcaster and Riccall; further plans are being finalised for new homes at locations across the district.
- We have developed and delivered our Core Strategy – the long-term planning document that sets out development needed between now and 2027. This has been independently tested.
- We've refurbished Tadcaster's central area car park despite many years of legal wrangle to support local traders in the town.

### 3. 2015-2020 – Making Selby a great place

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

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

Customer focused [Needs infographic]

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

Business-like [Needs infographic]

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

One team Selby [Needs infographic]

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

Flexible [Needs infographic]

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

Forward thinking [Needs infographic]

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

Trustworthy [Needs infographic]

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

#### 4. The Vision

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

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

Here is what we mean...

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 5. Our Priorities

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

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

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

### Key focus on our work

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

### *What we mean by that*

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

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

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

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

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

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

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

### Key focus of our work

- Improve the supply of housing
- Improving healthy life choices

### *What we mean by that*

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

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

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

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

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

[Image – stock image?]

#### Key focus of our work

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

### *What we mean by that*

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

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

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

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

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



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

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

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

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

## 6. Resources

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

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

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

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

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

# Selby District Council

## REPORT

Reference: E/14/47

Public – Item 5



**To:** The Executive  
**Date:** 4 December 2014  
**Status:** Non Key Decision  
**Report Published:** 26 November 2014  
**Author:** Gillian Marshall Solicitor to the Council  
**Executive Member:** Councillor C Lunn - Lead Member for Finance & Resources  
**Lead Officer:** Karen Iveson – Executive Director (s151)

**NOT FOR PUBLICATION.** Appendix A to this Report contains exempt information under paragraph 3 of schedule 12A to the Local Government Act 1972 as amended

**Title:** Land Charges Litigation - Property Search Refund Claims

### Summary:

The purpose of this report is to update Members on the progress of the negotiations with the Claimants in the national land charges litigation for refunds of search fees and to seek delegated authority to settle the claims against Selby District Council as and when a national settlement is agreed.

### Recommendations:

- i. That Executive note the position on the national litigation and the proposed national settlement framework and;
- ii. Delegate authority to the Executive Director (s151) to make the settlement payment from contingency reserves when a national agreement is reached.

### Reasons for recommendation

To enable the settlement to proceed and limit the exposure of the Council to further claims for costs and interest.

## **1. Introduction and background**

- 1.1 The charges levied by local authority land charges departments for property searches were previously regulated by statute which set out either a mandatory charging basis (the Local Land Charges rules which previously set the fee for a personal search of the local land charges register at £11/£22) or a permissive charging basis (e.g. the Charges Regulations 2008 which direct authorities on how to set their own charges for personal searches of other items, e.g. highways and building control data).
- 1.2 For the last few years, private property search companies ("PSCs") who carry out numerous searches every day in local land charges departments to prepare search materials which are then sold on to the public, have complained that the fees set by authorities are incompatible with the Environmental Information Regulations 2004 (the "EIRs"). The EIRs were brought into force on 1 January 2005 as a means of implementing the 2003 EC Directive on public access to environmental information.
- 1.3 It became clear that central government had failed to realise that the EIRs could be said to apply to the vast majority of property search data, given that the definition of "environmental information" in the EIRs is very wide indeed. In August 2010 the government revoked the personal search fee of the local land charges register because it was incompatible with the EIRs. The EIRs specifically state that environmental information contained on a register or list must be made available for personal inspection free of charge.
- 1.4 The result of central government's failure to appreciate the conflict between the EIRs and the existing legislation is that numerous private property search companies have now brought and/or threatened legal action against authorities for charges levied from 1 January 2005 onwards (and in some cases prior to that date) which are alleged to be unlawful under the EIRs.
- 1.5 There are a number of PSCs levying claims for refunds against authorities, but the vast majority have joined one of two camps (the "PSG/Tinkler Solicitors" group, and the "APPS/Norton Rose Fulbright" group). The PSG/Tinklers group issued proceedings against 185 authorities including Selby District Council in February 2011 and those proceedings are shortly to be settled by way of Consent Order, each authority having reached agreement with those claimants on the sums to be refunded. For Selby this amounted to £781 (against an initial estimate of £1089) plus a share of the costs which are yet to be determined.
- 1.6 The APPS group have not yet issued proceedings as the affected authorities (370 English and Welsh authorities including Selby District Council) have entered into detailed negotiations to try to reach a settlement of the claims without the need for expensive and protracted court proceedings). The APPS claimants have provided details of the searches for which refunds are claimed and most authorities have done their best to reconcile those details with their own data. The 370 authorities affected have procured legal advice by way of a collective action which has been facilitated by the Local Government

Association. This results in legal fees being shared between all authorities in the group and has resulted in considerable savings to the authority.

- 1.7 A framework for settlement has now been agreed between the APPS claimants and the legal advisers for the local authorities group (Bevan Brittan LLP). The framework is considered by the legal advisers to represent a favourable settlement to authorities and is endorsed by the Steering Committee which is made up of representatives from local authorities and provides guidance and instructions to Bevan Brittan, on behalf of the collective.

## **The Report**

- 2.1 The proposed settlement of the APPS Claims will deal with all claims which the PSCs in that group could make up to the date on which the settlement takes place. The settlement agreement will provide that the PSCs cannot bring any claims in future in relation to transactions carried out before the settlement was entered into. However, the settlement will not preclude PSCs from bringing claims against the authority in future if they consider that the authority's activities after the date of settlement are unlawful. Neither will the settlement prevent other potential claimants (PSCs, solicitors or individuals) who are not part of the APPS group, from bringing claims against the authority.
- 2.2 An important factor in these claims is that the APPS Claimants also intend to advance a claim for damages against authorities on the basis of anti-competitive behaviour (they claim that access to environmental data was unlawfully restricted) in addition to the claims for refunds of search fees. This claim amounts to £200-400 million across the 370 Authorities. Under the proposed settlement this claim is dropped in its entirety. The prospects of success are advised to be far weaker on that claim than the claims for refunds, but nevertheless there are significant risks attached to having to defend such a claim to trial and all authorities support the settlement on that basis.
- 2.3 English authorities were awarded a sum of £34,355.83 each by Central Government in March 2010, under the New Burdens funding assessment process. This was supposed to compensate authorities for the loss of income from personal searches of the Local Land Charges Register following revocation of the fee for such searches, and any refunds that might have to be paid. Welsh authorities did not receive any payment. As part of the collective action, authorities have made submissions to Central Government that the New Burdens process should be re-opened as clearly the sums paid are inadequate to cover local authority's losses in this area. A decision from Central Government is still awaited. It is unlikely, however, that any contribution from Central Government will be determined or received before authorities are required to make refunds to the Claimants (as authorities would be obliged to mitigate their losses by achieving a reasonable settlement as early as possible, to cease the significant accrual of interest and costs whilst the sums remain unpaid).

- 2.4 The proposed settlement of the APPS Claims will deal with all claims which the PSCs in that group could make up to the date on which the settlement takes place. The settlement agreement will provide that the PSCs cannot bring any claims in future in relation to transactions carried out before the settlement was entered into. However, the settlement will not preclude PSCs from bringing claims against the authority in future if they consider that the authority's activities after the date of settlement are unlawful. Neither will the settlement prevent other potential claimants (PSCs, solicitors or individuals) who are not part of the APPS group, from bringing claims against the authority.
- 2.5 The value of the proposed settlement is set out in Appendix A.

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

#### **3.1 Legal Issues**

The legal advice referred to in this report, including on the basis of settlement and figures, is subject to legal professional privilege, which applies not just to this Council but all authorities involved in the proceedings. This privilege and the ability to keep the advice confidential may be lost if the information is disseminated too widely. To do otherwise could prejudice the successful outcome of the litigation not just for this authority but for other authorities. The public in interest in exempting this information from publication under Schedule 12A paragraph 3 is therefore considered to outweigh the public interest in disclosing it.

#### **3.2 Financial Issues**

When the settlement agreement with APPS is finally agreed and signed this Council will need to make payment within 28 days.

A contingent liability for this litigation in the sum of £110 000 plus costs and interest for the litigation (excluding any competition claim) has been noted in the Council's accounts for the last two financial years. It is anticipated that any settlement payment would be made from in year contingencies however in case there is a need to draw down Contingency Reserves then, under the virement limits set in the Financial Procedure Rules, it is necessary for the Executive to delegate specific authority to officers to make the payment.

- 3.3 No equality, diversity or community impacts arise in the settlement of a legal claim and therefore a screening exercise has not been undertaken.

### **4. Conclusion**

- 4.1 The proposed settlement framework represents a good settlement of the claims against this Council and the others involved in the national litigation and minimises further litigation risk and costs and interest claims. It is

therefore recommended that the authority sought to settle the claims be given.

## **5. Background Documents**

None.

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### **Appendices:**

Appendix A – Proposed Settlement framework

# Selby District Council

## REPORT

Reference: E/14/48

Public – Item 6



**To:** The Executive  
**Date:** 4 December 2014  
**Status:** Key Decision  
**Report Published:** 26 November 2014  
**Author:** Karen Iveson, Executive Director (s151)  
**Executive Member:** Councillor Cliff Lunn  
**Lead Director:** Karen Iveson

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

**Summary:** This report presents the draft revenue budget and capital programme for 2015/16 to 2017/18. Subject to confirmation of the Formula Grant settlement, the 2015/16 budgets show a forecasted deficit of £11k (after planned savings) on the General Fund and a £1.3m surplus on the HRA, which is required to fund the capital programme. The report identifies a number of budget pressures and presents savings proposals for dealing with these pressures.

### Recommendations:

#### It is recommended that:

- i. the draft budgets, bids and savings be approved for public consultation and submitted to Policy Review for comments;
- ii. Subject to the referendum rules, Council Tax is increased by 2% for 2015/16.

**Reasons for recommendation:** To ensure the Executive's budget proposals are fully funded for 2015/16.

## 1. Introduction and background

- 1.1 The Council approved its Medium Term Financial Strategy (MTFS) on 14 October 2014. The MTFS covers General Fund activities and provides the strategic financial framework for medium term financial planning and annual budget setting.



- 1.2 The Housing Revenue Account (HRA) and Housing Investment Programme (HIP) are covered by the Housing Business Plan (HBP). The draft HBP was approved by the Executive on 4 September 2014 and, at the time of writing this report, is out to consultation.
- 1.3 The MTFS assumes continuing cuts to Central Government formula funding as resources are top sliced to fund the New Homes Bonus scheme. It recognises continuing austerity, uncertainty surrounding the localisation of Non-Domestic Rates (NDR) and the need to deliver our savings plan as the key financial issues facing us over the next 3 years.
- 1.4 The budget has been prepared on a current policy basis and includes provision for inflation where considered necessary. There is provision for the approved pay award in 2015/16 and 1% in 2016/17 and 2017/18. The General Fund revenue budget includes contingencies totalling £256k in the Core and £51k in Access Selby. The HRA includes a Core contingency of £75k.

## 2. The Report

- 2.1 The draft revenue budgets for the 3 years from 2015/16 to 2017/18 are presented at **Appendix A** and the proposed capital programmes and Programme for Growth are shown at **Appendix B**.

### General Fund Revenue Budget

- 2.2 Taking the 3 elements of the Council's service delivery model together and after appropriations to and from reserves, the estimated position for 2015/16 is as follows:

	<b>2015/16 Budget £000's</b>
Core	4,932
Access Selby	5,682
Communities Selby	193
<b>Total Net Budget</b>	<b>10,807</b>
Council Tax	(4,811)
RSG/NDR (subject to LG Finance Settlement)	(3,984)
New Homes Bonus	(2,081)
Collection Fund Surplus – Council Tax	(84)
Collection Fund Deficit – Business Rates	164
<b>Total Funding</b>	<b>(10,796)</b>
<b>Deficit transferred from balances</b>	<b>11</b>

- 2.3 The draft budget includes committed growth where necessary along with proposals for discretionary growth. **Appendix D** identifies the proposals for approval (both revenue and capital).
- 2.4 The estimated deficit of £11k for 2015/16 is subject to planned savings of £418k, which is an improved position on that forecasted in the MTFS, largely

due to the increase in the Council Tax Base for 2015/16 and a Collection Fund surplus.

### Council Tax

- 2.5 The approved MTFS assumes a Council Tax increase of 2% for 2015/16.
- 2.6 In preparing the draft budget it has been assumed that Council do not to take up the offer of Council Tax Freeze Grant for 2015/16 due to the on-going risk to the Council's financial position. The draft budget therefore includes a maximum Council Tax increase of 2% to avoid the additional cost of a referendum, which is not considered to be in the interest of Council Tax payers.
- 2.7 A 2% increase will take the Council average Band D charge from £162.00 to £165.22 – a rise of 6p per week.

### Savings

- 2.8 A number of savings have already been identified as part of the budget process and the current savings action plans are attached at **Appendices C(i) and C(ii)**.
- 2.9 However, taking the proposals for Council Tax, growth, and reserve transfers it is estimated that, subject to the Formula Grant settlement, a further circa £1m savings will be needed by 2017/18. A list of proposed new savings is presented at **Appendix C(iii)**.
- 2.10 The Council had made good progress against its savings target to date, but it is becoming increasingly difficult to achieve further savings from a reducing cost base. However, the focus on delivering planned savings must be maintained, given the importance of savings in achieving the Council's financial (and wider) objectives and to avoid the use of balances to support on-going spending which is unsustainable in the medium to longer term.
- 2.11 The Council's approach to savings covers three key strands:
- **Transforming** our business through the use of technology and flexible working to meet citizen and customer needs;
  - **Growing** our resources through charging for services and trading externally;
  - **Commissioning** from and with partners to achieve shared efficiencies and reduce the demand for public sector services.
- 2.12 In order to help implement this strategy the Council is working with North Yorkshire County Council on a long term plan to share service delivery for the benefit of our shared customers and taxpayers generally.
- 2.13 However, such projects can take significant time and effort to bring to fruition so we will continue to work towards other savings in accordance with our strategy to ensure the Council's finances stay on a firm footing – plans include savings in the running costs of the new leisure centre in Selby.

### Housing Revenue Account

- 2.14 The HRA budgets have been prepared using assumptions on rent rises based on the Government's formula. From 2015/16 a new method is to be used for a 10 year period using CPI + 1% both for actual and target (formula) rent increases. Using this method a 2.2% increase in rents is assumed.
- 2.15 The estimated position HRA for 2015/16 is shown below. Progress against the HRA savings action plan is ahead of target and therefore no further savings are expected for 2015/16, although opportunities for efficiencies will continue to be sought wherever possible.

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

- 2.16 A surplus position is anticipated for 2015/16 which will be required to meet the capital programme. Future surpluses will be transferred to the Major Repairs Reserve to either repay debt or spend on the future HRA capital programme, including new build projects.

#### General Fund Capital Programme

- 2.17 The General Fund capital programme includes previously approved projects as well as new growth – a summary of the growth proposals are shown at **Appendix D(i)** and the capital programme is attached at **Appendix B(i)**.
- 2.18 There is limited room for additional revenue contributions to support the capital programme and therefore it is largely supported by capital receipts, external grants and earmarked reserves. The following table presents a summary of the proposed programme:

<b>Programme</b>	<b>2015/16 £000's</b>	<b>2016/17 £000's</b>	<b>2017/18 £000's</b>
Asset Management works	3	13	3
Car Park Machines		52	
Grants & loans	330	330	300
ICT Replacement	248	262	292
Lifeline Equipment	0	0	50
Housing developments	1,250	1,250	1,250
<b>Total Programme</b>	<b>1,831</b>	<b>1,907</b>	<b>1,895</b>
<b>Funding</b>			
Capital Receipts	175	175	145
Grants	155	155	155
Reserves	251	327	345
Borrowing	1,250	1,250	1,250
<b>Total Funding</b>	<b>1,831</b>	<b>1,907</b>	<b>1,895</b>

- 2.19 Projects include Selby and District Housing Trust developments, Disabled

Facilities Grants and ICT projects. The latter cover a range of replacement and new systems, hardware and infrastructure (including a Mobile Working solution) – funding for ICT replacement projects is covered by the ICT Replacement Reserve.

#### Housing Investment Programme

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

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

#### Programme for Growth

- 2.21 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme comprises a range of cross cutting projects designed to 'make Selby a great place' by investing in economic development; housing; infrastructure; retail; and the leisure economy.
- 2.22 The programme is funded largely by New Homes Bonus (up to £880k p.a.) and unallocated capital receipts. There is also the potential for additional borrowing subject to approval of the tender and funding package for the proposed new leisure village in Selby. At this stage further economic development initiatives are anticipated but more detailed work on the proposals is needed, therefore the Executive may wish to allocate funding pending receipt of project briefs. Details of the proposed future programme are set out at **Appendix B(iii)**, a summary of the programme shows:

	2015/16 £000's	2016/17 £000's	2017/18 £000's
Balance brought forward	2,587	1,075	1,901
Special projects reserve*	880	1,000	
Project spend	-2,392	-174	-170
<b>Balance carried forward</b>	<b>1,075</b>	<b>1,901</b>	<b>1,731</b>

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

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

### Reserves

- 2.23 The Council has a robust reserves strategy which is reviewed annually as part of the refresh of the MTFs. A forecast of reserve balances based on the MTFs assumptions and draft budget, is set out at **Appendix E**. Budgeted appropriations to and from General Fund reserves for 2015/16 (including capital/programme for growth financing) are:

<b>General Fund Reserves</b>	<b>£000's</b>
<b>Transfers to:</b>	
Building Repairs	130
ICT Replacement - GF	150
- HRA	50
PFI	380
Pension Equalisation	181
District Election	30
Special Projects - Revenue	999
Access Selby	79
<b>Transfers from:</b>	
NYCC Collaboration	(100)
ICT Replacement	(100)
PFI	(400)
Special Projects – Programme for Growth	(2,392)
Building Repairs	(35)
District Election	(80)
Access Selby Reserve	(92)
General Fund Balance	(11)
<b>Net Appropriations from Reserves</b>	<b>(1,211)</b>

- 2.24 Overall the Council's General Fund reserves are expected to reduce by £1.2m in 2015/16.
- 2.25 The HRA reserves are General Balances and the Major Repairs Reserve (MRR). The overall estimated surplus of £1.3m on the HRA for 2015/16 will be transferred to the MRR. The HRA capital programme will require £2.9m from the MRR in 2015/16.

### Budget Risk Assessment

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

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

#### **3.1 Legal Issues**

- 3.1.1 None as a result of this report.

#### **3.2 Financial Issues**

- 3.2.1 As set out in the report.

### **4. Conclusions**

- 4.1 The draft General Fund revenue budget for 2015/16 assumes a Council Tax rise of 2% and in total requires 'one-off' support from Balances of £11k for the Core and £92k for Access Selby.
- 4.2 The budget provides for a capital programme to meet General Fund and HRA needs and also includes a Programme of Growth to support the Council's new Corporate Plan.
- 4.3 An additional savings target of circa £1m (beyond our current plans) will be required to balance the budget over the next 3 years given our assumptions on central Government funding.
- 4.4 The continuing risk to Local Government funding and future rising demand for services, mean that additional savings will be sought wherever possible. This will be vital to ensure that the Council maintains its financial resilience and continues to deliver or enable the essential services that people need.

#### **Contact Details:**

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#### **Appendices:**

- A – Revenue estimates
- B – Capital programmes and Programme for Growth
- C – Savings
- D – Growth bids
- E – Reserves
- F – Budget risk assessment

## GENERAL FUND SUMMARY 2015/16 - 2017/18

	Total Budget			Access Selby			Core			Communities Selby		
	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18
	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original	Original
	£	£	£	£	£	£	£	£	£	£	£	£
Access Selby	8,517,360	8,621,040	8,810,580	8,517,360	8,621,040	8,810,580						
Core	3,355,950	3,357,940	3,377,410				3,355,950	3,357,940	3,377,410			
Communities Selby	192,680	192,680	192,680							192,680	192,680	192,680
Capital Charges	565,800	501,910	358,480				565,800	501,910	358,480			
<b>Sub-total Gross Budgets</b>	<b>12,631,790</b>	<b>12,673,570</b>	<b>12,739,150</b>	<b>8,517,360</b>	<b>8,621,040</b>	<b>8,810,580</b>	<b>3,921,750</b>	<b>3,859,850</b>	<b>3,735,890</b>	<b>192,680</b>	<b>192,680</b>	<b>192,680</b>
CEC Charged to HRA	(2,410,490)	(2,419,980)	(2,442,820)	(2,300,340)	(2,309,390)	(2,331,390)	(110,150)	(110,590)	(111,430)			
<b>Net Budget after CEC Adjustments</b>	<b>10,221,300</b>	<b>10,253,590</b>	<b>10,296,330</b>	<b>6,217,020</b>	<b>6,311,650</b>	<b>6,479,190</b>	<b>3,811,600</b>	<b>3,749,260</b>	<b>3,624,460</b>	<b>192,680</b>	<b>192,680</b>	<b>192,680</b>
	0	0	0									
Further savings in progress/new savings plan	(417,850)	(883,510)	(1,416,640)	(367,850)	(783,510)	(1,041,640)	(50,000)	(100,000)	(375,000)			
<b>Net Service Budget</b>	<b>9,803,450</b>	<b>9,370,080</b>	<b>8,879,690</b>	<b>5,849,170</b>	<b>5,528,140</b>	<b>5,437,550</b>	<b>3,761,600</b>	<b>3,649,260</b>	<b>3,249,460</b>	<b>192,680</b>	<b>192,680</b>	<b>192,680</b>
Investment Income	(200,000)	(300,000)	(300,000)				(200,000)	(300,000)	(300,000)			
External Interest	189,100	189,100	167,580				189,100	189,100	167,580			
Parish CTS Grant	96,000	86,000	77,000				96,000	86,000	77,000			
Capital A/c Adjustment MRP Charge	222,310	219,430	216,660				222,310	219,430	216,660			
Capital A/c Adjustment DFG & Conservation Grants	(205,000)	(155,000)	(155,000)	(205,000)	(155,000)	(155,000)						
Capital A/c Adjustment Capital Chgs	(565,800)	(501,910)	(358,480)				(565,800)	(501,910)	(358,480)			
New growth bids	83,000	40,000	73,000				83,000	40,000	73,000			
Programme for Growth Projects	162,920	0	0				162,920	0	0			
ICT Projects	100,000	0	0				100,000	0	0			
Contingencies	306,640	306,640	306,640	51,090	51,090	51,090	255,550	255,550	255,550			
<b>Net Budget before contribution to/(from) Reserves*</b>	<b>9,992,620</b>	<b>9,254,340</b>	<b>8,907,090</b>	<b>5,695,260</b>	<b>5,424,230</b>	<b>5,333,640</b>	<b>4,104,680</b>	<b>3,637,430</b>	<b>3,380,770</b>	<b>192,680</b>	<b>192,680</b>	<b>192,680</b>
<b>Contribution To Reserves</b>												
Building Repairs	130,000	130,000	130,000				130,000	130,000	130,000			
ICT	150,000	150,000	150,000				150,000	150,000	150,000			
PFI	379,780	398,980	400,720				379,780	398,980	400,720			
Pension Equalisation Reserve	181,110	182,820	182,820				181,110	182,820	182,820			
District Election	30,000	34,000	34,000				30,000	34,000	34,000			
Special Projects (Programme for Growth)	119,070	0	0				119,070					
Special Projects (Programme for Growth)	880,000	880,000	880,000				880,000	880,000	880,000			
Life-lines - Repayment to Access Selby Reserve	79,000	11,420	10,000	79,000	11,420	10,000						
Access Selby Reserves	(92,070)	206,210	279,700	(92,070)	206,210	279,700						
<b>Contribution From Reserves</b>												
NYCC Collaboration Reserve	(100,000)	(100,000)	(50,000)				(100,000)	(100,000)	(50,000)			
ICT	(100,000)	0	0				(100,000)					
PFI	(400,290)	(411,500)	(423,020)				(400,290)	(411,500)	(423,020)			
Special Projects (Programme for Growth)	(162,920)	0	0				(162,920)					
Business Rates Equalisation	(164,000)	(164,000)	(164,000)				(164,000)	(164,000)	(164,000)			
Building Repairs	(35,000)	0	0				(35,000)					
District Election	(80,000)	0	0				(80,000)					
<b>NET REVENUE BUDGET</b>	<b>10,807,300</b>	<b>10,572,270</b>	<b>10,337,310</b>	<b>5,682,190</b>	<b>5,641,860</b>	<b>5,623,340</b>	<b>4,932,430</b>	<b>4,737,730</b>	<b>4,521,290</b>	<b>192,680</b>	<b>192,680</b>	<b>192,680</b>
Grant NDR/RSG*	(3,984,280)	(3,585,850)	(3,227,270)									
New Homes Bonus	(2,081,170)	(2,465,460)	(2,407,760)									
Special and Specific Grants*	-	-	-									
<b>Amount to be met from Council Tax</b>	<b>4,741,850</b>	<b>4,520,960</b>	<b>4,702,280</b>									
<b>Council Tax Requirement</b>												
Council Tax to be Levied	(4,811,290)	(4,956,590)	(5,106,280)									
Council Tax Collection Fund Deficit/(Surplus)	(83,660)											
Business Rates Collection Fund Deficit/(Surplus)	164,000	164,000	164,000									
<b>Shortfall / (surplus)</b>	<b>10,900</b>	(271,630)	(240,000)									
C Tax Base	29,117	29,408	29,702									
Council Tax Rate	165.24	168.54	171.92									

\*Subject to Local Government Finance Settlement

2013/2014 ACTUAL	CORE (GENERAL FUND) OBJECTIVE SUMMARY	2014/2015 REVISED ESTIMATE	2015/2016 BUDGET	2016/2017 BUDGET	2017/2018 BUDGET
£		£	£	£	£
3,425,590	Core	2,765,976	2,840,060	2,918,910	2,937,790
1,083,877	Democratic Services	1,015,970	1,045,620	964,320	971,140
<b><u>4,509,467</u></b>	<b>Net Expenditure</b>	<b><u>3,781,946</u></b>	<b><u>3,885,680</u></b>	<b><u>3,883,230</u></b>	<b><u>3,908,930</u></b>
628,877	Net CEC's	513,667	529,730	525,290	531,520
<b>3,880,590</b>	<b>Total for GF Summary</b>	<b>3,268,279</b>	<b>3,355,950</b>	<b>3,357,940</b>	<b>3,377,410</b>



2013/2014 ACTUAL	CORE (GENERAL FUND) SUBJECTIVE SUMMARY	2014/2015 REVISED ESTIMATE	2015/2016 BUDGET	2016/2017 BUDGET	2017/2018 BUDGET
	<b><u>Income</u></b>				
-795,285	Customer & Client Receipts	-21,560	-3,340	-3,340	-3,340
-352,499	CEC Recharge Income	-343,963	-275,240	-276,260	-278,160
-21,164	Other Recharges	-23,530	-22,300	-22,300	-22,300
0	Contribution From Reserves	0	0	0	0
<b>-1,168,948</b>	<b>Total Income</b>	<b>-389,053</b>	<b>-300,880</b>	<b>-301,900</b>	<b>-303,800</b>
	<b><u>Expenditure</u></b>				
1,119,823	Employees	1,085,810	1,090,390	1,117,410	1,156,130
-28,556	Premises	10,740	2,360	2,370	2,380
15,148	Transport	14,870	21,530	21,530	21,530
873,295	Supplies And Services	619,469	649,330	569,330	519,330
18,489	Third Party Payments	19,000	19,000	19,000	19,000
1,479,052	Drainage Board Levy	1,563,050	1,598,980	1,653,940	1,684,680
0	Benefit Payments	0	0	0	0
981,376	Support Services	857,630	804,970	801,550	809,680
<b>4,458,629</b>	<b>Total Expenditure</b>	<b>4,170,569</b>	<b>4,186,560</b>	<b>4,185,130</b>	<b>4,212,730</b>
<b>3,289,680</b>	<b>Net Expenditure</b>	<b>3,781,516</b>	<b>3,885,680</b>	<b>3,883,230</b>	<b>3,908,930</b>
628,877	Net CEC's	513,667	529,730	525,290	531,520
<b>2,660,803</b>	<b>Total for GF Summary</b>	<b>3,267,849</b>	<b>3,355,950</b>	<b>3,357,940</b>	<b>3,377,410</b>

<b>ACCESS SELBY (GENERAL FUND)</b>					
<b>2013/2014</b>	<b>SUBJECTIVE SUMMARY</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>
<b>ACTUAL</b>		<b>REVISED</b>	<b>BUDGET</b>	<b>BUDGET</b>	<b>BUDGET</b>
<b>£</b>		<b>ESTIMATE</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b><u>Income</u></b>				
-566,666	Government Grants	-549,910	-549,910	-549,910	-549,910
-16,853,408	Benefits Subsidy	-17,452,417	-17,452,417	-17,794,457	-18,143,327
16,303	Other Grants/Contributions Etc	0	0	0	0
-4,165,226	Customer & Client Receipts	-3,464,270	-3,576,010	-3,599,250	-3,612,650
-3,534,845	CEC Recharge Income	-3,229,667	-3,110,300	-3,115,950	-3,146,120
-254,739	Recharges	-262,470	-285,030	-285,030	-285,030
	Contribution From Reserves				
<b><u>-25,358,580</u></b>	<b>Total Income</b>	<b><u>-24,958,734</u></b>	<b><u>-24,973,667</u></b>	<b><u>-25,344,597</u></b>	<b><u>-25,737,037</u></b>
	<b><u>Expenditure</u></b>				
5,516,413	Employees	5,793,480	5,788,570	5,845,810	5,904,220
533,224	Premises	707,216	648,060	661,530	676,530
140,383	Transport	132,001	130,420	130,420	130,420
6,170,551	Supplies And Services	7,312,815	6,546,998	6,630,188	6,767,108
359,682	Third Party Payments	439,320	81,019	52,574	43,693
16,646,592	Benefit Payments	17,227,900	17,185,660	17,529,160	17,879,530
377,446	Supporting People Charges	0	0	0	0
151,615	Support Services	119,960	162,090	162,670	163,680
<b><u>29,895,905</u></b>	<b>Total Expenditure</b>	<b><u>31,732,692</u></b>	<b><u>30,542,817</u></b>	<b><u>31,012,352</u></b>	<b><u>31,565,181</u></b>
<b><u>4,537,325</u></b>	<b>Net Expenditure</b>	<b><u>6,773,958</u></b>	<b><u>5,569,150</u></b>	<b><u>5,667,755</u></b>	<b><u>5,828,144</u></b>

Access Selby (General Fund)					
Objective Summary					
2013/2014		2014/2015	2015/2016	2016/2017	2017/18
ACTUAL		REVISED	BUDGET	BUDGET	BUDGET
ESTIMATE					
£		£	£	£	£
	<b><u>Lead Officer</u></b>				
8,387	Access Selby Management Team	198,580	300	250	260
-626,895	Assets	-252,461	-289,880	-295,350	-290,190
816,116	Benefits & Taxation	946,893	864,521	871,971	887,871
-49,522	Business Support	23,980	-25,670	-22,420	-21,720
38,168	Community Support	671	-35,070	-34,360	-31,450
2,769,369	Contracts	3,661,740	3,297,199	3,422,854	3,531,303
-1,510	Data & Systems	3,690	4,860	4,880	4,920
-129	Debt Control	-910	-1,840	-1,880	-1,830
214,012	Enforcement	295,080	309,890	260,620	262,240
-21,244	Finance	8,540	11,990	11,960	12,010
763,474	Health & Housing	766,220	863,440	876,290	892,850
-295	Human Resources	-450	10,720	10,700	10,730
16,736	Legal	22,200	0	30	10
-177	Marketing & Communications	-8,300	-50	-110	-40
503,055	Planning	452,890	425,590	428,940	437,230
107,780	Policy	655,135	132,840	133,080	133,610
0	Transformation	460	310	300	340
<b><u>4,537,325</u></b>	<b>Net Expenditure</b>	<b><u>6,773,958</u></b>	<b><u>5,569,150</u></b>	<b><u>5,667,755</u></b>	<b><u>5,828,144</u></b>

2013/2014 ACTUAL	COMMUNITIES SELBY SUBJECTIVE SUMMARY	2015/2014 REVISED ESTIMATE	2015/2016 BUDGET	2016/2017 BUDGET	2017/2018 BUDGET
	<b><u>Income</u></b>				
-10,000	Other Grants/Contributions Etc				
-39,825	Customer & Client Receipts				
-88,285	CEC Recharge Income	-51,150	0	0	0
<b><u>-101,692</u></b>	<b>Total Income</b>	<b><u>-30,050</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
	<b><u>Expenditure</u></b>				
24,978	Employees				
300	Premises				
2,327	Transport	6,250	0	0	0
213,382	Supplies And Services	307,170	192,680	192,680	192,680
87,843	Support Services	49,350	7,990	8,020	8,100
<b><u>328,830</u></b>	<b>Total Expenditure</b>	<b><u>362,770</u></b>	<b><u>200,670</u></b>	<b><u>200,700</u></b>	<b><u>200,780</u></b>
<b><u>227,138</u></b>	<b>Net Expenditure</b>	<b><u>332,720</u></b>	<b><u>200,670</u></b>	<b><u>200,700</u></b>	<b><u>200,780</u></b>

## Appendix A

<b>2013/2014 ACTUAL</b>	<b>COMMUNITIES SELBY OBJECTIVE SUMMARY</b>	<b>2014/2015 REVISED ESTIMATE</b>	<b>2015/2016 BUDGET</b>	<b>2016/2017 BUDGET</b>	<b>2017/2018 BUDGET</b>
£		£	£	£	£
230,371	Community Selby	332,720	200,670	200,700	200,780
<b><u>230,371</u></b>	<b>Net Expenditure</b>	<b><u>332,720</u></b>	<b><u>200,670</u></b>	<b><u>200,700</u></b>	<b><u>200,780</u></b>

## HOUSING REVENUE ACCOUNT SUMMARY 2015/16 to 2017/18

	Total Budget			Access Selby			Core		
	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18
	Original	Original	Original	Original	Original	Original	Original	Original	Original
	£	£	£	£	£	£	£	£	£
Net Service Costs	1,971,980	1,980,500	1,989,350	1,966,980	1,975,500	1,984,350	5,000	5,000	5,000
Contingency	75,000	75,000	75,000				75,000	75,000	75,000
Non-Dwelling Rents (Garages)	(93,130)	(94,990)	(96,890)	(93,130)	(94,990)	(96,890)			
Capital Charges	1,332,900	1,238,820	1,263,670				1,332,900	1,238,820	1,263,670
<b>Sub-total Gross Budgets</b>	<b>3,286,750</b>	<b>3,199,330</b>	<b>3,231,130</b>	<b>1,873,850</b>	<b>1,880,510</b>	<b>1,887,460</b>	<b>1,412,900</b>	<b>1,318,820</b>	<b>1,343,670</b>
CEC Recharges from GF	2,410,490	2,419,990	2,442,840	2,300,340	2,309,400	2,331,410	110,150	110,590	111,430
<b>Net Service Budget</b>	<b>5,697,240</b>	<b>5,619,320</b>	<b>5,673,970</b>	<b>4,174,190</b>	<b>4,189,910</b>	<b>4,218,870</b>	<b>1,523,050</b>	<b>1,429,410</b>	<b>1,455,100</b>
Investment Income	(48,000)	(67,000)	(84,000)				(48,000)	(67,000)	(84,000)
HRA Debt - Payment of Interest	2,637,930	2,637,930	2,637,930				2,637,930	2,637,930	2,637,930
Pension - Past Service Costs	196,100	204,130	216,810				196,100	204,130	216,810
<b>Net Budget before contribution to/(from) Reserves</b>	<b>8,483,270</b>	<b>8,394,380</b>	<b>8,444,710</b>	<b>4,174,190</b>	<b>4,189,910</b>	<b>4,218,870</b>	<b>4,309,080</b>	<b>4,204,470</b>	<b>4,225,840</b>
<b>Contribution To Reserves</b>									
Comp Development Cont	50,000	50,000	50,000				50,000	50,000	50,000
Access Selby Reserves (from) / to	94,380	117,120	174,300	94,380	117,120	174,300			
<b>Major Repairs Reserve</b>									
Revenue Contribution to Capital Programme	1,332,900	1,238,820	1,263,670				1,332,900	1,238,820	1,263,670
HRA Debt - MRR Principal	1,260,000	1,260,000	1,260,000				1,260,000	1,260,000	1,260,000
<b>NET REVENUE BUDGET</b>	<b>11,220,550</b>	<b>11,060,320</b>	<b>11,192,680</b>	<b>4,268,570</b>	<b>4,307,030</b>	<b>4,393,170</b>	<b>6,951,980</b>	<b>6,753,290</b>	<b>6,799,510</b>
Dwelling Rents	(12,489,000)	(12,750,000)	(13,015,000)				(12,489,000)	(12,750,000)	(13,015,000)
Payable to / (from) Core	-	-	-	(4,268,570)	(4,307,030)	(4,393,170)	4,268,570	4,307,030	4,393,170
<b>Shortfall / (surplus)</b>	<b>(1,268,450)</b>	<b>(1,689,680)</b>	<b>(1,822,320)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,268,450)</b>	<b>(1,689,680)</b>	<b>(1,822,320)</b>
<b>Contribution To/ (From) HRA Reserves (MRR)</b>	<b>1,268,450</b>	<b>1,689,680</b>	<b>1,822,320</b>				<b>(1,268,450)</b>	<b>(1,689,680)</b>	<b>(1,822,320)</b>
<b>Opening HRA Balance</b>	<b>2,099,032</b>	<b>2,193,412</b>	<b>2,310,532</b>	<b>911,301</b>	<b>1,005,681</b>	<b>1,122,801</b>	<b>1,187,731</b>	<b>1,187,731</b>	<b>1,187,731</b>
<b>Contribution To / (From ) HRA</b>	<b>94,380</b>	<b>117,120</b>	<b>174,300</b>	<b>94,380</b>	<b>117,120</b>	<b>174,300</b>			
<b>Closing Balance</b>	<b>2,193,412</b>	<b>2,310,532</b>	<b>2,484,832</b>	<b>1,005,681</b>	<b>1,122,801</b>	<b>1,297,101</b>	<b>1,187,731</b>	<b>1,187,731</b>	<b>1,187,731</b>

2013/2014 ACTUAL	ACCESS SELBY (HRA) SUBJECTIVE SUMMARY	2014/2015 REVISED ESTIMATE	2015/2016 BUDGET	2016/2017 BUDGET	2017/2018 BUDGET
£000's		£000's	£000's	£000's	£000's
	<b><u>Income</u></b>				
	Government Grants	-25,560	-20,130	-20,130	-20,130
	Other Grants/Contributions Etc				
-160,553	Customer & Client Receipts	-107,400	-107,280	-108,430	-109,610
-442,498	Recharges	-18,000	-18,000	-18,000	-18,000
	Contribution From Reserves				
-117,090	Garage Rents	-121,300	-93,130	-94,990	-96,980
<b><u>-720,141</u></b>	<b>Total Income</b>	<b><u>-272,260</u></b>	<b><u>-238,540</u></b>	<b><u>-241,550</u></b>	<b><u>-244,720</u></b>
	<b><u>Expenditure</u></b>				
77,529	Employees	93,720	93,770	94,630	95,470
669,777	Premises	813,480	777,890	786,630	795,750
125,887	Transport	132,560	117,050	117,050	117,050
1,197,643	Supplies And Services	1,159,420	1,123,680	1,123,750	1,123,820
	Third Party Payments				
2,503,849	Support Services	2,340,490	2,300,340	2,309,400	2,331,410
<b><u>4,574,684</u></b>	<b>Total Expenditure</b>	<b><u>4,539,670</u></b>	<b><u>4,412,730</u></b>	<b><u>4,431,460</u></b>	<b><u>4,463,500</u></b>
<b><u>3,854,543</u></b>	<b>Net Expenditure</b>	<b><u>4,267,410</u></b>	<b><u>4,174,190</u></b>	<b><u>4,189,910</u></b>	<b><u>4,218,780</u></b>

2013/2014 ACTUAL	ACCESS SELBY (HRA) OBJECTIVE SUMMARY	2014/2015 REVISED ESTIMATE	2015/2016 BUDGET	2016/2017 BUDGET	2017/2018 BUDGET
£000's		£000's	£000's	£000's	£000's
	<b><u>Lead Officer</u></b>				
40,361	Access Selby Management Team	45,820	41,800	42,010	42,430
3,364,385	Assets	3,629,940	3,476,610	3,486,030	3,506,980
4,905	Business Support	18,750	26,050	26,130	26,380
362,112	Community Support	416,240	442,960	447,230	452,490
83,922	Contracts	104,160	106,780	109,480	112,260
0	Debt Control	1,300	0	0	0
12,345	Enforcement	15,000	15,000	15,000	15,000
103,604	Health & Housing	157,500	158,120	159,020	160,220
0	Old Trading Units	0	0	0	0
-117,090	Garage Rents	-121,300	-93,130	-94,990	-96,980
<b><u>3,854,543</u></b>	<b>Net Expenditure</b>	<b><u>4,267,410</u></b>	<b><u>4,174,190</u></b>	<b><u>4,189,910</u></b>	<b><u>4,218,780</u></b>



**2014/15 – 2017/18 GENERAL FUND CAPITAL PROGRAMME**

	Current Programme 2014/15 £	Estimated Programme 2015/16 £	Estimated Programme 2016/17 £	Estimated Programme 2017/18 £
<b><u>PROJECTS</u></b>				
Asset Management Plan Leisure Centres & Park	79,140	3,350	12,500	2,940
Tadcaster Central Area	112,200			
Road Adoption - Industrial Units Sherburn	24,380			
All weather sports pitch	297,000			
Mast Relocation	142,330			
CCTV	14,000			
Tadcaster Bus Station refurbishment	25,000			
Replacement Car Park Ticket Machines			52,000	
Collapsed Culvert - Portholme Road	150,000			
Lifeline Equipment	180,000			50,000
Housing Development	300,000	1,250,000	1,250,000	1,250,000
Burn Airfield	1,700,000			
<b><u>Grants</u></b>				
Disabled Facilities Grants	367,750	300,000	300,000	300,000
Repair Assistance Loans	30,000	30,000	30,000	
<b><u>ICT Hardware &amp; Systems Within ICT Strategy</u></b>				
Implementation & Infrastructure Costs	330,700	117,000	245,000	275,000
Desktop Replacement Programme	17,500	17,500	17,500	17,500
CRM	55,385			
Mobile Working Solution	136,000	113,800		
<b>TOTAL</b>	<b>3,961,385</b>	<b>1,831,650</b>	<b>1,907,000</b>	<b>1,895,440</b>
<b><u>SUMMARY OF FUNDING</u></b>				
Capital Receipts	242,307	175,000	175,000	145,000
Grants & Contributions	155,443	155,000	155,000	155,000
Revenue	47,000			
Reserves	1,516,635	251,650	327,000	345,440
Borrowing	2,000,000	1,250,000	1,250,000	1,250,000
<b>TOTAL</b>	<b>3,961,385</b>	<b>1,831,650</b>	<b>1,907,000</b>	<b>1,895,440</b>

## Appendix B (ii)

### 2014/15 – 2017/18 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME

<b><u>PROJECTS</u></b>	Current Programme 2014/15 £	Estimated Programme 2015/16 £	Estimated Programme 2016/17 £	Estimated Programme 2017/18 £
<b><u>PROJECTS</u></b>				
<u>Current Projects</u>				
Electrical Rewires	264,420	260,000	260,000	260,000
Central Heating - Gas	775,480	575,480	575,480	575,480
Central Heating - Solid Fuel to Gas	80,000			
Central Heating - Solid Fuel		75,000	75,000	75,000
Roof Replacements	359,000	210,000		
Damp Surveys & Works	300,000	250,000	250,000	250,000
Door Replacements	62,900	134,000	50,000	50,000
Kitchen Replacements	250,820	237,000	237,000	237,000
Pre Paint & Cyclical Repairs	113,000	113,000	113,000	113,000
<u>New Projects</u>				
Void Property Repairs	53,500	53,500	53,500	53,500
Asbestos Condition Survey		30,000	30,000	30,000
Fencing		40,000	40,000	
Central Heating - Economy 7 to Gas	372,000	200,000		
Airey Properties	1,208,230			
Bathroom Replacements		180,000	180,000	180,000
Pointing Works		300,000	300,000	300,000
Fire Alarm System at St Wilfrids Court		25,000		
Laurie Backhouse Court Refurbishment		200,000		
Environmental Improvement Plan		160,000	160,000	160,000
New Build Projects	300,000	1,250,000	1,250,000	1,250,000
<b>TOTAL</b>	<b>4,139,350</b>	<b>4,292,980</b>	<b>3,573,980</b>	<b>3,533,980</b>

### **SUMMARY OF FUNDING**

Revenue Contributions	2,396,290	1,550,080	925,160	860,310
Major Repairs Reserve	1,443,060	1,332,900	1,238,820	1,263,670
Access Selby HRA Reserve		160,000	160,000	160,000
Borrowing	300,000	1,250,000	1,250,000	1,250,000
<b>TOTAL</b>	<b>4,139,350</b>	<b>4,292,980</b>	<b>3,573,980</b>	<b>3,533,980</b>

## Programme for Growth

Project	Allocations		Estimate 15/16 £	Estimate 16/17 £	Estimate 17/18 £	Estimate 18/19 £	Estimate 19/20 £	Comments
	Capital £	Revenue £						
Programme Management	-	10,300	10,300	-	-	-	-	Final phase of P4G1
Healthy living - concepts fund	-	175,000	35,000	35,000	35,000	35,000	35,000	
Leisure Village	1,500,000	-	1,500,000	-	-	-	-	£6m total capital investment - assume £4.5m financed through borrowing
Selby Skate Park	75,000	-	75,000	-	-	-	-	
Empty homes	25,000	6,500	31,500	-	-	-	-	Final phase of P4G1 scheme
Ready 4 Work	-	16,100	16,100	-	-	-	-	Plus match funding from Access Selby - final phase of P4G1 project
Growing enterprise	-	175,000	69,000	39,000	35,000	32,000	-	
Market Selby's USP	-	60,000	20,000	20,000	20,000	-	-	
Community skills/capacity building	-	100,000	100,000	-	-	-	-	
Housing Trust	-	112,500	30,000	30,000	30,000	22,500	-	Development Support to the Trust of £30k p.a. for 5 years from January 2014
Green energy	-	30,000	30,000	-	-	-	-	Business case development
Strategic sites	-	285,000	185,000	50,000	50,000	-	-	
Town masterplanning	-	250,000	250,000	-	-	-	-	£25k specification and commissioning, £200k 3 plans, £25k contingency
Green infrastructure	-	20,000	20,000	-	-	-	-	
Economic Development Projects arising from ERYC peer review	-	-	-	-	-	-	-	Projects and costs to be confirmed
Construction skills hub	-	20,000	20,000	-	-	-	-	
Site acquisition fund: Burn Airfield	-	-	-	-	-	-	-	Report identified financing from borrowing
<b>Total</b>	<b>1,600,000</b>	<b>1,260,400</b>	<b>2,391,900</b>	<b>174,000</b>	<b>170,000</b>	<b>89,500</b>	<b>35,000</b>	
<b>Total</b>		<b>2,860,400</b>						
<b>Resources</b>		<b>£</b>						
Balance Brought Fwd		2,586,616	2,586,616	1,074,716	1,900,716	1,730,716	1,641,216	Subject to P4G1 final costs
Special projects reserve *		1,880,000	880,000	1,000,000	-	-	-	
Project Spend		- 2,860,400	- 2,391,900	- 174,000	- 170,000	- 89,500	- 35,000	
<b>Balance</b>		<b>1,606,216</b>	<b>1,074,716</b>	<b>1,900,716</b>	<b>1,730,716</b>	<b>1,641,216</b>	<b>1,606,216</b>	

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

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

## Key:

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

**Core Savings Plan**

Proposed Savings	Status	2015/16 £	2016/17 £	2017/18 £	Members' Update
<b>Procurement Workstream</b>					
Election Software	Green	5,087	5,189	5,293	Completed
Audit Partnership	Green	16,236	16,561	16,892	Completed
Leisure Contract	Green	93,948	129,925	146,517	50% Saving on Leisure contract
Banking tender	Green	8,400	8,400	8,400	Go live happened successfully in August, on target
<b>Total Procurement</b>		<b>123,671</b>	<b>160,075</b>	<b>177,102</b>	
<b>Transformation Workstream</b>					
WWT - Transformation (Core)	Green	54,122	55,204	56,308	Completed
Joint CE with NYCC appointed and 1 further FTE reduction	Green	82,820	83,648	84,484	Completed
<b>Total Transformation</b>		<b>136,942</b>	<b>138,852</b>	<b>140,792</b>	
<b>Value for Money Workstream</b>					
Internal Drainage Boards	Green	154,936	158,035	161,196	Completed
Community Safety	Green	16,561	16,892	17,230	Completed
Ward Boundary Review	Amber	41,430	41,430	41,430	Based on current scheme, to be implemented following the general election in 2015
<b>Total Value for Money</b>		<b>212,927</b>	<b>216,357</b>	<b>219,856</b>	
<b>Base Budget Review Workstream</b>					
External Audit Fee	Green	53,370	53,370	53,370	Completed
Early Retirements - Strain on Pension Fund	Green	100,482	102,491	104,541	Completed
Corporate and Democratic Core	Green	7,283	7,428	7,577	Completed
Pay award from 2.5% est to 1% revised	Green	48,118	48,118	48,118	Completed
Internal Audit	Green	14,066	14,348	14,635	Completed
Car Allowances	Green	2,850	2,850	2,850	Completed
Civic Centre NNDR	Green	65,996	65,996	65,996	Completed
NNDR Base Budget Review - Various small sites	Green	14,390	14,390	14,390	Completed
<b>Total Base Budget Review</b>		<b>306,555</b>	<b>308,991</b>	<b>311,477</b>	
<b>Discretionary Service Review Workstream</b>					
External Grants	Green	12,000	12,000	12,000	Completed
<b>Total Discretionary Service Review</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	
<b>Income Generation Workstream</b>					
Use of assets for advertising space	Amber	25,000	25,000	25,000	Negotiations ongoing with NYCC about income split in 15/16
Single Payment Discount Review	Green	-	-	-	-
Empty/Second homes council tax charges review	Amber	-	-	-	-
<b>Total Income Generation</b>		<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	
<b>Total General Fund Savings</b>		<b>817,095</b>	<b>861,275</b>	<b>886,227</b>	
<b>Savings Target</b>		<b>1,002,995</b>	<b>814,645</b>	<b>1,156,227</b>	
<b>Headroom/Deficit (+/-)</b>	** -	<b>185,900</b>	<b>46,630 -</b>	<b>270,000</b>	
<b>Green Savings</b>		750,665	794,845	819,797	
<b>Amber Savings</b>		66,430	66,430	66,430	
<b>Red Savings**</b>		-	-	-	
<b>Total</b>		<b>817,095</b>	<b>861,275</b>	<b>886,227</b>	

**Access Selby - General Fund Savings**

Proposed Savings	Status	2015/16	2016/17	2017/18	Members' Update
		£	£	£	
<b>IT &amp; Transformation Workstream</b>					
CRM Replacement	Red	69,516	69,516	69,516	Project underway, savings profiled to start in 2015/16
Mobile Working	Red	-	125,038	142,814	This project has been pushed back, savings expected to start in 2016/17
Spend to save initiatives	Red	40,800	41,616	42,448	14/15 savings have come from the enhanced planning advice service, which should also achieve £15,300, £15,606 and £15,918 in future years. For the balance of the target opportunities are being investigated for 15/16
Fuel Site	Red	1,650	1,650	1,650	Negotiations with NYCC underway, savings expected to be realised in 2015/16
Review of planning advice and consultants	Amber	3,750	3,750	3,750	Expected that savings will be made from 2015/16 onwards
Joint Business Support Manager Post	Green	14,530	14,675	-	On track to achieve savings
Court Cost / Summons Income - Council Tax recovery proceedings	Green	30,000	30,000	30,000	Increased estimate to £71,160 following October's results
Formal amalgamation of District newspaper and County Council publications	Amber	3,000	3,000	3,000	Initial discussions to begin with NYCC during autumn
<b>Total Transformation</b>		<b>163,246</b>	<b>289,245</b>	<b>293,178</b>	
<b>Commissioning Workstream</b>					
Printers	Green	18,811	18,811	18,811	Completed
Lifeline pendants	Green	-	67,576	69,000	Savings on track to be achieved from 2016/17
Postage and Mail	Amber	5,000	5,000	5,000	Expected savings from new framework available from November 2014
Stationery	Green	500	500	500	On track to achieve savings
Supplier Engagement	Amber	20,000	20,000	20,000	Contracts and Procurement teams in ongoing discussions with suppliers
Reduce Tail end spend	Amber	14,500	14,500	14,500	Savings opportunity identified for future years
IT Service Contracts	Amber	7,500	7,500	7,500	Savings opportunity identified for future years
External Audit - Grants Audit Fee	Amber	8,130	8,130	8,130	On track - subject to consultation
Home Improvement Agency contract	Green	5,000	5,000	5,000	On track to achieve savings
Lexis Nexis Legal Library	Green	10,000	10,000	10,000	On track to achieve savings
Community Support Vehicle lease	Green	3,940	3,940	3,940	On track to achieve savings
<b>Total Commissioning</b>		<b>93,381</b>	<b>160,957</b>	<b>162,381</b>	
<b>Income Generation Workstream</b>					
Negotiation for share of out performance on Council Tax collection	Amber	3,961	3,961	3,961	This is the current estimate for 2014/15, updated on a monthly basis
Maximise current income streams	Red	78,000	80,040	82,120	£34k has already been achieved under this umbrella, and separate income initiatives have been introduced. Further work to be carried out to identify future savings
Recycling Credits	Green	0	0	0	On track to achieve savings currently, being monitored on a monthly basis because of varying prices and tonnages
Bulky Waste	Amber	1,500	1,500	2,000	On track to achieve savings currently, being monitored on a monthly basis
Commercial Waste	Amber	20,000	20,000	20,000	On track to achieve savings currently, being monitored on a monthly basis
Air Quality sampling	Green	1,217	1,217	1,217	On track to achieve savings
Export health certificates	Green	2,000	2,000	2,000	On track to achieve savings
Caravan inspection fee	Green	2,000	2,000	2,000	Fees are expected to start in 2015/16
Policy changes to introduce new income streams	Red	50,000	102,000	104,040	Some projects have been identified in this area (see below), further work being carried out for future years
Street Naming & Numbering	Amber	18,000	18,000	18,000	Street naming & numbering will go to the November Executive meeting for consideration as part of the fees and charges report
Registrar Service	Amber	14,680	14,680	14,680	Savings expected from 15/16 onwards, licence to be formally agreed
Programme for Growth	Green	0	0	0	Awaiting outcome of Programme for Growth review for phase 2 - 2015/16 onwards
Car Park Income	Green	20,000	20,500	20,500	On track to achieve savings
Community Support Lifeline Income	Green	20,000	20,000	20,000	Completed
Legal Income	Amber	0	22,500	45,000	
<b>Total Income Generation</b>		<b>231,358</b>	<b>308,398</b>	<b>335,518</b>	
<b>Other</b>					
Vacancy / Secondment savings between appointments	Amber	38,611	39,383	39,777	On track to achieve savings
Agency Staff	Amber	2,500	2,500	2,500	Savings opportunity identified for future years
Private sector housing - enforcement works	Green	9,500	9,500	9,500	On track to achieve savings

Proposed Savings	Status	2015/16	2016/17	2017/18	Members' Update
		£	£	£	
Private sector house improvement - promotion	Green	500	500	500	On track to achieve savings
NY regional strategy officer	Green	2,520	2,520	2,520	On track to achieve savings
Community Support Office telephone savings	Green	9,600	9,600	9,600	On track to achieve savings
Contracts - General Office Expenses	Green	360	360	360	On track to achieve savings
Contracts - Officer subsistence general saving	Green	200	200	200	On track to achieve savings
Commercial Waste	Green	1,160	1,160	1,160	On track to achieve savings
Environmental Health & Housing telephone savings	Green	430	430	430	On track to achieve savings
<b>Total Other</b>		<b>65,381</b>	<b>66,153</b>	<b>66,547</b>	
<b>Total General Fund Savings in Progress</b>		<b>553,366</b>	<b>824,753</b>	<b>857,624</b>	
<b>Completed (GREEN) General Fund Savings</b>		<b>3,124,855</b>	<b>3,182,394</b>	<b>3,222,781</b>	
<b>Total General Fund Savings</b>		<b>3,678,221</b>	<b>4,007,148</b>	<b>4,080,405</b>	
<b>Savings Target</b>		<b>3,770,291</b>	<b>4,025,938</b>	<b>4,270,705</b>	
<b>Headroom/Deficit (+/-)</b>	** -	<b>92,070 -</b>	<b>18,790 -</b>	<b>190,300</b>	
<b>Green Savings</b>		3,277,123	3,402,883	3,430,019	
<b>Amber Savings</b>		161,132	184,404	207,798	
<b>Red Savings**</b>		239,966	419,860	442,588	
<b>Total</b>		<b>3,678,221</b>	<b>4,007,148</b>	<b>4,080,405</b>	

Key:

**HRA Savings Plan**

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

Proposed Savings	Status	2015/16 £	2016/17 £	2017/18 £	Progress
Review of Property Services unfilled posts	Green	50,000	50,000	50,000	Completed
Gas Servicing Contract	Green	20,000	20,000	20,000	Completed
Grassed Areas & Open Spaces base budget review	Green	29,000	29,000	29,000	Completed
Various Suppliers	Green	22,000	22,000	22,000	Completed
WTT - Savings	Green	129,591	129,591	129,591	Completed
2011/12 Pay Award	Green	27,000	27,000	27,000	Completed
Car Allowances	Green	5,600	5,600	5,600	Completed
Savings on Audit Fees and early Retirement Charges	Green	40,460	40,460	40,460	Completed
Ryecare Help-Line Telecom Saving	Green	700	700	700	Completed
Consolidation of IT Budgets	Green	23,685	23,685	23,685	Completed
Electrical Testing - R&M	Green	15,000	15,000	15,000	Completed
Vehicle Tracking System	Green	500	500	500	Completed
Direct Works - Phones	Green	2,000	2,000	2,000	Completed
Grants Audit Fees	Green	6,000	6,000	6,000	Completed
Clear Access Footways	Green	2,500	2,500	2,500	Completed
Footpaths	Green	10,000	10,000	10,000	Completed
Gutters & Fallpipes	Green	5,000	5,000	5,000	Completed
Tenants Participation - Housing Reports	Green	370	370	370	Completed
Energy Performance Certificates	Green	3,000	3,000	3,000	Completed
SDC Contract Hire Vehicles	Green	18,000	18,000	18,000	On target to achieve savings.
Asbestos Removal	Green	500	500	500	On target to achieve savings.
Base budget savings	Green	28,460	37,460	37,460	Completed
<b>Total Housing Revenue Account Savings</b>		<b>439,366</b>	<b>448,366</b>	<b>448,366</b>	
<b>Savings Target</b>		360,000	360,000	360,000	
<b>Headroom/Deficit (+/-)</b>		<b>79,366</b>	<b>88,366</b>	<b>88,366</b>	
<b>Green Savings</b>		439,366	448,366	448,366	
<b>Amber Savings</b>		-	-	-	
<b>Red Savings**</b>		-	-	-	
<b>Total</b>		<b>439,366</b>	<b>448,366</b>	<b>448,366</b>	

## New Savings Proposals

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



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

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

<p>Maximise use of civic centre office space</p> <p>Access Selby</p>	<p>£45k</p>	<p>Based on additional 30 desks occupied by partners (Linked to Better Together and other opportunities) – It is expected that it will take a number of years to reach full capacity utilisation.</p> <p><b>High/Medium risk (Amber)</b></p>	<p><b>Great value</b> – this saving assumes efficiencies are achieved by working in partnership.</p>
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## FOR INFORMATION GENERAL FUND CURRENT APPROVED BIDS 2015/16 - 2017/18

## Core Bids

Portfolio Holder	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term
			15/16	16/17	17/18	15/16	16/17	17/18		
CM	To provide a Repair Assistance Loan service to provide urgent house repairs to vulnerable households in the private sector	Supporting vulnerable people				30,000	30,000		As loans are placed, a charge against the property is raised, realised at point of sale. Fund from Capital Receipts.	Fixed
			0	0	0	30,000	30,000	0		
CM	Disabled Facilities Grants (revision to current bid)  The bid aims to ensure full delivery of a mandatory housing function whilst significantly supporting the Council's commitment to vulnerable people. Disabled Facilities Grant (DFG) provides the necessary funds to provide disabled adaptations to residents to help maintain their independence at home.	Mandatory Function - Potential change in funding  Grant Funding  Supporting Vulnerable People				300,000	300,000	300,000	The Authority has a statutory duty to deliver disabled adaptations to vulnerable clients. Disabled Facilities Grant funding, which was previously provided directly to District Councils (in two tier areas) as the housing authority, has ceased and instead is allocated to the County Council through the Better Care Fund which concerns the delivery & integration of health & social care. Failure to deliver this service would leave the council open to legal challenge and if the grant funding is to cease or reduce alternative funding sources or savings would be required to deliver the same level of support.	Permanent
						-155,000	-155,000	-155,000		
			0	0	0	145,000	145,000	145,000		
CL	Replacement Finance System	Hardware Software Implementation					10,000		Fund from IT Reserve	One-Off
							70,000	10,000		
			0	0	0	0	90,000	0		
CL	Planning - Idox upgrade	Hardware				7,000			Fund from IT Reserve Reprofile - originally 2016/17. Change to ensure implementation runs along side Public Access upgrade which will ensure it remains supported, meeting PSN compliance	One-Off
			0	0	0	7,000	0	0		
CL	Data & Systems DIP Upgrade	Software						20,000	Fund from IT Reserve Reprofile to enable implementation alongside an outlook integration module	One-Off
			0	0	0	0	0	20,000		
CL	Environmental Health - M3 / Idox Upgrade	Software					10,000		Fund from IT Reserve Reprofile to enable UPRN connection into Northgate. This would link 2 x address database into 1.	One-Off
			0	0	0	0	10,000	0		
CL	Democratic Services upgrade	Software					10,000		Fund from IT Reserve	One-Off
			0	0	0	0	10,000	0		
CL	Replace Genero Housing Rents System	Hardware Software Implementation				10,000			Fund from IT Reserve	One-Off
						40,000		5,000		
			0	0	0	55,000	0	0		

## FOR INFORMATION GENERAL FUND CURRENT APPROVED BIDS 2015/16 - 2017/18

## Core Bids

Portfolio Holder	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term
			15/16	16/17	17/18	15/16	16/17	17/18		
CL	IT replacement costs for Virtual Servers, Virtual Software & Storage	Hardware Software Implementation				30,000	75,000	15,000	Fund from IT Reserve	Fixed
						10,000	15,000	5,000		
			0	0	0	40,000	120,000	20,000		
CL	Benefits & Taxation - Additional Software to meet Government regulations	Software Implementation				10,000	10,000	10,000	Fund from IT Reserve	Permanent
						5,000	5,000	5,000		
			0	0	0	15,000	15,000	15,000		
JM	Viability Assessment for Affordable Housing	The Council's Core Strategy Local Plan introduces a new threshold for the requirement to provide a contribution towards affordable housing.	11,790	11,790	11,790				Proposals for 1-9 dwellings will now be required to provide a 10% contribution towards providing affordable housing. Furthermore the threshold for the requirement for a 40% contribution will fall from 15 to 10 dwellings.	Permanent
	<b>Net Cost of Bid</b>		11,790	11,790	11,790	0	0	0		
JM	New Local Plan for Selby District to cover both Sites Allocations and Development Management policies (the new Sites and Policies Plan (SAPP))	Changing places, Living Well and Tackling the Tough Stuff themes		70,000					SAPP Examination in Public over and above LDF funding availability. The progression of the SAPP will aim to deliver both the housing and employment needs in the Core Strategy bringing jobs to the District and New Homes Bonus. Fund from Contingency Reserve.	One-Off
	<b>Net Cost of Bid</b>		0	70,000	0	0	0	0		
	<b>Total Value of approved Core Bids</b>		11,790	81,790	11,790	292,000	420,000	200,000		

## GENERAL FUND NEW BIDS 2015/16 - 2017/18

## New Bids - Core

Portfolio Holder	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term
			15/16	16/17	17/18	15/16	16/17	17/18		
MC	Bid to cover the cost of a Stock Condition Survey. To survey all industrial units, Commercial Premises and Car Parks to include recommendations for a planned maintenance programme.	Being Switched on -making sure that assets are fit for purpose	35,000						Survey only. Fund from Buildings Reserve	One-Off
			35,000	0	0	0	0	0		
CM	Replacement Car Parking Ticket Machines . Existing machines are becoming obsolete and replacement parts are not available and also will not be able to be adapted to take the new £1 coin. New machines will be able to accept card and phone payments. 13 machines at Approx 4K =£52	A Stronger Council - making decisions on what assets are required in the future Being Switched on -making sure that assets are fit for purpose					52,000		Can link in to the above bid as part of Town Centre Regeneration and consider as part of a wider investment in Car Parks.	One-Off
			0	0	0	0	52,000	0		
GI	This Bid is to fund the Selby Rural Partnership arrangement, part of the North Yorkshire Rural Partnership.	Changing places and helping others to see our district through new eyes  Working with others to make this a great place with people living well and leading happy and healthy lives.	1,500	1,500	1,500				To not have this in place will risk non-engagment in villages and non-delivery of additional housing which will impact on the delivery of housing numbers and put the Core Strategy and our Allocations Plans at risk.	Fixed
			1,500	1,500	1,500	0	0	0		
GI	This Bid will support Landlord Accreditation Scheme, Tenant Find Scheme, Private Leasing Scheme/Managed Leasing Service, Empty Homes Management and High level enforcement advice	A Great Place to Enjoy Life'.  A great place to make a Difference'	46,227	38,227	38,227				This proposal would provide the staff resource required to deliver a 'fit for purpose' private sector housing service. Whilst the proposal has been born from the scoping work carried out in relation to delivering the Empty Homes Strategy, it extends this scope to build links with all the private sector.	Permanent
			46,227	38,227	38,227	0	0	0		
CL	Out of date software that fails to support the organisations requirements moving forward. To ensure that there is no unsupported software on the network and fail PSN compliance. IDOX Planning software upgrade				10,000			60,000	Fund from IT Reserve	One-Off
			0	0	10,000	0	0	60,000		
CL	Out of date software that fails to support the organisations requirements moving forward. To ensure that there is no unsupported software on the network and fail PSN compliance. Northgate PARIS Replacement Software				15,000			100,000	Fund from IT Reserve	One-Off
			0	0	15,000	0	0	100,000		
CL	Out of date software that fails to support the organisations requirements moving forward. To ensure that there is no unsupported software on the network and fail PSN compliance. Northgate REVS & BENS Replacement Software				8,000			60,000	Fund from IT Reserve	One-Off
			0	0	8,000	0	0	60,000		
<b>Total Value of New Core Bids</b>			<b>82,727</b>	<b>39,727</b>	<b>72,727</b>	<b>0</b>	<b>52,000</b>	<b>220,000</b>		

## Funding

ICT Reserve					0	0	220,000
Building Repairs Reserve	35,000				0	52,000	0
Revenue	47,727	39,727	72,727				
	<b>82,727</b>	<b>39,727</b>	<b>72,727</b>		<b>0</b>	<b>52,000</b>	<b>220,000</b>

## FOR INFORMATION HOUSING REVENUE ACCOUNT CURRENT APPROVED BIDS 2015/16 - 2017/18

## Core Bids

Portfolio Holder	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term
			15/16	16/17	17/18	15/16	16/17	17/18		
CL	Pointing of Properties  Early findings from the Stock Condition Survey identify a need for pointing, will assist in maintaining the integrity of the property and assist in preventing problems with damp. The budget will allow for approximately 110 complete properties particularly in outlying villages that have the greatest wind exposure.	Effectively maintain the condition of the SDC housing stock				300,000	300,000	300,000	On-going need identified to point or part-point current housing stock. Up to 10,000m2 to be actioned per year.  Work identified not part of current programme. By addressing this issue, it is anticipated savings can be made on damp works in the longer term.	Permanent
	<b>Net Cost of Bid</b>		0	0	0	300,000	300,000	300,000		
CL	Electrical rewires of SDC housing stock - current capital programme includes permanent budget approval for rewires. This bid reflects the savings arising through bringing the periodical electrical testing in house and focused targeting of the work. Maintaining period testing ensures compliance with regulations and ensures tenant safety.	Effectively maintain the condition of the SDC housing stock				260,000	260,000	260,000		Permanent
	<b>Net Cost of Bid</b>		0	0	0	260,000	260,000	260,000		
CL	Central heating solid fuel to gas programme - adjustment to current programme to reflect changes in cost for 2015/16.  Improved servicing has led fewer failures resulting in fewer solid fuel systems being replaced causing less disruption to tenants.	Effectively maintain the condition of the SDC housing stock				157,500				Permanent
	<b>Net Cost of Bid</b>		0	0	0	232,500	75,000	75,000	Not as many required at this time See new bid saving.	
CL	Funding to cover costs of replacement roofing to SDC housing stock . The bid allows for approximately 44 roof replacements at an average cost of £4,800. Full roof replacements eliminates damage from water ingress ensures the property is habitable reduces the risk of falling tiles.	Effectively maintain the condition of the SDC housing stock				560,000				Fixed
	<b>Net Cost of Bid</b>		0	0	0	210,000	0	0	The current capital programme has £560k approved for 2015/16	
CL	Damp survey & consequential repair works additional costs - the current approved programme requires additional resources to fund the issues arising within the housing stock as a consequence of failing damp courses. Different methods are being utilised to eliminate condensation and damp in properties to ensure properties are dry and remove the risk to health from a damp environment.	Effectively maintain the condition of the SDC housing stock				300,000	300,000	300,000		Permanent
	<b>Net Cost of Bid</b>		0	0	0	300,000	300,000	300,000	Reprofile - see new bid saving	
CL	Door replacement programme. To assist in ensuring properties are secure for our tenants.	Effectively maintain the condition of the SDC housing stock				134,000	50,000	50,000		Fixed
	<b>Net Cost of Bid</b>		0	0	0	134,000	50,000	50,000		
CL	The programme of replacement kitchens has progressed well and the base funding of £237k within the capital programme is adequate to fund approximately 100 new kitchens per year in programmed areas to maintain decency.	Effectively maintain the condition of the SDC housing stock				237,000	237,000	237,000		Permanent
	<b>Net Cost of Bid</b>		0	0	0	237,000	237,000	237,000		
CL	Pre paint & cyclical repairs. To prolong the life of timber components on a 6 year rolling programme and enhance the appearance of properties.	Effectively maintain the condition of the SDC housing stock				113,000	113,000	113,000		Permanent
	<b>Net Cost of Bid</b>		0	0	0	113,000	113,000	113,000	Programme includes £113k for rolling programme of work	

## FOR INFORMATION HOUSING REVENUE ACCOUNT CURRENT APPROVED BIDS 2015/16 - 2017/18

## Core Bids

Portfolio Holder	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term
			15/16	16/17	17/18	15/16	16/17	17/18		
CL	Void Property repairs - continuation of the programme This work assists in maximising the stock available for rental.	Effectively maintain the condition of the SDC housing stock				53,500	53,500	53,500	This will help maintain the void turnaround targets.	Permanent
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>53,500</b>	<b>53,500</b>	<b>53,500</b>		
CL	Budget to improve Central Heating by converting Economy 7 to Gas A reprofile of works not completed previously due to reduced failures and tenants choice.	Effectively maintain the condition of the SDC housing stock				200,000				Fixed
			<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>0</b>		
CL	Budget to install Gas central heating and replace old systems Continuing the rolling programme of boiler replacement to ensure properties have effective heating and hot water.	Effectively maintain the condition of the SDC housing stock				575,480	575,480	575,480		Permanent
			<b>0</b>	<b>0</b>	<b>0</b>	<b>575,480</b>	<b>575,480</b>	<b>575,480</b>		
CL	Bathroom replacements In order to assist in meeting decency standards som bathrooms are nowover 30 years old, none have been repalced since 2010 unless in emergency.	Effectively maintain the condition of the SDC housing stock				180,000	180,000	180,000	This will help to prevent homes failing to meet the Decent homes standards	Permanent
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>180,000</b>	<b>180,000</b>	<b>180,000</b>		
	<b>Net Cost of HRA Bids</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>2,795,480</b>	<b>2,143,980</b>	<b>2,143,980</b>		



## HOUSING REVENUE ACCOUNT NEW BIDS 2015/16 - 2017/18

## Core Bids

Portfolio Holder	Description	Strategic Theme / Priority	Revenue			Capital			Comments	Term
			15/16	16/17	17/18	15/16	16/17	17/18		
CL	There is currently a need to repair the Fencing to approximately 290 properties across the district. This bid will result in secure gardens and enhance the appearance of properties.	Being Switched on -making sure that assets are fit for purpose				40,000	40,000			Fixed
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>40,000</b>	<b>40,000</b>	<b>0</b>		
CL	New Legislation came into force in 2012 that requires Asbestos condition Surveys which are currently not up to date. Existing condition Surveys need updating and this Bid is to contribute to these increased costs.	Being Switched on -making sure that assets are fit for purpose				30,000	30,000	30,000		Fixed
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>		
CL	Solid fuel replacement, lower than anticipated demand together with better servicing has resulted in less replacements and a lower budget requirement.	Being Switched on -making sure that assets are fit for purpose				-157,500			Reduction	Fixed
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>-157,500</b>	<b>0</b>	<b>0</b>		
CL	Reduce amount of Damp budget due to new surveys being more accurate and lower level of work anticipated because of pointing Bid.	Being Switched on -making sure that assets are fit for purpose				-50,000	-50,000	-50,000	Reduction	Fixed
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>-50,000</b>	<b>-50,000</b>	<b>-50,000</b>		
CL	Replacement of existing fire alarm system at St Wilfrids Court to meet current required standards.	Ensuring assets are fit for purpose, improve the value for money of our assets, increasing the rate of return and ensuring our assets contribute to our objectives.				25,000				One-off
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>0</b>	<b>0</b>		
CL	Major refurbishment at Laurie Backhouse Court. The scheme will ensure essential improvements are carried out in order to maintain the condition of the property at an acceptable level.	Ensuring assets are fit for purpose, improve the value for money of our assets, increasing the rate of return and ensuring our assets contribute to our objectives.				200,000				One-off
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>0</b>		
CL	The Environmental Improvement Plan will fund and deliver community based works that make a lasting and noticeable improvement to the estates, neighbourhoods and communities across the Selby district area.	New Corporate priority 'A Great Place to Enjoy Life'. And, through engaging with the community 'A great place to make a Difference'				160,000	160,000	160,000	Funded from Access Selby HRA Reserve.	Fixed
	<b>Net Cost of Bid</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>160,000</b>	<b>160,000</b>	<b>160,000</b>		
	<b>Net Cost of Core HRA Bids</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>247,500</b>	<b>180,000</b>	<b>140,000</b>		

## Funding

HRA Major Repairs Reserve	87,500	20,000	-20,000
Access Selby HRA Reserve	160,000	160,000	160,000
	<b>247,500</b>	<b>180,000</b>	<b>140,000</b>

<b>Reserves</b>														
<b>Description</b>	<b>Estimated Balance 31 March 14</b>	<b>Use</b>	<b>Contribs</b>	<b>Estimated Balance 31 March 15</b>	<b>Use</b>	<b>Contribs</b>	<b>Estimated Balance 31 March 16</b>	<b>Use</b>	<b>Contribs</b>	<b>Estimated Balance 31 March 17</b>	<b>Comments</b>			
	£	£	£	£	£	£	£	£	£	£				
<b>Revenue Reserves</b>														
<b>General Fund</b>														
<b>Reserves to fund future commitments:</b>														
PFI Scheme	2,406	-	391	386	2,401	-	400	380	2,381	-	412	399	2,368	
ICT	630	-	472	200	358	-	348	200	210	-	263	200	147	
Building Repairs & Projects	674	-	524	130	280	-	35	130	375			130	505	
Election	97			30	127	-	80	30	77			34	111	
	273	-	273		-				-				-	Transfer balance to Programme for Growth (earmark for Tadcaster projects)
Tadcaster Central Area													36	
Industrial Units	60	-	24		36				36				11	
Open Space Maintenance	11				11				11				11	
	4,151	-	1,684	746	3,213	-	863	740	3,090	-	675	763	3,178	
<b>Reserves to fund growth and improvement:</b>														
Special Projects (Programme for Growth)	2,667	-	2,566	2,239	2,340	-	88	999	3,251	-	30	880	4,101	Assumes allocated resources to 2014/15 are spent as planned
Special Projects (Non_PFG commitments)	317	-	317		-				-				-	£167k balance transferred to Programme for Growth
Discretionary Rate Relief Fund	300				300				300				300	
NYCC Collaboration	250				250	-	100		150	-	100		50	
Business Development (Spend To Save)	272			228	500				500				500	
	3,806	-	2,883	2,467	3,390	-	188	999	4,201	-	130	880	4,951	
<b>Reserves to mitigate financial risk:</b>														
Pensions Equalisation Reserve	600	-	600	186	186			181	367			183	550	£600k transferred to Programme for Growth
NDR Equalisation	3,610	-	3,282	361	689	-	164		525	-	164		361	Sufficient balance for further 2 years cover down to safety net
Planning Inquiries	100	-	100		-				-				-	£100k Transferred to Programme for Growth
Access Selby	592	-	342		250	-	92	40	198			114	312	To mitigate financial risk for Access Selby - contributions subject to in year surpluses
Contingency	553	-	53		500				500				500	Funds to cover planning appeals and inquiries plus other unforeseen items
General Fund	1,674	-	174		1,500				1,500				1,500	Working Balance - funding of last resort
	7,129	-	4,551	547	3,125	-	256	221	3,090	-	164	297	3,223	
<b>Other Reserves:</b>														
Sherburn Amenity Land	10	-	10		-				-				-	Transfer to Programme for Growth (earmark for Sherburn projects)
Wheeled Bins	18	-	18		-				-				-	No calls on this funding - transfer to Programme for Growth
	28	-	28		-				-				-	
<b>Sub Total</b>	<b>15,114</b>	<b>-</b>	<b>9,146</b>	<b>3,760</b>	<b>9,728</b>	<b>-</b>	<b>1,307</b>	<b>1,960</b>	<b>10,381</b>	<b>-</b>	<b>969</b>	<b>1,940</b>	<b>11,352</b>	
<b>HRA</b>														
HRA Unallocated Balance	1,187,731				1,187,731				1,187,731				1,187,731	
HRA Access Selby Reserve	911,301			13,700	925,001	-	160,000	47,190	812,191	-	160,000	58,560	710,751	
Major Repairs Reserve - Capital Programme	91,310	-	3,690,700	3,713,080	113,690	-	2,882,980	3,934,250	1,164,960	-	2,163,980	4,167,320	3,168,300	
Major Repairs Reserve - Debt Repayment	2,350,000			1,260,000	3,610,000			1,260,000	4,870,000			1,260,000	6,130,000	
<b>Sub Total</b>	<b>4,540,342</b>	<b>-</b>	<b>3,690,700</b>	<b>4,986,780</b>	<b>5,836,422</b>	<b>-</b>	<b>3,042,980</b>	<b>5,241,440</b>	<b>8,034,882</b>	<b>-</b>	<b>2,323,980</b>	<b>5,485,880</b>	<b>11,196,782</b>	
<b>Total Revenue Reserves</b>	<b>4,555,456</b>	<b>-</b>	<b>3,699,846</b>	<b>4,990,540</b>	<b>5,846,150</b>	<b>-</b>	<b>3,044,287</b>	<b>5,243,400</b>	<b>8,045,263</b>	<b>-</b>	<b>2,324,949</b>	<b>5,487,820</b>	<b>11,208,134</b>	



# **MAJOR BUDGETS RISK ASSESSMENT 2015/16**

**1.0 BACKGROUND:**

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

**CORE**

**2.0 INVESTMENT INTEREST**

- 2.1 The low bank base rate continues to challenge our investment returns. Investment rates are currently in the 0.38% - 1.00% range dependent on the length and counterparty involved. Due to the economic situation forecasters are not expecting a rise in the base rate until at least 2015. With this in mind 1.25% has been used for budget calculations for 2015/16. If this level fails to be achieved the impact of reduced rates is shown below.

Sensitivity Analysis	Interest Rate		
2015/16 Budget	0.9% Average interest rate	1.0% Average interest rate	1.1% Average interest rate
200,000	144,000	160,000	176,000

Sensitivity: High      Impact: Medium      Risk: High

**ACCESS SELBY, CORE and COMMUNITIES SELBY**

**3.0 SALARIES AND WAGES**

- 3.1 Salaries and Wages form a major expenditure for Access Selby and the Core with total budgets for 2015/16 at £6.30m.
- 3.2 Variances to the budgets can come from the following pressures:
- Vacancies (downward pressure).
  - Service pressures – unexpected requirement for overtime eg, backlogs in work or cover for sickness absence (upward pressure).
  - Maternity leave (upward pressure – due mainly to Access Selby’s reduced staffing resources).
  - Sickness absence – short term sickness generally has no financial implications. Long term sickness absence is likely to require posts to be

covered to maintain service performance, for example by overtime or temporary staff (upward pressure).

- 3.3 Although the new delivery arrangements have seen a reduction in employee numbers, this is seen to increase the risk on the budget, as there are less staff available to meet any subsequent pressures. Also, the size of the budget means that a minor change can result in a significant variance.
- 3.4 Access Selby has seen an underspend in salaries and wages in its first 2 years of existence, and it is predicted that this will be the same in year 3. Although there have been underspends within the Core also, these are not to the same extent as there has been a much more settled structure.

**Sensitivity Analysis**

2015/16 Budget		1.0% Variance	2.5% Variance	5.0% Variance
Salaries	Access Selby	57,312	143,280	286,560
	Core	5,702	14,255	28,510

Sensitivity: Medium      Impact: High      Risk: Medium

- 3.5 The Local Government Pension Scheme and its funding have been and continue to be the subject of change. The main cost pressure is the under performance of the Fund, together with increases in pension fund membership, and although the latter has not been significant in the past, changes introduced in 2011/12 mean that employees who have previously opted out of the scheme will be automatically re-entered every 3 years, bringing a potential increase in cost if those employees do not choose to opt out again. In 2015/16 the Employer’s contribution is based on a future service rate of 12.7% together with a lump sum of £713,100.
- 3.6 The last actuarial valuation was April 2014, and this brought bring a net 2% increase in rates. The back funding element is a fixed lump sum contribution, and is only liable to inflationary increases. The predicted 2% has been included in the budget. Any variation over and above this will impact as per the figures below.

**Sensitivity Analysis**

2015/16 Budget		1% Variance	5% Variance	10% variance
‘Ers Superannuation	Access Selby	5,454	27,270	54,540
	Core	571	2,855	5,709
Back Funding	Lump Sum Contb’n	7,131	35,655	71,310

Sensitivity: Low      Impact: Medium      Risk: Low

**ACCESS SELBY**

**4.0 HOUSING AND COUNCIL TAX SUPPORT:**

- 4.1 The Budget for Housing Benefit payments is estimated to be £17.175m in 2015/16. The calculation takes into account Rental Price Increases and the current economic climate. Housing Benefit roughly equates to the Government

Grant, if we include money recovered from over payments (£122,500). The recovery level is at risk in difficult economic times creating a risk factor.

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% Variance
Recovery Variance	1,225	6,125	12,250

Sensitivity: High      Impact: Low      Risk: High

- 4.2 From April 2013 Council Tax Benefit became Council Tax Support. In 2015/16 this fixed pot of money from Central Government will be about £3.94m. SDC's risk is that any overpayment will result in a 10.8% liability to the Council. The rest is covered by the NYCC, Fire and Police Authority. This is a major change and increases the risk to the Council and other Precepting bodies.

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% Variance
Benefits Paid	39,843	199,214	398,428
SDC Exposure (10.8%)	4,303	21,515	43,030

Sensitivity: Medium      Impact: Low      Risk: Medium

**5.0 ENERGY COSTS (various budgets):**

- 5.1 Energy costs are difficult to predict with precision as they are affected by both volume of consumption and price. The Council procures energy through a framework contract although transfer of responsibilities for the leisure centre / gymnasium to WLCT and the joint arrangements with the NHS for the new Civic Centre mean that our direct procurement of energy has reduced, albeit with some degree of loss of control.

Sensitivity Analysis

2015/16 Budget	10% Variance	20% Variance	30% variance
Gas 48,030	4,803	9,606	14,409
Electricity 128,000	12,800	25,600	38,400
Total 176,030	17,603	32,206	52,809

Sensitivity: High      Impact: Medium      Risk: Medium

**6.0 LEISURE SERVICES CONTRACT:**

- 6.1 At the beginning of September 2009, the responsibility for the management of the Council's leisure facilities transferred to Wigan Leisure and Culture Trust. The financial performance of the contract is monitored to ensure that the arrangements are sustainable.
- 6.2 The Council, as landlord of the properties used by WLCT, retains a responsibility for maintaining them. A 10 year maintenance programme is supported by an earmarked revenue reserve.

- 6.3 In late February 2012, the contract was severely affected by a major fire at the Abbey Leisure Centre. The resulting loss of leisure provision in the district has necessitated a variation to the contract, taking into account the replacement gym and dance floor facilities as a result of converting the former Walkers bingo hall. As the decision has now been taken to replace the leisure centre with a smaller facility which is anticipated to open Spring 2015, it may be that the contract will not return to previous levels.

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% variance
300,970	3,010	15,049	30,097

Sensitivity: Low

Impact: Low

Risk: Low

**7.0 WASTE COLLECTION:**

- 7.1 With effect from October 2009, the Council introduced an alternate weekly bin collection system as part of a new Streetscene contract with Amey PLC. A sum of £1,782,100 is included in the 2015/16 budgets for contractor payments and waste disposal charges made by the County Council.
- 7.2 Contained within the contract is an annual price review, to be effective on the anniversary of the commencement of the agreement. To allow RPI to be used as an inflation factor, an additional 1% was added to the tender price at the start of the contract, with RPI as at September being used to inflate this adjusted base price each subsequent year. The contract also absorbs any additional cost pressure from increased properties, unless such additions require a fundamental change (i.e. an additional round / refuse vehicle). The forecast growth in property numbers over the next five years indicate that at least an extra 450 properties per year will be built in the district. Discussions are taking place with Enterprise to agree a target of additional properties that will necessitate a variation to the contract.
- 7.3 The County Council charges relate to the disposal of trade waste. Currently these are £80 (Land Fill Tax) and £14.02 (Disposal Charges). Both items are multiplied by the latest estimated tonnage figures which then form part of the pricing calculations which aim to return a small surplus. With regard to tonnage the estimates are based upon the latest information and to the extent that tonnage is not certain, there is the risk that there may be some variance to the original budget.
- 7.4 With regard to price, it is expected that the land fill price per tonne for 2015/16 will increase by £2 (2.5% increase), and disposal charges will increase by £0.32 (2.28% increase).

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% variance
Contractor Costs	16,241	81,203	162,406
County Council Charges	1,580	7,902	15,804

Sensitivity: Medium

Impact: Medium

Risk: Medium

7.5 Income from refuse collection charges is now in the region of £560k per annum (£532k of which relates to trade refuse income). This is an increase of £32,500 over the 2014/15 latest estimate. Like any other business, income from this source is subject to increasing competition from other providers, and from the tough economic conditions currently being encountered, although the impact from a review of prices, that will bring the service closer to its competitors, may help. These prices are calculated to make the service a small surplus and are agreed as part of the annual fees and charges review.

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% variance
Commercial Waste Income	5,323	26,615	53,229
Domestic Waste Income	275	1,373	2,745

Sensitivity: High

Impact: Medium

Risk: Medium

**8.0 RECYCLING:**

8.1 A sum of £1,782,100 is included in the 2015/16 budgets for contractor charges. These relate to the fees that the Council pays to the various companies that process commodities for recycling. The main items for recycling are green waste, paper, glass, plastic containers/bottles and cans. Excluding the contract sum to paid to Amey PLC, the remaining costs are variable as the price and tonnage can vary throughout the year due to seasonal trends (green waste) and market forces. This is shown below as the figures in Table 1 below demonstrate.

**Table 1**

Year	Original Estimate £	Outturn £	Variance	
			£	%
2010/11	1,505,280	1,448,922	-56,538	-3.76
2011/12	1,514,470	1,341,602	-172,868	-11.41
2012/13	1,424,630	1,411,465	-13,165	-0.92
2013/14	1,470,930	1,496,087	25,157	1.71
2014/15	1,516,530	*1,516,530	0	0
2015/16	1,581,090			

\* Forecast Outturn

8.2 On average the estimates have been under by 2.88%. There is a risk that this could occur again – if so the cost would be £1,535,555. However, linked to the cost of recycling is the income received from the County Council as recycling credits. The pattern over recent years is shown in Table 2: As can be seen due to strong recycling activity in the current financial year, it is anticipated that both costs and recycling credit income will exceed the budget.



**Table 2**

Year	Original Estimate £	Outturn £	Variance	
			£	%
2009/10	-412,500	-507,107	94,607	22.94
2010/11	-429,000	-491,333	62,333	14.53
2011/12	-491,000	-507,091	16,091	3.28
2012/13	-492,800	-592,639	99,839	20.26
2013/14	-492,800	-892,336	399,536	81.07
2014/15	-492,800	*-650,000	157,200	31.90
2015/16	-672,800			

\* Forecast Outturn

- 8.3 As the cost per tonne charged and the recycling credit per tonne are not directly related, the correlation between expenditure and income is not direct. The County Council have decided that the 2015/16 recycling credit will be £47.14 per tonne. This rate is increased by 3% year on year until amended by government guidance.
- 8.4 Taking the External Fees and Recycling Credits together, the fixed costs of Amey PLC do not fluctuate relevant to the volume collected. Therefore the remaining risk is with charges levied by other contractors to process waste. This is assessed as follows:

**Sensitivity Analysis**

2014/15 Budget	Budget	1% Variance	5% Variance	10% variance
Enterprise Costs	1,395,160	N/A	N/A	N/A
Other Contractors	121,380	1,214	6,069	12,138
Recycling Credits	-492,800	-4,928	-24,640	-49,280
Total	1,023,740	-3,714	-18,571	-37,142

Sensitivity: Low

Impact: Low

Risk: Medium

**9.0 SALE OF RECYCLABLES**

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

**Sensitivity Analysis**

2015/16 Budget	1% Variance	5% Variance	10% variance
120,000	1,200	6,000	12,000

Sensitivity: High

Impact: Low

Risk: Medium

**10.0 PLANNING APPLICATION FEES:**

10.1 Income from planning application fees is budgeted at £540,230 for 2014/15. The pattern over recent years is shown in Table 3:

**Table 3**

Year	Original Estimate £	Outturn £	Variance	
			£	%
2009/10	461,580	572,075	110,495	23.94
2010/11	561,580	373,330	-188,250	-33.50
2011/12	561,580	460,475	-101,105	-18.00
2012/13	*857,020	509,538	-347,482	-40.55
2013/14	540,230	522,988	-17,242	-3.19
2014/15	540,230	**540,230	0.00	0.00
2014/15	559,150			

\* Includes a savings target

\*\* Forecast outturn

10.2 The housing market has started to show signs of improvement, and if this trend continues it may have a positive effect on application and income levels in 2015/16. Although lower value applications may increase, there is still considerable volatility in the submission of larger applications. This unpredictability means that this area has a high degree of sensitivity and therefore should continue to be monitored closely.

10.3 The budget for 2015/16 has been set at £559,150 as planning fees are very dependent on economic levels of activity, and as outlined above until the situation improves considerably, income levels may remain flat.

**Sensitivity Analysis**

2015/16 Budget	10% Variance	20% Variance	30% variance
559,150	55,915	111,830	167,745

Sensitivity: High

Impact: High

Risk: High

**11.0 COUNCIL TAX COURT COSTS (income)**

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

**Sensitivity Analysis**

2015/16 Budget	10% Variance	20% Variance	30% variance
138,000	13,800	27,600	41,400

Sensitivity: Medium

Impact: Medium

Risk: Low

**12.0 INDUSTRIAL UNIT RENTS**

12.1 The industrial units are managed by Access Selby on behalf of SDC and its partners. The ground rent was revised in 2010/11 as a result of an independent rent review. The maintenance rent has been adjusted in line with the anticipated change in maintenance costs.

12.2 Industrial Unit rents are at risk as they vary depending on the occupancy rate of each unit, the rental is calculated at between 85% and 95% of full occupancy as all the units are rarely 100% occupied with the exception of Hurricane Industrial Units currently 100% occupied. Due mainly to the economic downturn, the units are experiencing varying levels of occupancy and after a certain period of time being unoccupied will also become liable for NNDR. Table 4 below shows estimated and actual income levels since 2009/10.

**Table 4**

Year	Original Estimate £	Outturn £	Variance	
			£	%
2009/10	197,430	146,441	-50,989	-25.83
2010/11	173,420	149,078	-24,342	-14.04
2011/12	173,790	189,480	15,690	9.03
2012/13	185,860	192,650	6,790	3.65
2013/14	185,770	178,685	-7,085	-3.81
2014/15	191,470	*174,336	-17,144	-8.95
2015/16	189,190			

\* Forecast Outturn

**Sensitivity Analysis**

2015/16	5% Variance	10% Variance	15% Variance
189,190	9,460	18,919	28,379

Sensitivity: Medium

Impact: Medium

Risk: Medium

**13.0 CAR PARK PAY AND DISPLAY INCOME**

13.1 Car parking income has a separate policy for increasing fees which is reviewed bi-annually in accordance with the policy agreed in July 2006.

13.2 A review of car parking charges was agreed by the Executive in June 2014. It was agreed to freeze car parking charges until 31<sup>st</sup> March 2016 in accordance with the biannual review cycle. This was put forward on the basis that analysis identified evidence of spare capacity and that the majority of car parks had seen a drop in average usage since the last review in 2011. Table 5 below shows the estimated and actual income since 2009/10.

**Table 5**

Year	Original Estimate £	Outturn £	Variance	
			£	%
2009/10	273,000	305,589	32,589	11.94
2010/11	302,000	298,026	-3,974	-1.32
2011/12	308,000	301,620	-6,380	-2.07
2012/13	304,802	303,905	-897	-0.29
2013/14	385,030	328,311	-56,719	-14.73
2014/15	356,930	*350,000	-6,930	-1.94
2015/16	356,930			

\* Forecast outturn

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% variance
350,000	3,500	17,500	35,000

Sensitivity: High

Impact: Medium

Risk: High

**14.0 INCOME FROM DOMESTIC AND TRADE WASTE COLLECTION**

14.1 Income is derived from two main sources, the collection and disposal of commercial waste from non-domestic premises, and the collection of bulky household waste from domestic properties. The commercial waste budgets for 2015/16 have been set to take into account the increased disposal costs from the County Council, and an inflationary increase, the result of which are prices that offer competitive services to customers within the district.

14.2 There should be little risk to the domestic waste income, as sales of bins and boxes, and use of the bulky refuse collection service are expected to achieve the budgets set.

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% variance
559,740	5,597	27,987	55,974

Sensitivity: Low

Impact: Medium

Risk: Medium

**15.0 LAND CHARGES INCOME**

15.1 Land Charges fees are set in line to recover the cost of the service. In addition Land Charges income is particularly susceptible to external factors such as the movement in the property market, and the option for house buyers to facilitate gathering of information in the most economical way by undertaking elements of the searches themselves.

15.2 The housing market has begun to show some signs of recovery. The budget for 2015/16 has been set at existing levels until the effect of various initiatives begins to increase income levels, although the unpredictability of this area means it has a high degree of sensitivity and therefore should be monitored closely.

Sensitivity Analysis

2015/16 Budget	10% Variance	20% Variance	30% variance
122,440	12,244	24,488	36,732

Sensitivity: High

Impact: Low

Risk: Medium

**16.0 LICENSING ACT 2003 INCOME**

16.1 Licensing charges fees are set by central government and increases are governed by direction from them.

16.2 Licensing Act 2003 income which forms the largest element has the potential to be volatile as it depends on the number of applications for variables such as temporary events notices.

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% variance
60,000	600	3,000	6,000

Sensitivity: Medium

Impact: Low

Risk: Low

**17.0 BUILDING CONTROL**

- 17.1 Selby District Council is one of five partners forming the North Yorkshire Building Control Partnership. The Building Control Partnership is experiencing reduced levels of business due to the economic slowdown, with income levels down. The partnership has had to make significant changes and savings to streamline the service to reduce costs to offset the shortfall in income.
- 17.2 The Partnership is now in a more stable financial position for 2014/15 if a deficit was to be made under the legal agreement each partner would be expected to make additional contributions to maintain a minimum reserve balance. The Building Control Board on the 25<sup>th</sup> January 2012, approved increased contributions from each Council to mitigate any losses on non-chargeable works.
- 17.3 It is not currently anticipated that additional contributions may be required to be made by Selby District Council during 2014/15.

**Table 6**

Year	Original Estimate £	Actual / Projected Outturn £	Variance	
			£	%
2009/10	39,650	69,650	30,000	75.66
2010/11	40,090	21,995	(18,095)	(45.13)
2011/12	36,050	59,048	22,998	63.79
2012/13	55,000	52,927	(2,073)	(3.77)
2013/14	42,240	70,211	27,971	66.21
2014/15	58,360	58,360		
2015/16	59,280			

Sensitivity Analysis

2015/16 Budget	10% Variance	25% Variance	50% variance
59,280	5,928	14,820	29,640

Sensitivity: Medium

Impact: Medium

Risk: Medium

**18.0 SUPPORTING PEOPLE**

- 18.1 Services in respect of the homeless and services for older persons, delivered by Access Selby, are currently funded through the national supporting people funding framework administered by North Yorkshire County Council. Currently funding is being reduced and restricted to only those that satisfy a tighter financial assessment. Those that have lost grant funded cover are being offered the service as a self-payer. There is verbal assurance that grant support will continue

up to 2016. It is anticipated that there will be growth in self-payers to mitigate some of the losses in grant funding.

- 18.2 As part of business development within Access Selby an enhanced service is offered for a fee. This service is available to vulnerable residents across the district, enabling them to remain in their own homes and maintain a level of independence.

Sensitivity Analysis

2015/16	Budget	10% Variance	20% Variance	30% Variance
Grant Income	272,000	27,200	54,400	81,600
Private Payers	115,000	11,500	23,000	34,500
Total	387,000	38,700	77,400	116,100

Sensitivity: High

Impact: High

Risk: High

**19.0 CONTAMINATED LAND**

- 19.1 The draft Contaminated Land Strategy will provide opportunities for the Council to meet its corporate priorities; creating a stronger Council and would support the Council to discharge its statutory duty to set a structured approach to investigating and where necessary remediating contaminated land within the District. Although the Council’s preferred route for investigation and remediation will continue to be through the development process, the Council does still have a statutory duty to deal with sites potentially contaminated in the District and the strategy sets out an approach to fulfil this obligation.

- 19.2 No additional revenue allowance has been allocated to this work. It is likely that as sites are investigated costs will be incurred in respect of investigation costs and potentially subsequent remediation costs. It is suggested that any sums recovered from polluters or land owners as sites are remediated should be made available to offset costs incurred.

- 19.3 It is not possible to accurately estimate the costs of investigation and remediation as each site is different in terms of site size and level and type of contamination. Any costs incurred by the Council should be addressed either through the bid process on a case by case basis and General Fund reserves be utilised to meet and funding shortfall.

**HOUSING REVENUE ACCOUNT**

**20.0 HOUSING RENTS**

- 20.1 Housing rents form the main source of funding for the Housing Revenue Account. Rents up to 2014/15 were calculated based on complex rent restructuring formulas provided by CLG. The aim of this was to get council rents to converge with those of Registered Social Landlords. Although the HRA is now self financing and free from the constraints of negative subsidy it was anticipated that the model for increases was followed until at least 2015/16, the latest expected convergence date. CLG have ended rent re-structuring a year early (2014/15) and replaced with a flat CPI + 1% increase per year. This will have an impact on the 30 year business plan as those properties still not meeting convergence will

be relet at the target (formula) rent not what the previous tenant was paying. Currently CPI is lower than RPI previously used, therefore future rent increases are going to be much lower than previous years which is good news for tenants but impacts on HRA capital financing going forward.

**Table 7**

Year	Original Estimate £	Actual / Projected Outturn £	Variance	
2009/10	9,495,000	9,680,904	(185,904)	(1.96%)
2010/11	9,530,000	9,875,887	(345,887)	(3.63%)
2011/12	10,500,000	10,595,943	(95,943)	(0.91%)
2012/13	11,351,000	11,446,759	(95,759)	(0.84%)
2013/14	11,741,560	11,787,854	(46,294)	(0.39%)
2014/15	12,267,090	12,332,000	(64,910)	(0.53%)
2015/16	12,590,000			

20.2 Rent income levels are difficult to project year on year, due to the number of void dwellings. In addition any sales of dwellings under Right to Buy will also have an impact. A large number of sales or a number of dwellings unavailable as void can have a significant impact on the income generated. It should be noted that as at October 2014, there has been 10 Right to Buy sales during 2014/15, and 16 sales have been forecast for 2015/16. Future sales will be offset partly by new build projects.

20.3 When calculating the budget, given the complex nature, a conservative estimate is used. It is likely that actual rent income received could exceed the budget estimate.

**Sensitivity Analysis**

2015/16 Budget	0.5% Variance	1% Variance	2% Variance
12,590,000	62,950	125,900	251,800

Sensitivity: Medium

Impact: High

Risk: Medium

**21.0 MAINTENANCE OF HOUSING STOCK**

21.1 Part of HRA Reform is the removal of the Housing Subsidy System. Although the HRA was a negative subsidy payer, it received a Major Repairs Allowance Grant which was to be utilised to support capital works to the housing stock. Under the new regime, the HRA is now self financing, it still has the requirement to fund repairs to its stock.

21.2 Selby has an ageing stock, as a result costs to maintain stock to an appropriate level of decency are likely to increase in the future as the dwelling condition deteriorates. There is a high risk that this scenario will occur. There is a capital programme in place to meet specific programmed demands, but revenue repairs are responsive and can vary daily in the nature and requirements of the property. The HRA attained the decent homes standard by the December 2010 deadline, but further work is needed to maintain and improve this standard.

- 21.3 Funding will be limited to maintain the stock and work required will be prioritised. The HRA as part of the reform arrangements has a significant debt to service (£57.7m) spread over a period up to 50 years. Treasury Management decisions have been made to establish an appropriate payment plan which could conflict with the funding available to maintain the stock, especially in the shorter term. As rents increase, headroom for the continued maintenance of the stock will be created.
- 21.4 Stock surveys are continually carried out, the latest to be completed in October 2014. The feedback received will help inform a programme of works, the most critical work prioritised accordingly. This work will need to run in parallel with the debt repayment profile to ensure that funds are allocated correctly and affordability in the HRA is maintained whilst delivering front line services.
- 21.5 Void properties continue to be an issue and can be a drain on resources to get them in to lettable standard. While the property is empty, no rent is earned and each dwelling varies in terms of the work that is required.

**Table 8 – Revenue Costs (Equipment & Materials, Sub-Contractors (Responsive) and Change of Tenancy)**

Year	Original Estimate £	Actual / Projected Outturn £	Variance	
			£	%
2009/10	474,230	480,185	5,955	1.25
2010/11	424,230	566,514	142,284	33.53
2011/12	475,000	484,667	9,667	2.04
2012/13	480,000	468,708	-11,292	-2.35
2013/14	480,000	520,692	40,692	8.48
2014/15	489,970	489,970		
2015/16	489,970			

- 21.6 Generally, the revenue budget is more sensitive to risk in the fact that the work is responsive, Capital works are programmed and tendered to a fixed price.

Sensitivity Analysis

2015/16 Budget	1% Variance	5% Variance	10% variance
489,970	4,900	24,498	48,997

Sensitivity: High

Impact: Medium

Risk: Medium



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# Selby District Council

## REPORT

Reference: E/14/49

Public – Item 7



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<b>To:</b>	<b>The Executive</b>
<b>Date:</b>	<b>4 December 2014</b>
<b>Status:</b>	<b>Key Decision</b>
<b>Report Published:</b>	<b>26 November 2014</b>
<b>Author:</b>	<b>Eileen Scothern</b>
<b>Executive Member:</b>	<b>Councillor Crane</b>
<b>Lead Officer:</b>	<b>Karen Iveson</b>

**Title: Housing Development Strategy Phase 2 Progress Report**

### **Summary:**

In September 2014 a proposed phasing report was considered by the Executive, Councillors asked for the need for affordable housing at Sherburn; lead in time required for future projects and financial viability be investigated and an alternative phasing programme is brought to a future Executive meeting.

### **Recommendations:**

- i. Approve the proposed phasing programme for the Housing Development Strategy as outlined in paragraph 2.14**

### **Reasons for recommendation**

The prioritisation of development sites is required to facilitate the delivery of the targets within the Council's Housing Development Strategy.

#### **1.0 Introduction and background**

- 1.1 The Council has adopted a Housing Development Strategy with the aim to deliver new build development to provide quality homes which meet modern standards.

- 1.2 A list of potential sites, most in the council's ownership, has been drawn up for appraisal. The initial prioritisation of the sites to be progressed was agreed at Council in 2013.
- 1.3 Through the Programme for Growth discussions, another 22 sites have been identified and considered and while the list of sites is extensive, it is not exhaustive. Other sites will come to light for future consideration as this process gains momentum.
- 1.4 At the Executive in September, Councillors referred the report back to Officers and requested further information on Affordable Housing Need in Sherburn; information on lead in time, viability considerations and an alternative phasing programme

## **2.0 The Report**

- 2.1 Phase 1 of the Housing development Programme includes sites at Byram, Eggborough and Riccall. As at the time of writing this report Riccall has been offered to and accepted by (both subject to contract) the Selby and District Housing Trust for 5 General Needs Units and two sites at Eggborough and one site at Byram have been considered by the Executive as suitable for development through the HRA. Two further sites at Byram and Eggborough are on this Executive agenda.
- 2.2 From experience, whilst each site identified in September has development potential, following detailed investigation the number of units that can be accommodated on some of the sites have had to be reduced due to legal and/or physical constraints. It is therefore proposed that for future phases there is an inbuilt over capacity included to allow up to a 25% reduction following the conclusion of detailed investigations. In addition Phase 1 sites have provided evidence the garage sites are only financially viable if they are supported by a financial package in terms of a grant and/or cross subsidised with market housing. Whilst the objective for the Council (for the HRA) and the Housing Trust is to maximise affordable housing by applying for grants there might be cases where market housing will provide a more balanced housing market. Financial modelling of the pilot schemes (Tadcaster) Riccall, Byram and Eggborough have shown that housing prices in the north of the District are higher than the south, and are likely to be financially viable with a percentage of market sales, elsewhere in the district a mixture of market sales and grant funding may be required. Including Market sales in development schemes will minimise the grant funding required, until the schemes are tendered the impact of packaging sites across the district and mixed tenure on construction costs is unknown.

- 2.4 As part of a wider review 81 sites have been identified. Of these seven sites are under consideration for Phase 1 of which 5 are likely to be developed; 17 have been discounted as unsuitable and 20 plus have been submitted for consideration under the Sites and Policies Plan. The remaining sites had been split into three phases Selby Urban area<sup>1</sup> (9 sites – 47 units); North/Western area<sup>2</sup> (15 sites – 50 units) and Southern area<sup>3</sup> (9 sites – 39 units). No sites have been identified in the North east/eastern part of the district as there is no suitable Council owned land available in this area.
- 2.5 The 2009 Strategic Housing Market Assessment (SHMA 2009) is split into 10 sub-areas; the general conclusion was there is a need of 409 homes per annum across the district. The three proposed phases are not co-terminus with the sub-areas however the best fit shows approximately 12% of the need is in the Southern area; 25% in the North/western area; 18% in the north eastern part of the district and 43% in Selby Urban.
- 2.6 In the previous report the following phasing was recommended:
- Phase 2 - North/western area - due to the high level of affordable need and the relative higher costs of property prices (Rightmove web site) in Tadcaster (£158K) and Sherburn (£141K) compared to Selby (£116K) and Byram (£127K).
  - Phase 3 - Southern area –the majority of the settlements are designated as “secondary villages” and the proposed Local Plan will not be allocating any sites in these areas. And
  - Phase 4 - Selby Urban –historically the majority of the house building has taken place in this locality and significant new schemes are scheduled to start.

#### Affordable Housing Need in Sherburn Area

- 2.7 A question was asked at the Executive in September whether with the recent planning permissions granted in the Sherburn/South Milford area whether there was still an affordable need in this part of the district and consideration should be given to defer this area to a later phase.
- 2.8 In 2012 an applicant with planning permission for 718 dwellings with a 40% on-site affordable housing condition approached the Council with an amended proposal to deliver the affordable housing by way of 25%

<sup>1</sup> Urban Area including Barlby, Brayton and Thorpe Willoughby.

<sup>2</sup> North and Western Area includes Hambleton; Sherburn, South Milford, Tadcaster and Ulleskelf)

<sup>3</sup> Southern Area includes Burn; Burton Salmon; Camblesforth; Kellington and Womersley

on site delivery and a commuted sum equivalent to 15% to provide for affordable housing elsewhere. The developer’s agent provided evidence that supported the case for only 25% need in the Sherburn area. The Council’s advisors stated the argument put forward by the Developer’s agent was finely balanced and whilst the agreement that falling prices made owner occupied properties in Sherburn more affordable was accepted, the point that anti-social behaviour is a consequence of the proportion of affordable housing and the suggestion that 40% would destabilise the housing market was not a valid argument. Planning Committee agreed to a variation in the S106 agreement on the basis there was clear benefits to the community and greater balance to the housing market by relocating part of the affordable housing contribution.

2.9 The outstanding outline and full planning permissions in Sherburn and South Milford as at March 2014 were 802 houses of which 225 are designated as affordable units. All the permissions are for houses rather than bungalows, it is recommended as part of the next Housing Development Strategy programme that sites in the Sherburn and South Milford area are assessed for bungalows to provide a balanced housing mix.

2.10 It was anticipated that given the available Council land opportunities the following delivery targets could be achievable.

Table 1 Draft Programme

2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19
Preparation	6	25	25	25	25
Housing Trust created	Tadcaster Pilots Business cases approved for 6 <sup>1</sup> units	Riccall Business Case for 5 <sup>2</sup> units approved Eggborough and Byram sites being assessed with a potential of 19 <sup>3</sup> units	Phase 2 North/Western	Phase 3 Southern	Phase 4 Selby Urban

<sup>1</sup>St Joseph Street Scheme = 3 units however one unit is for sale. <sup>2</sup>Riccall Scheme = 5 units, providing 3 affordable units. <sup>3</sup>Assuming 3 sites developed at Eggborough.

2.11 The phasing programme proposed in this report will put the Council in a strong position to facilitate the delivery of 106 houses however the number of affordable homes delivered will be subject to successful grant applications to the HCA or through the bidding process for S106 contributions.

### Lead In Time

- 2.12 The Council is delivering accommodation for the vulnerable persons (over 60 and disabled) and working in partnership with a registered provider for the general needs housing needs provision. The timescale for a Trust or a HRA development (excluding Bryam Park Flats) is expected to take approximately 30 months from project start to development completed. Whilst each development will be different all will include the following elements - legal investigations on land titles and covenants; consultation with ward and Parish Councillors; preparation of an outline business case (for HRA developments) and preparation of offer (for Trust developments); design and obtaining planning permission; tendering, construction.
- 2.13 Subject to agreement on the future phasing of sites the programme for Phase 2 will commence with business cases submitted to July and September Executive with completion envisaged in late 2017.

### Financial Viability

- 2.14 The pilot schemes and Phase 1 sites have identified that providing affordable homes on brownfield backland requires financial support or cross subsidy. The original phasing programme bundled the sites by location. In view of the significant variances in market values across the district and the aim to minimise the public sector grants the revised phasing programme (Appendix 1) includes cross subsidy across the district.

## **3.0 Legal/Financial Controls and other Policy matters**

### **3.1 Legal Issues**

The title searches have still to be commissioned and the results might impact the number of units that can be accommodated on the sites. If the phasing and packaging of sites as set out in this report is supported, request for title searches will be made and a report including outline business cases will be brought back to the Executive on a phased basis.

### **3.2 Financial Issues**

- 3.2.1 The Riccall scheme has identified that providing affordable homes on brownfield backland requires financial support or cross subsidy. As construction prices are increasing at a higher rate than the rental potential, the funding shortfall will continue to increase. By bundling sites the Council may receive a more competitive package through the tendering process and reduce the levels grant/subsidy required and/or

the numbers of properties which may need to be sold to provide a cross-subsidy.

3.2.2 Potentially bidding for HCA funding is a realistic option for SDHT and SDC, as under the previous affordable housing programme (AHP) (2011 – 2015) the average subsidy per unit ranged from £22k to £28k (excluding rural premium) and which allowed cross subsidy from S106 contributions. The new AHP (2015-2018) does not permit cross-subsidy from S106 properties/schemes/funding and so it is possible that the average levels of subsidy per unit may increase. Packaging sites in close proximity will not eliminate the high costs of developing small, tight sites with affordable units completely. Such packaging however may make them more attractive to developers and reduce the levels of subsidy/grant sought from the HCA or bid through any future S106 affordable housing commuted sum mechanism.

#### **4.0 Risk Management**

- a. Ensuring value for money on small brown field developments will be an on-going challenge and procurement will be an important part of the process. Following a procurement workshop a Develop and Construct package is being used for the first phases.
- b. No investigations have been undertaken on the potential additional sites and this work might discount the sites for affordable housing, by exploring a range of sites of between 34 - 50 units a 25% can be accommodated in the programme.
- c. The costs of developing the majority of the garage sites will require either a grant/subsidy or a bid for funding from commuted sums, to minimise the risk of the sites not providing value for money sites need to be bundled into appropriate sized packages and a steady pipeline of projects is needed to make best use of the resources available.
- d. Conflicting opinions and requirements – Conflicting opinions and requirements – proposals will be based upon local needs evidence and where possible we will seek to incorporate the views of residents.

#### **5.0 Conclusion**

5.1 Detailed site investigations have indicated that Phase 1 sites have identified on average a 25% reduction in site capacity either due to physical or legal constraints. To build in flexibility it is recommended that the next three phases are packaged in phases of between 34 and 50 units. It is proposed that the groups of sites are developed as identified in Table 2.

*Contact Officer:*

**Eileen Scothern**  
Business Manager  
Selby District Council

Appendix 1 Revised Phasing

Appendix 1 Revised Phasing

2013/14	Year 1 2014/15	Year 2 2015/16	Year 3 2016/17	Year 4 2017/18	Year 5 2018/19	Year 6 2019/20	Total
Preparation	6	25	25	25	25	0	106
Starts	<u>Affordable</u> 5  <u>Market</u> 1	<u>Affordable</u> 16  <u>Market</u> 2	<u>Affordable</u> 16  Phase 2 Mix - unknown	<u>Phase 3</u>	<u>Phase 4</u>		
Completions	3 Affordable	2 Affordable 1 Market Units	16 Affordable 2 Market Units	Phase 2 - 40 units (mix unknown)	Phase 3 32 units (mix unknown)	Phase 4 30 units (mix unknown)	126 Aiming for 106 affordable units.
	Tadcaster Pilots  <b>General Needs (5)</b>  <b>Market Units (1)</b>	<b>General Needs (3)</b> Riccall  <b>Market Units (2)</b> Riccall  <b>Vulnerable Persons Units (13)</b> Eggborough Byram	<b>General Needs/ Market Units (20)</b> Byram Camblesforth Tadcaster Ulleskelf Womersley  <b>Vulnerable Persons Units (20)</b> Hambleton Sherburn South Milford	<b>General Needs/ Market Units (26)</b> Barlow Burn Burton Salmon Chapel Haddlesey Kellington Sherburn – non HRA  <b>Vulnerable Persons Units (4)</b> Burn Whitley	<b>General Needs/ Market Units (15)</b> Barlby Selby Thorpe Willoughby  <b>Vulnerable Persons Units (15)</b> Barlby Brayton Selby Thorpe Willoughby		



# Selby District Council

## REPORT

Reference: E/14/50

Public - Item 8



**To:** The Executive  
**Date:** 4 December 2014  
**Status:** Non Key Decision  
**Report Published:** 26 November 2014  
**Author:** Keith Cadman, Lead Officer Contracts  
**Executive Member:** Councillor Cliff Lunn  
**Lead Officer:** Karen Iveson, Executive Director

**Title:** Leisure Landlord PPM – Revised Costs

### Summary

Executive approval for funding the Leisure landlord maintenance program for 14/15 amounting to £79,140 was agreed on 3<sup>rd</sup> October 2013 based on verified cost estimates prepared in 2013. The work included three items of roofing related work at Tadcaster Leisure centre and re-surfacing the crazy golf at Selby Park.

The three items of roofing work at Tadcaster Leisure Centre were packaged as a single tender in 14/15 and the tender returns have been evaluated during August and September. Of the three tenders returned the cheapest price obtained including fees is £98,000 and carries with it a 25 year guarantee. The work consists of replacing the roof, repairs to defective gutters and downspouts and replacing changing room extractor fans. The submitted prices will remain valid for this year only.

In order to award the roofing contract additional funding of £25,000 in 14/15 is required.

### Recommendation:

- i. To recommend to Council to fund the balance of the cost from an additional drawdown of funding from Building Repairs Reserve in 2014/15.

## **Reasons for recommendations**

To ensure essential landlord maintenance work required at Tadcaster Leisure Centre can proceed in the current financial year to enable the Council to discharge its duties as a landlord and ensure the facilities are maintained to standard.

### **1.0 Introduction and background**

1.1 In October 2013, the Executive approved the Leisure Landlord PPM for 14/15 that included the following works:

#### Tadcaster Leisure Centre

- Replace roof and re-line gutters
- Repair defects in gutters and downspouts
- Replace changing room extractor fans

#### Selby Park

- Patch repairs and line marking to car park
- Band stand roof inspection and repairs
- Renew playing surfaces to crazy golf

1.2 A condition survey of Selby park was received after the Executive approval and a subsequent site inspection identified the works to the car park and bandstand could be deferred for a further inspection in 14/15. The required work at Tadcaster and Selby park have been tendered during 14/15.

### **2.0 The Report**

2.1. The estimates included in the original approval were prepared during 2013 and verified with WLCT as being reflective of the market conditions at that time. The work to the crazy golf surfacing at Selby park has been completed within approved budgets.

2.2 The roofing work to Tadcaster Leisure Centre was tendered as a single works package to obtain the best overall price for the work and simplify the work planning under a single contract. Five companies were invited to tender and three bids were received and subsequently evaluated for compliance to the specification, pricing accuracy and quality.

2.3 The cheapest compliant bid including professional fees amounts to £98,000 and exceeds approved budget for Tadcaster of £73,000 by £25,000.

2.4 The submitted tender prices will remain valid for this year only and it has also been confirmed the work carries a 25 year guarantee. The duration of the work is planned for four weeks so after allowing for additional funding approvals and contract award notices the work can be completed this financial year fulfilling the Councils landlord responsibilities.

### 3.0 Legal/Financial Controls and other Policy matters

#### 3.1 Legal Issues

3.1 The Council, as Landlord, is required under the terms of the contract to ensure that essential maintenance work is carried out at the facilities leased by WLCT.

#### 3.2 Financial Issues

Site	Element	Original Estimated Costs	Tendered Costs	Net Shortfall
Tadcaster LC	Replace roof & reline gutters	£ 65,000		
	Repair gutters and downpipes	£ 5,000		
	Replace changing room extractor fans	£ 3,000		
		£ 73,000	£ 98,000	-£ 25,000
Selby Park	Renew crazy golf playing surfaces	£ 6,140	£ 6,140	£ -
		£ 79,140		-£ 25,000

Additional funding in 14/15 amounting to £25,000 is required from the buildings repairs reserve.

#### 4. Impact assessment

4.1 PPM for each facility is specific to the site and associated structures and is designed to provide a safe well maintained facility for the benefit of all customers and staff and can be regarded as providing a positive impact.

#### 5. Conclusion

5.1 In the contract with WLCT the Council holds landlord responsibility for Tadcaster Leisure Centre and Selby Park. Discharging the essential maintenance requirements as agreed with the tenant will fulfil the landlord obligations contained within the contract that enable continuity of service from the facilities.

#### 6. Background Documents

None

#### Appendices

None

#### Contact Officer

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# REPORT

Reference: E/14/51

Public - Item 9



**To:** The Executive  
**Date:** 4 December 2014  
**Status:** Key Decision  
**Report Published:** 26 November 2014  
**Author:** Jackie Humphries, Lead Officer – Human Resources  
**Executive Member:** Councillor C Lunn  
**Lead Officer:** Karen Iveson, Executive Director (S151)

**Title: Employer Discretion Policy – Local Government Pension Scheme (LGPS) 2014**

## Summary:

The Employer Discretion Policy 2014 is intended to cover all of the Council's employees who have membership of the Local Government Pension Scheme (LGPS).

The LGPS is a statutory scheme, therefore most of the rules and regulations are laid down by the Government of the day. There are, however, some areas of the Scheme that are left to be decided by employers (i.e. Selby DC) and these are known as 'Employer Discretions'. Employers have to decide how they will operate these discretions and inform the North Yorkshire Pension Fund (NYPF) the administrative Authority for the LGPS for the Authority. It is a statutory requirement for all employers to have a discretion document.

The Authority needs to have a set of criteria to measure eligibility fairly for all applications and a process of assessing each case in a consistent manner. It is also necessary to have a discretion policy in place, as any challenge by employees and ex-employees is likely to succeed without such a policy.

For a complete set of discretions to be in place, the Employer Discretion Policy 2014 should be considered in conjunction with the Employer Discretion Policy 2009 which provides details of the existing rules. This is to assist in making any retrospective decisions for members who have left prior to 1 April 2014.

## Recommendations:

- 1. In order to safeguard against any challenge being made and being successful it is necessary that we have a Discretion Policy and therefore it is recommended that this be adopted as set out in Appendix 2.**

## Reasons for recommendation

The adoption of a Discretion Policy is a statutory requirement and will also help to safeguard the Authority from any challenge being made and being successful from current or former employees.

### 1. Introduction and background

- 1.1 The Authority's current Discretion document was agreed in 2009. The changes in the Local Government Pension Scheme in 2014 mean that we now need to update that document. Historically we have mirrored the discretions agreed by the North Yorkshire County Council, the administering authority for the Councils pension scheme. It is proposed that changes remain in line with those agreed by NYCC.

### 2. The Report

- 2.1 From 1 April 2014 the categories of retirement have changed, with the introduction of employees being able to voluntarily resign and take reduced pension benefits from age 55 onwards. The 'Employer Consent' type of retirement has been removed from the LGPS. It is possible for an employer to agree to make a payment in order to lower the level of reduction which applies to the member's pension benefits. This can be done in two ways: 'Switching on the Rule of 85' or 'Waiving the Reductions'.
- 2.2 The employer is required to make a policy decision on whether to offer the facility to increase the member's pension benefits and this decision needs to appear in the employer's LGPS discretions document. The decisions which must be made in relation to retirement are shown on Appendix 1 attached, along with the relevant part of the LGPS Regulations which applies.
- 2.3 The previous Discretion Policy dated 2009 has been updated and highlighted within it are the new 2014 discretions. These new discretions are identified below with a proposed policy decision.
- 2.4 The suggested discretions are set out below and highlighted in Appendix 1.

*Regulation - 30(8) (Ref R)*

SDC will not waive any actuarial reduction on benefits paid on flexible retirement or benefits paid which a member voluntarily draws before normal pension age.

*Regulation - Sch 2 Paras 1(2) and 2(2) (Ref TP)*

SDC will not switch on the 85 Year Rule for any employee voluntarily drawing benefits on or after age 55 and before age 60.

*Regulation - 3(1), Sch 2, paras 2(1) and 2(2) (Ref TP)*

*30(5) and 30A(5) (Ref B)*

SDC will not waive any actuarial reduction and pay any pension strain costs arising out of voluntary early retirement or flexible retirement.

*Regulation - 30A and 30(5) (ref B)*

Applications from deferred Pensions will only be considered on compassionate grounds, taking into account the costs of waiving any reduction. All applications will be considered by the relevant Director and Chief Executive.

*Regulation - 16(2)(e) and 16(4)(b) (Ref R)*

SDC will contribute to Shared Cost Additional Pension Contribution Schemes only when an employee has opted to buy back 'lost' pension due to a period of authorised unpaid leave (including sickness and child related leave) within 30 days of returning to work from that leave. In these circumstances, the employee will pay one third of the cost of the Shared Cost APC and the employer will pay two thirds of the cost. Other than these circumstances, SDC will not enter any Shared Cost APC arrangements.

*Regulation - 95 (Ref R)*

SDC will consider each case on its merits if a member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R91 or recovery of a monetary obligation under R93 should deprive the member of the member's surviving spouse of civil partner or any GMP entitlement.

*Regulation - 38(3) (Ref R)*

SDC will be guided by an Independent Medical Practitioner whether deferred beneficiary meets permanent ill health.

*Regulation - 38(6) (ref R)*

In order to grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60, SDC will be guided by the recommendation of an Independent Registered Medical Practitioner.

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

#### **Legal Issues**

- 3.1 Any decision that is made regarding any of the 'Employer Discretions' in the areas which are left to be decided by the employer are open to challenge by employees/ex-employees and will likely succeed.

#### **Financial Issues**

- 3.2 The Discretion Policy will safeguard Selby DC from any challenge being made and succeeding which could place financial penalties on the Authority.

#### **Impact Assessment**

- 3.3 By agreeing to the policy the Council negates its liability against any potential challenge.

### **4. Conclusion**

- 4.1 The Authority is required to have a set of criteria to measure eligibility fairly for all applications and a process of assessing each case. It is also necessary to have a Discretion Policy in place, as any challenge by current or ex-employees is likely to succeed without such a policy.
- 4.2 The Discretions as set out in Appendix 2 mirror those agreed by NYCC, the Administrative Authority for the Pension Scheme.

## **5. Background Documents**

LGPS Employer Discretion; LGPS 2014 – Types of Retirement; Pensionable Pay

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### **Appendices:**

Appendix 1 - LGPS 2014 – Types of Retirement

Appendix 2 - SDC Statement of Policy: LGPS Employer Discretion Policy 2014

## LGPS2014 – Types of Retirement

From 1 April 2014 the categories of retirement have changed.

The reasons for retirement are now:

### **Retirement – employee decision from age 55 onwards**

LGPS benefits will be reduced for early payment in all cases if retirement is before age 60.

However, the employer can agree to increase the employee's benefits in two ways:

- Waiving reductions
- Switching on the Rule of 85

The employer must therefore have a policy decision on:

### **Whether to waive the reduction to benefits either in full or in part where reduced benefits are payable (before Normal Pension Age)**

The Local Government Pension Scheme Regulations 2013 - Regulation 30(8)

### **Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age**

### **Whether to switch on the Rule of 85, increasing the member's pension benefits, for retirement after age 55 but before age 60**

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 - Sch 2 Paras 1(2) and 2(2)

### **Whether to "switch on" the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.**

### **Whether on compassionate grounds to fully waive the reduction to benefits**

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 - Regulation 3(1), Sch 2, paras 2(1) and 2(2)

### **Whether to waive any actuarial reduction on pre and/or post April 2014 benefits on compassionate grounds**

### **Flexible Retirement**

### **Whether, for flexible retirement, to waive the reduction to benefits either in full or in part**

The Local Government Pension Scheme Regulations 2013 – Regulation 30(8)

### **Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement**

### **Redundancy Grounds**

If the reason for leaving is redundancy, unreduced pension benefits are automatically paid out if the employee is age 55 or over. **No policy decision is required** under the LGPS Regulations as the LGPS Regulations are clear on the level of benefits which are payable if this reason for leaving is chosen by the employer.

However a policy decision is needed on:

### **Whether to grant additional pension**



**Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.)**

**Efficiency Grounds**

If the reason for leaving is efficiency, unreduced pension benefits are automatically paid out if the employee is age 55 or over. **No policy decision is required** under the LGPS Regulations as the LGPS Regulations are clear on the level of benefits which are payable if this reason for leaving is chosen by the employer.

However a policy decision is needed on:

**Whether to grant additional pension**

The Local Government Pension Scheme Regulations 2013 – Regulation 31

**Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.)**

**Ill Health Retirement**

The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 – Regulation 12(6)

**Whether to use a certificate produced by an IRMP under the 2008 Scheme for the purposes of making an ill health determination under the 2014 Scheme**

The three tiers of ill health remain but employees now need **2 years** of LGPS membership before benefits are due and the wording in relation to the three tiers has changed. This is now:

- **Tier 1: If you are unlikely to be capable of gainful employment before your *Normal Pension Age***, ill health benefits are based on the pension you have already built up in your *pension account* at your date of leaving the scheme plus the pension you would have built up had you been in the main section of the scheme until you reached your *Normal Pension Age*.
- **Tier 2: If you are unlikely to be capable of gainful employment within 3 years of leaving, but are likely to be capable of doing so before your *Normal Pension Age***, ill health benefits are based on the pension you have already built up in your *pension account* at your date of leaving the scheme plus 25% of the pension you would have built up had you been in the main section of the scheme until you reached your *Normal Pension Age*.
- **Tier 3: If you are likely to be capable of gainful employment within 3 years of leaving, or before your *Normal Pension Age* if earlier**, ill health benefits are based on the pension you have already built up in your *pension account* at leaving. Payment of these benefits will be stopped after 3 years, or earlier if you are in gainful employment or become capable of such employment, provided you have not reached your *Normal Pension Age* by then. If the payment is stopped it will normally become payable again from your *Normal Pension Age* but there are provisions to allow it to be paid earlier.

# SELBY DISTRICT COUNCIL STATEMENT OF POLICY

## LGPS EMPLOYER DISCRETION POLICY With effect from 1<sup>st</sup> April 2014

This document incorporates the Selby District Council policies under the following LGPS Regulations as at 1<sup>st</sup> April 2014. For ease of reference, each discretion in this document is marked 'Ref R', 'Ref TP' etc. to correspond with the relevant Regulation.

- Ref 'R'**            *The Local Government Pension Scheme 2013*
- Ref 'TP'**           *The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014*
- Ref 'A'**            *The Local Government Pension Scheme (Administration) Regulations 2008*
- Ref 'T'**            *The Local Government Pension Scheme (Transitional Provisions) Regulations 2008*
- Ref 'B'**            *The Local Government Pension Scheme (Benefits, Membership and Contributions Regulations (as amended) 2007 (to include amendments contained in the Local Government Pension Scheme (Miscellaneous) Regulations 2012)*
- Ref 'L'**            *The Local Government Pension Scheme Regulations 1997 (as amended)*
- Ref 'OT'**           *The Local Government Pension Scheme (Transitional Provisions) Regulations 1997 (as amended)*
- Ref 'IA'**           *The Local Government (Discretionary Payments) Regulations 1996 (as amended)*

The following is a statement of Selby District Council's (SDC) policy on the exercise of discretions under the Local Government Pension Scheme Regulations (as detailed above). The policy represents clear guidance on the exercise of any particular discretion.

The decision maker retains the right to deviate from the policy in exceptional circumstances. SDC retain the right to amend these policies at any time. The policies confer no contractual rights. The policy in force at the time of a relevant event occurring will be the one that is applied.

Regulation	Discretion	Policy
20(1)(b) (Ref R)	<p><b>An employer can specify in an employee’s contract what other payments or benefits, other than those specified in regulation 20(1)(a) and not otherwise precluded by regulation 20(2), are to be pensionable.</b></p> <p>The employee’s pay is “all the salary, wages, fees &amp; other payments paid to him/her for his/her own use in respect of his/her employment”. The employer may opt to specify in an employee’s contract any other payment or benefit that may be pensionable, <b>excluding</b> the following items which are not deemed pensionable under the Regulation:</p> <ul style="list-style-type: none"> <li>◆ Expenses (travel, subsistence, other expenses allowances)</li> <li>◆ Payments in lieu of notice of termination</li> <li>◆ Payment in consideration of holidays</li> <li>◆ Payments made as an inducement not to terminate employment</li> <li>◆ Any amount treated as the money value for the provision of a motor vehicle or any amount paid in lieu of such a provision</li> </ul>	<p>SDC reserves the right to specify what, if any, other payments or benefits are to be pensionable in accordance with the Regulations and will automatically include “detriment” or “protected” pay as pensionable pay.</p> <p>See Appendix 1 for SDC guidance on pensionable and non pensionable pay</p>
30(8) (Ref R)	<b>Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement</b>	SDC will not waive any actuarial reduction on benefits paid on flexible retirement. All applications for flexible retirement will be considered in line with the process and criteria set out in the Councils Early Retirement Policy.
30(8) (Ref R)	<b>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age</b>	SDC will not waive any actuarial reduction on benefits paid which a member voluntarily draws before normal pension age
Sch 2 Paras 1(2) and 2(2) (Ref TP)	<b>Whether to “switch on” the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</b>	SDC will not switch on the 85 Year Rule for any employee voluntarily drawing benefits on or after age 55 and before age 60
3(1), Sch 2, paras 2(1) and 2(2) (Ref TP) 30(5) and 30A(5) (Ref B)	<b>Whether to waive any actuarial reduction on pre and/or post April 2014 benefits on compassionate grounds</b>	SDC will not waive any actuarial reduction and pay any pension strain costs arising out of voluntary early retirement or flexible retirement
30A and 30(5) (ref B)	<p><b>To waive, on compassionate grounds, any actuarial reduction that would otherwise be applied to benefits paid early.</b></p> <p><b>The employer may determine on compassionate grounds that a members’ retirement pension and grant should not be reduced if paid early under Regulation 30(A)</b></p> <p><b>NOTE: This discretion only applies to those members who have left employment on or after 01.04 2008 and before 01.04.2014. A deferred pension brought into early payment on compassionate grounds cannot be reduced.</b></p> <p><b>Where a tier 3 ill health retirement pension has been paid and subsequently ceased, LGPS member becomes a ‘deferred Pensioner’ who has ceased to be employed by SDC and is not receiving payment of benefits. He or she may seek early release of pension benefit from age 55 (as preserved benefits into payment) on compassionate grounds.</b></p>	Applications from deferred Pensioners will <b>only</b> be considered on compassionate grounds, taking into account the costs of waiving any reduction. All applications will be considered by the relevant Director and the Chief Executive.
22(7)(b) (Ref R)	<b>Where an active member has previous LGPS service, they may elect to aggregate this with their ongoing service within twelve months of becoming an active member, or “such longer period as their employer may allow”.</b>	SDC will permit aggregation beyond 12 months.

31 (Ref R)	From 1 <sup>st</sup> April 2014, the employer has the authority to grant additional pension to a member by up to £6,500 per annum.	SDC will not grant additional pension to a member
15(1)(b) (Ref TP) 66(8) (Ref L) 66(9)(b) (former Ref L)	<p>A scheme member who wishes to elect to convert In House AVC's into a period of scheme membership must do so within 30 days of ceasing to be an active member "or such longer period as the employer may allow".</p> <p>The legislation states that an employee must make an election within 30 days of retiring if he wishes to transfer his AVC benefits into the LGPS. The employing authority may allow the member to make this election beyond 30 days of retiring.</p>	SDC will extend the 30 day deadline if there is evidence of administrative shortcomings.
16(2)(e) and 16(4)(b) (Ref R)	<p><b>Whether, how much, and in what circumstances to contribute to a shared cost APC / AVC scheme</b></p> <p><b>If a scheme member wishes to buy more pension, he/she can do this through either an Additional Pension Contribution (APC) or an Additional Voluntary Contribution (AVC). There is a discretion as to whether the employer wishes to share the cost of an APC or AVC or buy additional pension for employees through an Employer APC or AVC</b></p>	<p>SDC will contribute to Shared Cost APC Schemes only when an employee has opted to buy back 'lost' pension due to a period of authorised unpaid leave (including sickness and child related leave) within 30 days of returning to work from that leave. In these circumstances, the employee will pay one third of the cost of the Shared Cost APC and the employer will pay two thirds of the cost</p> <p>Other than the circumstances above, SDC will not enter any Shared cost APC/AVC arrangements</p>
19(2) (RefR)	<p>A scheme member who meets the normal criteria for a refund of pension contributions is not entitled to such a refund if he/she ceased employment due to an offence of a fraudulent character or due to grave misconduct unless the employer directs that a total or partial refund may be made.</p> <p>The employer may over rule the LGPS legislation and pay a refund of contributions to a member who is entitled to a refund had they simply resigned but who instead was dismissed due to an offence of a fraudulent character or due to grave misconduct.</p>	SDC will consider whether or not to make a refund based on the merits of each case and in light of advice from Internal Audit.
91 (1)and (8) (Ref R)	<p>If a scheme member is convicted of, and ceases employment as a result of, an offence in connection with his/her employment which was gravely injurious to the state or liable to lead to a serious loss of confidence in the public service, the employer can apply to the Secretary of State or the Office of the Deputy Prime Minister for the issue of a forfeiture certificate. If the Secretary of State issues a certificate the employer may direct that certain of the person's rights are forfeited.</p> <p>The employing authority may apply to remove the member's entitlement to receive his pension.</p>	SDC will consider whether or not to apply for and enact a certificate based on the merits of each case and in light of advice from Internal Audit.
92 (1)and (2) (Ref R)	<p>Where the Secretary of State has issued a forfeiture certificate but the employer has not applied the certificate, nor notified the scheme member of an award of benefits under the LGPS, the employer may direct that interim payments are made out of the Pension Fund until such time as it decides to apply the forfeiture certificate or to make an award of benefits.</p> <p>The employer may instruct the pension fund to pay the pension until a decision is taken by the employer to forfeit the pension.</p>	SDC will not direct that interim payments are made from the Fund pending a decision.
91 (4) (Ref R)	Where a member (i) ceases employment in consequence of a criminal, negligent or fraudulent act or omission in connection with that employment and (ii) has incurred a monetary obligation arising therefrom to the employer and (iii) is entitled to pension benefits under the LGPS, the employer may recover the amount of the monetary obligation or the value of the member's pension rights, if less, other than transferred in pension	

	<p><b>rights, from the Pension Fund and reduce the member's benefits accordingly.</b></p> <p>If member dismissed due to a criminal, negligent or fraudulent act in connection with his employment and it costs the employer money, the employer may recover the outstanding amount from the member's benefits. If the pension entitlement is below the amount owed the employer may recover the full value of the pension benefits. If the pension benefit is not due to be brought into payment immediately then this amount may be noted and deducted from the pension at a later date. The employer may only recover local government benefits, not benefits transferred in from another approved scheme.</p>	<p>SDC will consider whether or not to recover and reduce benefits accordingly based on the merits of each case and in light of advice from internal audit.</p>
<p>93(2) and (Ref R)</p>	<p><b>Where</b></p> <p>(i) a member ceases employment in consequence of an offence involving fraud or due to grave misconduct in connection with that employment, and</p> <p>(ii) the employer has suffered a direct financial loss resulting therefrom, and</p> <p>(iii) the member is entitled to benefits under the LGPS and a forfeiture certificate has been applied, or the member is entitled to a refund of pension contributions</p> <p><b>the employer may direct that the amount of the direct financial loss, or the refund of contributions if less, be recovered from the Pension Fund.</b></p> <p>Virtually as 91 above, but with the issue of forfeiture certificate the money is recovered by the pension fund, not the employer.</p>	<p>SDC will consider whether or not to recover and reduce benefits accordingly based on the merits of each case and in light of advice from internal audit.</p>
<p>95 (Ref R)</p>	<p><b>Whether, if the member has committed treason or been imprisoned for at least 10 years for one or more offences under the Official Secrets Acts, forfeiture under R91 or recovery of a monetary obligation under R93 should deprive the member or the member's surviving spouse or civil partner of any GMP entitlement</b></p>	<p><b>SDC will consider each case on its merits.</b></p>
<p>100(68) (Ref R)</p>	<p><b>If a scheme member wishes to transfer pension rights into the NYPF from a non-local government source, he/she must opt to do so within 12 months of joining the LGPS "or such longer period as the employer may allow".</b></p> <p><b>With effect from 1<sup>st</sup> April 2014, this regulation also includes any AVC arrangements dated prior to membership of the North Yorkshire Pension Fund</b></p> <p><i>Note: It is common practice in pension schemes (eg the NHS) to only allow transfers into a scheme within the 1<sup>st</sup> year of the member joining the scheme. This is because it is more beneficial for the member as the member's salary is usually lower upon joining the scheme than in later years resulting in increased years bought. In addition the money transferred in may be used for investment over a longer period of time.</i></p> <p><b>For previous LGPS membership with an employer other than SDC, various inter fund transfer regulations apply.</b></p>	<p>SDC will allow members to opt to transfer pension rights beyond the 12 month period if there is evidence of administrative shortcomings. See Appendix 3 for guidance</p> <p><i>The Administering Authority will provide guidance on individual queries but must be contacted within the 12 month period above.</i></p>
<p>3(6), 4(6)(c), 8(4), 10(2)(a), 17(2)(b) (Ref TP) and 11(2) (Ref B)</p>	<p><b>Whether to allow a member to select final pay period for fees to be any 3 consecutive years ending 31<sup>st</sup> March in the 10 years prior to leaving</b></p>	<p>SDC will allow members to so choose.</p>
<p>9(1) and 9(3) (Ref R)</p>	<p><b>From 1 April 2014 Banded Contribution rates for employees will be based on actual pensionable pay received.</b></p> <p><b>Employers to assess the relevant contribution band to</b></p>	<p>On 1st April each year, SDC will allocate the appropriate band for all members' pensionable pay based on the previous years' pensionable pay and include incremental progression and cost of living increases where known as at 1 April. This will not</p>

	<p><b>determine the rate of employee contribution.</b></p> <p><b>Note: LGPS 2014 allocates contribution bands based on actual pay received, and not on whole time equivalent pay as was used in the LGPS 2008 Regulations</b></p>	<p>change during the financial year unless there is a post change. For new posts commencing during the year, their band will depend on starting salary.</p> <p>Only permanent changes to pensionable pay will result in re banding.</p> <p>If members have variable or nil hours contracts, the relevant band will be based on an assessment of the total pensionable pay received in the previous year. For new variable or nil hours posts, banding will be by reference based on the whole time equivalent of the salary, and reviewed 6 months after appointment so as ensure the correct band has been allocated (based on total pensionable pay in the first 6 months after appointment). If any member believes this would be inaccurate, they should ask their Line Manager to contact the Employment Support Service for further information.</p>
12(6) (Ref TP)	<p>From 1<sup>st</sup> April 2008, regulations introduced tiered ill health retirement and this continues under LGPS 2014. If an employer determines, in the case of a qualifying active member:-</p> <p>(a) To terminate his employment on grounds that his ill health or infirmity of mind or body renders unlikely to be capable of discharging efficiently the duties of his current employment</p> <p><b>And</b></p> <p>(b) That he unlikely to be capable of obtaining any gainful employment before his normal retirement age,</p> <p><b>They shall agree to his retirement pension coming into payment before his normal retirement date and decide whether Tier 1, 2 or 3 payments are payable</b></p>	<p>SDC will be guided by the recommendation of an Independent Registered Medical Practitioner (IRMP).</p>
38(3) (Ref R)	<p><b>Employer to decide whether deferred beneficiary meets permanent ill health criteria</b></p> <p><b>Note: Scheme members who have left employment and are entitled to preserved benefits may obtain access to the payment of their pension benefits early on ill health grounds. The IRMP will be asked to certify that the employee, who has left a local government employment before he is entitled to the immediate payment of retirement benefits, has become permanently incapable of discharging efficiently the duties of that employment because of ill health or infirmity of mind or body.</b></p> <p><b>No enhancement to the service will apply where preserved benefits are being bought into payment on ill health grounds.</b></p>	<p>SDC will be guided by the recommendation of an Independent Registered Medical Practitioner (IRMP)</p> <p>Applications from former employees with deferred benefits will be referred to the Independent Registered Medical Practitioner (IRMP). Payment of pension benefits will commence from the date of the employee's letter requesting that the preserved benefits be brought into payment.</p>
38(6) (ref R)	<p><b>To grant an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60</b></p> <p>Where a tier 3 ill health retirement pension has been paid and subsequently ceased, LGPS member becomes a 'deferred Pensioner' who has ceased to be employed by SDC and is not receiving payment of benefits. He or she may seek further Ill Health Retirement benefit payments (as preserved benefits into payment) on an unrelated medical condition.</p> <p>See above</p>	<p>SDC will be guided by the recommendation of an Independent Registered Medical Practitioner (IRMP).</p> <p>See above</p>
6(3) (Ref T) 42(4) (Ref L) 9 (Ref OT)	<p><b>Whether to accept (late) elections after 31.3.1998 from members who want to count membership between 1.4.72 and 5.4.88 for widower's pensions.</b></p> <p>If late election is allowed, the employer must pass a resolution, within 6 months of agreeing to accept the election, to state that the membership will count for widower's pensions</p>	<p>SDC will extend the deadline where there is evidence of administrative shortcomings.</p>

17(3) <b>(Ref OT)</b>	<b>Whether to extend time limit for repayment of a previous refund during the period 1.4.74 and 31.12.79</b>	SDC will extend the time limit where there is evidence of administrative shortcomings
Reg 8 <b>(SI 2006/966)</b>	<b>Whether to recover employee contributions that had been reduced or waived after 40 years' pensionable local government service</b>	SDC will not seek to recover such contributions
Reg 33 to 38 <b>Ref (IA)</b>	<b>Whether to award an injury allowance following loss of employment or reduction in pay or death in service through permanent incapacity after sustaining an injury or contracting a disease as a result of anything he or she was required to do in carrying out duties of job.</b>	SDC will consider each case on its merits using the criteria and guidance referred to in Appendix 4 'Injury Award Scheme'.
98 (1)(b) <b>(Ref R)</b>	<b>Whether to agree to bulk transfer payment where two or more members' active membership ends on their joining a registered non local government scheme</b>	SDC will consider whether or not to agree on the merits of each case after consideration with the Administering Authority and after having taken appropriate actuarial advice.

Signed :

Position : Executive Director (S151)

Date :

**Note**

Unless otherwise stated, the application of these discretions will be in accordance with the Officers Delegation Scheme with advice from the Executive Director (S151) and the Director – Business Services – who is accountable for the proper and consistent application of this policy on behalf of SDC.

# Selby District Council

## REPORT

Reference: E/14/52

Public – Item 10



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<b>To:</b>	<b>The Executive</b>
<b>Date:</b>	<b>4 December 2014</b>
<b>Status:</b>	<b>Non Key Decision</b>
<b>Report Published:</b>	<b>26 November 2014</b>
<b>Author:</b>	<b>Richard Welch (Policy Officer)</b>
<b>Executive Member:</b>	<b>Councillor John Mackman</b>
<b>Lead Officer:</b>	<b>Director of Community Services Keith Dawson</b>

**Title:** Update on the performance of the Core Strategy's policies in the Authority Monitoring Report (AMR), including the Local Development Scheme and the 5 Year Housing Land Supply report (5YHLS).

### Summary:

This report provides for information the Authority Monitoring Report which details the performance of the Core Strategy's policies against the targets. This report also updates the Executive on the position on the Local Development Scheme and 5YHLS in terms of the figures, the methodology and the approach in dealing with planning applications set out in the attached 5YHLS Position Statement.

### Recommendations:

- i. Note the performance of the Core Strategies policies in the Authority Monitoring Report**
- ii. Note the approach to the 5 Year Housing Land Supply 2013/14 in the draft methodology, the figure for 2014 and its implications for development in the District.**
- iii. Agree the 5 Year Housing Land Supply Position Statement to be used in dealing with planning applications.**



- iv. **Agree the revised Local Development Scheme timetable (seen in appendix A of the AMR) for the preparation of the Sites and Policies Local Plan (SAPP).**

### **Reasons for recommendation**

- To inform the Executive of the performance against Core Strategy targets
- To update the Executive on the latest position on the 5 Year Housing Land Supply.
- To agree a revised timetable for the preparation of the SAPP.

## **1. Introduction and background**

- 1.1 The Policy Team continues to add more data to the AMR as more systems are set up to monitor the targets set in the Core Strategy indicators. This includes data on employment figures, traffic levels and more detailed housing figures and analysis.
- 1.2 Since December 2013 there have been a number of changes nationally in planning policy and planning appeals in terms of the approach to the 5 Year Housing Land Supply. This report covers the changes in detail, what this now means for the Council and the approach to planning applications prior to the SAPP being adopted.

## **2. The Annual Monitoring Report**

- 2.1 The Annual Monitoring Report (AMR) monitors the delivery of the Core Strategy Performance Indicators (Figure 13 of the Selby District Core Strategy 2013). The report also provides an annual overview of the progress of further plan making in the Council and some of the key areas of work that planning policy are undertaking, including the Allocations Document and the Community Infrastructure Levy.
- 2.2 Headline results for 2013/14 –
  - 263 dwellings (houses) were completed (page 13 of the AMR).
  - 59% of these were on Previously Developed Land (PDL) (page 13)

- 39 dwellings were affordable homes, this accounted for 15% of total completions. (page 24)
- No affordable rural exceptions sites were built. (page 25)
- The district saw an increase in permissions for renewable energy schemes for both wind turbines and solar, including 1 turbine at Fairburn. (page 38)
- According to the Department for Transport, there was an increase in motor vehicle journeys by 1.6% from 2011 and a decrease in cycle and bus journeys by 6.8% (page 37).
- No traveller sites were approved in 2013-14 (page 25).
- 29 Heritage assets in the District are now on the English Heritage 'at risk' register (page 39).

- 2.3 The authority is underperforming against some of the housing and economic indicators, this situation is set to improve in the medium to long term, as the housing market continues to recover and the Council adopts its Site Allocations Document. This will introduce a supply of sustainable and deliverable sites which will boost housing and employment development.
- 2.4 Page 5 of the AMR explains that because of the ongoing legal challenge to the Core Strategy, the production of the Site Allocations and Policies Plan (SAPP) has been delayed. Appendix A of the report shows the revised Local Development Scheme timetable for the SAPP.

### **3. The 5YHLS Report**

- 3.1 The National Planning Policy Framework (NPPF), states in paragraph 48 that; 'relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites. They therefore carry little weight and there is a presumption in favour of sustainable development when considering planning permissions. Upon any refusal of permission there is a real risk that an appeal to the Secretary of State will succeed and permission will be granted, possibly with costs.
- 3.2 The NPPF also requires planning authorities to add a buffer to the land supply to ensure flexibility and choice. The normal buffer is 5% but a 20% buffer is recommended where local authorities have a record of persistent under delivery of housing. The Council accepts the 20% buffer is appropriate as it has not met its housing target for the last six years.

- 3.3 Recent planning appeals and the publication of National Planning Guidance (PPG) in March 2014 also place the additional requirement for a shortfall allowance (under delivery of the housing against the target) to be accounted for within the 5 year housing land supply. This is to ensure the housing needs of the adopted plan period are delivered.
- 3.4 Appendix A sets out the 5YHLS methodology 2013/14 which takes into consideration shortfall and a 20% buffer. Table 4 shows that the Council now has a 4.2 year supply of housing.
- 3.5 This now means that the spatial strategy set out in Policy SP4, which directs development first to the Principal Town then to Local Service Centres and Designated Service Villages whilst restricting development in smaller settlements may be considered out of date when assessing planning applications. Applications for sites that are in all other respects acceptable and which are adjacent to sustainable settlements will be difficult to resist.
- 3.6 Recent case law also indicates that environmental policies may also be considered out of date where they relate to housing and a severe and persistent shortfall can be sufficient even to outweigh Green Belt considerations by amounting to very special circumstances.
- 3.7 In order to ensure that sustainable development continues within the District, Development Management and the Policy Team have been working closely to ensure that an effective 5YHLS Position Statement, in line with the adopted Core Strategy and supporting evidence base, can be used as a guide in determining planning applications until the Council is in a position to re-establish a 5 year land supply.
- 3.8 Please note that the Position Statement is a guide only, it is not policy as it has not been out to public consultation or been through an examination. However it is anticipated that developers will follow the guidance, as it will ensure that their applications will be assessed with a presumption in favour of sustainable development by the Council. There will also be increased openness, transparency and efficiency in the application process as a result of the guidance.
- 3.9 The draft Position Statement (provided in Appendix B) was discussed at the Planning Agents Forum on the 10<sup>th</sup> of October. The position statement was also emailed directly to working group members, and comments were received, these can be seen at the end of Appendix B. The Executive is asked to agree and endorse the statement which will

be used as a guide in the determination of planning applications with the position being reviewed in April 2015 (see para 3.11 below).

- 3.10 By allocating a significant amount of land for housing, the Council can re-establish a five year deliverable land supply and fully implement the spatial strategy. Ultimately this requires the adoption of a site allocation document. Our current plan for Site Allocations is scheduled for adoption mid 2017 however significant delays cannot be ruled out given the number of controversial matters that will need to be dealt with through the Examination in Public.
- 3.11 After April 2015, following a further examination of the housing supply position, the approach for housing applications will be reviewed. In the event that there is a sharp increase in the number of dwellings permitted in the 2014-15 financial year, then the Council may re gain a 5 year supply. If there is found to be more than a 5 year supply of housing in the authority, then policies within the Core Strategy would regain full weight and the position statement would no longer apply.

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

##### **Legal Issues**

- 4.1 The Council, as Local Planning Authority, is required to prepare and publish a monitoring report under s35 of the Planning and Compulsory Purchase Act 2004. That report must contain information relating to implementation of the Local Development Scheme and as to the extent that the policies within Local Development Documents are being achieved. The report must be made available to the public. Information on the 5YHLS position is generally published alongside the AMR as it is intrinsically linked through the NPPF and NPPG to the position on achieving the policies in the plans.

##### **Financial Issues**

- 4.2 There are no financial implications as a direct result of the report.

##### **Impact Assessment**

- 4.3 The impacts of the decision and how these have been mitigated are referenced in a full Equality Impact Assessment which is included as a background document to this report.

## **5. Conclusions**

- 5.1 The AMR now reports against a greater array of indicators than ever before. Some underperformance of policies against targets has been identified and solutions are in place to rectify this. The local development scheme needs to be revised to reflect the delay in the preparation of the SAPP.
- 5.2 The Council has a 4.2 year supply of housing. This means that in line with paragraph 49 of the NPPF policies in relation to the supply of housing are now considered out of date, and that applications should be considered against the presumption in favour of sustainable development. This means that the policy SP1 of the Core Strategy will now be used to determine applications. In addition to SP1, the 5YHLS Position Statement (Appendix B) also provides guidelines to be used in the assessment of residential applications.

## **5. Background Documents**

*National Planning Policy Framework (NPPF)*

*National Planning Policy Guidance (PPG)*

*Selby District Core Strategy Adopted October 2013.*

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### **Appendices:**

*Appendix A – Draft 2014 Annual Monitoring Report*

*Appendix B – Draft 5 Year Housing Land Supply Methodology  
2013/14*

*Appendix C – Draft Selby District Council 5 Year Housing Land Supply  
Position Statement*

*Appendix D – Equalities Impact Assessment Screening Report*



# **Selby District Local Plan**

## **Authorities' Monitoring Report**

**December 2014**





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## **1.0 Introduction**

- 1.1 Monitoring has an essential role in policy development, and as part of the Local Plan (formerly Local Development Framework), local planning authorities are required to produce an Authorities' Monitoring Report (AMR) at least annually<sup>1</sup>.
- 1.2 The Local Plan is made up from a suite of documents that provide policies to deliver the development plan for the District. The AMR monitors whether Local Plan policies and related targets are being met.
- 1.3 This AMR monitors the period 1 April 2013 – 31 March 2014, using the indicators set out in the new Selby District Core Strategy Local Plan (Figure 13 – Core Strategy Performance Indicators), adopted on 22 October 2013.
- 1.4 Monitoring in this way will enable the Council to assess:
  - Whether the Council is meeting the timescales and milestones in the Local development Scheme
  - The extent to which policy objectives are being achieved
  - Whether any policies need to be replaced to meet sustainable development objectives; and
  - What action needs to be taken if policies need to be replaced

### **Approach to the AMR**

- 1.5 As well as monitoring the indicators set out in the Local Plan, Part 8 of The Town and Country Planning (Local Planning) (England) Regulations 2012 [No. 767] sets out what additional information must be included in the AMR.

### **Data collection**

- 1.6 Data for the AMR is compiled from a number of sources; however the majority of the information comes from internal monitoring and information recording within the Council, unless another source is specified.

### **Implementation and Review**

- 1.7 Should annual monitoring of indicators reveal any significant failure(s) to meet targets, the Council will take action to rectify the situation as soon as possible. This could include actions needed either by the Local Authority or its partners to improve delivery of the Core Strategy objectives. Alternatively it might identify a need for a

<sup>1</sup> Section 35, Planning and Compulsory Purchase Act 2004.

partial or full review of the Development Plan Document, Core Strategy or Local Plan document.

- 1.8 In relation to individual areas or site-specific spatial development projects, the partnership approach to rectifying identified failure(s) will consist of the Council, together with government bodies, any local regeneration or community partnership, and the private sector. Other District-wide or non-spatial aspects will be delivered in conjunction with the Selby Local Strategic Partnership and consultation and involvement through the Community Engagement Fora.

### **Selby District Context**

1.9 *The Place*

Halifax's *Rural Areas Quality of Life Survey 2013* states that Selby District remains as the highest ranking area within the whole of the Yorkshire and Humber region for quality of life; and the highest in England overall. The survey considered issues such as the labour market, housing market, local environment, education and health.

1.10 *The People*

People living in Selby District have a life expectancy in line with the national average<sup>2</sup>. Health inequalities do exist, however, notably in the most deprived areas of Selby Town where life expectancy is lower by around 9 years for men and 8 years for women (Ibid). Selby District, as part of North Yorkshire, has one of the lowest recorded crime rates in England and Wales, falling almost every year for the past five years (Ibid).

1.11 *The Economy*

The percentage of pupils achieving five or more GCSE passes at A\* - C including English and Maths is average for England<sup>3</sup>. Overall according to OFSTEAD the majority of primary and secondary education in the District is 'Good' with Selby College rated as 'Outstanding' (Ibid).

- 1.12 Looking at working age adults with GCSE A–C, the District sits above all the North Yorkshire, regional and national averages – an estimated 5% growth for the District. This demonstrates an above average level of 'knowledgeable' workers accessing employment that requires a good standard of education. Nearly 86% of employment in the District is in the private sector (Ibid). Nearly half of those in employment in the District commute elsewhere, mainly to York and Leeds, with people taking advantage of the area's good transport links to enable a rural lifestyle.

1.13 *Planning for the Community*

<sup>2</sup> North Yorkshire County Council STREAM data analysis

<sup>3</sup> NHS Health Profile 2012)

Planning issues are an integral part of Selby District Council's long term strategic goals, as set out in the Corporate Plan 2011-15, with particular importance in three of the five key areas:

- I. Changing places: helping others to see our District through new eyes.
- II. Living well working with others to make this a great place to lead happy and healthy lives.
- III. Tackling the tough stuff taking the lead in supporting every part of the District

1.18 The Council is delivering on these strategic goals through its *Programme for Growth*, a three-year, £2million investment in the area. This funding has been made possible because of innovative changes to the way in which the Council delivers its services. The *Programme for Growth* comprises a number of work programmes that will deliver its services through practical solutions to meet the long term strategic goals.

1.19 The Council commissions Access Selby to deliver this work. Access Selby is a local authority enterprise that works at arm's length from the Council. In terms of planning matters, Access Selby works to a set contract with the authority, based on the delivery of key pieces of policy work and performance in dealing with planning applications.

1.20 Work already carried out by Access Selby through the *Programme for Growth* includes;

- setting the groundwork to support work placements and employment opportunities for the area's young people,
- developing new policies for the Council to help deliver new development, including work to deliver the long-term planning strategy, such as the Core Strategy and the Sites and Policies Plan.
- helping to support the development of the Olympia Park site at Barlby, which could deliver significant new housing and business opportunities.
- the creation of a Housing Trust to deliver brand new affordable homes in the area.
- The roll-out of the property search website, which aims to provide practical support to businesses looking to invest and grow.

### **Current Development Plan**

1.21 The Council is preparing a suite of Local Plan documents required under the Planning and Compulsory Purchase Act 2004<sup>4</sup> and Localism Act 2011, which will form part of the new Local Plan (formerly known as the Local Development Framework).

<sup>4</sup> Defined in Section 38 of the Act as amended

- 1.22 When adopted over the coming years, the new style plans will replace those policies in the 2005 Selby District Local Plan, which were 'saved' under transitional legislation until replaced by policies in the New Local Plan.
- 1.23 The current development plan for the District comprises:
- The Selby District Core Strategy Local Plan 2013
  - 'Saved' policies in the Selby District Local Plan (adopted 2005 and saved by direction of the Secretary of State 2008) and which are not specifically replaced by policies in the Selby District Core Strategy Local Plan, 2013
  - 'Saved' policies in the North Yorkshire Minerals Local Plan (1997)<sup>5</sup>
  - 'Saved' policies in the North Yorkshire Waste Local Plan (2006)<sup>6</sup>

### **Duty to Co-operate**

- 1.24 The Localism Act 2011 (Section 110) introduced the duty to co-operate which applies to all Local planning Authorities, National Park Authorities and County Councils throughout England, as well as a number of other public bodies. It requires Local Planning Authorities to engage constructively, actively and on an ongoing basis during the preparation of Local Plan documents to develop strategic policies.
- 1.25 The duty to co-operate is further developed in the National Planning Policy Framework (NPPF) and forms part of the soundness test for Local Plans as they go through independent examination. In developing Local Plan documents the Council will need to show how it has considered joint plan making arrangements, what decisions were reached and why. Under the regulations<sup>7</sup> Councils must report details of what action has been taken during the period covered by the AMR.
- 1.26 It is not currently proposed to prepare any joint Local Plan documents with neighbouring Local Authorities. However, the Council is working in partnership with other Local Authorities to ensure that cross boundary issues are fully addressed under its duty to co-operate<sup>8</sup>.
- 1.27 North Yorkshire County Council will contribute to the Council's plan making, particularly with regard to transport and education matters,

<sup>5</sup> Until superseded by the Joint Minerals and Waste Local Plan

<sup>6</sup> Until superseded by the Joint Minerals and Waste Local Plan

<sup>7</sup> Part 8 of The Town and Country Planning (Local Planning) (England) Regulations 2012 (SI 2012 No. 767)

<sup>8</sup> In line with the Localism Act 2011 and the National Planning Policy Framework (NPPF, 2012)

and advice on strategic planning, monitoring and intelligence, biodiversity, landscape, archaeology and sustainability aspects. The County Council is also preparing a Joint Minerals and Waste Local Plan.

- 1.28 The Council will also work with other public bodies such as the Environment Agency and Highways Agency, as well as key stakeholders in preparing the Local Plan.

## **2.0 Local Development Scheme (LDS)**

- 2.1 Local Planning Authorities are required under the Planning and Compulsory Purchase Act 2004 to prepare and maintain an up to date LDS.
- 2.2 As a key project management tool, the LDS will ensure that the policies and proposals of the Core Strategy are brought forward in such a way that ensures areas of greatest priority and need are tackled first, helping to secure implementation and timely delivery of the Core Strategy's objectives.
- 2.3 Over a three year period the LDS identifies the main documents constituting the new Local Plan to be prepared including setting out their coverage and status. The LDS outlines the statutory stages for consultation, submission and adoption.
- 2.4 The Council's fifth LDS for the period 2013-2016 came into effect on 22 October 2013.

### **Selby District Core Strategy Local Plan (2013)**

- 2.5 The Core Strategy is the long term strategic vision for how the District will be shaped by setting out a number of broad policies to guide development.
- 2.6 The Council submitted its Core Strategy to the Secretary of State for Communities and Local Government on 5 May 2011 and was subject to Examination in Public (EIP) between September 2011 and February 2013 by an Independent Inspector, who assessed the legal compliance and soundness of the document.
- 2.7 The Inspector presented his report of findings on 19 June 2013 and found the Core Strategy 'Sound' subject to a number of Modifications.
- 2.8 The Council formally adopted the Selby District Core Strategy Local Plan at a meeting of the Full Council on 22 October 2013.

### **Sites and Policies Local Plan (SAPP)**

- 2.9 Preparation work on the SAPP began in the last quarter of 2013 and an Initial Consultation is scheduled to begin in December 2014. The document has therefore slipped against the target for its preparation

set in the 2013 LDS. This was due to the on-going legal challenge involving the Core Strategy, Table 1 provides the extract from the 2013 LDS relating to the SAPP. Appendix A shows how the Local Development Scheme is proposed to be amended, to take account of the delay. As a result the adoption date of the Allocations Document has been set back 7 months to June 2017.



**Table 1. Extract from the agreed October 2013 LDS relating to the Sites and Policies Local Plan**

2013							2014												2015												2016																								
J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D													
							I												D																	S																			

**Key:**

- Preparation / Research / Analysis
- I Issues and Options Consultation
- D Draft Consultation / Preferred Options
- P Publication
- S Submission to SoS
- PH Pre-Hearing Meeting
- E Examination
- R Inspector's Report
- A Adoption

### **Community Infrastructure Levy (CIL)**

- 2.12 The Council is investigating the need for a CIL in terms of the strategic infrastructure required to accommodate the planned growth set out in the Core Strategy 2013. Should there be a need for such investment, then the Council will investigate the economic viability of a Levy to be placed on new development in order to raise capital to contribute towards those infrastructure improvements.
- 2.13 The Council intends to re consult on the CIL Preliminary Draft Charging Schedule in January 2015. It will then be submitted to the Secretary of State in March, with the examination in late May, with the document being adopted in August 2015.
- 2.14 Further information will be made available in next year's AMR with regard to whether the timetable set out overleaf (in table 2) is being met and to report on the amount of CIL collected and how it has been spent or distributed.

**Table 2 Revised CIL document preparation timeline**

2014												2015											
J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
												CS		S		E		R	A				

**Key:**

- Preparation / Research / Analysis
- CS Draft Charging Schedule consultation
- S Submission to Secretary of State
- E Examination
- R Inspector's Report
- A Adoption

## **Neighbourhood Plans**

- 2.15 Neighbourhood planning is a key part of the Governments' localism agenda and aims to give communities greater power to shape development by taking a more active role in the development of planning policies at a local level.
- 2.16 Neighbourhood planning will be led by Town and Parish Councils, with Selby District Council providing technical assistance and making necessary decisions at key stages.
- 2.17 Neighbourhood plans are a localised planning policy document that will carry the same status as the Council's Local Plan documents, where they are in conformity with the Council's documents, and are adopted by the Council.
- 2.18 The Council is currently working on a pilot Neighbourhood Plan with Appleton Roebuck and Acaster Selby Parish Council. Designation of a Neighbourhood Area is the first formal stage in the preparation of a Neighbourhood Plan.
- 2.19 Table 3 overleaf provides the extract from the agreed 2013 LDS relating to the Appleton Roebuck and Acaster Selby Neighbourhood Plan, setting out the timetable.

**Table 3 Extract from the agreed October 2013 LDS relating to Appleton Roebuck and Acaster Selby Neighbourhood Plan**

2013						2014						2015																		
J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
		AA		PS					C				E		R	A														

**Key:**

- Preparation / Research / Analysis
- AA Area application consultation
- PS Parish Surveys
- C Consultation on draft plan
- E Examination
- R Referendum
- A Adoption

## **3.0 Spatial Development Strategy**

3.1 The tables in this section summarise the indicators identified in the Local Plan that the AMR monitors. The AMR includes the full schedule of indicators set out in the Core Strategy 2013. The base date for the implementation and monitoring of the Core Strategy covers the period 2011 – 2027.

3.2 The Core Strategy Performance Indicators table is attached in Appendix 1. It sets out the targets which will enable the Local Planning Authority to identify:

- Any significant effects that the Core Strategy is having on the delivery of sustainable development
- The extent to which policies within the Core Strategy are being implemented
- Whether the policies are working successfully, and if they are not, to explain why not
- If any of the Core Strategy policies need reviewing

### **Spatial Development Strategy and Housing Land Supply**

3.3 This section monitors the policies in the Spatial Development Strategy section of the Core Strategy Local Plan. The Spatial Development Strategy provides guidance on the proposed general distribution of future development across the District, including the broad location of a strategic development site to accommodate major residential and commercial growth in Selby.

3.4 Table 4 overleaf sets out the performance indicators for the ‘Spatial Development Strategy’ section of the Core Strategy Local Plan.

**Table 4 – Core Strategy Performance Indicators for ‘Spatial Development Strategy’**

<b>Core Strategy Policy</b>	<b>Core Strategy Objectives</b>	<b>Indicator</b>	<b>Target / Intended Outcome</b>	<b>Target met?</b>
SP2 / SP4	1, 2, 3, 4, 5, 6, 7, 8 and 14	(1) Proportion of new development with planning permission / completed in Selby, Sherburn In Elmet and Tadcaster	At least 51% of all development within towns and local service centres	<p>% of completions within the 3 main towns: Selby – 67% Sherburn In Elmet – 1% Tadcaster – 2%</p> <p>% of planning permissions within the 3 main towns: Selby – 39% Sherburn In Elmet – 30% Tadcaster – 1%</p>
		(2) Proportion on previously developed land (PDL)	Concentrating on reusing PDL	<p>Total completions on PDL = 156 dwellings (59% of total completions on PDL)</p> <p>Total outstanding plots on PDL = 641 (approx. 27% of total outstanding's on PDL)</p>
SP3	1, 2, 3, 4	(3) Scale and Type of new development in Green Belt	Nil approvals of inappropriate development in Green Belt	New indicator – monitoring systems being set up to inform future AMRs.
SP5 / SP7	1, 3, 4, 5, 6, 7, 8 and	(4) Overall completions	450 (net) dwellings completed per annum	263 (net) dwellings completed - 1st April 2013 – 31st March 2014.

	14	(5) Amount of new development completed by location (Selby, Sherburn In Elmet, Tadcaster, Designated Service Villages and Secondary Villages)	Minimum of 7200 new dwellings up to 2027	On-going monitoring to be reviewed year on year.
		(6) Modal split of those accessing the Olympia Park site.	Target to be determined through a future Travel Plan.	New indicator – monitoring systems being set up to inform future AMRs.
SP6	1, 2, 3, 5, 7 and 8	(7) Number of dwellings with planning permission	To achieve a 5-Year Housing Land Supply	1841 gross plots with planning permission. 4.2 year supply
		(8) Amount of new development approved by location (Selby, Sherburn In Elmet, Tadcaster, Designated Service Villages and Secondary Villages)	Planning permissions by settlement hierarchy	See Table 6 for split of completed dwellings across settlement hierarchy.  See Table 7 for split of dwellings with planning permission across settlement hierarchy



## Housing Land Requirement

- 3.6 In previous AMRs, the SDLP saved Policy H1 required that beyond 31 December 2006 the annual build rate from the Regional Strategy (RS) applied. RS established an annual target of 440 dwellings per annum for Selby District.
- 3.7 The RS was formally revoked on 22 February 2013 through the Localism Act 2011 and as such the housing requirement is now established within the adopted Core Strategy. The CS sets the annual housing target at 450 dwellings per annum between 2011 and 2027 to provide a minimum of 7200 dwellings.

## Annual Housing Target and Completions

- 3.8 Table 5 below shows the number of total housing completions against the appropriate annual target. Up to 31 December 2006 the target was established in the 2005 SDLP, then up to 22 February 2013 the target is the RS figure. From then onward, the Core Strategy target of 450 dwellings per annum is applied.

**Table 5 – Annual Housing Targets and Completions**

Year	Plan Period	Net Completions	Target	Gap
05-06	SDLP Plan Period	638	620	18
06-07		874	575*	299
07-08		583	440	143
08-09		226	440	-214
09-10		270	440	-170
10-11		366	440	-74
SDLP Total Net provision		2957	2955	2
11-12	Core Strategy Plan Period	338	450	-112
12-13		248	450	-202
13-14		263	450	-187
CS Total Net Provision		849	1350	-501

\* Total annual dwelling requirement up to 31 December 2006 is 620 (SDLP) and 440 (RS) from 1 January 2007, providing a requirement of 575 dwellings between 1 April 2006 and 31 March 2007.

## Annual housing completions by settlement and land type

- 3.9 Table 6 below summarises the completions by settlement type and land type, as established within Core Strategy policy SP2 (Spatial Development Strategy) and SP4 (Management of Residential Development in Settlements).
- 3.10 The Core Strategy proposes that the majority of new development in the District will be directed to the towns and more sustainable villages. The proportion of new housing development by location is

illustrated in the Core Strategy 'Creating Sustainable Communities' section<sup>9</sup>. Table 6 below sets out the amount of completed dwellings as a percentage across the settlement hierarchy, and the amount of housing with planning permission as a percentage across the settlement hierarchy.

**Table 6 – Gross housing completions by settlement hierarchy and completions on previously developed land (PDL).**

Settlement hierarchy	Completions	% of total completed dwellings*	No. of completions on PDL	% of total completed dwellings* on PDL
Selby	179	67%	80	45%
Sherburn In Elmet	3	1%	3	100%
Tadcaster	5	2%	5	100%
Designated Services Villages	66	25%	64	97%
Secondary Villages	13	5%	3	23%
Countryside	2	1%	1	50%
<b>Total</b>	<b>268</b>	<b>100%*</b>	<b>156</b>	<b>59%</b>

\* Percentages do not add to 100% as they are rounded

### **Number of outstanding planning permission by settlement and land type**

3.11 Table 7 overleaf summarises the gross number of dwellings with planning permission by settlement and land type. The greatest proportion of planning permissions are in Selby, with permissions in the Designated Service Villages also making up nearly a quarter. The total in within towns and local service centres is 87%, well above the target of 51% set in the Core Strategy. The greatest proportion of dwellings with permissions on PDL are in Selby and the Secondary Villages, with PDL plots making up 27% of existing permissions.

<sup>9</sup> See Figure 7 (Proportion of Housing Development by Location), Core Strategy Local Plan 2013.

**Table 7 – Gross planning permissions by settlement hierarchy and planning permissions on previously developed land (PDL)**

<b>Settlement hierarchy</b>	<b>No. of dwellings with planning permission (PP)</b>	<b>% of total outstanding PP's*</b>	<b>No. of dwellings with PP on PDL</b>
Selby	938	39%	293
Sherburn In Elmet	727	30%	7
Tadcaster	33	1%	24
Designated Services Villages	419	17%	129
Secondary Villages	287	12%	185
Countryside	4	0.2%	3
<b>Total</b>	<b>2408</b>	<b>100%</b>	<b>641 (27%)</b>

\* Figures are rounded and may not add to 100%

**Status of Selby District Local Plan 2005 (SDLP) Allocations as at 31 March 2013.**

- 3.12 Between the adoption of the Core Strategy and the Sites and Policies Local Plan (SAPP), the 450 dwellings per annum target will be delivered from planning permissions on existing allocated SDLP Phase 2 sites, which were released in 2011 to boost supply. Currently the Phase 2 housing allocations provide the planned land supply, alongside other (windfall) development, for the District's housing requirement.
- 3.13 All Phase 1 allocated sites under the SDLP have been granted planning permission and have been completed. The remaining Phase 2 sites will provide the housing land supply for the subsequent years until the adoption of the SAPP.
- 3.14 Table 8 demonstrates how the allocated sites are contributing towards housing delivery. Allocations CHF/1 and HEM/2 were completed in 00/01 and 02/03 prior to sites being phased and are

therefore not included on this table. HEM/1, MONK/1, EGG/1 and WHIT/1 were Phase 1 sites but are not included in the table, which refers to allocated land set out in Policy H2 of the SDLP. These 4 sites already had planning permissions prior to 31 March 2004 and policy H2 identifies sites that refer to additional allocations that were over and above existing commitments. All 4 sites were completed in either 04/05 or 05/06. The allocations identified above and allocation NRD/1 which was completed during the 07/08 monitoring year, expired on 7 February 2008 by Direction of Secretary of State for Communities and Local Government under Development Plan regulations. Phase 2 sites released by Council 13<sup>th</sup> September 2011.

**Table 8 – Status of Housing Allocations (as at 31 March 2013)**

SDLP Reference	Location	Site Area (Ha)	Expected Number of Dwellings	Approved Gross Site Total	Number Of Dwellings Completed	SDLP Phase	Date Site Completed
HAM/2	Land West of Station Road, Hambleton	2.35	71	90	90	1	4/10 to 3/11
SEL/2	Land between Abbot's Road and the proposed bypass, Selby	56.14	1200	1200	567	1	-
SHB/1A	Land off Moor Lane, Sherburn	5.50	167	193	193	1	4/11 to 3/12
STM/1A	Land between Low Street and Common Lane (North), South Milford	3.20	96	108	108	1	4/09 to 3/10
CAR/2	Land West of Low Street, Carlton	2.60	25	25	25	2	4/03 to 3/04
BYR/1	Land at East Acres, Byram	0.7	20	0	0	2	-
CAM/1	Land adjacent to A645 (Drax Road) / A1041(T) (Snaith Road), Camblesforth	2.12	55	0	0	2	-
CAR/1	Land West of High Street, Carlton	2.40	38	0	0	2	-
EGG/2	Land East of High Eggborough Road, Eggborough	1.50	30	0	0	2	-
EGG/3	Land at A19 and Selby Road, Eggborough	6.76	67	0	0	2	-
HAM/1	Land East of Cherwell Croft, Hambleton	0.53	14	15	0	2	-
OSG/1	Land to North of Tindall's Farm,	1.47	48	0	0	2	-131

Osgodby							
SEL/1	Land between Cross Hills Lane and Leeds Road, Selby	21.90	450	0	0	2	-
SEL/2A	Land North of Garden House, off New Millgate, Selby	1.04	31	301	77	2	-
SHB/1B	Land off Low Street, Sherburn	39.30	282	718	0	2	-
STM/1B	Land between Low Street and Common Lane (South), South Milford	4.20	98	115	45	2	-
TAD/2	Land North of Station Road, Tadcaster	3.48	104	0	0	2	-
THW/2	Land South of Leeds Road, Thorpe Willoughby	4.96	133	149	0	2	-
<b>Totals</b>		85.14	2929	2914	1105		

### Key to table colours



Allocated Site Fully Built Out

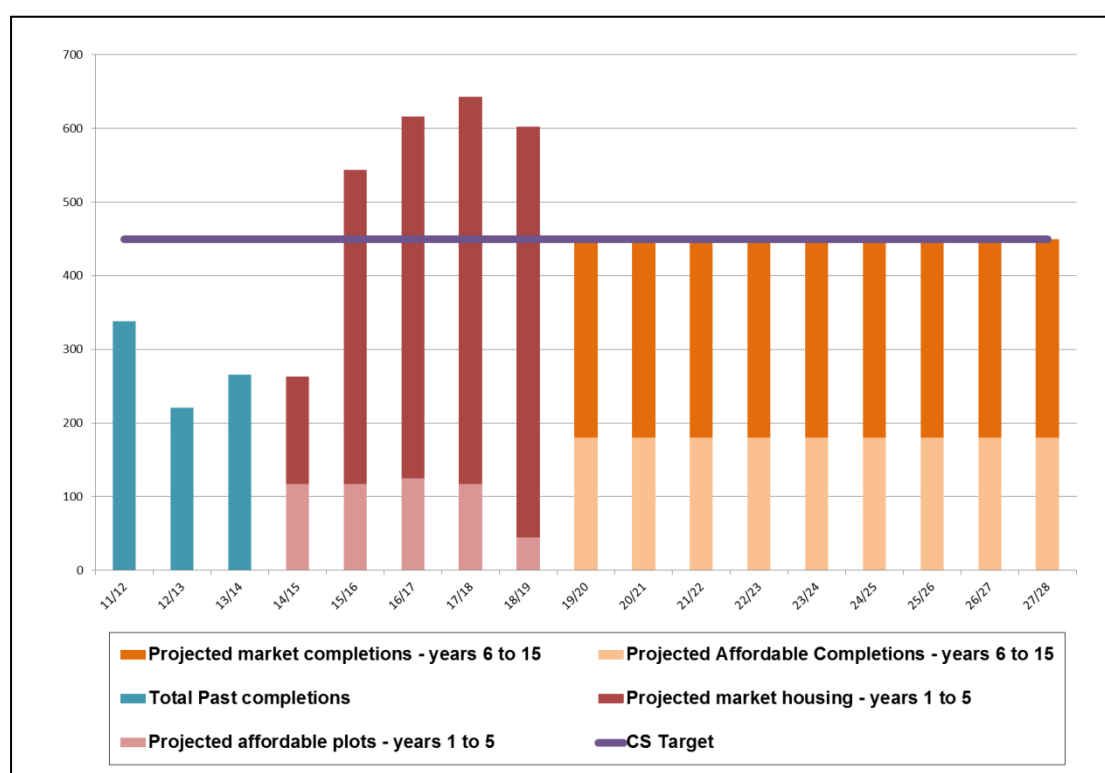
Allocated Site With Planning Permission

Allocated Site Without Planning Permission

## Housing Trajectory

- 3.15 Paragraph 47 of the National Planning Policy Framework (NPPF) states *‘for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target’.*
- 3.16 Graph 1 below sets out the housing trajectory. Further explanation is provided in the 5 Year Housing Land Supply Supplementary Paper alongside this AMR.

**Graph 1 – Housing Trajectory**



## Five Year Housing Land Supply

- 3.17 Paragraph 47 of the NPPF states that Local Authorities, on an annual basis, are required to demonstrate a sufficient supply of specific deliverable sites to provide five years’ worth of housing against the Local Planning Authorities housing requirement.
- 3.18 The requirement should include an additional buffer of 20% where there has been a record of persistent under delivery of housing. The Council has applied the 20% buffer to its housing target, as it has not met its housing for the past six financial years.
- 3.19 A Supplementary Paper to this AMR provides further details on the 5 Year Housing Land Supply and is available on the Council’s website.
- 3.20 The 5 Year Housing Land Supply is set against the current housing

target of 450 dwellings per annum (dpa) for Selby District as set out in the adopted Core Strategy. However the target also includes a 20% buffer and any underprovision in the plan period.

- 3.21 The results provide an overall total of 2668 potential dwellings over the five years, indicating a 4.2 year supply against the target.
- 3.22 A summary of the 5 Year Housing Land Supply results is shown below in tables 9 and 10. Further details of the calculation method and sites included are provided in the 5 Year Housing Land Supply Supplementary Paper.

**Table 9 – 5 Year Housing Land Supply Results Summary**

Summary of sites contributing to 5 year supply		Potential Yield
A	Planning Applications (Gross) Dwellings on sites less than 15 units: 380 Dwellings on sites of 15 or more units: 1461	1841
B	Allocations SDLP Phase 2 sites: 301 Core Strategy Strategic Development Site: 225	526
C	Windfall	301
<b>Total plots considered to contribute to 2013/14 5 Year Supply</b>		<b>2668</b>

*Further detailed site assessments are provided in Appendix 1.*

**Table 10 - 5 Year Housing Land Supply Calculations 13/14**

A	Housing target for the plan period (2011-2027)	7,200
B	Annual housing target across plan period (A ÷ 16 years)	450
C	Five year target, no adjustment (B x 5)	2250
D	Buffer (5% or 20%)	2700 (20%)
E	Shortfall of housing provision from the plan period (requirement less completions)	501
F	<b>Five year target incorporating shortfall (D + E)</b>	<b>3201</b>
G	Annual target for next five years (F ÷ 5)	640

H	<b>Current expected deliverable supply 2013/14 – 2018/19</b>	<b>2668</b>
I	Gap (F - H)	-533
J	Council's Housing Land Supply equivalent to (H ÷ G)	4.2 year supply



## **4.0 Creating Sustainable Communities**

- 4.1 The Core Strategy Local Plan encourages the development of sustainable communities which are vital, healthy and prosperous. It aims to meet the current needs of local residents whilst recognising the importance of having regard as far as possible to future circumstances, and the legacy being created for future residents.
- 4.2 This section monitors the policies within the Sustainable Communities section of the Core Strategy Local Plan. It focuses on managing the future development within settlements to meet the aims and principles behind achieving sustainable development in line with the strategic aims of the plan.
- 4.3 Table 10 overleaf sets out the performance indicators for the 'Creating Sustainable Communities' section of the Core Strategy Local Plan.

**Table 11 – Core Strategy Performance Indicators for ‘Creating Sustainable Communities’**

<b>Core Strategy Policy</b>	<b>Core Strategy Objectives</b>	<b>Indicator</b>	<b>Target / Intended Outcome</b>	<b>Target met?</b>
SP8	5	(9) Completed new dwellings by number of bedrooms and dwelling type	To match housing mix requirements in SHMA or latest housing market assessment/needs survey.	39 affordable housing completions, of which; 22 were two bed properties 17 were three bed properties
SP9	2, 3 and 5	(10) Level of affordable housing approved and completed	Meet overall target for affordable housing provision of 40%, from all sources (unless viability case proven)	15% of total completions were affordable
		(11) Proportion of affordable homes by tenure	To broadly achieve a tenure mix of 30-50% for intermediate housing and 50-70% for social renting, through new affordable housing or in line with up to date evidence	39 completions comprising: 28 Intermediate (71%) 11 Social Rented (29%)
		(12) Range of dwelling types	To reflect the size and types of homes in the market housing scheme or reflect SHMA/local needs assessment for 100% AH schemes	New indicator – monitoring systems being set up to inform future AMRs.
		(13) Commuted sums collected and spent on providing affordable homes	That 100% of collected monies are spent on providing Affordable Housing	New indicator – monitoring systems being set up to inform future AMRs.

SP10	2, 3 and 5	(14) No. of dwellings in 100% affordable housing schemes or appropriate mixed Rural Exception Sites with planning permission / completed within or adjoining Development Limits in rural villages	To meet identified local needs in terms of numbers, sizes, types and tenure	No completions on rural exception sites in 2013-14.
SP11	3, 4, 5, 6, 8, 9 and 17	(15) No. of pitches with planning permission / completed for Gypsies / Travellers	To meet identified needs from an up-to-date local needs assessment	0 applications approved / with planning permission for Traveller sites in the District.
		(16) No. of new 'quarters' with planning permission / completed for Showpersons.	5 Year Supply of deliverable sites	The Council cannot demonstrate a 5 Year Supply of Deliverable Traveller Sites.
SP12	1, 2, 3, 8, 10, 12, 13, 14 and 17	(17) Access to community services / facilities including health care and ROS / green infrastructure within Parishes Facilities including health care.	Net gains in and improved access to community services / facilities and ROS / green infrastructure land area	New indicator – monitoring systems being set up to inform future AMRs.
		(18) Commuted sums collected for and spent to provide ROS and other Community	Improved quality of ROS / green infrastructure as evidenced through assessment and regular review	£140,737 collected for ROS.

		(19) No. of Travel Plans secured through the planning process	100% of new development requiring Travel Plans (by virtue of size threshold by type of development)	New indicator – monitoring systems being set up to inform future AMRs.
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## **Affordable Housing**

- 4.4 Consultants arc4 were commissioned in November 2008 to undertake a Strategic Housing Market Assessment (SHMA) to look at current housing provision and future requirements.
- 4.5 The SHMA forms a fundamental part of the evidence base for the progression and implementation of the Council's New Local Plan, the North Yorkshire sub-regional Housing Strategy, and local Action Plans. The report provides a detailed analysis of the current and future housing market and the types of housing requirements specific to the District and can be accessed via the Council's website.
- 4.6 Consultants GVA have undertaken a further North Yorkshire Strategic Housing Market Assessment (NYSHMA) published in November 2011. Appendix 8 of the NYSHMA deals with Selby utilising the SHMA 2009 dataset which was considered to represent an up-to-date and robust data source. The NYSHMA provides some further analysis to complement the findings of the 2009 Selby SHMA.
- 4.7 The evidence from the SHMA 2009 shows that there is a clear, strong need for affordable housing across Selby District. There is a gross annual shortfall of 409 affordable dwellings and a net shortfall of 378. A variety of affordable housing should be provided with particular emphasis on affordable housing for general needs (2 and 3 bed properties)
- 4.8 There is a requirement for both affordable homes for rent and intermediate housing options; analysis in the SHMA suggests a split in the 30-50% intermediate and 50-70% social rent across the District is appropriate.

## **Affordable Housing completions split by tenure**

- 4.9 There were 39 new build affordable housing completions between 1 April 2013 and 31 March 2014 split, as shown in Table 12.

**Table 12 – Affordable Housing completions split by tenure**

<b>Tenure</b>	<b>1 Bed</b>	<b>2 Bed</b>	<b>3 Bed</b>	<b>4 Bed</b>	<b>Total</b>
Shared Ownership	-	7	9	-	16
Social Rented	-	6	5	-	11
Affordable (intermediate) Rented	-	9	-	-	9
Discount for Sale/Homebuy	-	-	1	-	1
Mortgage Rescue	-	-	2	-	2
<b>TOTAL</b>	<b>-</b>	<b>22</b>	<b>17</b>	<b>-</b>	<b>39</b>

**‘Firstbuy’ completions**

- 4.10 ‘Firstbuy’ is a Government initiative designed to help first time buyers, administered by the Homes and Communities Agency (HCA), and run by a national network of HomeBuy agents (further details are available at [www.homesandcommunities.co.uk](http://www.homesandcommunities.co.uk)).
- 4.11 It aims to help households with an annual income of £60,000 per annum or less, by providing an equity loan of up to 20% of the value of the home they want to buy.
- 4.12 With mortgage lenders typically requiring deposits in the region of 25%, the scheme effectively provides access to a deposit that might otherwise have taken years to save. The equity loan is co-funded by the house builder, offering greater value for public money.
- 4.13 In addition to the 39 affordable housing completions there were 52 ‘Firstbuy’ completions:

**Table 13 - ‘Firstbuy/Help to buy’ completions 2013-14**

<b>Site Name</b>	<b>No. of completions</b>
Holmes Meadow (Selby)	7
Southfield park (South Milford)	18
Staynor Hall (Selby)	27
<b>TOTAL</b>	<b>52</b>

- 4.14 Of the 263 net total completions in the district in the 2013-14 financial year, 39 were affordable. This means that 15% of all completions in the authority were affordable. Of these 39 completions, 28 were intermediate schemes (71% of the total) and 11 were social rented schemes (29% of the total).

#### **Rural Exception Sites**

- 4.15 The Council has a rural housing exceptions site policy within the adopted Core Strategy Local Plan (Policy SP10 – Rural Housing Exceptions Sites) which has replaced the Selby District Local Plan 2005 ‘saved’ policy H11 (Rural Affordable Housing).
- 4.16 In this financial year, there have been no approvals or completions on rural exceptions sites.

#### **Travelling Community**

- 4.18 There are currently 24 Local Authority managed pitches (Carlton and Burn), as well as a number of pitches on privately owned and managed sites.
- 4.19 During this monitoring period (1 April 2013 – 31 March 2014) there have been no applications approved for permanent Traveller sites within the District.

#### **Traveller Needs**

- 4.20 Planning Policy for Traveller Sites (PFTS - March 2012) introduces the need for Local Authorities to provide five years’ worth of sites. In August 2013 the Council adopted the Traveller Needs Assessment (TNA), written by Peter Brett Associates. The TNA estimated that the extra pitch provision that is required for Gypsies and Travellers in the next 15 years in Selby is 33 pitches. This represents 19 pitches in the period 2013-2018 and 7 pitches each in the periods 2018-2023 and 2023-2028.
- 4.21 There have been no permanent approvals for Traveller plots which would contribute towards the identified need of 19 pitches (5 years’ worth of supply). As such the Council cannot demonstrate five years’ worth of deliverable pitches.

#### **Showman’s Needs**

- 4.23 The TNA stated that there are no sources of need for the provision of Travelling Showperson yards in Selby. Nonetheless, Selby District Council will ensure that criteria based policies are in place in order that any applications for sites received from Travelling Showpeople

in the future can be evaluated effectively.

## **Access to Services, community facilities and infrastructure**

### **Open Space – New Open Space Provision/Contributions**

- 4.24 Policy RT2 of the Selby District Local Plan (SDLP) 2005 requires developers to provide recreation open space (ROS) for schemes comprising 5 dwellings or more. The policy allows for the provision of ROS in a variety of ways depending on the proposal. This could be on-site, within the locality, or through a commuted sum administered in accordance with the Council's Developer Contribution Supplementary Planning Document (2007).
- 4.25 Periodic Parish Services Surveys will provide the data to identify where there are losses and gains of ROS and green infrastructure.
- 4.26 Work is currently underway to identify and implement monitoring procedures for contributed sums across all relevant Council departments.
- 4.27 Contributions to the value of £140,737 have been received from schemes during the 2013/14 monitoring period. Table 14 overleaf sets out the contributions at Parish level for ROS contributions.



**Table 14 – ROS commuted sum contributions (1 April 2013 – 31 March 2014)**

<b>Parish</b>	<b>Contributions rec'd from schemes for ROS (£'s)</b>	<b>Contributions paid to Parish Council's for ROS schemes (£'s)</b>	<b>ROS commuted sum balance (£'s)</b>
Appleton Roebuck	7,665	500	11,117
Barlby & Osgoody	5,946	2,973	0
Brayton	-	-	7,225
Brotherton	-	1,336	92
Camblesforth		1,095	102
Carlton	-	30,755	30,755
Cawood	-	-	13,623
Church Fenton	-	-3,811	-3,811
Cliffe	13,062	-	13,062
Eggborough	-	-	2,449
Escrick	-	-	604
Fairburn	-	-	9,378
Heck	6,570	-	0
Hambleton	-	223	39,145
Riccall	41,802	34,860	3,471
Selby	7,665	9,591	235,634
Sherburn In Elmet	45,635	342	93,512.00
South Milford	45,635	42,215	78,848
Wistow	-	8,760	1,617
Womersley	-	7,665	7,665
<b>Total</b>	<b>£140,737</b>	<b>£103,656</b>	<b>£544,488</b>

## **5.0 Promoting Economic Prosperity**

- 5.1 The Government is committed to achieving sustainable economic growth, building prosperous communities and promoting the vitality and viability of town and other centres.
- 5.2 Achieving the right quantity, quality and spatial distribution of employment land is vital in terms of maximising an area's economic potential.
- 5.3 It is important to ensure that there is sufficient land available for inward investment and expansion of firms in the District to provide jobs and promote economic prosperity and to understand market activity. In order to do this, the Council has undertaken Employment Land Reviews in 2007 and 2010 and intends to update these during 2014.
- 5.4 This section will focus on the policies within the 'Promoting Economic Prosperity' section of the Core Strategy Local Plan which sets out the general approach to planning for a stronger economy, which is inevitably focussed on Selby, Sherburn In Elmet and Tadcaster. It also outlines the policy for continued economic diversification within the extensive rural areas of the District as well as focusing on the economy of town and village centres which are essential elements of the economic and service infrastructure of the District.
- 5.5 Table 15 overleaf sets out the performance indicators for the 'Promoting Economic Prosperity' section of the Core Strategy Local Plan.

**Table 15 – Core Strategy Performance Indicators for ‘Promoting Economic Prosperity’**

<b>Core Strategy Policy</b>	<b>Core Strategy Objectives</b>	<b>Indicator</b>	<b>Target / Intended Outcome</b>	<b>Target met?</b>
SP13	1, 2, 3, 4, 6, 7, 8, 9, 10, 13 and 15	(20) Supply of land developed for employment by use class and by location.	Planning permissions granted / completion of 37-52 ha of employment land uses.	7 approvals involving B uses. 36.43ha of employment land approved in 2013-14
		(21) Net losses and gains of employment floor space on existing employment sites / SLP allocations.	No net loss of existing employment floor space.	1,112,800m <sup>2</sup> (111ha) net gain in B use floorspace as a result of planning approvals
		(22) Additional recreation and leisure uses.	Net gains in recreation and leisure.	Net gain of 5 Sports Pitches
		(23) Achieve growth in number of jobs within District by Location.	Net gains in number of jobs per year and in total by 2027 by location.  Reduced outward commuting levels by 2021 Census.	41,700 (1,600 net loss from previous year) 6% Unemployment Rate. 76% Employment Rate.
		(24) New / extended recreation and tourism activity in rural areas.	Net gain in recreation and tourism activity in rural areas	New indicator – monitoring systems being set up to inform future AMRs.
		(25) Results of the SHMA updated on a 3 yearly basis.	Net gains in rural diversification floor space by use. Net gains in rural jobs.	New indicator – monitoring systems being set up to inform future AMRs.
SP14	1, 2, 3, 7, 8, 9, 10	(26) Planning permissions / completions of floor space for	Net gains in retail floor space and town centre uses in	183m <sup>2</sup> gain in approved A class floorspace in the defined town centre

	and 13	town centre uses, broken down by use-class within the 3 town centres by location.	defined town centres.	of Selby.
		(27) Regular town centre health checks in line with Government guidance.	Improved performance on health check assessment.	New indicator – monitoring systems being set up to inform future AMRs.
		(28) Parish Services Survey.	Improved retail performance of town centres over a five year period within regional hierarchy using Ranking in MHE UK Shopping Index (or equivalent recognised measure).	New indicator – monitoring systems being set up to inform future AMRs.
		(29) Gains and losses in services and facilities in villages.	No net loss in viable retail floor space and other existing facilities within villages.	New indicator – monitoring systems being set up to inform future AMRs.

**Amount of additional completed floorspace (m<sup>2</sup>) by use class and location**

- 5.6 Below is a list of approvals in 2013-14 involving gains and losses in floorspace for B1 (Business), B2 (General Industrial) and B8 (Storage and Distribution) uses. The greatest addition to the total amount of B use floorspace comes from the Former Airfield on Lennerton Lane, Sherburn in Elmet.

**Table 16: Applications approved involving B uses in 2013/14**

<b>Application</b>	<b>Location</b>	<b>Description</b>	<b>Net gain in Floorspace (m<sup>2</sup>)</b>	<b>Total Area (ha)</b>
2013/1052/COU	Unit 1 The Maltings Industrial Estate Selby Road Eggborough	Change of use from B1 business to B2 general industrial for car repairs and MOT centre	253	0.9
2013/1019/COU	Unit 2, Union Lane, Selby	Change of use from B2 to A1 discount frozen food outlet	-110	-0.2
2013/0777/COU	Jandrem Hirst Road, Carlton	Change of use of industrial land (B2) to use for the storage of caravans	-5,400	-0.57
2013/0467/OUT	Land at Former Airfield Lennerton Lane, Sherburn in Elmet	B2/B8 use with ancillary offices	1116,129	34.91
2013/0248/FUL	Land at Selby Business Park Oakney Wood Road, Brayton	9 industrial units for B1, B2 and B8 uses	1103	0.77
2014/0034/FUL	Pumping Station Wand Lane, Hensall	Erection of an industrial building for use B8	178	0.10
2013/1245/FUL	Industrial Chemicals Group Ltd Canal View, Selby	Storage Building for B8 Purposes	900	0.52
<b>Net Totals</b>			<b>1,112,800</b>	<b>36.43</b>

- 5.7 Table 16 identifies that the net gain in B1 floorspace has been very small, due in part to the loss of some floorspace at the Maltings industrial estate in Selby. There have been large net gains in B2 and B8 floorspace, due to the permission at the former airfield on Lennerton Lane, Sherburn in Elmet.

**Table 17 – Gains and losses of B1/B2/B8 floorspace (m<sup>2</sup>) as a result of approved applications in 2013/14\***

	<b>B1 (Business)</b>	<b>B2 (General Industrial)</b>	<b>B8 (Storage and Distribution)</b>	<b>Totals</b>
<b>Gain</b>	368	558,774	559,421	1,118,563
<b>Loss</b>	253	5,510	0	5,763
<b>Net Total</b>	115	553,264	559,421	1,112,800

*\*Approvals for multiple use classes have had the total floor space split evenly between the use classes.*

**Total amount of approved floorspace for town centre uses (m<sup>2</sup>)**

- 5.8 During the monitoring period 2013/14 there were 4 applications involving A class uses in the Selby defined town centre. This resulted in a net increase of 183 square metres of A class retail floorspace.

**Table 18 - Total amount of approved floorspace for town centre uses (m<sup>2</sup>)**

<b>Location</b>	<b>Application Reference</b>	<b>Change</b>	<b>Net gain/loss in A use floorspace</b>
58A Gowthorpe	2014/0041/COU	B1 to A2	775m2 gain
1B Market Cross Shopping Centre, Selby	2013/0097/COU	A1 to A2	no loss/gain
8 Brook Street, Selby	2013/0821/COU	A1 to A3	no loss/gain
38B Gowthorpe	2014/0023/COU	A1 to Suis Generis	592m2 loss
<b>Total net gain in A class use floorspace</b>			<b>183m2 gain</b>

## **Net gains in recreation and leisure.**

- 5.9 During the financial year 2013-14, the following schemes for recreation and leisure were approved in the authority.
- 4 sports pitches at Queen Margaret School, Escrick. (2013/0235/COU)
  - Change of use of agricultural land to a sports fields and the replacement of the existing changing facilities with new, South Milford (2013/0662/FUL)

## **5.10 Net gains in number of jobs**

According to Nomis official labour market statistics, the number of people employed in Selby at the end of March 2014 was 41,700, or 76.3% of those who are economically active. This is a decline of 1,600, or 3.7%, from the 43,400 figure seen at end of the previous financial year. Unemployment fell slightly from 2,500 to 2,400 and accounts for 5.4% of the population who are economically active.

## **6.0 Improving the Quality of Life**

- 6.1 The planning system has an important role to play in managing the quality of both the built and natural environment. Selby District contains a range of important environmental assets including listed buildings, conservation areas, wildlife habitats and a range of landscapes. It is equally important to promote the health and wellbeing of communities.
- 6.2 This section considers the policies within the 'Improving the Quality of Life' section of the Core Strategy which, in order to deliver the Council's vision for the area in a sustainable manner, seek to enable the District and its residents to both mitigate and adapt to the future impacts of climate change. The Core Strategy policies aim to reduce greenhouse gas emissions and protect resources, whilst providing opportunities to exploit realistic alternatives to 'fossil fuels' by promoting renewable energy, to combat fuel poverty and improve energy security in the longer term.
- 6.3 Table 18 overleaf sets out the performance indicators for the 'Improving the Quality of Life' section of the Core Strategy.

**Table 19 - Core Strategy Performance Indicators for 'Improving the Quality of Life'**

<b>Core Strategy Policy</b>	<b>Core Strategy Objectives</b>	<b>Indicator</b>	<b>Target / Intended Outcome</b>	<b>Target met?</b>
SP15	3, 6, 7, 8, 14, 15 and 16	<i>NB This is an over-arching climate change policy. The following are additional indicators not covered elsewhere:</i>		
		(30) Reducing travel by private car.	Rate of traffic growth is reduced and commuting distances reduced.	Journeys by private car decreased by 1.6% from 2011
		(31) Increasing walking, cycling and use of public transport.	Travel Assessment and Green Travel Plans submitted for all developments that warrant them. Higher patronage of walking, cycling, bus by end of plan period.	New indicator – monitoring systems being set up to inform future AMRs.  Journeys by buses and bicycles decreased by 6.8% from 2011
		(32) Permission granted contrary to outstanding Environment Agency flood risk objection.	No applications granted contrary to an Environment Agency Objection  No net loss of flood storage capacity.	Information unavailable this year  New indicator – monitoring systems being set up to inform future AMRs.
		(33) % of development incorporating SuDs	100% of all new development incorporating SuDs where feasible and practicable.	New indicator – monitoring systems being set up to inform future AMRs.
SP16	12, 15, 16 and 17	(34) % of residential and non-residential schemes meeting	100% of schemes unless unviable or not feasible	New indicator – monitoring systems being set up to inform



		threshold and achieving the minimum 10% requirement for energy use from decentralised, renewable or low carbon sources.		future AMRs.
		(35) No. of strategic development sites and other designated allocations using the following technologies for the majority of their needs : <ul style="list-style-type: none"> <li>• Local biomass technologies,</li> <li>• Energy from waste,</li> <li>• Combined Heat and Power schemes, and</li> <li>• Community Heating Projects.</li> </ul>	100%.	New indicator – monitoring systems being set up to inform future AMRs.
		(36) No. of houses built to 'Code for Sustainable Homes' standards.	Increase year on year.	New indicator – monitoring systems being set up to inform future AMRs.
		(37) No. of non-residential developments built to BREEAM standards.	Increase year on year.	New indicator – monitoring systems being set up to inform future AMRs.
SP17	12, 15, 16 and 17	(38) Permitted stand alone renewable schemes (MW) that are installed and grid connected.	At least 32MW by 2021.	327MW of approved renewable energy schemes.
		(39) Permitted 'micro-generation' schemes – not grid connected.	Increase year on year.	New indicator – monitoring systems being set up to inform future AMRs
SP18	2, 3, 11,	(40) Safeguarding protected	No net losses in designated	Reduction of 241 hectares of land

	12, 14, 15, 16 and 17	historic and natural sites.	nature conservation or heritage assets.	with biodiversity importance since the 2008/09 baseline.
		(41) Amount of Green Infrastructure.	Net gain in biodiversity.	New indicator – monitoring systems being set up to inform future AMRs.
		(42) Numbers of heritage assets and assets at risk as recorded in 'Heritage Counts' and 'Heritage at Risk Register'.	Reduction in the numbers of heritage assets on the 'Heritage at Risk Register'.	29 heritage assets at risk, an increase of 1 from last year's total of 28
		(43) Supporting the creation and restoration of habitats	Meeting habitats targets in the National strategies and the local Biodiversity Action Plan.  Net gains in green infrastructure	New indicator – monitoring systems being set up to inform future AMRs.  New indicator – monitoring systems being set up to inform future AMRs.
SP19	8, 11, 12, 14 and 15	(44) No. of homes built to nationally recognised design benchmarks.	Increase year on year.	New indicator – monitoring systems being set up to inform future AMRs.

## Climate Change

- 6.4 Indicators 30 (Reducing travel by private car), & 31 (Increasing walking, cycling and use of public transport) measure the effects of Policy SP15 in minimising traffic growth and providing sustainable travel options. Progress will be judged by a percentage decrease or increase against the figures from the 2011 base date of the Core Strategy.
- 6.5 Table 19 shows the number of journeys taken on the District's roads by method of transport according to national traffic data from the Department for Transport. It can be seen that over the last year there has been a reduction in journeys by sustainable methods, including buses, coaches and cycling, and an increase in travel by car. However since the base date of the plan there has been a decrease in car journeys, as well as a decrease in travel by sustainable methods.

**Table 20- Journey's in Selby by methods of transport 2011-13.**

<b>Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Heavy Goods Vehicles	108390	108338	113145
Light Goods Vehicles	141573	144113	143505
Buses/Coaches	6523	6157	6115
Motorcycles	7656	6597	6236
Cars	809130	795406	796366
Bicycles	1643	1629	1496
All Motor Vehicles	1073272	1060605	1065367

Data taken from the department for transport's annual traffic counts

## Renewable Energy

### Grid Connected Renewable Energy Generation

- 6.6 The now-revoked Regional Strategy (RS) provided indicative local targets for Selby District for installed grid-connected renewable energy of 14 MW (megawatts) by 2010 and 32 MW by 2021. The adopted Core Strategy incorporates these figures using evidence from studies at sub-regional level (2004 and 2005)<sup>10</sup> to establish a local target for indicative potential, installed, grid-connected renewable energy within Selby District of 32 MW by 2021.

<sup>10</sup> For STREATS see Core Strategy Background Paper No. 8 (Climate Change and Sustainable Development) for website link to reports and further information.

- 6.7 A further sub-regional study<sup>11</sup> assessed the potential for the full range of renewable energy technologies in the District as well as looking at the possible constraints to implementation, as a basis for further local studies and ultimately potentially identifying local targets. The range of renewable technologies includes: Solar thermal, Photovoltaics, Wind, Biomass, Fuel cells, Energy from waste (Biological and Thermal), Hydro, Heat pumps, Wave and Tidal, and CHP or CCHP<sup>12</sup>
- 6.8 Recent changes to the Town and Country Planning general Permitted Development order has meant that the installation of small scale domestic renewable energy, in most cases, no longer requires planning permission. Therefore, they may be more small scale domestic renewable energy installations within the District than reported annually.

**Table 21 – Wind turbine applications granted permission**

Monitoring Year	Address	No. of turbines	Kw/MW
2011/12	2011/0153/FUL - Mount Pleasant Farm, Kelfield	2 x 11Kw	22Kw
	2011/0830/MAN - Whitemoor Farm, Cliffe Common	1	50Kw
	2011/1010/FUL - Commonsides Farm, Barlow	1	275Kw
	2011/1025/FUL - Grange Farm, Womersley	1	225Kw
	2011/1030/FUL - Northfield Farm, Birkin	1	330Kw
	2011/1044/FUL - Manor Farm, Beal	1	330Kw
	2011/1051/FUL - Apple Blossom Farm, Camblesforth	1	11Kw
	2011/1087/FUL - Lockgate Farm, Balne	1	80Kw
<b>Total (up to 31/03/12): 1,323 Kw</b>			
2012/13	2012/0128/FUL - Lockgate Farm, Balne	1	55Kw
	2012/0282/FUL - Dutch Pig Farm, Barlby	1	50Kw
	2012/0282/FUL - Lara Bridge, South Duffield	1	225Kw

<sup>11</sup> 'Renewable and Low Carbon Energy Capacity Study for Yorkshire and Humber Part B: Opportunities and Constraints Mapping – Draft Report', April 2010, AECOM for Local Government Yorkshire and Humber.

<sup>12</sup> Core Strategy Background Paper No. 8 (Climate Change and Sustainable Development) provides further details.

	2012/0413/FUL - Osgodby Grange, Osgodby	1	50Kw
	2012/0128/FUL - West Grange, Thorganby	1	55Kw
	2012/0434/FUL - Northfield Farm, Birkin	1	500Kw
	2012/0690/FUL - Wood End Farm, Cliffe	1	80Kw
	2009/0744/EIA (Wind Farm) - Cleek Hall, Cliffe	5 X 2 - 2.5MW	12.5MW
<b>Previous Total (up to 31/03/13): 13,515 Kw</b>			
<b>2013/14</b>	2013/0810/FUL Beckfield Farm, Newton Lane Fairburn	1	100kw
<b>Total (up to 31/03/14): 13,615 Kw</b>			

**Table 22 – Other renewable energy proposals given permission 2013-14**

<b>Site</b>	<b>Proposal</b>	<b>Energy generation</b>
<b>Previous Total (from 01/04/2011 to 31/03/13)</b>	183,368 Kw	
2013/1173/FUL Kingspan Insulation Ltd Enterprise Way Sherburn In Elmet	Installation of a solar PV system on a cladded roof	3MW
2014/0003/FUL Babthorpe Farm Hull Road Hemingbroug	Installation of 436 ground Mounted photovoltaic panels	100MW
2011/1214/FUL Cliffe Common, Cliffe	Installation of 216 ground mounted photovoltaic array	50Kw
<b>Total (up to 31/03/14)</b>	<b>313,418 Kw</b>	

6.9 When the total energy from approved wind energy schemes is added to the total energy from other approved schemes renewable since the base date of the plan (01/04/2011), a total of 327,033 Kw, or 327MW is reached.

## Protecting and Enhancing the Environment

### Changes in areas of Biodiversity importance

- 6.10 At the baseline figure for 2008/09 there were 1973 hectares of land with biodiversity importance in Selby District (based on Sites of Importance for Nature Conservation). The survey is currently undertaken by North Yorkshire County Council and updated SINC information was provided to the Council in November 2013. The current SINC list (July 2013) shows there is a total of 1732 hectares of land with biodiversity importance within the District, identifying a reduction on 241 hectares in land with biodiversity importance in the District since the base date of the plan. However there has been an increase in 307 hectares since last year's data.

### Heritage assets at risk as recorded in the 'Heritage at Risk Register'

- 6.11 'Heritage at Risk' is an English Heritage campaign to save listed buildings and important historic sites and landmarks from neglect or decay. The Heritage at Risk Register is an online database containing details of each site known to be at risk, and is analysed and updated annually. At risk evidence tells communities about the condition of their local neighbourhood; it encourages them to become actively involved in restoring what is precious to them and it reassures them that any public funding goes to the most needy and urgent cases
- 6.12 The most recent register was published in October 2014 and showed that there were 29 Heritage assets at risk in the Selby District, an increase in one from the previous year's register. There was a reduction of one archaeological asset at risk, but an increase of two places of worship at risk. More detailed information can be found on the English Heritage website.
- 6.13 Table 24 serves no indicator directly but is included for information purposes. It shows the quantities of heritage assets in the District from the start of the 2014 financial year. Please note there has been no change in the figures above since the last monitoring period (2012/13).

**Table 23 – Entries on the 'Heritage at Risk' Register for Selby District\***

Building and structure entries	Place of worship entries	Archaeology entries	Other Assets
4	4	21	0

**Table 24 – Conservation Assets as of 01/04/2014**

**Conservation**

Number of Listed Buildings	619
Number of Conservation Areas (April 2008)	23
Size of Conservation Areas (April 2008)	449 hectares
Area of designated Green Belt Land (March 2009) hectares	19,240
Sites of Importance to Nature Conservation hectares	1,973

There has been no change in the figures above since the last monitoring period (2012/13).

### Appendix A: December 2014 Proposed LDS relating to the Sites and Policies Local Plan

2014		2015												2016												2017							
N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A
IC													FC						P					S		PH	E			R		A	

**Key:**

- Preparation / Research / Analysis
- IC Initial Consultation
- FC Further Consultation
- P Publication of Submission Draft
- S Submission to Secretary of State
- PH Pre-Hearing Meeting
- E Examination in Public
- R Inspector's Report
- A Adoption



**DRAFT**

**Selby District Council**

**5 Year Housing Land Supply April 2013 to March 2014.**

**Methodology Update**

**November 2014**



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## 1. Introduction & Background

1.1 The purpose of this paper is to:

- set out the methodology used in assessing the 5 year housing land supply (5YHLS);
- provide the basis for a 5 year housing land supply calculation.

1.2 The Council has had an established 5YHLS methodology since 2010 which has been annually updated to ensure consistency with policy and guidance. This year, -in order to respond to recent planning appeals for housing, the adoption of the Core Strategy in October 2013, the publication of national Planning Practice Guidance (PPG) in March 2014 and subsequent Planning Advisory Service (PAS) Guidance; there is now the need to review the Council's approach to the 5YHLS in light of a changing national planning policy landscape.

1.3 The National Planning Policy Framework (NPPF, March 2012) paragraph 47 requires Local Planning Authorities to:

*'identify and update annually a supply of specific deliverable<sup>1</sup> sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;*

Footnote: <sup>1</sup> *To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.*

1.4 The Planning practice Guidance (PPG) states that: "Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within five years. However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the five-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out".

1.5 The National Planning Policy Framework requires local planning authorities to identify and update annually a supply of specific deliverable

sites sufficient to provide five years' worth of housing. As part of this, local planning authorities should consider both the delivery of sites against the forecast trajectory and also the deliverability of all the sites in the five year supply. The housing trajectory will be updated in due course as part of the AMR and is not covered in this note.

#### *Undersupply*

- 1.6 Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible.

#### *Buffer*

- 1.7 As part of the NPPF there is also the requirement to provide a buffer of 5% (or 20% where there has been a record of persistent under delivery of housing) in land supply to offer greater choice and flexibility in the market.
- 1.8 Last year (2012/13) the Council assessed the local requirements for a buffer based on past completion rates. The 10 year average compared the annual housing requirement against housing completions and concluded that there was evidence of persistent undersupply; as such a 20% buffer is demonstrated in the calculations. See Table 3 for further information.

#### *Definition of Previously Developed Land (PDL), Windfalls and Garden Land*

- 1.9 Paragraph 48 of the NPPF states; *'Local Planning Authorities may make an allowance for windfall sites in the five year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens'*
- 1.10 Windfalls are expected to continue to be a reliable source of supply, therefore the Council is making an allowance for windfalls in the 5 year housing land supply. This is in line with the Core Strategy Policy SP4 (Management of Residential Development in Settlements)<sup>1</sup>.

- 1.11 In order to quantify the allowance, the Council has:
- considered evidence from historic supply that shows windfalls have consistently made a substantial contribution to the supply; and
  - projected the average number of these past windfall plots forward as completions, at a similar rate to which they were being completed in recent years.
  - deducted the average number of windfall plots completed on residential garden land outside of Selby, Sherburn in Elmet,

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<sup>1</sup> See Core Strategy Section 5 and Appendix C for further details

Tadcaster and the Service Villages from the total, reflecting policy in the NPPF and Core Strategy.

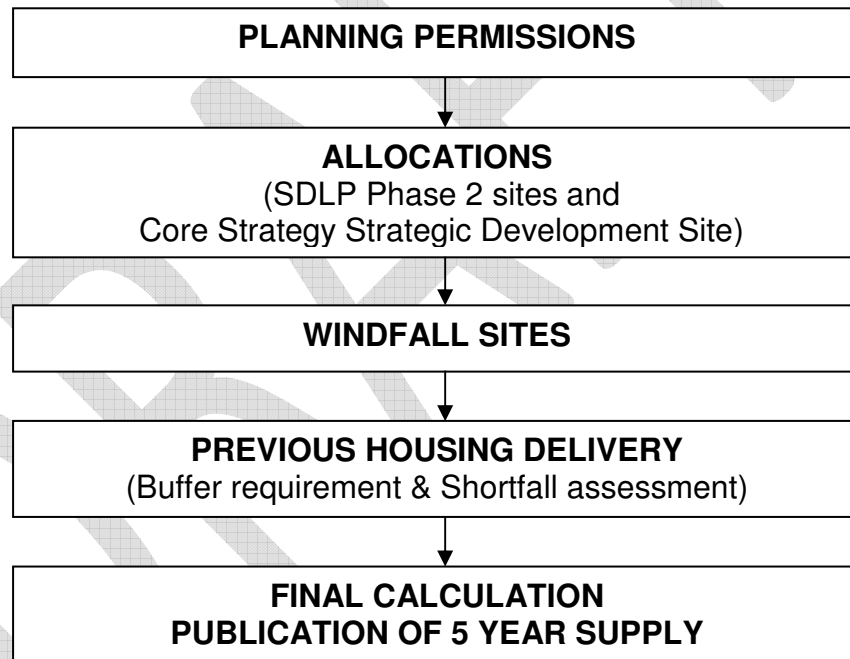
## 2. Methodology for calculating the 5 year supply June 2014 update.

2.1 This methodology for the 5 year housing land supply sets out all the data sources and criteria which are applied in the calculations, consistent with NPPF paragraph 47 (and footnotes 11 and 12).

### *Data collection for 5 year housing land supply*

2.2 The flowchart below identifies the process involved in undertaking the annual update and which data sources are used. Further explanation of each stage is outlined in detail later in this section.

**Figure 1. The 5 Year Housing Land Supply Assessment Process**



### *How sites are selected for current expected deliverable supply*

2.3 The Council undertakes an annual survey of sites with planning permission within the District to ascertain the status of each site to determine what is built and what remains outstanding for future development.

2.4 A list of planning permissions which are yet to be implemented is produced annually as at the 31 March to be included as part of the 5 year housing land supply calculations.

2.5 This list of permissions also includes outline planning permissions as the principle of development has been established, subject to reserved

matters.

- 2.6 The footnote to paragraph 47 of the NPPF states that sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years. In undertaking the site assessments, small sites and large sites are treated differently for practical reasons.

***Smaller sites with planning permission (less than 15 dwellings)***

- 2.7 Small sites are not individually assessed when predicting the extent to which they will be implemented; instead a non-implementation discount of 10% is applied to the total number of dwellings on sites of less than 15 dwellings (in line with Policy SP5 of the Core Strategy (The Scale and Distribution of Housing)). As of the 1<sup>st</sup> of March 2014 there were 422 dwellings with planning permission (gross) on sites with less than 15 units. After applying the 10% discount for non-implementation, there are **380** dwellings to add to the 5 year supply.

***Larger sites with planning permission (15 dwellings or more)***

- 2.8 As part of the 5 year housing land supply, commitments have been examined critically in accordance with the methodology below, in order to ascertain the likely rate of deliverability on large sites.
- 2.9 All landowners or developers of larger sites (15 dwellings or more) are contacted directly to obtain a record of their expected delivery on sites over the next 5 years. The response from the forms is summarised in the assessment of sites in Appendix 1.
- 2.10 As long as there is clear evidence provided by the landowner/developer of the expected delivery, this 'actual' figure is used and it is assumed that these sites with permission can realistically be delivered within the 5 year period.
- 2.11 In some cases a site with an extant planning permission could be given a nil rate of delivery where there is evidence that the site is unlikely to deliver any dwellings within the 5 year period. Such sites are retained in the sites list for re-assessment in light of any new evidence in the next year (e.g. Mill Lane, Tadcaster).
- 2.12 On very large sites which have the potential to supply housing throughout and beyond the 0-5 year time period, an assumption has been made on a site by site basis and a range of annual delivery rates have been used which vary from 50 dwellings per annum to 100 dwellings per annum, information undertaken by BNP Paribas indicates that delivery rates are provided through the analysis of individual sites, taking account of the number of sales outputs on sites and lead in times. This figure has been corroborated by evidence of recent rates of delivery and local market assessment involving developers and agents. Appendix 1 provides the site by site figures and an overview of the

information received.

- 2.13 As of the 1<sup>st</sup> of March 2014 there were 1987 dwellings with planning permission (gross) on sites with 15 units or more. The number that is projected to be delivered in the next 5 financial years is **1461**, with the remainder beyond the 5 year period still to be built out at Staynor Hall in Selby and Low Street in Sherburn in Elmet.

### ***Existing Allocations (Phase 2 sites)***

- 2.13 Phase 2 allocations from the Selby District Local Plan (SDLP, 2005) have also been analysed.
- 2.14 Whilst most of the allocations will already have been included where they have planning permission, the land owners (or agents/developers) of all allocated sites are also contacted directly to ascertain when the site will be coming forward. This identifies whether there are plans to submit a planning application (where there is none) and in what timescale, how viable a site is and when they expect to be on site. This information is then used to determine which sites to be included within the 5 year housing land supply calculations; the anticipated lead times and expected delivery.
- 2.15 However, only sites which are 'oven ready' (i.e. have already had a planning application submitted or there is clear evidence provided that the landowner/developer will submit within the next 18 months), and only those considered deliverable, would be included within the 5 year housing land supply calculations.
- 2.16 Once sites have been selected for inclusion and an expected start date has been received from the developer, the delivery rate and lead in times are assessed on a site by site basis to calculate the number of plots to be included within the calculations.
- 2.17 Where no information has been provided by the landowners it is assumed that the site is not available for development and it is therefore not included within the 5 year housing land supply calculations.

### ***Olympia Park - Core Strategy Strategic Development Site***

- 2.18 The Core Strategy Strategic Development Site at Olympia Park is included in this year's 5 year housing land supply. The Core Strategy has been adopted and the Council has resolved to grant outline planning permission subject to a section 106 agreement. Information regarding the future delivery of the site has also been received from the agent. It is therefore considered prudent to include in this year's assessment. Further assessment is provided in Appendix 1.

### ***Windfall Allowance***

- 2.19 Table 1 provides the historic data for gross completions on non-allocated

sites (windfalls) in the District since 2005. This shows that there has been a high level of completions on windfall sites.

**Table 1 – Gross Completions on Windfalls**

Period	Gross Completions	Gross Completions on Windfalls	% Windfall Completions
2005-06	633	580	91.6
2006-07	874	687	78.6
2007-08	583	343	58.8
2008-09	222	163	73.1
2009-10	270	163	60.4
2010-11	366	211	57.7
2011-12	317	176	55.5
2012-13	248	162	65.3
2013-14	268	186	69.4
<b>Total 2005-2014</b>	<b>3781</b>	<b>2652</b>	-
<b>Average 2005-2014</b>	<b>420</b>	<b>295</b>	<b>68%</b>
<b>Average 2009-2014</b>	<b>254</b>	<b>180</b>	<b>71%</b>

2.20 In order to project the Windfalls completions over the next 5 years, the average number of windfall plots completed over the last 5 years (180) was taken as a starting point as this reflects recent trends in the local housing market. The expected completion figure over the next 5 years was reduced from this figure to 150. This reflects an expected lower number of windfall completions once the Site Allocations and Policies Plan is adopted in 2017 due to competition from allocated sites the number is also reduced to account for the number of dwellings completed on garden land (shown to be 10%), which the NPPF states should not be accounted for.



- 2.21 Table 2 shows the lowered average of 150 completions is projected forward cumulatively over the next 5 years using the average rates of completion of these plots over the last 5 years. These averages being;
- 10% by the first year
  - 25% by the second year
  - 40% by the third year
  - 50% by the fourth year, and
  - 75% by the fifth year,

This method prevents any double counting of windfall plots with existing permissions, as windfall plots are only projected as if they were first given planning permission in the financial year 2014-15. The total cumulative completions from windfalls over the first 5 years is **301**.

**Table 2 – Windfall Completion Projection**

Number of anticipated permitted dwellings on windfall sites	Dwellings complete by (cumulative):					Total
	14/15 (10%)	15/16 (25%)	16/17 (40%)	17/18 (50%)	18/19 (75%)	
150	15	38	60	75	113	<b>301</b>

***Previous Housing Delivery Buffer assessment and applying shortfall.***

***Buffer***

- 2.22 The NPPF (paragraph 47) requires that Local Planning Authorities should have a 5 year housing land supply *“with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, Local Planning Authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land”*
- 2.23 The PPG does not provide any further practice guidance with respect to the buffer. However through working with the Planning Advisory Service and using best practice guidance, the buffer is added to the calculation. See Table 5.
- Previous completions and the ‘buffer’ for the 5 year supply*
- 2.24 Table 3 illustrates the completions for the past nine years within the District.

**Table 3. Housing Requirement and Annual Completions**

Year	Plan Period	Net Completions	Target	Gap
05-06	SDLP Plan Period	638	620	18
06-07		874	575*	299
07-08		583	440	143
08-09		226	440	-214
09-10		270	440	-170
10-11		366	440	-74
SDLP Total Net provision		<b>2957</b>	<b>2955</b>	<b>2</b>
11-12	Core Strategy Plan Period	338	450	-112
12-13		248	450	-202
13-14		263	450	-187
CS Total Net Provision		<b>849</b>	<b>1350</b>	<b>-501</b>

\* Total annual dwelling requirement up to 31 December 2006 is 620 and 440 from 1 January 2007, providing a requirement of 575 dwellings between 1 April 2006 and 31 March 2007.

- 2.25 The average annual completion is 423 over the last 9 years. The average number of completions over the Core Strategy Plan Period is 283. It can be seen that there was over-delivery in the years before the financial crash in 2008 and under-delivery after it.
- 2.26 Table 3 shows there was under-delivery in 6 out of the previous 9 years, demonstrating a record of *persistent under delivery*, meaning that a 20% buffer should be applied.
- 2.27 The Council therefore considers that it is appropriate to demonstrate an additional buffer of 20% within the 5 year housing land supply calculation for 2013/14.

**B. Under-performance is defined as:**

1. Delivery which falls short of the quantum expected in the annual target over a continuous 3 year period; or
2. Where there is less than a 5 year housing land supply.

### ***Dealing with Shortfall***

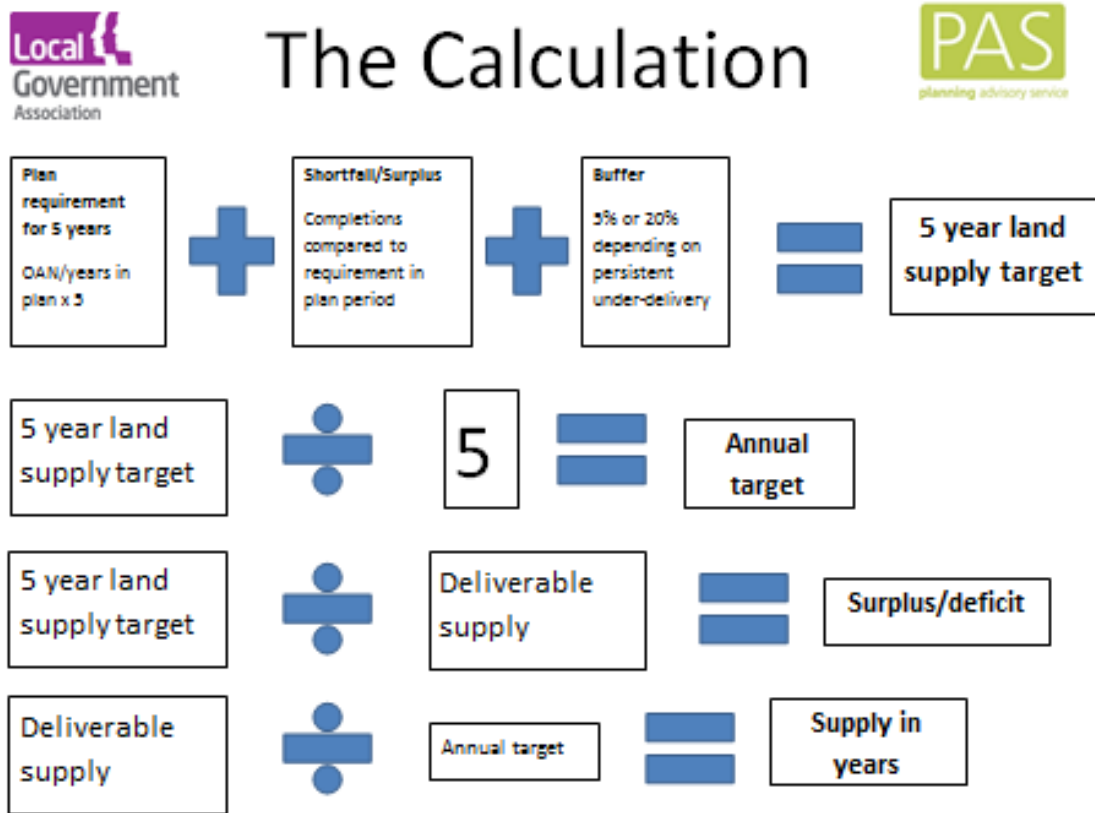
- 2.28 The Core Strategy has recently been adopted (22 October 2013) following rigorous testing of legal compliance, soundness and compliance with national policy (the NPPF) at examination. The Council therefore has a housing target of 450 dwellings per annum. The AMR monitors the delivery of this housing target since the Core Strategy adoption. Whilst the Core Strategy was adopted in 2013, the start of the plan period is 2011.

**A. The Council will ensure the provision of housing is broadly in line with the annual housing target and distribution under Policy SP5 by:**

- 1. Monitoring the delivery of housing across the District**
- 2. Identifying land supply issues which are causing or which may result in significant under-delivery of performance and/or which threaten the achievement of the Vision, Aims and Objectives of the Core Strategy**
- 3. Investigating necessary remedial action to tackle under-performance of housing delivery.**

- 2.29 Within the adopted Core Strategy Strategic Policy 6 (SP6) puts in place a mechanism for managing housing land supply. Policy SP6 states that where the Core Strategy annual housing target of 450 per annum has not been met for a 3 year continuous period, action is required to ensure the housing target and delivery is met. The precise policy wording is reproduced below:
- 2.30 Table 3 sets out the completion figures for the 2013/14 monitoring year which identifies that housing delivery has fallen short of the annual target between 2011 and 2014 by 533 dwellings, which now triggers the investigation of remedial measures (Part C of Policy SP6) and has also meant that the Council has been reviewing the approach to the 5YHLS accordingly.
- 2.31 Furthermore, the Council has identified the need to review the 5YHLS methodology and the approach to shortfall in the light of the release of the National Planning Policy Guidance March 2014, updated guidance / publications from the Planning Advisory Service set out in figure 2 below.

**Figure 2. Planning Advisory Service Guidance published June 2014**



2.32 In dealing with under supply paragraph: 035Reference ID: 3-035-20140306 of NPPG states that;

*'Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible'*

In considering the above the methodology has therefore been revised accordingly to reflect the further guidance provided by NPPG.

2.33 In addition to NPPG, there is still no exact method nationally for determining how both the buffer and shortfall should be applied in the calculation. Therefore to ensure the methodology is in line with best practice table 4 set out below (provided by PAS in a presentation to officers 'Planning for Housing' in Leeds on the 26th February 2014), has been used as the basis for the 2013/14 calculation.

### 3. 5 Year Housing Land Supply results 2013/14

**Table 4 - 5 Year Housing Updated figures 13/14**

<b>Summary of sites contributing to 5 year supply</b>		<b>Potential Yield (Dwellings)</b>
A	Planning Applications (Gross) Dwellings on sites less than 15 units: 380 Dwellings on sites of 15 or more units: 1461	1841
B	Allocations SDLP Phase 2 sites: 301 Core Strategy Strategic Development Site: 225	526
C	Windfall	301
<b>Total plots considered to contribute to 2013/14 5 Year Supply</b>		<b>2668</b>

*Further detailed site assessments are provided in Appendix 1.*

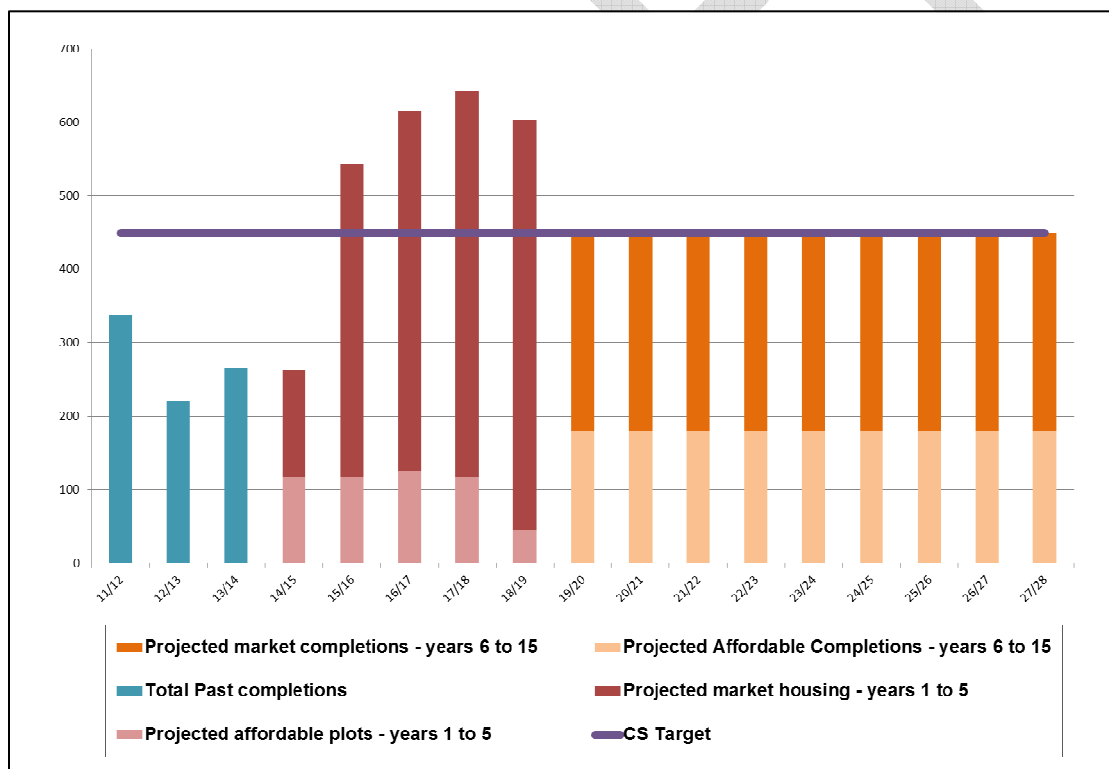
**Table 5 - 5 Year Housing Land Supply Calculations 13/14**

A	Housing target for the plan period (2011-2027)	7,200
B	Annual housing target across plan period (A ÷ 16 years)	450
C	Five year target, no adjustment (B x 5)	2250
D	Buffer (5% or 20%)	2700 (20%)
E	Shortfall of housing provision from the plan period (requirement less completions)	501
F	<b>Five year target incorporating shortfall (D + E)</b>	<b>3201</b>
G	Annual target for next five years (F ÷ 5)	640
H	<b>Current expected deliverable supply 2013/14 – 2018/19</b>	<b>2668</b>
I	Gap (F - H)	-533
J	Council's Housing Land Supply equivalent to (H ÷ G)	4.2 year supply

- 3.1 The Council has a 4.2 year supply of housing. This now means that in line with paragraph 49 of the NPPF policies in relation to the supply of housing are now considered out of date and that applications should be considered against the presumption in favour of sustainable development, in the case of Selby District Council Core Strategy Policy SP1.
- 3.2 In addition to SP1, the 5 Year Housing Land Supply Position Statement (Appendix 2) also provides guidelines to be used in the assessment of residential applications. The Position Statement will be reviewed again in the summer of 2015 when the housing supply position from the end of the 2014-15 financial year is known.
- 4.0 **Housing Trajectory**
- 4.1 *Paragraph 47 of the NPPF sets out the requirements for producing a housing trajectory; 'for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five year supply of housing land to meet their housing target'.*
- 4.2 The NPPF requires the inclusion of affordable housing in the trajectory. The Council will therefore include expected affordable housing delivery throughout the plan period.
- 4.3 Overall the trajectory comprises an initial prediction of housing delivery for the first five years (based on the 5 year housing land supply), together with a longer term illustration of expected delivery which will arise through the implementation of the Local Plan (Core Strategy and emerging Sites and Policies Plan).
- 4.4 The trajectory is set against future housing requirements. As at the 31<sup>st</sup> March 2014 the housing target for the District is set by the Core Strategy which is 450 dwellings per annum until 2027.
- 4.5 As with previous years, market housing will be presented in the housing trajectory based on the 5 year supply figures for the first 5 years, and the housing target of 450 per annum for the remainder of the plan period (years 6 to 15).
- 4.6 As part of the survey of current sites being developed within the District, landowners and developers are asked for an indication of their expected delivery of market and affordable housing over the next 5 years (see Appendix 1).
- 4.7 In addition, local Registered Providers (RPs) have been contacted to ascertain their delivery programme to inform what units they are expecting to manage over the next 5 years.

- 4.8 The information received from developers and RPs is considered alongside policy expectations which together inform the 5 year supply element of the trajectory.
- 4.9 On SHLAA sites and Local Plan allocations that have not yet been granted planning permission, a target of 40% affordable housing units of the expected site yield will be used in ascertaining the amount of affordable housing expected to be delivered within the first 5 years of the plan period. This reflects the Core Strategy policy SP9 (*formerly draft Policy CP5*) position.
- 4.10 For the remainder of the plan period (years 6 to 15) of the trajectory a 40% delivery rate of affordable housing will be used in the housing trajectory.

**Figure 3: Housing Trajectory**



**5 Year Housing Land Supply Methodology Update 2013/14**

**Appendices**

**Appendix 1 – 5 Year Housing Land Supply Figures & Assessment**



**Permissions as at 31 March 2014 on sites with less than 15 dwellings**

<b>Location</b>	<b>Core Strategy Settlement Hierarchy</b>	<b>Application No.</b>	<b>Number of Dwellings</b>
Conifer Drive, The Green, Stillingfleet	Secondary Village	8/09/12B/PA	3
Park House, Moreby, Stillingfleet	Secondary Village	8/09/134/PA	3
land adj Wild Acre 19 Wenlock Drive Escrick	Designated Service Village	8/10/102C/PA	1
Queen Margarets School, Main Street, Escrick	Designated Service Village	8/10/24CP/PA	1
48 Main Street, Escrick	Designated Service Village	8/10/267/PA	3
1 Wenlock Drive, Escrick	Designated Service Village	8/10/269/PA	1
Chapmans Cottage, 29 Main Street, Escrick	Designated Service Village	8/10/37B/PA	2
Main Street, Skipwith	Secondary Village	8/11/81/PA	1
Ings View Farm, Main Street Thorganby	Secondary Village	8/12/47F/PA	1
Newbridge Farm, Market Weighton Road, North Duffield	Designated Service Village	8/13/180H/PA	1
The Lodge, blackwood Hall, Cornelius Causeway	Designated Service Village	8/13/37AD/PA	1
W A Hare & Son, Offices, Main Street , Kelfield , York	Secondary Village	8/14/71B/PA	9
20 Main Street, Riccall	Designated Service Village	8/15/100K/PA	5
Drover House, 88 Main St, Riccall	Designated Service Village	8/15/194E/PA	1
Garden House, Manor Garth, Riccall	Designated Service Village	8/15/281C/PA	1

Location	Core Strategy Settlement Hierarchy	Application No.	Number of Dwellings
43 Main Street Riccall	Designated Service Village	8/15/292F/PA	1
White Villa, Sand Lane, Osgodby	Designated Service Village	8/16/27F/PA	1
Laburnum House, South Duffield Road, Osgodby	Designated Service Village	8/16/462F/PA	1
The Cottage, York Road, Cliffe	Secondary Village	8/17/199H/PA	2
Westfield, York Road, Cliffe	Secondary Village	8/17/313B/PA	1
Viola Gardens, York Rd, Cliffe	Secondary Village	8/17/314G/PA	1
Top End House, Hull Road, Cliffe	Secondary Village	8/17/32Q/PA	5
Ivyhill, Hull Road, Cliffe Selby	Secondary Village	8/17/342/PA	1
Greta Cottage, Green Lane, Cliffe	Secondary Village	8/17/349/PA	1
New Inn, York Road, Cliffe	Secondary Village	8/17/68E/PA	1
West Side of Main Road, South Duffield	Secondary Village	8/17/80A/PA	4
The Old Hall, Main Street, Hemingbrough	Designated Service Village	8/18/151F/PA	1
Lambert Lodge, Garthends Lane, Hemingbrough	Designated Service Village	8/18/152R/PA	1
The Shambles, 5 Water Lane, Hemingbrough	Designated Service Village	8/18/164G/PA	2
77 Water Lane, Hemingbrough, Selby	Designated Service Village	8/18/27F/PA	1
The Bungalow, Finkle Street, Hemingbrough	Designated Service Village	8/18/375C/PA	1

Location	Core Strategy Settlement Hierarchy	Application No.	Number of Dwellings
6 Main Street, Hemingbrough	Designated Service Village	8/18/436/PA	1
Gdn of Rowan Trees House, Hull Rd, Hemingbrough	Designated Service Village	8/18/65F/PA	1
12 Brook Street, Selby	Selby	8/19/1010J/PA	3
Rear of Chadcotes, Leeds Rd, Selby	Selby	8/19/1238E/PA	3
Milton Place, Gowthorpe, Selby	Selby	8/19/1291F/PA	4
Friendship Inn, 58 Millgate Selby	Selby	8/19/1292C/PA	6
Land between 45 Wistow Rd & Fairview, Wistow Road	Selby	8/19/1336A/PA	1
Former R C School & Outbdgs ,Gowthorpe/Brook St, Selby	Selby	8/19/1506/PA	10
The Three Lakes, Bawtry Rd, Selby	Selby	8/19/1525/PA	1
Rear of Mount Pleasant Cottage, 1A Wistow Rd, Selby	Selby	8/19/1662B/PA	1
Thorpe Hall Farm, Dam Lane, Thorpe Willoughby	Selby	8/19/1668N/PA	6
St Patrick's R C Church, Petre Ave, Selby	Selby	8/19/1691A/PA	5
Shipyard Road Pump Station Shipyard Road Selby	Selby	8/19/1841/PA	14
20 Millgate, Selby	Selby	8/19/1846A/PA	2
Park Row Selby	Selby	8/19/215D/PA	4
29-31 Brook Street, Selby	Selby	8/19/307H/PA	2

Location	Core Strategy Settlement Hierarchy	Application No.	Number of Dwellings
23 Finkle Street, Selby	Selby	8/19/309G/PA	1
Land at Bridge Wharf, Shipyard Rd, Selby	Selby	8/19/435E/PA	14
2A St James Terrace, Selby	Selby	8/19/709D/PA	1
Derwent House, 14 Park Street, Selby	Selby	8/19/94H/PA	6
Adj to Beech Tree House, Main Rd, Burn	Secondary Village	8/21/1J/PA	3
Land adj to 49 Park Rd, Barlow	Secondary Village	8/22/134J/PA	1
Commonside Farm, Barlow Common Road, Barlow	Secondary Village	8/22/14E/PA	1
Barlow Grange, East Common La, Selby	Secondary Village	8/22/177G/PA	4
Land adjacent to Pear Tree House, Brigg Lane, Camblesforth	Secondary Village	8/23/121AG/PA	1
Land adjacent to Pear Tree House Brigg Lane Camblesforth	Secondary Village	8/23/121AH/PA	1
Land Adjacent To Pear Tree House, Brigg Lane, Camblesforth, Selby	Secondary Village	8/23/121T/PA	1
Land adjacent to Southview, Mill Lane	Secondary Village	8/23/162A/PA	2
Low Farm Stables, Camela Lane, Camblesforth, Selby	Secondary Village	8/23/262/PA	1
Adamson House, 8 Main Road, Drax	Secondary Village	8/25/2D/PA	14
Duddings Farm, High Street, Carlton	Secondary Village	8/26/136A/PA	9
Corner Farm, Riverside	Secondary Village	8/26/35C/PA	1

Location	Core Strategy Settlement Hierarchy	Application No.	Number of Dwellings
Manor Cottage, Low St, Carlton	Designated Service Village	8/29/294E/PA	2
land adjacent to 2 Riverside Close, West Haddlesey, Selby	Secondary Village	8/31/50B/PA	1
Main Road Farm, 10 Main Road, Hambleton	Designated Service Village	8/33/23G/PA	5
Gateforth Court, Gateforth Lane Hambleton Selby	Designated Service Village	8/33/332/PA	1
Hambleton House, 10 St Marys Approach, Hambleton	Designated Service Village	8/33/36H/PA	1
18 Sandway Drive, Thorpe Willoughby	Designated Service Village	8/34/387/PA	1
Land at 27 Wistowgate, Cawood	Designated Service Village	8/35/168H/PA	1
5 High Street, Cawood, Selby	Designated Service Village	8/35/83B/PA	3
Kirkham, Selby Rd, Wistow	Secondary Village	8/36/173D/PA	1
Brooks Farm, Wistow Lordship, Wistow	Secondary Village	8/36/249B/PA	1
Northfield Villa, Field Lane, Wistow	Secondary Village	8/36/273D/PA	1
Laburnum Farm, Wistow Lordship, Wistow Selby	Secondary Village	8/36/304A/PA	3
Wistow House, Long Lane, Wistow	Secondary Village	8/36/310A/PA	1
Meadow View, Eggborough	Designated Service Village	8/37/133K/PA	2
Hut Green Farmhouse, Selby Rd, Eggborough	Designated Service Village	8/37/164A/PA	1
Rose Cottage, Water Lane, Eggborough, Goole	Designated Service Village	8/37/18A/PA	1

Location	Core Strategy Settlement Hierarchy	Application No.	Number of Dwellings
Unit 2 Aysgarth Place, Selby Road	Designated Service Village	8/37/317/PA	1
Headland Electrics, Water Lane, Eggborough	Designated Service Village	8/37/7P/PA	7
The Chestnuts, Selby Road, Eggborough, Goole	Designated Service Village	8/37/9K/PA	1
Dovecote Farmhouse, Main Street, Hensall	Secondary Village	8/38/110F/PA	1
Clovelly, Station Rd, Hensall	Secondary Village	8/38/213A/PA	1
Weeland House, Station Road, Hensall	Secondary Village	8/38/224A/PA	3
Land surrounding Manor Fm Bungalow, Wrights La, Cridling Stubbs	Secondary Village	8/40/61K/PA	1
Far Park Farm, Cridling Park, Cridling Park	Secondary Village	8/40/76/PA	1
Low Fm, Main St, Womersley	Secondary Village	8/41/54S PA	3
Spring Lodge Farm, Northfield Lane, Cridling Stubbs	Secondary Village	8/41/81C/PA	2
Womersley C of E Primary School Cow Lane Womersley	Secondary Village	8/41/97G/PA	4
Fairwinds, Selby Road, Whitley	Designated Service Village	8/42/112D/PA	1
Whitley Garage, Selby Rd, Whitley	Designated Service Village	8/42/12L/PA	1
Land adjacent to either side of "Park Nook", Doncaster Road, Whitley	Designated Service Village	8/42/158B/PA	2
Land adjacent to Larth House, Selby Road Whitley	Designated Service Village	8/42/177A/PA	4
Poplar Farm, Selby Road, Whitley	Designated Service Village	8/42/196C/PA	9

Location	Core Strategy Settlement Hierarchy	Application No.	Number of Dwellings
Carron Cottage, Silver St, Whitley	Designated Service Village	8/42/60H/PA	1
Quarryside Poultry Farm, Heck and Pollington Lane, Heck	Secondary Village	8/43/23D/PA	0
New Inn, Main St, Great Heck	Secondary Village	8/43/5P/PA	5
Land Adj to Ivy Cottage, Main Street, Great Heck	Secondary Village	8/43/61G/PA	1
Haigh End Farm, Selby Road, Whitley	Countryside	8/44/70F/PA	1
Land adj to The Shoulder Of Mutton Inn, Main St, Kirk Smeaton	Secondary Village	8/45/15F/PA	2
Holly Tree House, Went Edge Road, Kirk Smeaton	Secondary Village	8/45/86K/PA	2
Lambourne, Main St, Little Smeaton	Secondary Village	8/46/94C/PA	1
Disused Chapel, Common La, Walden Stubbs	Countryside	8/47/7J/PA	1
Kepplegate, Silver Street, Fairburn	Secondary Village	8/48/102G/PA	1
Second Pinfold Farm, Caudle Hill, Fairburn	Secondary Village	8/48/117A/PA	4
Cross Farm, Cross Hill, Fairburn, Knottingley	Secondary Village	8/48/151F/PA	9
The Haven, Rawfield Lane, Fairburn	Secondary Village	8/48/201/PA	1
Woodcote, Rawfield La, Fairburn	Secondary Village	8/48/29B/PA	1
Butt Hill House, Silver Street, Fairburn	Secondary Village	8/48/31B/PA	1
land adjacent (plot 2) Butt Hill House, Silver Street, Fairburn	Secondary Village	8/48/31C/PA	1

Location	Core Strategy Settlement Hierarchy	Application No.	Number of Dwellings
4 Lakeside Gardens, Fairburn Knottingley	Secondary Village	8/48/35H/PA	2
Land at The Mount, High Street, Brotherton	Designated Service Village	8/49/118E/PA	1
Land off Old Great North Road, Brotherton	Designated Service Village	8/49/120E/PA	3
Old Great North Road, High Street, Brotherton	Designated Service Village	8/49/152/PA	3
School House, School Croft, Brotherton	Designated Service Village	8/49/50R/PA	1
The Old School, School Croft, Brotherton Knottingley	Designated Service Village	8/49/50S/PA	9
Main Street, Birkin	Secondary Village	8/51/63/PA	2
13 Glebelands, Weeland Road, Kellingley	Secondary Village	8/52/153C/PA	1
Land at 211 Weeland Road, Kellingley	Secondary Village	8/52/155/PA	3
8 Glebelands, Weeland Road, Kellingley	Secondary Village	8/52/165/PA	1
Red Lion, 1 Ings Lane, Kellington	Countryside	8/53/108F/PA	1
The Firs, Whales Lane, Kellington	Countryside	8/53/164U/PA	1
Land to rear of 2 Ashfield Villas, Hillam	Designated Service Village	8/55/186D/PA	1
1 Ashfield Villas, Hillam La, Hillam	Designated Service Village	8/55/220C/PA	1
Cliff Lodge, 124 Main Street, Monk Fryston	Designated Service Village	8/56/118D/PA	1
Barkers Of Oakwood Ltd, Low Street, South Milford Leeds	Designated Service Village	8/57/17S/PA	12



<b>Location</b>	<b>Core Strategy Settlement Hierarchy</b>	<b>Application No.</b>	<b>Number of Dwellings</b>
120 High Street, South Milford	Designated Service Village	8/57/200K/PA	2
115 High St, South Milford	Designated Service Village	8/57/206J/PA	3
Land at Low St, South Milford	Designated Service Village	8/57/267E/PA	6
Land Adj Southlands House, Southlands Close, South Milford	Designated Service Village	8/57/267V/PA	1
Mulberry Farm, Butts Lane, Lumby	Designated Service Village	8/57/313M/PA	3
land south of, Southlands Close, South Milford, Leeds	Designated Service Village	8/57/48AW/PA	4
The Nook, High Street, South Milford	Designated Service Village	8/57/4B/PA	1
land between 29/29a Common Lane South Milford	Designated Service Village	8/57/503A/PA	1
49 Westfield Lane, South Milford, Leeds	Designated Service Village	8/57/512/PA	1
Lumby Court, Butts La, Lumby	Designated Service Village	8/57/98W/PA	1
4 Finkle Hill, Sherburn in Elmet	Sherburn in Elmet	8/58/192G/PA	4
42 New Lane Sherburn in Elmet	Sherburn in Elmet	8/58/303B/PA	1
2 Duffield Crescent, Sherburn in Elmet	Sherburn in Elmet	8/58/520B/PA	1
"Hillside", 23 Milford Rd, S. Milford	Sherburn in Elmet	8/58/708C/PA	1
26 Low Street Sherburn in Elmet	Sherburn in Elmet	8/58/982/PA	2
West of Willow Garth, Station Rd, Church Fenton	Designated Service Village	8/62/106C/PA	1

Location	Core Strategy Settlement Hierarchy	Application No.	Number of Dwellings
Land at Church Fenton Station, Station Road, Church Fenton	Designated Service Village	8/62/163G/PA	2
Lavorrick, Church St, Church Fenton	Designated Service Village	8/62/223/PA	2
Hall Farm, Hall Lane, Church Fenton	Designated Service Village	8/62/247F/PA	2
Ossendyke House Farm, Boggart Lane, Ozendyke	Secondary Village	8/65/6D/PA	2
Adj to Manor Fm, Back La, Barkston Ash	Secondary Village	8/66/44R/PA	1
Headwell Farm, Headwell Lane, Saxton	Secondary Village	8/67/147/PA	1
Orchard House, Scarthingwell Park, Barkston Ash, Tadcaster	Secondary Village	8/67/42D/PA	1
Station House, Weedling Gate, Stutton	Secondary Village	8/70/81D/PA	1
Lordswood Cricket School, Leeds Road, Tadcaster	Tadcaster	8/73/158R/PA	1
Tadcaster Post Office , 19 Westgate, Tadcaster	Tadcaster	8/73/263J/PA	1
Wharfe Bank Mews, 4 - 6 Bridge Street Tadcaster	Tadcaster	8/73/297C/PA	1
Stonecroft, 17 Garnet La, Tadcaster	Tadcaster	8/73/530H/PA	4
Tadcaster Town Centre Regeneration (Kirkgate/High Street/St Joseph's St/Central Area Car Park	Tadcaster	8/73/585/PA	7
46 Wighill Lane, Tadcaster	Tadcaster	8/73/653B/PA	7
Car Park, St Josephs Street, Tadcaster	Tadcaster	8/73/743/PA	3
Parsons Yard, Westfield Terrace, Tadcaster	Tadcaster	8/73/746A/PA	6

<b>Location</b>	<b>Core Strategy Settlement Hierarchy</b>	<b>Application No.</b>	<b>Number of Dwellings</b>
43 Kirkgate, Tadcaster	Tadcaster	8/74/385/PA	3
Lodge Farmhouse, Main St, Colton	Secondary Village	8/77/17E/PA	1
11 Orchard Close, Appleton Roebuck	Designated Service Village	8/79/198B/PA	3
Lynwade, Church Lane, Appleton Roebuck	Designated Service Village	8/79/41B/PA	1
18 Malt Kiln Lane, Appleton Roebuck, York	Designated Service Village	8/79/4E/PA	8
Ravenscroft, 15 Back Lane, Bilbrough	Secondary Village	8/84/117F/PA	3
<b>Total</b>			<b>422</b>
<b>Total after 10% deduction for non-implementation</b>			<b>380</b>

**Planning Permissions as at 31 March 2014 on sites 15+ dwellings**

Location	Application Reference	Planning Permissions	2014/15	2015/16	2016/17	2017/18	2018/19	Total in 5YHLS	Comments
Staynor Hall, Bawtry Rd, Selby	8/19/1011AJ/PA	633	75	100	100	100	100	475	BNP - 2 sales outlets and continued increase in sales, as well as historic completions over 100 dpa
Land at Holme La/Coupland Rd, Selby	8/19/1573E	221	35	40	50	50	46	221	BNP - continued market improvements is likely to see completions increase to 35-50 dpa
Autoserv, Shipyard Road, Selby	8/19/1649A/PA	0	0	0	0	0	0	0	Expires April 2014
Roose House Union Lane Selby	8/19/571V/PA	0	0	0	0	0	0	0	Complete
Street Record, Cherwell Croft, Hambleton, Selby	8/33/214C/PA	15	0	15	0	0	0	15	HAM/1 - New pending application
land to the south Leeds Road, Thorpe Willoughby	8/34/146A	149	9	62	52	26	0	149	On site - Intentions rec'd from developer
Land Adj to the east of Southlands House Southlands Close South Milford	8/57/267L/PA	43	43	0	0	0	0	43	STM/1B Phase 2. BNP - Established res. Dev., expected to achieve an improved rate of completions

Location	Application Reference	Planning Permissions	2014/15	2015/16	2016/17	2017/18	2018/19	Total in 5YHLS	Comments
RAF Church Fenton, Busk Lane, Church Fenton	8/64/19BC	65	0	20	20	20	5	65	BNP Outline planning permission approved
Highfield Nursery Home, Scarthingwell Park, Barkston Ash	8/67/1AB/PA	15	0	15	0	0	0	15	Expires Oct 2015 - reasonable to assume site will begin in near future
Papyrus Works, Papyrus Villas, Newton Kyme	8/72/2R/PA	128	10	50	50	18	0	128	Intentions received - new application approved May 2014. BNP - Discussions with Redrow suggest completion rate of 50 dpa, in line with evidence of 2012/13 completions at Linden Homes Southfields dev.
Mill lane / Wighill Lane, Tadcaster	8/74/3P/PA	0	0	0	0	0	0	0	No intention provided - new pending application
Low Street, Sherburn in Elmet	8/58/675Z/PA 8/58/675Y/PA 8/58/523B/PA	718	0	75	100	100	75	350	Two developers working on 3 different permissions.
<b>TOTAL for 5YHLS</b>		<b>1987</b>	<b>172</b>	<b>377</b>	<b>372</b>	<b>314</b>	<b>226</b>	<b>1461</b>	

**SDLP Phase 2 Allocations**

Phase 2 Allocation	Site Area (ha)	SDLP Site Capacity	Site commentary from landowners	5 Year supply figures based on information provided						Comments
				2014/15	2015/16	2016/17	2017/18	2018/19	Total	
BYR/1	0.7	21	response received planned to be on site in 14/15	0	23	0	0	0	23	
CAM/1	2.12	55	1 Form submitted - no specific activity on site. Submission confirming development of 17 dwellings in 2015/16 and 18 dwellings in 2016/17.	0	0	0	0	0	0	
CAR/1	2.4	79	Intentions submitted and application refused - whole site to be developed within 5 years (75 dwellings by end of 2019) application subject to inquiry	0	0	10	28	37	75	
CAR/2	2.6	12	No intentions provided.	0	0	0	0	0	0	
EGG/2	1.5	23	submitted form obo 2 owners identifying activity on site from 2012/13	0	0	23	0	0	23	

Phase 2 Allocation	Site Area (ha)	SDLP Site Capacity	Site commentary from landowners	5 Year supply figures based on information provided						Comments
				2014/15	2015/16	2016/17	2017/18	2018/19	Total	
EGG/3	6.76	210	Submitted details confirming activity for 2013/14.	0	30	50	50	50	180	BNP assessment based on a single sales outlet with completion rate at 50 dpa in line with recent completions at the Linden Homes Southfields dev. See appendix 3.
HAM/1	0.53	0	Planning permission approved - included within permissions	0	0	0	0	0	0	Planning permission approved - included within permissions
OSG/1	1.47	45		0	0	0	0	0	0	Landowners intentions unknown
SEL/1	21.9	450	Form received Email received confirming intentions to develop are within 5 years.	0	0	0	0	0	0	Discounted due to Flood risk SHLAA form =. Intentions marked as 0-5 yrs for Phase 1 and 6-10 for Phase 2.

Phase 2 Allocation	Site Area (ha)	SDLP Site Capacity	Site commentary from landowners	5 Year supply figures based on information provided						Comments
				2014/15	2015/16	2016/17	2017/18	2018/19	Total	
SEL/2	56	0	Details submitted delivery of a total of 73 dwellings per year to be developed over next 5 years. Included within planning permissions to avoid double counting.	0	0	0	0	0	0	Site included within permissions. Add ref to BNP work
SEL/2A	1.04	0	Included within outstanding planning permissions to avoid double counting.	0	0	0	0	0	0	Site included within permissions. Add ref to BNP work Appendix 3
SHB/1B	39.3	900	Included within outstanding planning permissions to avoid double counting.	0	0	0	0	0	0	BNP - 2 sales outlets. In line with recent evidence of increased sales and completions on site to the north and over 100 dpa at Staynor Hall, expect 350 over next 5 years.
STM/1B	4.23	0	Planning permission agreed included within outstandings	0	0	0	0	0	0	Planning permission agreed included within outstandings



Phase 2 Allocation	Site Area (ha)	SDLP Site Capacity	Site commentary from landowners	5 Year supply figures based on information provided						Comments
				2014/15	2015/16	2016/17	2017/18	2018/19	Total	
TAD/2	3.48	105	Form submitted - no expected activity on site within next 5 years.	0	0	0	0	0	0	Land owner does not intend to develop
THW/2	4.96	148		0	0	0	0	0	0	Site included within permissions BNP - Expect recent market improvement is likely to see completions of 50 dpa, with whole site delivered within 5 years. See PP and Appendix 3
<b>Totals</b>	148.99	2048		<b>0</b>	<b>53</b>	<b>83</b>	<b>78</b>	<b>87</b>	<b>301</b>	

#### Core Strategy Strategic Development Site – Olympia Park

5YHLS Figures	14/15	15/16	16/17	17/18	18/19	Total in 5YHLS	Comments
Core Strategy Strategic Development Site - Olympia Park	0	0	25	100	100	225	BNP - In line with other strategic residential land across Yorkshire, anticipate that the site will be sold in phases to more than 1 developer with multiple sales outlets providing a total of 100 dpa in an improving market. See Appendix 3.

## **Appendix 2: Draft Position Statement**

### **On the 5 Year Housing Land Supply**

#### **GUIDELINES TO BE USED FOR THE ASSESSMENT OF APPLICATIONS FOR RESIDENTIAL DEVELOPMENT WHEN THE COUNCIL DOES NOT HAVE A FIVE YEAR SUPPLY OF DELIVERABLE SITES**

This position statement is a guide for applicants submitting planning applications for residential development in the absence of the Council having a 5 year supply of deliverable housing land. This is not a validation request but will assist developers in preparing applications for submission to the Council and increase openness and transparency in the planning process. By using this position statement, applicants will ensure that their applications are processed more efficiently, and that they will be considered in line with the presumption in favour of sustainable development.

- 1.** All applications for housing will be considered favourably having regard to the policies in the recently adopted Selby District Core Strategy and the National Planning Policy Framework.
- 2.** A more suitable site will preferably be within the settlement hierarchy as defined in the Selby District Core Strategy.
- 3.** However, exceptionally, consideration will be given to proposals on sites adjoining these settlements where such proposals;
  - a. Are clearly aligned with the spatial strategy, and
  - b. Are consistent with the policies in emerging development plan documents published with the approval of the District Council and
  - c. Are sustainable in respect of most if not all of the following factors:
    - Evidenced access to public transport e.g. bus stop or railway station
    - Proximity to schools
    - Proximity to town/local centres
    - Proximity to key employment sites or local jobs
  - d. Contribute positively to reduced carbon emissions through design and/or enabling more sustainable lifestyles; and
  - e. Have or create no significant problems of contamination, flood risk, stability, water supply, harm to biodiversity or other significant physical or environmental issue

- 4.** If an application includes land outside the settlement hierarchy, as defined in the Selby District Core Strategy, the applicant is encouraged to submit the following information to the Authority with the application:
- a. An assessment which demonstrates that the site is available now, offers a suitable location in line with the Core Strategy settlement hierarchy, and is achievable with a realistic prospect that housing will be delivered within five years.
  - b. An assessment of how the proposals perform against relevant policies in the development plan.
  - c. Evidence outlining the economic, social and environmental benefits of the scheme should be clearly set out in the submission documents.
  - d. A timetable of the development of the site, which:
    - Takes account of the time taken to market the site and find a suitable developer (if the application is not submitted by a developer);
    - Makes a realistic assessment, with supporting evidence of the time which will be taken to resolve outstanding issues with the site such as ownership, access, drainage or water supply;
    - Takes account of the time taken to implement mitigation measures for land stability, protection or re-creation of new wildlife habitats, removal of contamination or tipped materials and any other mitigation requirements;
    - Includes a trajectory indicating the number of residential units which are expected to be completed and available for occupation for each year that the development is expected to continue.
- 5.** An available site should be confirmed by including a statement of support from land owners for any planning application and confirmation that the site is not subject to any dispute over land ownership or access rights.
- 6.** An achievable site should not have any of the following, which might without convincing evidence to the contrary, prevent delivery within 5 years;-
- a. Any known physical/environmental constraints which might result in high costs e.g. extensive dereliction, contamination, major infrastructure costs, remodelling of landform
  - b. Marketability constraints e.g. locational factors
  - c. Regard should also be had to footnotes 11 & 12 of paragraph 47 of the National Planning Policy Framework when deciding whether a site is deliverable and developable.

## Comments received

The Draft Position Statement was discussed at the Developers and Agents Forum on the 10th of October and was sent out to consultation with developers and agents from the 15th to the 31<sup>st</sup> of October in order to gain expert opinion on the proposed approach. Their comments, the Council's response to them and any changes made to the Position Statement as a result of the consultation are listed in the table below.

<b>Responder</b>	<b>Point Made</b>	<b>Response</b>
Julie Townsend (Townsend Planning Consultants)	It appears that the Council is attempting to create policy on the hoof without going through the statutory process. There are sufficient policies within the statutory Development Plan to fully consider all other aspects and planning issues. The lack of a five year land supply simply sets up a presumption in favour but any proposal would still fall to be tested against other policies and provisions of the Development Plan.	The Position Statement is a validation guidance note for applicants, it does not contain policy. The statement seeks to advise developers and development management officers on how to use submit/determine housing applications in the absence of any up to date housing policies.
Rachel Wigginton (North Yorkshire County Council)	We have no objections to the approach. We note the requirement that achievable sites should not have major infrastructure costs and suggest it is made clear that this would include infrastructure that is the responsibility of the County Council, including in relation to education and highways.	Comments noted.
Bernadette Woods (Indigo Planning)	The Position Statement does not form policy and therefore no weight should be afforded to it when determining planning applications. The Position Statement should be treated as a validation guidance note for applicants.	Agreed. The Position Statement has been designed with this in mind.
	Point 2 reads: <i>'A more suitable site will preferably be within the settlement hierarchy as defined in the Selby District Core Strategy'</i> . This needs clarification, as the settlement hierarchy includes all areas of the authority, including the countryside.	The aim of the position statement is to ensure development is located in the most sustainable locations in the district. The Core Strategy SP2 sets out the hierarchy in relative

		sustainability terms and therefore provides clear guidance.
	Point 3 should not refer to consideration of proposals in exceptional circumstances. Nor should it require proposals to be consistent with policies in the emerging development plan documents, given that they have not yet been tested.	Emerging local plan documents may be put through consultation and examination in the coming years, in which case they should be given some weight in the decision process of applications, as stated in paragraphs 215 and 216 of the NPPF.
	Point 4 makes reference to land 'outside the settlement framework'. The terminology used to describe the settlements within the settlement hierarchy requires consistency, therefore we suggest that this should be reworded to refer to land outside of the 'development limits of a settlement', which is what we interpret it to mean.	The removal of up to date housing policies also includes the removal of development limits, therefore they cannot be referred to in the position statement. The draft position statement has been amended to ensure consistency with regards to the settlement hierarchy.

**Appendix 3: BNP Paribas Report on Deliverability**

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## **ASSESSMENT OF DELIVERY OF HOUSING SITES**

Prepared for  
Selby Council

July 2014

**5 Year Land Supply Assessment for Larger Sites**

Ref	Detail	14/15	15/16	16/17	17/18	18/19	Total	Commentary
103 / 8/19/1573E	Land at Holme Ln / Coupland Rd, Selby	35	40	50	50	46	221	<p><b>Planning Position</b> Planning permission granted in 2011 for the erection of 301 dwellings (ref. 2009/0805/REM) with development now commenced and 221 dwellings remaining accordingly to SDC records. This permission requires that 51 of the 301 dwellings are to be developed as affordable housing.</p> <p><b>Market Delivery Position</b> A now established scheme located on the northern edge of Selby town, adjacent to the canal, but relatively isolated from the main arterial route through Selby (A19) and accessed through existing housing to the south. Currently being developed and actively marketed by Bovis Homes (Holmes Meadows), with a predominance of 2 and 3 bedroom homes. Over half of the affordable housing has been completed to date.</p> <p>SDC records advise that 22 dwellings were completed in 2012/13. However, the sales advisor at the site confirmed in July 2014 that sales had increased over Q2 2014, achieving circa 4 per month (excluding affordable housing), with a further 4 reservations awaiting completion.</p> <p>Assuming the site continues to develop with a single sales outlet, I consider that continued market improvement is likely to see completions increase to circa 35-50 per annum (including private sales and affordable disposals), with the remaining 221 dwellings delivered within next 5 years.</p>
229 / 8/19/1011AJ/PA	Staynor Hall, Bawtry Rd, Selby	75	100	100	100	100	475	<p><b>Planning Position</b> Outline planning permission granted in 2002 for the erection of 1,200 dwellings (ref. CO/2002/1185), with numerous reserved matters permissions subsequently granted, development commenced and 663 dwellings remaining accordingly to SDC records. The S106 is understood to restrict development to a maximum of 100 units per annum, with any previous year's shortfall able to be provided in the</p>





Ref	Detail	14/15	15/16	16/17	17/18	18/19	Total	Commentary
								<p>following year as an addition.</p> <p><b>Market Delivery Position</b>            A long established major residential development in an attractive and accessible location to the south of Selby Town Centre, immediately adjacent to the A1041. Currently being developed and actively marketed by Persimmon Homes (Staynor Hall) as a development of 2, 3 and 4 bedroom houses and Charles Church (The Plantation @ Staynor Manor) as an exclusive development of 4 &amp; 5 bedroom homes. On site affordable housing has and will continue to be delivered as part of this development in accordance with the outcome of a viability assessment.</p> <p>SDC records advise that 79 dwellings were completed in 2012/13, with over 100 dwellings completed in 2006/07 (141) and in 2007/2008 (115) before a sharp decrease in sales.</p> <p>I understand that the site will continue to develop with 2 sales outlets (Persimmon Homes and Charles Church) and in line with recent evidence of increasing sales and historic completions of over 100 units per annum, I consider completions between 75 and 100 dwellings per annum are likely to be achieved, (including private and affordable), or 475 dwellings over the next 5 years.</p>
114/ 8/57/267L/PA	Land Adj to the east of Southlands House Southlands Close South Milford	43	0	0	0	0	43	<p><b>Planning Position</b>            Full planning permission granted in 2012 for the development of 115 dwellings (ref. 2011/0563/FUL) with development now commenced and 43 dwellings remaining accordingly to SDC records. The S106 for this permission requires the delivery of 34 affordable housing units on site (30%).</p> <p><b>Market Delivery Position</b>            An established residential development located in an attractive semi-rural location with good access to the A1 via the A162 and A63. Phase 2 of the development currently being developed and actively marketed by Linden Homes (Southfield Park), comprising a mix of 2, 3, 4 and 5 bedroom homes.</p>

Ref	Detail	14/15	15/16	16/17	17/18	18/19	Total	Commentary
								<p>SDC records advise that 45 dwellings were completed in 2012/13.</p> <p>This is an established and attractive development which I consider will continue to achieve an improved rate of completions, with the remaining 43 units completed within the next 5 years.</p>
0 / 8/72/2R/PA	Papyrus Works, Papyrus Villas, Newton Kyme	10	50	50	18	0	128	<p><b>Planning Position</b> Full planning permission granted in May 2014 for the erection of 128 dwellings (ref. 2012/1053/FUL), including 30% on site affordable housing (39 dwellings). No dwellings yet completed.</p> <p><b>Market Delivery Position</b> A new development of 2, 3, 4 and 5 bedroom homes in an attractive rural location close to Boston Spa with good access to the A1 via the A659. Currently being marketed online by Redrow Homes (St. Andrew's Place), with development expected to commence during 2014.</p> <p>Based on discussion with Redrow, I understand that this site will be developed with a single sales outlet and that a completion rate in the order of 50 units per annum is achievable (private and affordable), in line with evidence of 2012/13 completions at the Linden Homes Southfields development (see above), being an attractive scheme in an improving market.</p>
EGG/3	Selby Road, Eggborough	0	30	50	50	50	180	<p><b>Planning Position</b> Local Plan allocation for residential development to provide approximately 210 new houses on circa 6.76 hectares (16.7 acres) of land. No existing planning permission but an application has been submitted by Harron Homes for 103 dwellings on circa half of the site as the first phase of development, following public consultation in March 2014.</p> <p><b>Market Delivery Position</b> Relatively flat, greenfield site, with principle of residential development established by the Local Plan allocation, no major development</p>



Ref	Detail	14/15	15/16	16/17	17/18	18/19	Total	Commentary
								<p>constraints (overhead power lines to be relocated under the ground) and developer looking to progress residential development. Planning permission still to be secured which will delay delivery of residential units until 2015/16.</p> <p>Proposed layout shown for phase 1 shows vehicular access through to the remainder of the site covered by the residential allocation. Anticipated that Harron Homes or another developer will develop out the remainder of the site pursuant to the first phase of development. On site affordable housing likely to be required as part of any planning permission granted.</p> <p>It is expected that development of this site will commence with a single sales outlet (Harron) and I consider that a completion rate in the order of 50 units per annum is achievable (private and affordable) in line with recent completions at the Linden Homes Southfields development (see above) and the anticipated continued market improvement, or 180 dwellings over the next 5 years.</p>
<b>SHB/1B</b>	<b>Low Street, Sherburn in Elmet</b>	<b>0</b>	<b>75</b>	<b>100</b>	<b>100</b>	<b>75</b>	<b>350</b>	<p><b>Planning Position</b> Substantial Local Plan allocation for residential development to provide in the region of 1000 dwellings on circa 39.3 hectares (97.1 acres). Part of this site was granted outline planning permission in March 2014 for a total of 598 dwellings (ref.'s 2012/0399/EIA - 100 dwellings Redrow and 2012/0400/EIA – 498 dwellings Persimmon) following the first phase of development of this site. The S106 agreement for these permissions requires the provision affordable housing on-site.</p> <p><b>Market Delivery Position</b> Also a relatively flat, greenfield site, with planning permission for residential development, no major development constraints and developers looking to progress residential development. Reserved matters planning permissions are still to be secured for the whole development which will delay completion of residential units until 2015/16.</p> <p>SDC records advise that 65 dwellings were completed in 2010/11 and</p>



Ref	Detail	14/15	15/16	16/17	17/18	18/19	Total	Commentary
								<p>68 dwellings in 2011/12 on the land to the north forming part of the wider allocation (SHB/1A).</p> <p>I understand that the site will be developed with 2 sales outlets (Persimmon Homes and Redrow Homes) initially, reducing to one when the Redrow development is completed. In line with recent evidence of increasing sales and recent completions on the site to the north as set out above and of over 100 units per annum historically on the Staynor Hall / Manor development, I consider completions between 75 and 100 dwellings per annum commencing 2015/16 are likely to be achieved (private and affordable), or 350 dwellings over the next 5 years.</p>
THW/2	Leeds Road, Thorpe Willoughby	40	50	50	9	0	149	<p><b>Planning Position</b> Local Plan allocation for residential development of approximately 148 dwellings on circa 4.96 hectares (12.3 acres). Planning permission was granted in May 2013 for the development of 149 dwellings (ref. 2012/0852/FUL) and development has commenced. The S106 for this permission requires the provision of 40% affordable housing (60 dwellings).</p> <p><b>Market Delivery Position</b> A new development of 2, 3 and 4 bedroom homes currently being developed and actively marketed by Linden Homes (Willeby Heights). Attractive semi-rural village location to the west of Selby with easy access to the A63.</p> <p>Assuming the site continues to develop with a single sales outlet (Linden Homes), I consider that the recent market improvement is likely to see completions of circa 50 per annum (including private sales and affordable), with all 149 dwellings delivered within the next 5 years.</p>
SP7	Olympia Park, Selby	0	0	25	100	100	225	<p><b>Planning Position</b> Core Strategy allocation as a Strategic Mixed Use development site, including up to 1000 new homes. Pursuant to this, the Council has resolved to grant outline planning permission for a residential led mixed use development including 863 dwellings (2012/0541/EIA), subject to</p>



Ref	Detail	14/15	15/16	16/17	17/18	18/19	Total	Commentary
								<p>the signing of a S106 agreement which is expected to be completed in July 2014. The trajectory submitted as part of the application identifying when the development is proposed to take place estimates the construction of 72 dwellings per annum, with first occupation of the dwellings expected from January 2016, although it is expected that there has been some slippage on this.</p> <p><b>Market Delivery Position</b></p> <p>Strategic development site currently being marketed for sale by Savills as a residential led mixed use development site and likely to be sold in phases to maximise land value. Principle of residential development established by the allocation, but reserved matters planning permission is still to be secured. There is a requirement for the delivery of the link road to A63 to be constructed prior to the occupation of the first dwelling and it is understood that funding from Leeds City Region has been agreed to support the delivery of this.</p> <p>Given the size of the site and the current proposed land sale, it is anticipated that the residential development will be brought forward by more than one residential developer as part of a phased land sale. It is understood that a number of residential developers are seriously looking at acquiring the site in phases, with a single purchase of the whole site considered unlikely due to its size.</p> <p>There will, however, be a lead in period associated with infrastructure delivery, residential developer selection and securing the necessary consents. Accordingly and based on discussions with a colleague who has been involved in the negotiations with Network Rail regarding the bridge over the railway line to be provided as part of this development, I anticipate that the first dwellings will not be completed until January 2017.</p> <p>In line with other strategic residential land sales across Yorkshire, I anticipate that the site will be sold in phases to more than one residential developer, meaning the site will be developed with multiple sales outlets (and at least two). Assuming two sales outlets I consider that as an attractive residential development opportunity in an</p>



Ref	Detail	14/15	15/16	16/17	17/18	18/19	Total	Commentary
								improving market, completions of circa 100 dwellings per annum (including private and affordable) from January 2017 are achievable, with 225 dwellings delivered within the next 5 years.



## **ASSESSMENT OF DELIVERY OF HOUSING SITES**

Prepared for  
Selby Council

July 2014

**WITHOUT PREJUDICE**

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Our ref: DZC/141267

22 August 2014

Dear Ms Dewar

**ASSESSMENT OF DELIVERY OF HOUSING SITES**

**1. EXPERIENCE AND QUALIFICATIONS**

- 1.1 I am David Jerome Couch, a Director with BNP Paribas Real Estate ('BNPPRE'), one of the UK's leading real estate consultancies with seven regional offices in addition to its London offices.
- 1.2 I have responsibility for BNP Paribas Real Estate's Development Consultancy Business in the north of England which specialises in residential development agency, appraisal, valuation and consultancy. We cover Yorkshire and the North East from offices in Leeds, Sheffield and Newcastle.
- 1.3 I qualified as an associate with the Royal Institution of Chartered Surveyors in 1996 and have worked in the residential land sector throughout England, including work in Yorkshire from 2006. I have been involved in the appraisal of residential development land for 20 years. I am a Registered Valuer with the RICS and an APC Chairman in Valuation and Planning and Development.
- 1.4 I have extensive experience in the residential sector undertaking valuation, advisory and agency roles, and in terms of valuation both in connection with dispute resolution and development funding or decision making. I have given expert opinion in valuation negligence cases concerning residential development.
- 1.5 I am currently involved in exercising development land options within the UK and have sold residential development sites within Yorkshire and the north of England.
- 1.6 I currently act for both land owners and national house builders in addition to public sector bodies and believe my experience provides a balanced insight into the residential development market. I believe I am well placed to provide an assessment of the deliverability over the next five years from April 2014 to March 2019 of the sites relied upon by the Council.



## **2. INSTRUCTIONS**

- 2.1 I am instructed by Jessica Dewar of Selby District Council to review the Council's Housing Delivery Estimates. The instruction is to help inform Council policy in relation to Housing Delivery. Officers have provided me with the council's Annual Monitoring Report (AMR), and adopted planning policy documents relating to housing supply.
- 2.2 I am specifically asked drawing upon my experience in this sector to review Outstanding Planning Permissions, Existing Allocations and the SHLAA 2011 sites to assess the 5 year Housing Land Supply April 2014 to March 2019.
- 2.3 I have also been asked to give an overview on the new homes development market and key influences and to comment on the Buffer requirement and Shortfall assessment.
- 2.4 In undertaking my assessment as well as using my own knowledge and experience and market information held by BNP Paribas Real Estate.

## **3. SELBY NEW HOMES MARKET/FUTURE TAKE UP**

### **3.1 Market**

- 3.2 After a four year period of the lowest new homes sales activity I have seen in my career, the market has now begun to change with improving new homes sales rates evident. It is also now a generally accepted view in the residential land market that there is considerable pent up demand for well-located family accommodation linked to a current undersupply in the wider Leeds and York city regions.
- 3.3 In forming my opinion I have drawn on my experience of recent residential development land acquisition and the exercising of residential land development option agreements in the Yorkshire Region. What I have witnessed in the last 12-24 months is an increase in the rate of sales even while house prices have remained relatively flat. That improvement is not just due to the economy but in the main due to new mortgage products based on government intervention such as the Government backed Help to Buy, New Buy, or Homes Assist First Buy, as well as an increase/re-emergence in part exchange and worthwhile incentives. The early schemes are primarily targeted at first time buyers but Help to Buy is available to all sectors within the price cap.
- 3.4 New Buy and Homes Assist First buy products generally allow/ed a purchaser with a 5% deposit to buy. In all cases the house builder will put in between 5-10% matched by the Government. These products increased take up rates and up to the 2013 Budget confidence was increasing, however the major boost was Help to Buy.
- 3.5 Help to Buy was introduced as an initiative in the 2013 Budget, the Government offers to the lenders the option to purchase a Government Guarantee that in effect removes risk from higher loan to value lending (see Appendix I). The Government agrees to compensate lenders if there is default covering the risk on a top slice of the mortgage. Importantly it applies to much higher value home transactions up to £600,000 running for 3 years from the start of 2014 for both the new homes and the second hand market. This will enable greater flow of transactions in the mid and higher value end of the market which had been slower within the larger sites. It allows greater opportunity for those already in the housing market to trade up as well as new joiners to buy. As has been

evidenced with other Government backed products this investment will likely act as a stimulus creating a positive effect on new homes take up across the range of housing types. The initial 'Help to Buy' shared equity scheme for first time buyers is working with up to 20% of the cost of the home funded by a shared equity loan through the Government, and interest free for the first five years. Having lobbied for further mortgage market intervention the national house builders had been preparing for the change, and are now bringing their larger sites forward. I note that the House Builders Federation (who compile national new build start statistics) report in their 27 June 2014 release that that in the three months to May 2014 there were 35,150 housing starts, a level not seen since May 2008 and 10% above the same period in 2013; they also report 30,650 homes completed, 12.5% more than the same period in 2013 and 143,600 plots under construction, 9.2% higher compared to the same time last year. 22,831 equity loans had been made under the Help to Buy scheme to 31 May 2014, with Leeds the local authority with the highest number of loans in the country at 386, Selby was 58.

- 3.6 Demand for housing in Selby is heavily influenced by its proximity to both Leeds and York with the western side of the District forming an integral part of the wider Leeds housing market.
- 3.7 I have had recent dealings with land owner or house builder appointed experts where comparable evidence is analysed and joint opinion reached when analysing housing take up rates. There is increasing evidence that decisions are being made on the basis that individual sales outlets on shared sites achieve on average 50 completions per annum, including affordable housing. The effects of the 'Help to Buy' scheme are apparent with house builders reporting significant improvements in sales reservations.
- 3.8 In an improved market viability is more robust and a greater number of affordable units can also be delivered. This increases overall rates of housing delivery as most affordable housing products are not impacted by sales risk and delivery is therefore more rapid. Indeed housebuilders have informed me that an element of affordable in a scheme can be beneficial as it creates up front cashflow at the start of a scheme, to kickstart the site.
- 3.9 Multiple sales outlets like those currently operating at Staynor Hall are a factor of both demand and the constraints that the house builders currently work under. House builders on the larger sites no longer tend to build in solos, preferring to spread their risk and their resources. The impact of multiple outlets also works for different brands of the same housebuilder as Persimmon demonstrate at Staynor Hall.
- 3.10 The reasons why house builders tend to sub sell land to competitors or share sites is to both spread risk on location and to help in funding abnormal up front infrastructure to aid cash flow. House builders at present are keen to see returns on their capital earlier and avoid tying up large sums in consented land unless there is little choice. In the 1990's consented land was to a greater degree purchased 'just in time' from land speculators who serviced parcels for the house builders. Those traders can no longer afford to service the land and the house builders in the main seek to share the sites to limit their exposure.
- 3.11 House builders also seek to share sites with reciprocal arrangements to spread risk and allow multiple locations and target markets throughout a region to be covered. In the major volume sites the house builders are content to co-locate as they see benefit from the combined marketing of all the different outlets creating a wider choice, value spread, and attracting more purchasers to what appears a more popular destination.

- 3.12 This also applies to vendors of larger sites where land value receipts can be maximised over the shortest time period if multiple phases of the same site are released simultaneously to the market.
- 3.13 Renewed confidence in the market is evident in the actions of the house builders in seeking additional land and increasing targets. For example Bellway Yorkshire have informed me that they are seeking to increase completions from 350 per annum to 500 over the next year.
- 3.14 In terms of flow of delivery of new homes from the introduction of new outlets the pre-marketing before sales release will normally lead to an exceptional initial flow of buyers given pent up and expectant demand from the targeted marketing but this normally levels to achieve the steady average in the next phase as the house builder seeks to build to demand.
- 3.15 The completions per annum in Selby District over the last 9 years have shown significant variance from a high of 874 to a low of 226, this reflects the realities of market movements in this time period. The simple average from these 9 years, which include only 3 years of peak market, activity is 423. Specific examples from Selby sites as detailed in Appendix II. Key sites such as Staynor Hall which achieved 141 units in 2006/07 are now coming back to higher rates – averaging 57.5 in the last 4 years and reaching 79 in 2012/13. Persimmon (and Redrow) also averaged 60 units per annum in the 3 full years of sales at phase 1A of the Sherburn in Elmet allocation SHB/1A&B. This is in agreement with wider regional comparisons where sites such as Waverly New Community between Rotherham and Sheffield are now achieving in excess of 120 private units per annum based on 3 outlets on a single site. I am of the opinion that the new mortgage products and the improving economy those recent increases in rates of sale will more than likely continue to grow. Certainly the recent actions of the house builders appear to support this view. The market outside London is still very much in a period of expansion and comments on housing bubbles and national figures on growth should not be applied to northern residential markets.

Year	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14
Completions	638	874	583	226	270	366	338	248	268

#### 4. THE 5 YEAR HOUSING LAND SUPPLY

- 4.1 Government policy as set out in the NPPF requires LPAs to maintain a 5 year housing land supply (HLS). In addition the NPPF introduced the need for an additional buffer to top up the 5 year housing land supply for Selby by 20% - or additional supply equivalent to an extra year of sites that are capable of being delivered in the next 5 years. Where a 5 year HLS cannot be demonstrated, the NPPF at paragraph 49, advises that plans (in this case the Core Strategy) are out of date and the presumption in favour of sustainable development is triggered.
- 4.2 In such circumstances the second half of paragraph 14 of the NPPF is then relevant. This requires any decision taker to approve the development unless its impacts would cause significant and demonstrable harm.

- 4.3 The Government wishes that every effort should be made objectively to identify and then meet the housing needs of an area (paragraph 17, NPPF). The purpose of the Government's requirement for having an identified supply of deliverable housing sites I believe is as follows:
- To build a strong, responsive and competitive economy (paragraph 7, NPPF).
  - To ensure that sufficient land of the right type is available in the right places and at the right time to support growth and innovation (paragraph 17, NPPF).
  - To significantly boost supply of housing (paragraph 47, NPPF).
- 4.4 In the recent economic conditions housing delivery rates have been lower than they were previously. However, Government policy requires LPAs to significantly boost housing supply and to plan positively to meet the fully objectively assessed housing needs, on the basis that housing construction will be a major driver in ensuring growth flows back in the economy.
- 4.5 The situation and location of the Phase 2 allocations and Olympia Park strategic site (in the adopted Core Strategy) across the Selby area with a focus on existing settlements, notably Selby itself, in my opinion offers a good mix of volume housing sites to accommodate future demand. This addresses local demand and recognises the strategic position of the District relative to its larger city neighbours – Leeds, York and Hull.
- 4.7 I note that in the last 5 years (to 12/13) on the back of fewer larger sites the delivery rates for the Selby area have dropped significantly since the peak of 874 units in 06/07. Clearly market conditions post the Credit Crunch have not been favourable but I do not consider these to have been normal years of housing delivery. I believe the recent levels have been dictated in the main by a lack of suitable mortgage products with only the starter market receiving help with New Buy products. This should now change with the broadening of the range of assistance afforded by the ability to use 'Help to Buy' to acquire a greater range of new build product as well as increased market confidence.

## 5. MY ASSESSMENT OF THE COUNCIL'S HOUSING SUPPLY

- 5.1 I have utilised the Council's December 2013 5 Year Housing Supply paper, the 2014 Methodology Update and summary spreadsheets on Update Permissions, Phase 2 sites and SHLAA sites as the basis of my review. The summary of which is attached at **Appendix II**, I have concentrated on the key larger sites when arriving at my conclusions. I have prepared my own assessment of the likely delivery timetable and take up rates of the large site allocations in Selby based upon today's improving market strength and my opinion of the increasing confidence of the house builders and likely planning timetables/site specific constraints reflected in an individual site's market appeal. I have reflected the natural progression of the larger sites as they establish themselves to accommodate more outlets.
- 5.2 My findings on the larger sites covers the 5-year period April 2014 to March 2019. I understand that the findings of this report are to be used by the council to further update their 5 Year Supply and will demonstrate the council's housing land supply.
- 5.3 In my opinion in terms of improved future demand the identified schemes are well placed to react to that demand by each outlet delivering higher numbers of homes for sale. Home production is capable of being increased to meet the demand and that increased demand can be accommodated in the allocations already made. This can be demonstrated by taking account of the delivery in the next five years and considering the remaining balance as set out in the table below:

Ref	Site	2014 to 2019
103 / 8/19/1573E	Land at Holme Lane / Coupland Rd, Selby	221
229 / 8/19/1011AJ/PA	Staynor Hall, Bawtry Rd, Selby	475
114/ 8/57/267L/PA	Land Adj to the east of Southlands House Southlands Close South Milford	43
0 / 8/72/2R/PA	Papyrus Works, Papyrus Villas, Newton Kyme	128
EGG/3	Selby Road, Eggborough	180
SHB/1B	Low Street, Sherburn in Elmet	350
THW/2	Leeds Road, Thorpe Willoughby	149
SP7	Olympia Park, Selby	225
<b>Total</b>		<b>1,771</b>

## 6. SHORTFALL

- 6.1 There is an identified shortfall of 496 units from the plan period. As noted above market conditions since 2008 have severely reduced delivery as sentiment and mortgage availability removed buyers from the market. The housebuilding industry reacted to the downturn by reducing the scale of their businesses on both the land buying and construction sides in order to protect their balance sheets. This reduction in capacity is borne out by the overall take up rates in the last 6 years. However as the business have now re-gained profitability this position is now changing and both larger and smaller housebuilders are staffing up and raising targets.

## 7. CONCLUSIONS

- 7.1 I have concluded that the revised methodology, updates and conclusions within the Council's June 2014 5 Year Housing Supply Methodology Update more accurately reflects the 5 Year Housing Supply position than the December 2013 Housing Land Supply paper. The June 2014 update is based on a review of the key components of likely take up and current site identification. This is based on:
- 1) A review of delivery rates at a greater level of detail, this is set out in Appendix II and reflects more detailed work on the greater capacity in larger allocations/permissions as well as the improved market outlook;
  - 2) A review of Flood Risk sequential testing at a local settlement level
- 7.2 Given my findings from this review I consider that although there is not currently a full 5 year housing supply. However completion rates will recover in the short to medium term and the Council's plans to work to achieving site allocations should address this.
- 7.4 Furthermore there is more than adequate strategic capacity in the larger sites to accommodate any increased demand akin to historical take up in previous stronger market cycles, over and above that which I have estimated.
- 7.5 My opinions are based upon my analysis of the planning situation for the key sites, my recent experience of improving sales rates, the significant increase in land acquisition activity by the house builders, and the introduction of the 'Help to Buy' arrangements to support purchasers. I believe that activity will improve to meet the pent up demand resulting in a trend of improving sales rates.

Yours sincerely



**David Couch MA MRICS**  
**RICS Registered Valuer**  
**Northern Head of Residential Development Consulting**  
For and on behalf of BNP Paribas Real Estate

## Appendix I



Homes &  
Communities  
Agency

# Help to Buy Buyers' Guide

Homes and Communities Agency  
27 March 2013

<http://www.homesandcommunities.co.uk/helptobuy>



## **What is Help to Buy?**

Help to Buy is equity loan assistance to home buyers from the Homes and Communities Agency (HCA).

Help to Buy makes new build homes available to all home buyers (not just first time buyers) who wish buy a new home, but may be constrained in doing so – for example as a result of deposit requirements – but who could otherwise be expected to sustain a mortgage. Up to a maximum of 20% of the purchase price is available to the buyer through an equity loan funded by the Government through the HCA.

Help to Buy is available in England from house builders registered to offer the scheme. Help to Buy will run from April 1<sup>st</sup> 2013 until March 31<sup>st</sup> 2016 (or earlier if all of the funding is taken up).

This guide provides an overview of the product. If you'd like to know more, or if you want to apply, please contact your Local HomeBuy Agent (see page 19).

**Your home may be repossessed if you do not keep up repayments on a mortgage or any other debt secured on it.**

**Check that these mortgages will meet your needs if you want to move or sell your home or you want your family to inherit it. If you are in any doubt, seek independent advice.**

**APR 5.2% typical** (see page 13 for more information).

## **Help to Buy overview**

With Help to Buy, the buyer ('you') buys a new home on a new build development with assistance from the Homes and Communities Agency ('the Agency') in the form of an equity loan.

You must take out a first mortgage (with a qualifying lending institution e.g. a bank or building society). This mortgage, together with any cash contribution from you, must be a minimum of 80% of the full purchase price. The maximum full purchase price is £600,000.

The Agency will provide an equity loan to fund the balance needed to make up the full purchase price of your home, up to a maximum of 20% of the full purchase price.

The equity loan must be repaid after 25 years or earlier if you sell your home. You must repay the same percentage of the proceeds of the sale to the Agency as the initial equity loan (i.e. if you received an equity loan for 20% of the purchase price of your home, you must repay 20% of the proceeds of the sale).

The equity loan is interest free for the first five years. After that, you will pay a fee of 1.75%, rising annually by the increase (if any) in the Retail Price Index (RPI) plus 1%.

Local HomeBuy Agents will assess and approve your purchase for Help to Buy, and you need their approval before you proceed with the buying process.

Further details on all these points and the buying process are set out within this guide.

## **How does it work?**

Help to Buy enables buyers to purchase a new property, funded by a mortgage and with help from the Agency.

This enables you to take out a mortgage on which you make repayments in the normal way. Your mortgage lender is likely to require that you contribute a deposit and your mortgage and deposit must cover a combined minimum 80% of the total purchase price. The rest of the purchase price will be paid for with an equity loan from the Agency.

**As a result of providing this assistance, the Agency has an entitlement to a share of the future sale proceeds equal to the percentage contribution required to assist your purchase. Examples of this are shown below.**

For the first five years of Help to Buy home ownership there is nothing for you to pay on the amount that the Agency contributed to your purchase.

After five years, the equity loan will be subject to a fee (collected from you on behalf of the Agency by the Post Sales HomeBuy Agent) of 1.75% per annum on the outstanding amount of the equity loan. From the fifth anniversary of the loan this fee will increase each year by the increase (if any) in RPI plus 1%. This is illustrated on page 14.

**When you sell your Help to Buy home (unless you have chosen to repay your equity loan earlier), you must repay the Help to Buy assistance from a share of the sale proceeds. So, if the Agency assisted your purchase with a 20% contribution, your repayment will be 20% of the total market value when it is sold. Turn to page 11 to see what happens if values have fallen.**

Following the purchase you can choose at any time to make voluntary part repayments ('staircasing' or a full repayment) of the Help to Buy assistance at the prevailing market value. The minimum voluntary repayment is 10% of the market value at the time of repayment.

The Agency's entitlement to a share of the future sale proceeds is secured through a second charge on your home. This is done in the same way that your mortgage lender will secure its lending through a first charge on your home. Although, if you buy through Help to Buy, you will have a mortgage for less than the full purchase price of the property, you will be the legal owner with 100% title to your home. The table below shows how it works.

<b>Example of Help to Buy home ownership</b>	<b>£</b>	<b>%</b>
Open market price of new home	<b>£200,000</b>	<b>100</b>
Help to Buy buyer mortgage @ 75%	£150,000	75
Help to Buy buyer pays 5% deposit	£10,000	5
<b>Help to Buy buyer total contribution</b>	<b>£160,000</b>	<b>80</b>
<b>Agency Help to Buy assistance 20% equity loan</b>	<b>£40,000</b>	<b>20</b>

In this example, the Help to Buy buyer has purchased a £200,000 home with a deposit of £10,000 and a mortgage of £150,000. The Agency has contributed an equity loan totalling £40,000 or 20% of the total purchase price.

In this example, when the home is sold, the Agency will be entitled to 20% of the total sale price.

Because Help to Buy assistance is through an equity loan, the amount required to increase your equity share will be dependent on the total value of the property at the time you want to redeem part of your equity loan (sometimes known as 'staircasing') or repay in full. The amount you need to do this will increase if your home increases in value and decrease if its value falls (see examples later in this guide).

**Who can take part in the scheme?**

It is open to all buyers seeking a new build home.

Help to Buy buyers must be able to fund up to 80% of their selected property through a conventional mortgage.

Buyers must take out a first charge mortgage with a qualifying lender. The maximum purchase price is £600,000.

The Local HomeBuy Agent (see below) will carry out an assessment of an application by a potential Help to Buy buyer to ensure that they are in a position to afford a conventional mortgage for their proposed purchase. This protects tax payers' investment in the Help to Buy home.

You must have access to a minimum 5% deposit (if one is required by your first charge lender).

**The property purchased must be your only residence. Help to Buy is not available to assist buy-to-let investors or those who will own any property other than their Help to Buy property after completing their purchase.**

**You cannot rent out your existing home and buy a second home through Help to Buy.**

**Applicants who make fraudulent claims for Help to Buy assistance will be liable to criminal prosecution.**

**Fraudulent claims will always require immediate repayment of the Help to Buy equity loan assistance.**

### **What does the HomeBuy Agent do?**

The Local HomeBuy Agents act on behalf of the Agency to signpost potential buyers towards Help to Buy schemes in their area and will carry out an affordability check on applicants.

They will also guide you through the process of buying your Help to Buy home and issue the approvals to your solicitor and the house builder to purchase the home through the Help to Buy scheme.

The role of the Local HomeBuy Agent is to:

- hold information about Help to Buy schemes for prospective buyers,
- assess affordability and eligibility, and
- give approval to a Help to Buy buyer's solicitor/conveyancer to proceed with a purchase.

Following the Help to Buy sale, your details will be transferred to the Post Sales HomeBuy Agent.

The role of the Post Sales HomeBuy Agent is to provide a single point of contact to:

- administer payment of fees by buyers on the Help to Buy equity loans after five years of ownership,
- recover the equity loans repayments as owners sell and move on or staircase, and
- provide advice and approval for exceptional cases relating to subletting, remortgaging and requests for additional borrowing.

### **Where are Help to Buy homes available?**

Help to Buy homes are available from house builders registered to offer Help to Buy homes in England. Registered builders will make it clear in their advertising if Help to Buy homes are available on their development sites.

## **How to buy a Help to Buy home**

### **The four-stage Help to Buy buying process**

#### **Stage 1: Application**

- Contact house builders, visit schemes of registered house builders and identify your potential Help to Buy property.
- You must see an Independent Financial Advisor (IFA) to gain confirmation of your financial status. The Local HomeBuy Agent and house builders will be able to suggest some IFAs for you to try.
- You must ensure you have funds to pay:
  - a reservation fee if required
  - a deposit on exchange if required (a mortgage deposit is typically 5% although some schemes may require higher or lower deposits at exchange of contracts)
  - other fees on completion (e.g. stamp duty, legal fees).
- You complete a Help to Buy “Property Information Form” (available from the developer). You must complete this with details of your proposed purchase, your proposed main mortgage, deposit and including your household income. The Property Information Form also confirms your agreement to the funds due under the Help to Buy mortgage being paid directly to the house builder.
- You must also reserve the home. You will usually be expected to pay a reservation fee to the house builder.
- The signed Property Information Form and a copy of the builder’s signed reservation form must be sent to the Local HomeBuy Agent.

#### **Stage 2: Authority to Proceed**

- Your Local HomeBuy Agent checks you can afford your main mortgage and ensures you have signed the declaration that the Help to Buy home will be your only residence. This is to protect tax payers’ investment in the Help to Buy equity loan.
- If affordable, you will receive an “Authority to Proceed” from your Local HomeBuy Agent within four working days of the house builder submitting your fully completed Property Information Form and reservation form to the Local HomeBuy Agent. This process may be delayed if you do not fully complete your Property Information Form.
- You instruct a solicitor to act for you and tell your IFA so that a full mortgage application can be submitted.
- The ‘Authority to Proceed’ will be accompanied by instructions to you and your solicitor/conveyancer. This pack will include legal documents that will be explained to you by your solicitor/ conveyancer.

#### **Stage 3: Mortgage offer and exchange of contracts**

- Your solicitor/ conveyancer will advise you and ensure you sign the sale contract and the Help to Buy equity loan.
- Your solicitor/ conveyance will explain the legal implications of the equity loan, that the Help to Buy home must be your only residence and the consequences of a fraudulent application (see below).

- Your solicitor/conveyancer checks that your mortgage offer, property price and available funds are consistent with the Authority to Proceed, and requests permission to exchange contracts from the Local HomeBuy Agent.
- Your Local HomeBuy Agent issues approval to your solicitor/conveyancer and contracts are exchanged.
- You will have paid a deposit if required and are now legally contracted to complete the purchase by an agreed date.

#### **Stage 4: Completing the purchase**

- At completion, your lender provides its funds and the Agency will make its funds available to you via the house builder. Once completion has taken place you own the property and can move in.
- Your solicitor returns confirmation of the sale to your Local HomeBuy Agent who then registers your details with the Post Sales HomeBuy Agent.
- A second charge is registered on your home by your solicitor in favour of the Agency, entitling it to a share of the future sale proceeds. The charge will be equivalent to the percentage contribution made towards the purchase price. You must repay the percentage contribution when you sell your home or after 25 years (whichever is earlier).

**The property purchased must be your only residence. Help to Buy is not available to assist buy-to-let investors or those who will own any property other than their Help to Buy property after completing their purchase.**

**You cannot rent out your existing home and buy a second home through Help to Buy.**

**Applicants who make fraudulent claims for Help to Buy assistance will be liable to criminal prosecution.**

**Fraudulent claims will always require immediate repayment of the equity loan assistance.**

#### **How long does the process take?**

Once you find a property you want to buy, you need to reserve it and submit a duly completed 'Property Information Form' to your Local HomeBuy Agent.

Your Local HomeBuy Agent will seek to assess your affordability (from a fully completed Property Information Form) within four working days and will issue an Authority to Proceed.

Your Local HomeBuy Agent's 'Authority to Proceed' is valid for three months – the time limit for exchange of contracts. Typically, most house builders will be seeking buyers to exchange contracts within one month of making a reservation.

You are responsible for securing your mortgage and appointing your solicitor/conveyancer, although your Local HomeBuy Agent and house builders will be able to suggest some options.

**Further information**

Help to Buy homes are only available from Help to Buy registered house builders who are in contract with the Agency to offer homes for sale through the Help to Buy programme.

Registered builders will make it clear in their advertising whether Help to Buy homes are available on their development sites.

Your Local HomeBuy Agent can also help you find out more about availability of Help to Buy homes in your area.



## **Your mortgage**

### **What is the minimum and maximum contribution I must make to my Help to Buy home purchase?**

Your minimum contribution must be 80% of the full purchase price which can be made up from your mortgage and your cash deposit contribution and any other savings.

The affordability of your mortgage contribution will be assessed by the Local HomeBuy Agent.

To ensure that funding can be used to help as many buyers as possible, Help to Buy purchasers are always expected to maximise their contribution to a reasonably affordable level. This is assessed by your Local HomeBuy Agent. If you could reasonably afford more than 90% of the full purchase price you will not receive Help to Buy assistance.

Your mortgage is designed to be affordable relative to your income. Your Local HomeBuy Agent will ensure you maximise your mortgage while having regard for the overall affordability of your repayments.

Typically, your mortgage will be based on a multiple up to 4.5 times your household income. Your Local HomeBuy Agent will also work to a guideline to ensure that your monthly costs (mortgage, service charges and fees) are no more than 45% of your net disposable income.

You cannot choose to take a lower mortgage if your affordable income multiple suggests you can afford and sustain a higher one. This is because the scheme is designed to assist buyers by giving them the help they need (but not more than that) to buy a new home. With limited resources available, the Agency is seeking to help as many buyers as possible, and allowing a buyer to reduce their mortgage (and maximise their equity loan) could stop others from also benefiting from the initiative.

### **What is the legal mechanism that ensures the Agency receives their correct share when the equity loan is repaid?**

The Agency's equity loan will be secured through a second charge registered on your property title at Land Registry; this process will be undertaken by your solicitor. This means your property cannot be sold in the future unless the Agency's equity loan percentage is repaid.

You must agree to the legal charge being secured on your home before your purchase can be completed. Your Help to Buy equity loan also includes other obligations such as the requirement for you to insure your property. Your solicitor/conveyancer will advise you on the legal implications of your obligations and these documents before they are signed.

### **What happens when I sell my Help to Buy home?**

When you sell your Help to Buy home, (unless you have already chosen to repay your Help to Buy equity loan) you will repay the Agency's equity loan simultaneously. So if you initially purchased with a 75% mortgage and a 5%

cash deposit and have made no other staircasing repayments (see Illustration 1 below), you will repay the Agency 20% of the value at the time you sell.

The Post Sales HomeBuy Agent will collect the Agency's repayment.

You can sell your home at any time and an independent valuer must decide what it is worth. Your property should be sold on the open market at the prevailing market valuation. If you do sell your property for more than the prevailing market value then the amount due to the Agency under the equity loan will be their percentage value of the actual sale price. The Agency will not agree to release its charge over the property for sales at less than market value.

If there are any fees outstanding, for example, arrears at the time of selling, these must be paid before the sale is completed.

The Help to Buy equity loan must be repaid when you sell your home. You will pay the costs of selling.

The illustrations below give examples of how the equity loan repayment is calculated assuming a Help to Buy home starting value of £200,000 and a buyer taking on a mortgage for 75% and paying a 5% deposit. Your solicitor/conveyancer will be able to provide more illustrations when they advise you on your purchase.

### Illustration 1

Star of year	Estimated annual change in property price %	Total property Value	Help to Buy home owner your entitlement to 80% of property value	Agency entitlement to 20% of property value
1	2	£200,000	£160,000	£40,000
2	2	£204,000	£163,200	£40,800
3	2	£208,080	£166,464	£41,616
4	2	£212,242	£169,794	£42,448
5	2	£216,846	£173,477	£43,369
6	2	£220,816	£176,653	£44,163

In the example above, if the buyer chose to sell their Help to Buy home at the start of year six (after owning the property for five years) and assuming property values increased by 2% every year, the buyer would receive an estimated £220,816 from the sale. The buyer would then use this to settle any outstanding balance on their main mortgage and to repay the £44,163 Help to Buy equity loan.

### What happens if property values fall? Will I have to repay the full amount of Help to Buy assistance or just a percentage of the total sale proceeds?

When you sell your home, (unless you have repaid the Help to Buy equity loan document previously) the Help to Buy equity loan document commits you

to repay a percentage of the market value equal to the percentage contribution of assistance received.

This means if the market value of your property falls below the level at which it was first purchased, you will repay less than the original amount the Agency contributed to the original purchase.

You must always show that the proposed sale value is at the prevailing market value before going ahead. The Post Sales HomeBuy Agent must approve the sale before allowing the second charge to be released.

As long as you have complied with all your obligations in the Help to Buy mortgage deed, you will not be required to provide for any shortfall in the equity loan if you sell when values have fallen.

If you do not comply with the terms of the Help to Buy mortgage deed, the Agency will seek to recover all the money they are owed. Your solicitor will explain the Help to Buy mortgage deed to you before the property is purchased.

### Illustration 2

Star of year	Estimated annual change in property price %	Total property Value	Help to Buy home owner your entitlement to 80% of property value	Agency Help to Buy entitlement to 20% of property value
1	-5	£200,000	£160,000	£40,000
2	-5	£190,000	£152,000	£38,000
3	-5	£180,500	£144,400	£36,100
4	5	£171,475	£137,180	£34,295
5	5	£180,049	£144,039	£36,010
6	5	£189,051	£151,241	£37,810

In the above example, if no capital repayment has been made on the main mortgage, repayment of the £150,000 mortgage from sales proceeds would leave £39,051 to contribute to the repayment of the £37,810 equity loan.

### Can I redeem my equity loan in part, sometimes known as “staircasing”?

The Help to Buy scheme allows you to repay all or part of your equity loan. A partial repayment is often called “staircasing”.

Staircasing payments can be made at any time and must be a minimum of 10% of your home’s prevailing market value – whether that value is more or less than when originally purchased. You may wish to check any additional criteria with your current lender.

An independent valuer must provide a valuation of your property and you will also be responsible for the associated administrative cost. Enquiries about administrative costs should be made to the Post Sales HomeBuy Agent.

If you decide to staircase after five years of ownership, the fees (see below) you pay on your Help to Buy equity loan will reduce to reflect your smaller outstanding loan percentage.

If you extend your mortgage to fund your partial repayment of the Agency equity loan, your mortgage repayments will probably increase to reflect the fact that you have repaid some of the equity loan. The Post Sales HomeBuy Agent will need to approve any increase in your first charge mortgage.

In the example below, the buyer chooses to staircase by 10% to reduce the Agency equity loan to 10% at the start of year six (after owning the property for five years). Assuming property values increased by 5% every year, the buyer would have to repay £25,526 to reduce the Agency equity loan to 10% based on the future property value.

If the buyer has any outstanding equity loan fees at the time of staircasing, these arrears must also be paid at the same time as the staircasing payment is made.

Your solicitor/conveyancer will be able to provide more illustrations when they advise you on your purchase.

Start of year	Estimated annual change in property price %	Total property Value	Help to Buy home owner your entitlement to 80% of property value	Cost to Help to Buy Home owner staircasing by 10%	After staircasing Help to Buy home your entitlement to 90% of property value
1	5	£200,000	£160,000	Not applicable	Not applicable
2	5	£210,000	£168,000	£21,000	£189,000
3	5	£220,500	£176,400	£22,050	£198,450
4	5	£231,525	£185,220	£23,153	£208,373
5	5	£243,101	£194,480	£24,310	£218,790
6	5	£255,256	£204,204	£25,526	£229,730

### **Are there any restrictions on the mortgage provider?**

Your first charge mortgage must be from a qualifying lending institution. These include lenders who are authorised under the Financial Services and Markets Act 2000, and who have permission to enter into regulated mortgage contracts. This is likely to include most banks and building societies.

The Financial Services Authority keeps a register of authorised persons on its website. The register can be found at [fsa.gov.uk/page/register](http://fsa.gov.uk/page/register)

Your solicitor/conveyancer will check that the lender is compliant before a sale can proceed.

### **Fees and costs**

#### **What are the monthly costs of Help to Buy?**

Typically every month, you will need to make payments in addition to your normal monthly outgoings, including:

- mortgage repayments to lenders

- after five years, fees on the Help to Buy equity loan (see below)
- service charges, if you buy a house or flat with shared areas that require maintenance
- council tax
- life insurance [and payments into investment products if the mortgage is interest only]
- buildings insurance
- utility bills and other costs of occupying the property.

### How the fees are calculated on the Help to Buy equity loan?

If you have not repaid in full your Help to Buy equity loan after five years, you will be required to pay a fee of 1.75% of the market value of your property at the time you purchased, rising annually from the fifth anniversary of your equity loan by the increase (if any) in the Retail Price Index (RPI) plus 1%. This fee is payable to the Post Sales HomeBuy Agent.

The example below shows how fees are calculated. The fee payment is not made for the first five years. After this date a monthly fee will be payable and the table below illustrates how this would work on Help to Buy equity loan totalling £40,000.

Your solicitor/conveyancer will be able to provide more illustrations when they advise you on your purchase.

Start of year	Help to Buy equity loan assistance	Estimated RPI %+1	Fee percentage	Annual fee due	Estimated monthly payment
1	£40,000	6%	0%	£0	£0
2	£40,000	6%	0%	£0	£0
3	£40,000	6%	0%	£0	£0
4	£40,000	6%	0%	£0	£0
5	£40,000	6%	0%	£0	£0
6	£40,000	6%	1.75%	£700	£58
7	£40,000	6%	1.86%	£744	£62
8	£40,000	6%	1.97%	£788	£66
9	£40,000	6%	2.08%	£832	£69
10	£40,000	6%	2.21%	£884	£74

At the start of year six, after five years of ownership, the Help to Buy owner in this example has to pay a monthly fee of £58. At the start of year seven, after six years of ownership, the monthly fee will have risen to £62.

The fee structure is intended to encourage you to staircase and move to full ownership. The introduction of fees after five years also takes into account that you benefit from living in your own home, made possible by the Agency contributing part of the purchase price until your property is sold. The fee is not introduced until the start of year six, which means that you have a five year period of zero fees at a time when many buyers are usually the most financially stretched.

The future rate of inflation cannot be predicted but you should assume your fees will always rise. The example shown above assumes annual inflation as measured by the RPI is 5% making the annual fee increase by 6%, from 1.75% to 1.86%, in year seven. By the start of year ten, if the same rate of inflation is maintained, the fee would be 2.21% equating to £74 per month based on the original equity loan totalling £40,000. Your annual fee will always increase by a minimum of 1% (from the fifth anniversary of your Agency equity loan) even if there is not increase or there is a decrease in RPI.

Your payment of fees does not contribute towards repaying your Help to Buy equity loan. If you staircase or want to make full repayment of the equity loan, any fee arrears must be repaid at the same time.

### **Annual Percentage Rates (APR) for Help to Buy owners**

Because you have to pay fees on your Help to Buy equity loan during your ownership, and you may have to pay more than the original contribution back to the Agency, the effect will be similar to a loan under which a buyer pays credit charges at a rate dependent on the growth in house prices combined with the percentage rates of fees payable.

The previous illustrations demonstrated separately the effects of house price changes and fees on the costs a buyer would have to pay starting with a £200,000 market value home and a buyer's affordable mortgage and contribution of 80%.

The combined effect of fees and repayments effects the APR which is the buyer's cost of credit.

Using the previous illustrations, after six years of ownership, if the buyer decides to sell and house prices have grown for example by 5% every year, the buyer will have to repay £53,604 on their equity loan.

The owner will have also paid £700 in fees on the Help to Buy equity loan. This means the total amount payable after five years on the Help to Buy original assistance of £40,000 is £54,304.

**For this example, this is equal to an APR 5.2% typical.** The total amount repaid is £54,304. You should remember this is an illustration. House price inflation, the Retail Price Index and the fees and costs an owner pays could all vary substantially over time. Your solicitor/conveyancer will be able to provide a further illustration of APR when they advise you on your purchase.

**Prospective buyers should always seek independent financial advice before proceeding.**

## Questions and answers

### **Q Can I buy a home off plan?**

Yes, you are able to reserve a new home off plan at any time. However, you cannot exchange contracts before three months to legal completion of the sale. You also need to ensure that your mortgage offer is valid through to legal completion.

### **Q Will I have to pay Stamp Duty?**

The Government's standard rules and procedures for Stamp Duty Land Tax (SDLT) apply to all Help to Buy purchases.

SDLT is payable at the time of purchase, on the full purchase price of the home. That is, the amount paid by you (the first mortgage and any cash contribution) plus the value of the Help to Buy assistance.

There is no further SDLT to pay on any 'staircasing' repayments or repayment when the home is sold.

You should budget for SDLT on the full open market price of the property when you purchase a Help to Buy home.

### **Q Who pays for repairs and ongoing maintenance to my home?**

It is your responsibility to repair and maintain your home. New homes often come with a guarantee that will cover certain defects for up to 10 years after it was built. This guarantee usually only covers defects in the house builder's workmanship. Your solicitor/conveyancer will be able to advise in more detail on this.

### **Q Who provides the contribution for Help to Buy?**

The equity loan is provided by the Homes and Communities Agency and administered by your local HomeBuy agent. The contribution is secured by a second charge on your property title registered at Land Registry.

### **Q How long will it take before I can move in?**

Because Help to Buy homes are generally on new developments (and may still be under construction), in common with most new home sales, you will normally be expected to arrange a mortgage and exchange contracts within one month of paying your reservation fee.

Your moving in date may depend on the time required to complete construction work, which will vary from scheme to scheme. Some Help to Buy applicants may need to wait for a longer period of time for a home that matches very specific needs whereas others may buy from a development that allows earlier occupation.

### **Q What happens if the completion of my home is delayed?**

Once you have committed to buy a home (at exchange of contracts) the house builder will have agreed to build the home and keep you informed of progress. If you are unhappy about any delays in construction you must speak to the house builder. Your solicitor/conveyancer will be able to advise on the house builder's contractual responsibilities before you agree to the sale. You should check with your house builder that the funding will be available on the date you expect to complete your purchase.

**Q Are there any restrictions on the properties that I can purchase?**

All Help to Buy homes are on new build developments where the Agency has a registration agreement with the house builder. You can only purchase from these house builders. The maximum purchase price is £600,000.

**Q Can I sublet my Help to Buy home?**

No. Help to Buy is designed to assist you to move on to or up the housing ladder. If you wish to sublet, you will first have to repay the Help to Buy equity loan assistance. In exceptional circumstances (e.g. a serving member of the Armed Forces staff whose tour of duty requires them to serve away from the area in which they live for a fixed period, then sub-letting can be considered. In these circumstances you would also require approval from your mortgage lender).

**Q Can I own other homes and buy a Help to Buy home?**

No. Help to Buy is designed to assist you to move up the housing ladder and must be your only residence. This means you will be expected to sell your current home if moving up the ladder. The disposal of your current home will be verified by your solicitor/conveyance before you can proceed to exchange contracts on the Help to Buy Home.

**Q Can I own a Help to Buy home and buy a second home?**

No. Help to Buy is designed to assist you to move up the housing ladder. If you can afford to purchase another home you will have to repay the Help to Buy equity loan.

**The property purchased must be your only residence. Help to Buy is not available to assist buy-to-let investors or those who will own any property other than their Help to Buy property after completing their purchase.**

**You cannot rent out your existing home and buy a second home through Help to Buy.**

**Applicants who make fraudulent claims for Help to Buy assistance will be liable to criminal prosecution.**

**Fraudulent claims will always require immediate repayment of the equity loan assistance.**



**Q Can I use cash from my council, Housing Association or other public sector body to buy with the addition of help through Help to Buy?**

Provided that your local council is satisfied that this represents value-for-money and the other funding is compatible with Help to Buy. Funding provided which must be secured against your home would not be compatible with the Help to Buy scheme.

**Q After purchasing my home, can I increase my mortgage or take out another loan?**

Not without permission from the Post Sales HomeBuy Agent. Further advances must be approved by the Post Sales HomeBuy Agent.

Advances to be used for staircasing or repaying the equity loans will usually be welcomed and approved. Advances for other purposes will be considered by the Post Sales HomeBuy Agent on a case by case basis (see question below regarding extending or altering the property).

You can transfer your mortgage to another qualifying lending institution (see page 12), following prior permission from the Post Sales HomeBuy Agent. However, you must ensure your new lender is informed that your home is a Help to Buy property with a second charge entitling the Agency to a share of the future sale proceeds.

The Post Sales HomeBuy Agent may decline permission for further advances or transfer to another lender if after assessment they consider you may be putting yourself in an unsustainable financial position.

**Q Can I extend or alter the property?**

Not without permission. Because Help to Buy is designed to help people move up the housing ladder, you should consider repaying part or all of the Agency's contribution before making plans for improvements or alterations. This is because the Agency is seeking to help future aspiring buyers and may use the proceeds of these repayments to make more assistance available. Therefore, consent will not usually be granted for significant home improvements. The Post Sales HomeBuy Agent will act reasonably in considering any application and will review cases of hardship if, for example, property modifications are required for a disability.

When your property is sold in the future, if improvements have been made with the approval of the Post Sales HomeBuy Agent, these will be ignored when your property is valued to work out how much should be repaid to the Agency.

**Q After five years of ownership how is the fee collected?**

Fees can be paid in a single yearly payment or in monthly instalments.

The Post Sales HomeBuy Agent will collect your fee by direct debit or standing order. They will contact you at least a month before your fees are due, to set up your repayment arrangement.

You will also receive a statement each year confirming when your fees are payable. The annual statement will also show any payments you have made once you start paying the fee.

**Q What if I die after purchasing a Help to Buy home?**

This depends on whether you bought your home alone or with others.

If you bought the house/flat on your own and you die, the home will be passed on in the normal way under the terms of your will and the payments explained in this guide

will be made by your estate in accordance with the scheme. If you have not made a will it will pass under the laws of intestacy.

It is recommended that a sole buyer seeks independent legal advice about this.

If you bought your home with others and one of them dies, their interest in the property will either be transferred to the surviving co owner (s) or will pass under the terms of their will, or (if there is no will) the laws of intestacy.

It is recommended where there are two or more owners, that they seek independent legal advice about this.

### **Q Can owner names be added or changed on the Help to Buy property?**

Only with permission from the Post Sales HomeBuy Agent and you will be required to cover their administration costs. This will require a deed of accession and/or a deed of release to be completed by you. This is a legal document that permits name changes on the property.

### **Q Can I get help with benefits to pay the Help to Buy fees if, for example, I lose my job?**

Because Help to Buy fees are not classified as rent, they do not qualify for Housing Benefit. You should make sure you have made arrangements to ensure you can continue to make you Help to Buy payments if your income falls. You should seek independent financial advice about this before purchasing a Help to Buy home.

### **Q What happens if my partner moves out and no longer wants to be party to the equity loan agreement?**

The Post Sales HomeBuy Agent will be able to arrange for a 'Deed of Release' which will release your partner from the obligation of having to repay the equity loan. Assuming that your first charge mortgage lender is content for this to take place and that you are able to provide evidence that you can meet your housing costs and still have a reasonable standard of living, permission should be a formality.

## **Find your Local HomeBuy Agent**

To find out the nearest location of Help to Buy homes in your area, you should contact your Local HomeBuy Agent.

### Bedfordshire, Cambridgeshire, Norfolk and Suffolk

Orbit 0345 850 2050  
orbithomebuyagents.co.uk

Firststepslondon.org

### South East and South West London

L&Q/FIRST STEPS 0844 406 9997  
Firststepslondon.org

### Essex

Moat 0845 359 6161 homebuyoptions.co.uk

### Tees Valley and County Durham

Time2Buy 0845 604 2942 time2buy.org.uk

### Hertfordshire

Lea Valley Homes 01582 869440  
leavalleyhomes.co.uk

### Tyne and Wear and Northumberland

Isos Group 0191 292 2749 isoshousing.co.uk

### Derbyshire, Leicestershire, Lincolnshire and Rutland, Northamptonshire and Nottinghamshire

East Midlands Housing 0844 892 0112  
emhomebuy.co.uk

### Cheshire and Merseyside

HomesHub 0845 603 4559 homeshub.co.uk  
Cumbria  
Riverside Housing Group 0845 112 8800  
cumbriahomebuy.org.uk

### East, North and West London

Metropolitan Housing Group/FIRSTSTEPS  
0845 230 8099

### Greater Manchester and Lancashire

Plumlife 0161 447 5050 plumlife.co.uk

Berkshire and Oxfordshire, Buckinghamshire and Milton Keynes and Surrey  
Catalyst 0845 601 7729  
catalysthomebuy.org.uk

Hampshire  
Radian Housing Group 023 8062 8004  
homesinhants.co.uk

Kent and Sussex  
Moat 0845 359 6161 homebuyoptions.co.uk

Avon, Cornwall, Devon, Dorset, Gloucestershire, Somerset and Wiltshire  
South West Homes 0300 100 0021  
southwesthomes.org.uk

Coventry and Warwickshire, Hereford and Worcester, Staffordshire and Shropshire, Wolverhampton, Walsall, Dudley, Birmingham, Sandwell and Solihull  
Orbit 0345 850 2050  
orbithomebuyagents.co.uk

North Yorkshire, West Yorkshire and Humberside  
My 4 Walls 0113 243 6893 my4walls.org.uk  
South Yorkshire  
Plumlife 0161 447 5050 plumlife.co.uk

The Post Sales Post Sales Agent  
Covering all of England (for all post-sale queries only)  
Housing Options Plus 0845 470 0121  
myfirsthome.org.uk

Homes and Communities Agency  
Maple House  
149 Tottenham Court Road  
London  
W1T 7BN

Tel: 0300 1234 500

<http://www.homesandcommunities.co.uk/Help to Buy>

HCA  
27 March 2013



HM TREASURY

# Help to Buy: mortgage guarantee

scheme outline

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HM TREASURY

# Help to Buy: mortgage guarantee scheme outline

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March 2013

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# 1

## Introduction

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**1.1** The Government is committed to supporting people who aspire to become homeowners. In recent years, increased deposit requirements and falling equity values have left many hardworking households unable to get onto the housing ladder or trapped in homes unsuited to their aspirations and needs. In today's Budget the Government has therefore announced the Help to Buy package to support a new generation in realising the dream of homeownership. This package includes the introduction of a new mortgage guarantee to enable more households to access mortgages on both new build and existing homes, without the need for prohibitively large deposits.

**1.2** Help to Buy: mortgage guarantee will be designed to increase the appetite of mortgage lenders for high loan-to-value lending to creditworthy customers. It will provide lenders with the option to purchase a Government guarantee that compensates them for a portion of their losses in the event of foreclosure. The Government will charge a commercial fee for the provision of this guarantee.

**1.3** This technical paper sets out the working assumptions for Help to Buy: mortgage guarantee. These do not represent a final scheme design; this will be developed following further analysis and discussion with industry. The overarching principles of the proposed design are to provide a scheme that:

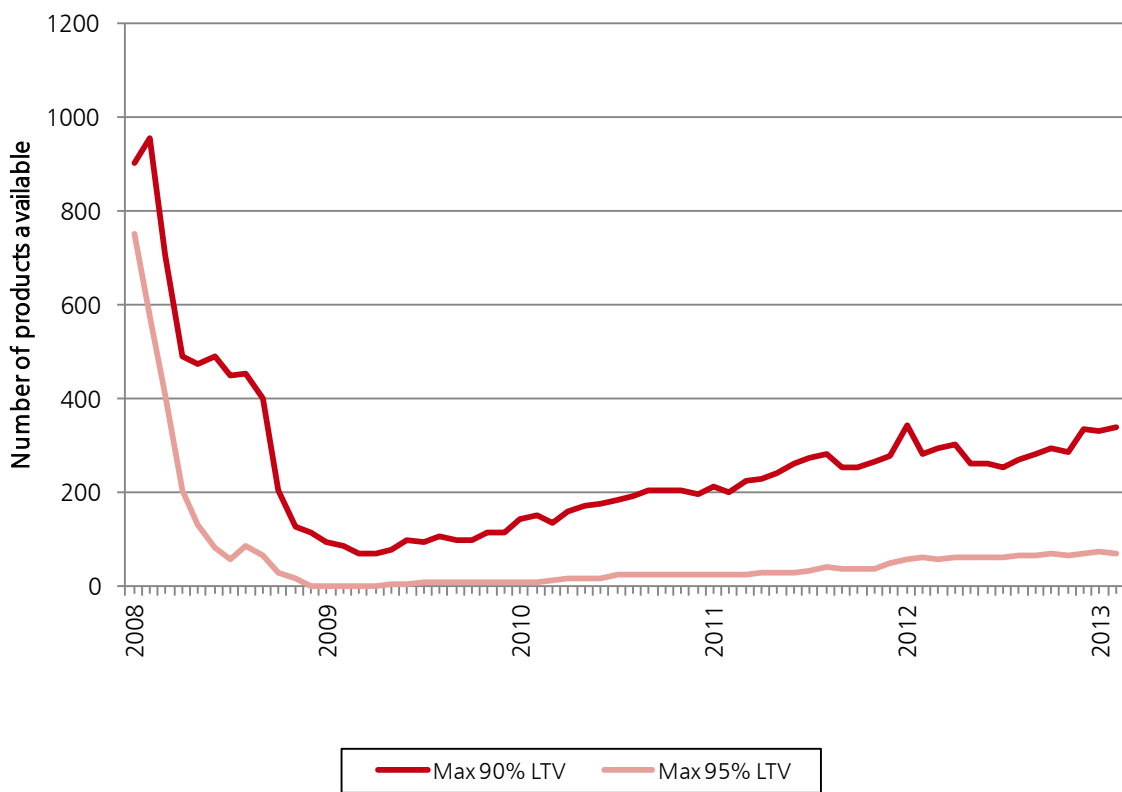
- is focused on helping borrowers, and is simple for the customer;
- is open to a wide range of lenders;
- is as administratively straightforward for lenders as possible;
- does not incentivise irresponsible lending;
- contains the level of risk being borne by the Government; and
- can be put in place rapidly and effectively.

# 2

## Trends in high loan-to-value lending

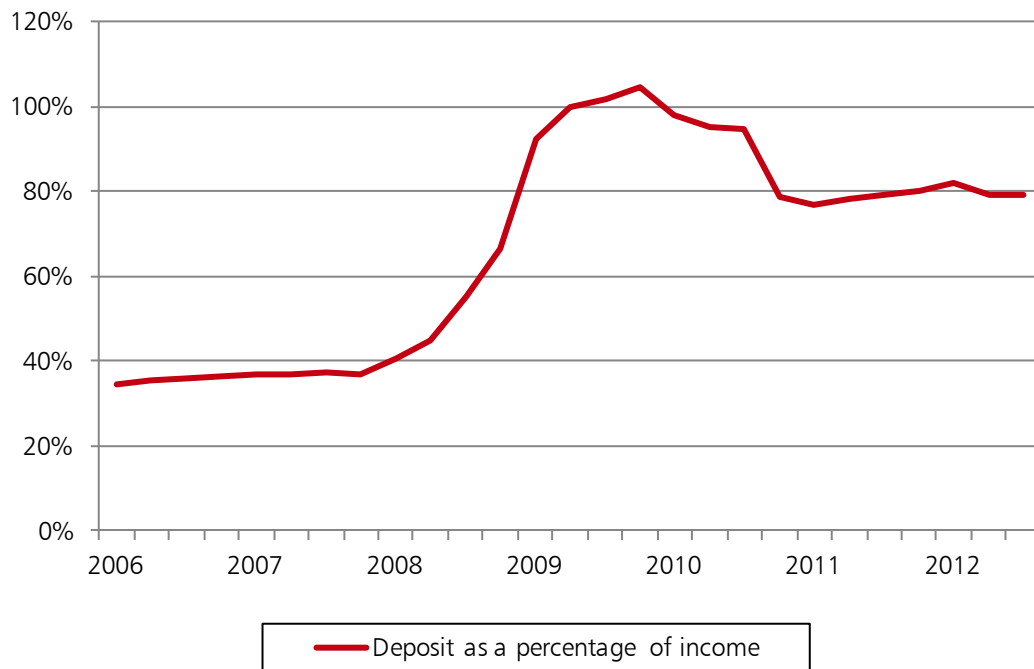
2.1 The availability of high loan-to-value (LTV) lending has seen a sharp reduction in the wake of the financial crisis, as shown in chart 2.A. The reduction in high LTV mortgage availability has been reflected in the increase in the average deposit for a first-time buyer. Chart 2.B illustrates how average deposits for first-time buyers have risen from around 35 per cent of average incomes in 2006 to just under 80 per cent in 2012.

Chart 2.A: Number of high LTV mortgage products available



Source: 'Moneyfacts Treasury Reports UK Mortgage Trends'

**Chart 2.B: First-time buyer deposit as a percentage of income**



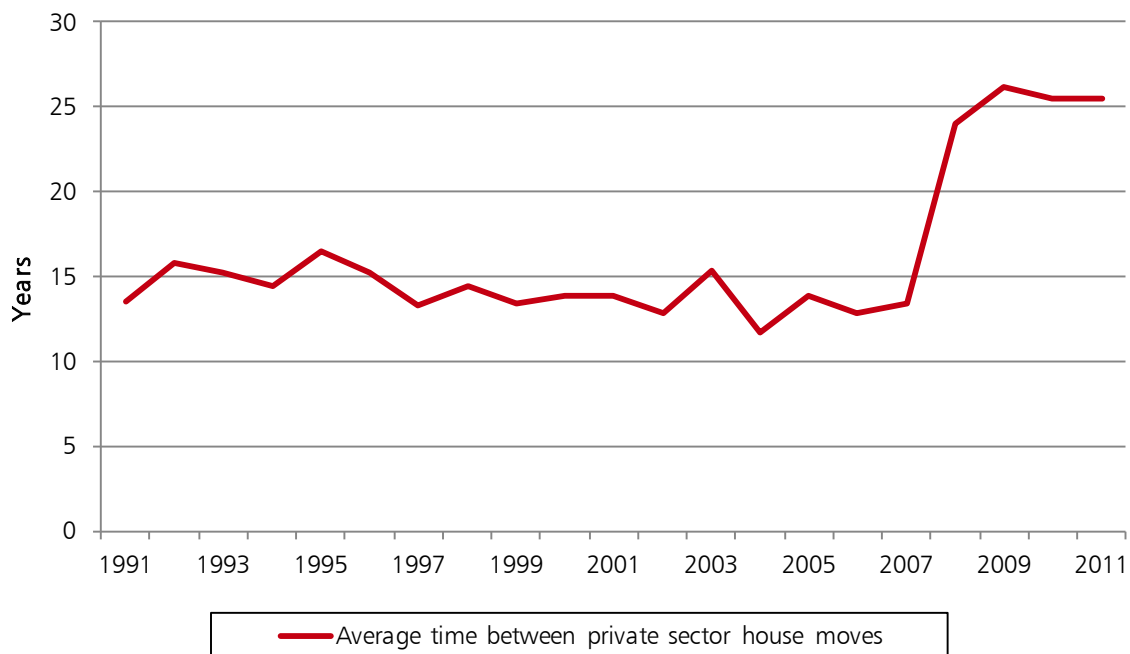
Source: HM Treasury analysis, Council of Mortgage Lenders

**2.2** There has been an associated reduction in the number of people buying their first home in the last five years. In 2012 there were 40 per cent fewer first-time buyers than in 2007. Where first-time buyers have been able to get on the housing ladder they are increasingly reliant on support from their parents or relatives. While the median age of a first-time buyer has risen only marginally since 2007, the Council of Mortgage Lenders (CML) have estimated that the median age of an 'unassisted' first-time buyer has risen from 30 to 33.

**2.3** It is not just first-time buyers who have been affected by the lack of high LTV lending as the financial system returns to health. Existing homeowners with low levels of equity in their property are also struggling to move or remortgage onto a more competitive offer. In many cases, these frustrated homeowners are looking to climb onto the next rung of the ladder, and their inability to move has limited the number of properties on the market available to first-time buyers.

**2.4** These wider trends are reflected in the low number of transactions across the housing market over the last five years. Residential property transactions fell by around 50 per cent after 2007 and have changed little since. Chart 2.C shows that current turnover rates are equivalent to houses selling, on average, once every 25 years, compared to once every 15 years before the crisis. This trend is unlikely to be consistent with a well-functioning housing market.

**Chart 2.C: Average time between private sector house moves**



Source: HM Treasury analysis, HM Revenue and Customs (HMRC), Department for Communities and Local Government (DCLG)

**2.5** Government action is already helping address these problems. The Funding for Lending Scheme (FLS) was announced in June 2012 and allows banks to obtain funding from the Bank of England in order to lend on to non-financial businesses and households. Bank funding costs have dropped markedly since the FLS was announced, reflecting both the impact of the scheme and wider global developments. This has been reflected in the prices and availability of loan products to UK households. Recent statistics from the CML show that January 2013 saw the best start to a year for mortgage lending volumes since 2008.

**2.6** The Help to Buy package announced today will build on this momentum, with a particular focus on high LTV lending, and will facilitate the readjustment of the market following the financial crisis.

# 3

## Help to Buy: mortgage guarantee

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**3.1** The Government has developed an outline of its model for a mortgage guarantee as part of the Help to Buy package. This outline design is set out below and will form the basis of further discussions with industry, regulators, consumer groups, and other interested parties. A final and detailed scheme design will be developed following these discussions.

### **Scheme mechanics**

**3.2** The Government will provide lenders with the option to purchase a guarantee on the top-slice of the mortgage. In other words, the Government will compensate the mortgage lender for a portion of the net losses suffered in the event of repossession. The guarantee will apply down to 80 per cent of the purchase value of the guaranteed property.

**3.3** The guarantee will compensate lenders for the same losses and reasonable costs that the lender is entitled to recover from the borrower, in the event of foreclosure. The definition of 'reasonable costs' is set out in the FSA's Mortgage Conduct of Business (MCOB) rules. The MCOB rules explain that lenders are entitled to recover a reasonable estimate of the cost of the additional administration required as a result of the customer being in arrears or having their home repossessed. It precludes lenders from imposing charges in order to increase profits or offset costs from other parts of the business, however.

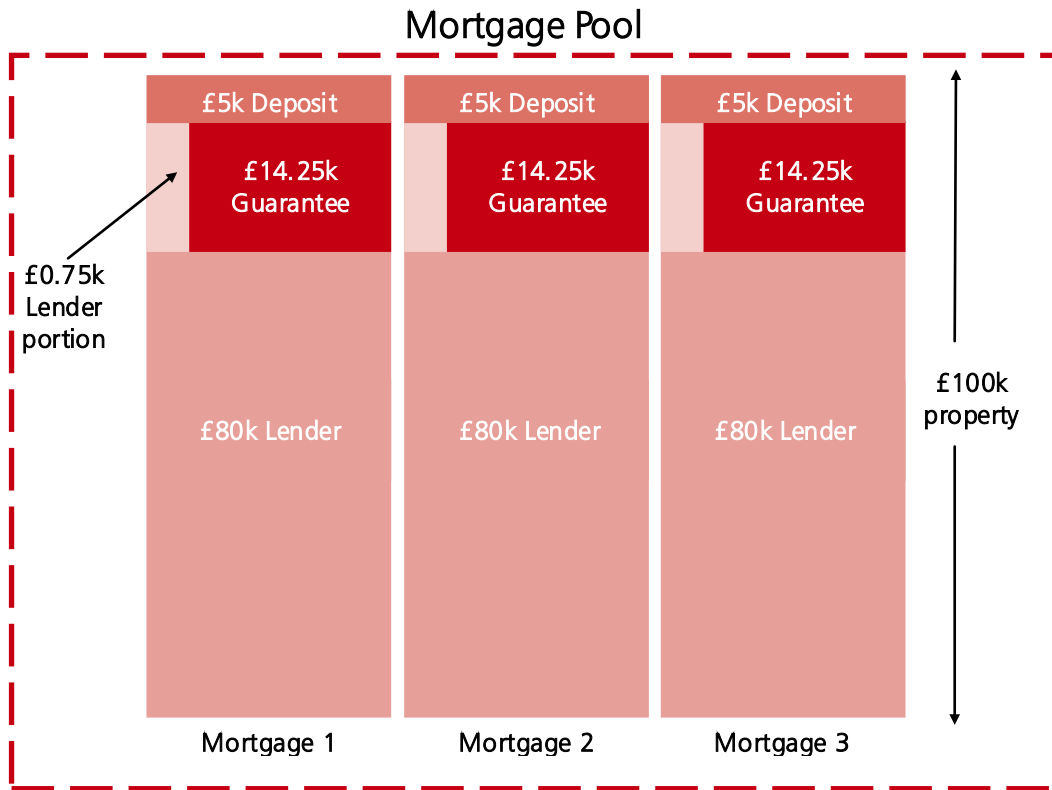
**3.4** Lenders will also take a five per cent share of net losses above this 80 per cent threshold. This will help to ensure that lenders are not incentivised to originate poor quality loans.

**3.5** The guarantee will be valid for up to seven years after the mortgage is originated, as is the case with the existing NewBuy scheme. Evidence shows that loans are unlikely to default after such a period has elapsed. Furthermore, a mortgage taken out on a repayment basis would normally have paid down sufficient capital after this time so that the borrower's equity stake would be greater than 20 per cent, meaning that the guarantee would effectively no longer offer any protection.

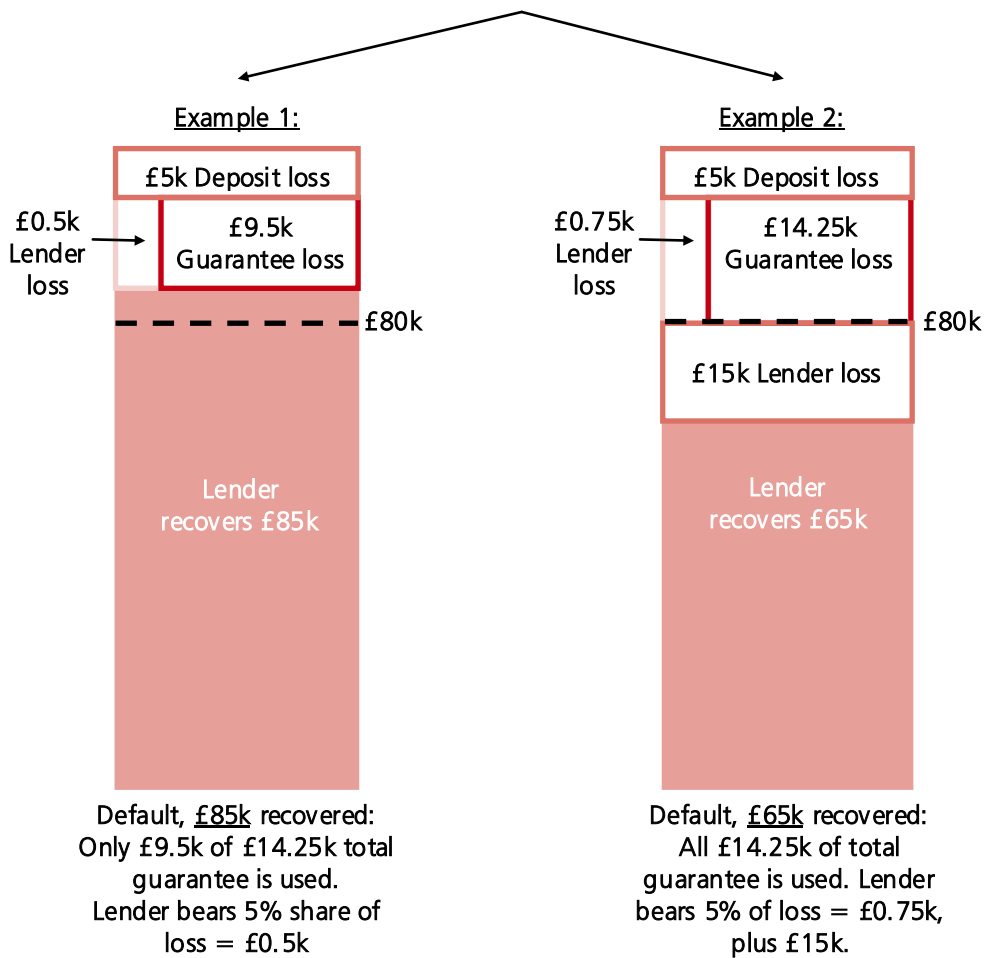
**3.6** Each lender will pool the loans that they wish to place in the scheme and the Government guarantee will be applied to that pool. A cap, expressed as a proportion of the overall pool size, will apply on the total level of guarantees provided to each pool. This principle is also in line with the NewBuy scheme.

**3.7** Chart 3.A below provides an illustration of this mechanism.

Chart 3.A: Illustration of scheme mechanism



Upon individual mortgage defaulting



## Mortgage eligibility

**3.8** The scheme is designed to help creditworthy households struggling to save for the high mortgage deposits required by lenders in the current environment. For this reason, a mortgage eligible for a guarantee under the scheme will need to:

- be a residential mortgage, and not buy-to-let;
- be taken out by an individual or individuals rather than an incorporated company;
- be on a property in the UK with purchase value of £600,000 or less;
- have a loan-to-value of between 80 per cent and 95 per cent;
- be originated between the dates specified by the scheme;
- be a repayment mortgage, and not interest-only; and
- meet certain minimum requirements in terms of the assessment of the borrower's ability to pay the mortgage, for example a loan-to-income and credit score test.

**3.9** The scheme will also be designed to ensure that lenders cannot use the Government guarantee to restructure the riskiest part of their existing loan book, and that borrowers remain the beneficiaries of the intervention. For that reason there will be some types of remortgage transactions that will not be eligible for the scheme. In particular, a lender will not be able to access the scheme when a borrower is remortgaging a loan which is already part of the lender's existing loan book. A borrower remortgaging with a new lending institution would, however, still be able to benefit from the scheme.

## Lender eligibility

**3.10** The scheme will be open to any lender that has a permission under the Financial Services and Markets Act to enter into regulated mortgage contracts in the UK.

**3.11** There will also be lender-level limits to scheme take-up. These are likely to be linked to lender size.

## Scheme duration

**3.12** The scheme is intended as a temporary measure. It will be open from January 2014 and will run for three years. This is in line with the Government's view that the current scarcity of high loan-to-value lending is primarily a cyclical issue rather than a symptom of a longer-term structural change in the mortgage market.

## Commercial fee

**3.13** Lenders will need to pay the Government a commercial fee for each mortgage in the scheme. This fee will be set so that the scheme is self-financing, and lenders will therefore need to compensate the Government for:

- expected losses under the scheme;
- the cost of capital of providing the guarantee; and
- the administrative costs of the scheme.

**3.14** The fee will be subject to regular review, so that it can reflect any changes to the components above. There is likely to be differentiated pricing for the fee at different loan-to-value brackets, to reflect the varying levels of risk mitigation offered by the scheme according to the mortgage loan-to-value.

**3.15** The timing of the fee, and in particular whether it will be charged up-front or on an annual basis, will be determined following more detailed discussions.

### **Scheme administration**

**3.16** The scheme will require an administrator to manage the regular calls on the Government guarantee. The administrator will play a key role in designing and establishing the systems and processes for implementing the scheme. In due course the administrator will also be responsible for managing both applications from lenders and the fee collection and claims processes. There will also be appropriate due diligence and monitoring processes.

### **State aid**

**3.17** The Government believes that this scheme will fall outside the State aid framework.

### **Scale of scheme**

**3.18** There will be a cap on the size of the Government's contingent liability under the scheme. However, it is not envisaged that this cap will be set so as to constrain the ability of lenders to access the scheme. The Government's initial analysis suggests that a cap of £12 billion would be appropriate, although this is highly dependent on final scheme design and take-up. The size of the Government's contingent liability will therefore be kept under review as the scheme detail is finalised.



### **HM Treasury contacts**

This document can be found in full on our website: <http://www.hm-treasury.gov.uk>

If you require this information in another language, format or have general enquiries about HM Treasury and its work, contact:

Correspondence Team  
HM Treasury  
1 Horse Guards Road  
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Tel: 020 7270 5000

E-mail: [public.enquiries@hm-treasury.gov.uk](mailto:public.enquiries@hm-treasury.gov.uk)

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# Equality, Diversity, and Community Impact Screening



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

A **screening** process can help judge the potential impact of the proposal and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions. Completed at the earliest opportunity it will help to determine:

- that equality, diversity and community impact has been considered, and
- determine whether or not it is necessary to carry out a full impact assessment.

<b>Project Name/Service Area: 2013-14 Annual Monitoring Report &amp; 5 Year Housing Land Supply / Policy and Strategy</b>	
<b>Lead person:</b> Richard Welch	<b>Contact number:</b> 42117

<b>1. Title:</b>
Is this a:
<input checked="" type="checkbox"/> <b>Strategy / Policy</b> <input type="checkbox"/> <b>Service / Function</b> <input type="checkbox"/> <b>Other</b>
<b>If other, please specify</b>

<b>2. Please provide a brief description of what you are screening</b>
The evidence in these reports may have a material impact on planning application decisions and on the formation of planning policies in the District Local Plan. Therefore it is important that the guidance and evidence in the reports is available to everyone and is understandable to those that will use it.

<b>3. Relevance to equality, diversity, and community impact</b>
All the council's strategies/policies, services/functions affect service users and the wider community – district wide or more local.
The effects may have a greater/lesser relevance to equality, diversity, cohesion and integration.

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

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

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

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

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

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

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

**5.** If you are **not** already considering the impact on equality, diversity, cohesion and integration you **will need to carry out an impact assessment**.

Date to scope and plan your impact assessment:

Date to complete your impact assessment

Lead person for your impact assessment  
(Include name and job title)

#### 6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name	Job title	Date
Richard Welch	Policy Officer	21/11/2014

## 7. Publishing

This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published.

If this screening relates to a **Key Delegated Decision** a copy should be emailed to Democratic Services and will be published along with the relevant report.

A copy of **all other** screening's should be retained with the project documents as a background papers.

<b>Date screening completed</b>	21/11/2014
If relates to a Key Decision - <b>date sent to Corporate Governance</b>	
Any other decision – <b>date sent to Equality Team (equalityteam@leeds.gov.uk)</b>	

# Selby District Council

## REPORT

Reference: E/14/53

Public – Item 11



**To:** The Executive  
**Date:** 4 December 2014  
**Status:** Non Key Decision  
**Author:** Jonathan Lund, Deputy Chief Executive  
**Executive Member:** Cllr Cliff Lunn  
**Lead Officer:** Karen Iveson, Executive Director (S.151)

**Title: REVENUES AND BENEFITS SERVICE – POTENTIAL JOINT VENTURE**

### Summary:

Soft market testing indicates the potential for efficiencies and income generation from collaboration in the delivery of Revenues and Benefits Services. To formally test this potential the Council could commence a Competitive Dialogue Process with a view to identifying a strategic partner and the potential for a commercial joint venture. This report seeks authority to commence that Dialogue in partnership with Craven District Council.

### Recommendations:

- i. To authorise the Managing Director, Access Selby, to join with Craven District Council in inviting expressions of interest to undertake a competitive dialogue process with a view to establishing a joint venture for the delivery of Revenue and Benefits services.**
- ii. To receive a report to a future meeting informing the Executive of the outcome of stage one of the competitive dialogue process and determining how to proceed.**

### Reasons for recommendation

To test the potential for service efficiencies and income generation from establishing a partnership for the delivery of Revenues and Benefits Services, in collaboration with Craven District Council, by inviting expressions of interest from potential partners to enter into a Competitive Dialogue process.

## **1. Introduction and background**

- 1.1 Recently Selby and Craven Councils have undertaken a soft market testing exercise to identify the potential to attract a strategic partner to collaborate in the delivery of Revenues and Benefits and IT services. As a result, it was clear that there was interest in the proposition from the market and the potential to deliver service efficiencies and provide an income stream to the Council. The high level findings suggested that £125k annual savings might be achievable (shared between both Councils) plus 30% of any income generated by undertaking external contracts (based upon open book accounting principles).
- 1.2 However, there has been no formal market testing or procurement exercise to date.
- 1.3 Selby's "Better Together" programme with North Yorkshire County Council means that there are strong benefits for Selby in working closely with NYCC on IT related issues as an alternative to seeking a new IT partner. However, the potential for Revenues and Benefits Services remains strong.

## **2. The Report**

- 2.1 The most cost effective way to test the market's real interest in working with Selby and Craven Councils would be to publish an expression of interest in the Official Journal of the European Union (OJEU) seeking a strategic partner with whom the two Councils would then enter into a competitive dialogue process. Both Selby and Craven would be seeking a partner to collaborate in the delivery of Revenues and Benefits Services, with Craven additionally looking to the partner to deliver IT services. The process would allow the Councils to discuss their requirements in detail with potential suppliers and establish the scope of the service and the appropriate delivery vehicle.
- 2.2 There are three stages within a competitive dialogue process. A notice for expressions of interest is issued inviting outline solutions, an outline approach to the joint venture, views on preferred contractual structures, costs, potential levels of income etc. together with a pre-qualification questionnaire. The timescale for responses to the expressions of interest is 30 days and the Councils would shortlist up to three interested parties for stage two.
- 2.3 At Stage two the shortlisted interested parties would be asked to submit their detailed solution. The Councils would be in dialogue with the shortlisted parties throughout the process to ensure their objectives are met.
- 2.4 The third and final stage is the appointment of the strategic partner and the finalising of the contract documentation. A decision on the appointment of the strategic partner would be made by each Council. The timescale for undertaking all stages of a competitive dialogue process is between 6 – 9 months. A report would be submitted to decision-makers in both Councils detailing the outcomes from stage one of the dialogue process for Councillors to agree a shortlist for stage two.

- 2.5 If no expressions of interest are received the process will close and the Councils will explore other ways of ensuring that the service has the resilience required in the future.
- 2.6 Councillors, staff and unions will continue to be informed of progress throughout the competitive dialogue process.

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

#### **Legal Issues**

- 3.1 The proposals set out in this report would ensure compliance with current procurement legislation and the Procurement Procedure Rules set out in the Council's Constitution. Further reports would be submitted setting out the detailed legal implications of any proposal once the details of that proposal (or proposals) are to hand, as a consequence of the Competitive Dialogue process.

#### **Financial Issues**

- 3.2 The resources required to undertake the Competitive Dialogue process can be met from within existing budgets. Further reports would be submitted setting out the detailed financial implications of any proposal once the details of that proposal (or proposals) are to hand, as a consequence of the Competitive Dialogue process.

#### **Impact Assessment**

- 3.3 A joint venture would involve the TUPE Transfer of relevant staff - Consultation and engagement with staff and unions would be appropriate throughout.
- 3.4 Depending upon any chosen solution staff would remain based at and operating from both Selby and Skipton.
- 3.5 The proposal offers the potential for operating efficiencies, revenue savings and income generation.
- 3.6 The proposal offers the potential for Access Selby to gain further insight into the establishment and operation of a commercial joint venture and traded services.
- 3.7 "Better Together" collaboration with NYCC in IT services at Selby would not be affected.

### **4. Conclusion**

- 4.1 Soft market testing has highlighted the potential for service efficiencies and income generation from establishing a partnership for the delivery of Revenues and Benefits Services. It is proposed to test the market, in

collaboration with Craven District Council, by inviting expressions of interest from potential partners to enter into a Competitive Dialogue process.

**5. Background Documents**

*None*

*Contact Officer:*

*This should be the report author.*

*Jonathan Lund  
Deputy Chief Executive  
Selby District Council  
Jlund@Selby.gov.uk*

**Appendices:**

*None*



# Selby District Council

## REPORT

Reference: E/14/54

Public – Item 12



<b>To:</b>	<b>The Executive</b>
<b>Date:</b>	<b>4 December 2014</b>
<b>Status:</b>	<b>Key Decision</b>
<b>Report Published:</b>	<b>26 November 2014</b>
<b>Author:</b>	<b>Sally Rawlings</b>
<b>Executive Member:</b>	<b>Cllr Mark Crane</b>
<b>Lead Officer:</b>	<b>Karen Iveson</b>

**Title: Housing Development at Westfield Road/Avenue, Eggborough (site 3) – Outline Business Case**

### **Summary:**

This report presents the Outline Business Case for the development of affordable housing on the SDC garage site at Westfield Road/Avenue, Eggborough. A number of options for the site have been considered and following issues with viability officers were also asked to assess the site for non-general needs housing. Subject to a satisfactory outline business case the site would be appropriate for redevelopment for non-general needs properties through the HRA. However indicative costs for the scheme mean that subsidy of up to £26,056 would be required for the scheme to break even over 30 years. The housing needs for Eggborough have recently been updated and, bearing in mind the recent approval to develop bungalows on sites 1 and 2 in Eggborough, the level of needs may not be high enough for a third scheme in the village.

### **Recommendations:**

- i. Subject to the Executive wishing to develop this site, a detailed business case be prepared for development within the HRA of the land to the rear of Westfield Road for non-general needs housing in the form of four bungalows on site 3a (option a);**

- ii. **Subject to the Executive wishing to develop this site, to consider (in addition) demolishing ten garages on site 3b to provide additional car parking and relocate the existing garage tenants on this site into the remaining 16 garages;**
- iii. **Subject to agreement to recommendation i. up to £25,000 be allocated from the HRA Housing Development Strategy budget.**

#### **Reasons for recommendations**

- To increase the provision of non-general needs affordable housing in Selby District Council area (as identified in the evidence supporting the Core Strategy) - and in particular in Eggborough.
- To maximise the use of an under-utilised site.
- To increase the number of properties contributing to the HRA
- To address the car-parking issues in this part of the estate

### **1 Introduction and background**

- 1.1 The Council own the garage site at Westfield Road/Westfield Avenue, Eggborough which was approved to be brought forward in Phase 1 of the Housing Development programme by Council at their meeting of 10 September 2013. A steer was given by the Executive on 5 June 2014 that this site can be packaged with others in a revised Phase 1 Programme which concentrates on developing housing in Riccall, Byram and Eggborough in order achieve value for money. On 2 October 2014 the Executive considered a report to develop general needs housing, the report concluded that this was not viable and consequently the Executive requested officers to explore the potential for non-general needs housing. This scheme is part of the implementation of SDC's Affordable Housing Development Strategy for the district.
- 1.2 The site houses 52 garages of which 16 are currently in use. The site also includes an area of grassed open space which has no formal use. Overall the site area is approximately 1,429m<sup>2</sup>, as detailed in the plan shown in Appendix A. It is proposed to use just over half of the site (labelled 3a) for this scheme, which would include the grassed area and 26 of the garages.
- 1.3 It is proposed to redevelop the site using the existing access off Westfield Road. The access is adequate for the proposed development but is not wide enough to become adopted highway, so this limits the number of dwellings which can be developed on the site to a maximum of five, to comply with highways policy requirement for access off a 'private drive'.

## 2 The Report

### Housing needs

2.1 Eggborough is situated in the Southern area of the District and the SHMA and Core Strategy identify that 4.6% (138) of households are in housing need (the mean average across the District is 7.7%).

2.2 The Council's housing stock compares as follows:

Council House type	District-wide (2009)	Eggborough (2014)		
	(percentage)	(percentage)	(number)	(bedrooms)
House	45.4%	71%	41	11 x 2 bed 29 x 3 bed 1 x 4 bed
Flat	34.8%	0	0	0
Bungalow	19.8%	29%	17	16 x 1 bed 1 x 2 bed
Total	100%	100%	58	

2.3 According to the SHMA (2009) 'demand exceeds supply and (causes) some pressure on stock' for all house types and sizes in the Southern area.

2.4 Previous data available from HomeChoice showed that there were 39 bidders who expressed a preference for Eggborough as their first choice – with 11 of these aged 60 or over.

2.5 Furthermore the Council's stock of bungalows in Eggborough consists of 16 x one-bedroomed bungalows and 1 x two-bedroomed bungalow, and therefore the option to build 4 x two-bedroomed bungalows (to be let at 80% of market rent) is explored in this report to try and redress the balance.

2.6 However, since the update of the housing needs data since the summer, there may not be enough bidders over the age of sixty to justify this scheme for non-general needs housing in addition to the two sites already approved for non-general needs development in Eggborough.

### Consultation

2.7 Local consultation about the use of the site for affordable housing, the type of affordable housing which might be located on the site and its impact is currently underway. This consultation has included the Ward Councillors (26 March 2014) and the Parish Council (at their meeting on 3 April 2014). It is also intended to undertake a consultation with the local residents (Westfield Grove, Westfield Road and Westfield Avenue).

2.8 The Ward Councillors were not very supportive of the development proposed for this site as they felt that residents' car-parking should be a greater priority.

Further consultation about this site will be required with both the Ward Councillors and the Parish Council, who were also not supportive when consulted about the development of this site.

- 2.9 Pre-application consultation has taken place with the SDC planning department about developing the site and there appears to be no reason why this site, in principle, cannot be developed for bungalows.

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

#### **Legal issues**

- 3.1 SDC own the site marked **3a** as outlined in Appendix A of this paper. The access from Westfield Road to the site is currently classed as a driveway and not wide enough to become adopted highway.
- 3.2 There appear to be no access arrangements for neighbours to this site which would restrict any proposed development of the site.
- 3.3 SDC also own the site marked **3b** as outlined in Appendix A of this paper. It is proposed that this site be retained as garages (16) and demolish the 10 garages which back onto the properties facing Westfield Road. This would involve relocating the existing garage tenants into the remaining garages and would require issuing notices to quit and then signing them up on new garage tenancies.

#### **Financial issues**

- 3.4 SDC garages generate a net annual rental of £384.80 per year per garage. Across the district, 349 garages are let out of a district wide total of 393 – at a rate of 70%. The letting rate for the 52 garages is 31% - much lower than the district average.
- 3.5 The current rental yield would be retained as it is proposed to relocate existing tenants within the site.
- 3.6 The condition of the Council's garage stock is being reviewed as part of the wider stock condition survey before Christmas 2014 and the impact of the loss of garage sites will be factored into the revised HRA Business Plan. In addition the cost of any repairs to the retained garages will need to be assessed as part of the revised HRA business plan.
- 3.7 Increases in construction and finance costs are negatively impacting on the financial viability of this scheme (and are likely to negatively impact on the remaining Phase 1 garage site schemes), hence a requirement for up to £26,056 capital subsidy may be required if a payback is required by year 30.

## Outline business cases

3.8 The outline business cases have been undertaken at feasibility stage. The financial model has assumed estimated PWLB annuity rate of 3.81%, this is slightly above the current rates, which allows for a small rate increase in light of this development not taking place immediately. Changes in interest rate will have an impact on the scheme viability and these rates will be monitored throughout the feasibility stages and any significant changes will be factored in. An internal rate of return (IRR) of 4.31% has been set over the 30 year benchmark payback period.

### Option A

3.9 This option provides for four properties in total – comprising 4 x 2b/3p bungalows – all for rent at 80% of market rent.

Capital works (inc. demolition and fees)	£364,172
Contingency	£23,268
<i>Sub-total</i>	<i>£387,440</i>
<b>Loan required</b>	<b>£387,440</b>

1. *Cost estimates subject to tender*

2. *Assumed rental value per unit = £104.58 per week for 2b/3p bungalow*

3.10 As this is an outline business case being undertaken at feasibility stage, the financial model has assumed estimated costs within the benchmark of a 4.31% internal rate of return (IRR) over 30 years. The loan interest rate has been estimated at the current PWLB annuity rate giving an interest rate of 3.81%.

3.11 Based on the above assumptions, the scheme is **slightly over** the 30 year payback period and will see payback towards the middle of year 33 (to break even by year 30 would require a subsidy of £26,056). This means that the 30 year IRR is **under the benchmark** of 4.31% at 3.78%. The IRR is achieved at year 60 at 6.36%. However until a final interest rate is set this is subject to change.

3.12 The cost of demolishing an additional 10 garages and providing parking spaces in their place **will cost an additional £26,625**. These costs would be confirmed as part of the detailed business case. Clearly this adds a significant cost to the scheme and challenges its viability.

### Other options

3.13 Other options have been considered for this site – including a general needs scheme to be developed by SDHT but this proved to be unviable. In addition there is local opposition to the redevelopment of this site for residential use

from both the Ward Councillors and the Parish Council hence the option not develop the site also needs consideration.

- 3.14 In order to take the scheme further a detailed business case is needed which would provide a detailed plan for the scheme, in-depth consultation, pre-planning design, detailed costings etc. – it is estimated that fees of up to £25,000 are needed for this work.

### **Impact Assessment**

#### **Impact on community**

- 3.15 The redevelopment of this site is part of a wider strategic opportunity to regenerate the Council's underutilised land holdings and for the HRA to increase its provision of housing for older and disabled people.
- 3.16 This scheme should have a largely positive impact on the community as a site which could be perceived as an eyesore is developed into much needed affordable housing. If additional car parking is provided on the other half of the site then this could have an additional positive impact on the community by reducing the levels of on-street car parking in the area, which is currently perceived as a nuisance.
- 3.17 Housing for older/disabled people in Eggborough is also felt to be sustainable due to the provision of local facilities – including the Doctor's surgery, pharmacy, village hall and village shops. Bus services to Selby, Wakefield, Pontefract, Doncaster and Goole all serve Eggborough. In addition, the provision of these properties will also support the sustainability of these services.

#### **Impact on equality and diversity**

- 3.18 This scheme has a neutral impact on equality and diversity as access to the housing will only have age restrictions which are intended to ensure that older people have access to accommodation more suited to their needs.

#### **Impact on environment**

- 3.19 This scheme has a neutral impact on the environment as this is a brown field site.

#### **Impact on economy**

- 3.20 This scheme should have a positive impact on the economy of the District in the short term through the employment and skills requirements placed on any contractor by the Council. In the longer term the impact is probably neutral.

## 4 Conclusion

- 4.1 This scheme will help deliver the target (set out in the SDC Housing Development Strategy) of developing 106 affordable homes over five years. As this is for non-general needs, it is proposed that should the scheme go ahead the properties remain in the ownership of SDC and increase the councils HRA housing stock. The standalone scheme breaks even over 33 years based on the outline business case but including additional parking has a negative impact on the viability of the scheme.
- 4.2 There may not be enough housing need for this scheme bearing in mind that eight bungalows have recently been approved to be developed in Eggborough through the HRA and the up-to-date housing needs data from HomeChoice shows that there are only 11 registered bidders on the system (with Eggborough as their first choice) who would qualify for these properties.
- 4.3 However, should the Executive wish to take the scheme further a detailed business case would be needed which would require fees of up to £25,000 to be incurred.

## 5 Background Documents

- 5.1 The following documents provide background to this proposal:
- Selby District Council Housing Development Strategy - report to Council – 10 September 2013 (pp 115 – 122) [http://www.selby.gov.uk/upload/Council\\_Agenda\\_10.9.13\\_PUBLIC.pdf](http://www.selby.gov.uk/upload/Council_Agenda_10.9.13_PUBLIC.pdf)
  - Selby District Council Housing Development Sites - report to Council – 10 September 2013 (pp 84 – 114) [http://www.selby.gov.uk/upload/Council\\_Agenda\\_10.9.13\\_PUBLIC.pdf](http://www.selby.gov.uk/upload/Council_Agenda_10.9.13_PUBLIC.pdf)
  - Housing Development Strategy Phase 1 progress report – report to Executive - 5 June 2014 (pp 6 – 10) [http://www.selby.gov.uk/upload/Exec\\_Agenda\\_5.6.14.pdf](http://www.selby.gov.uk/upload/Exec_Agenda_5.6.14.pdf)

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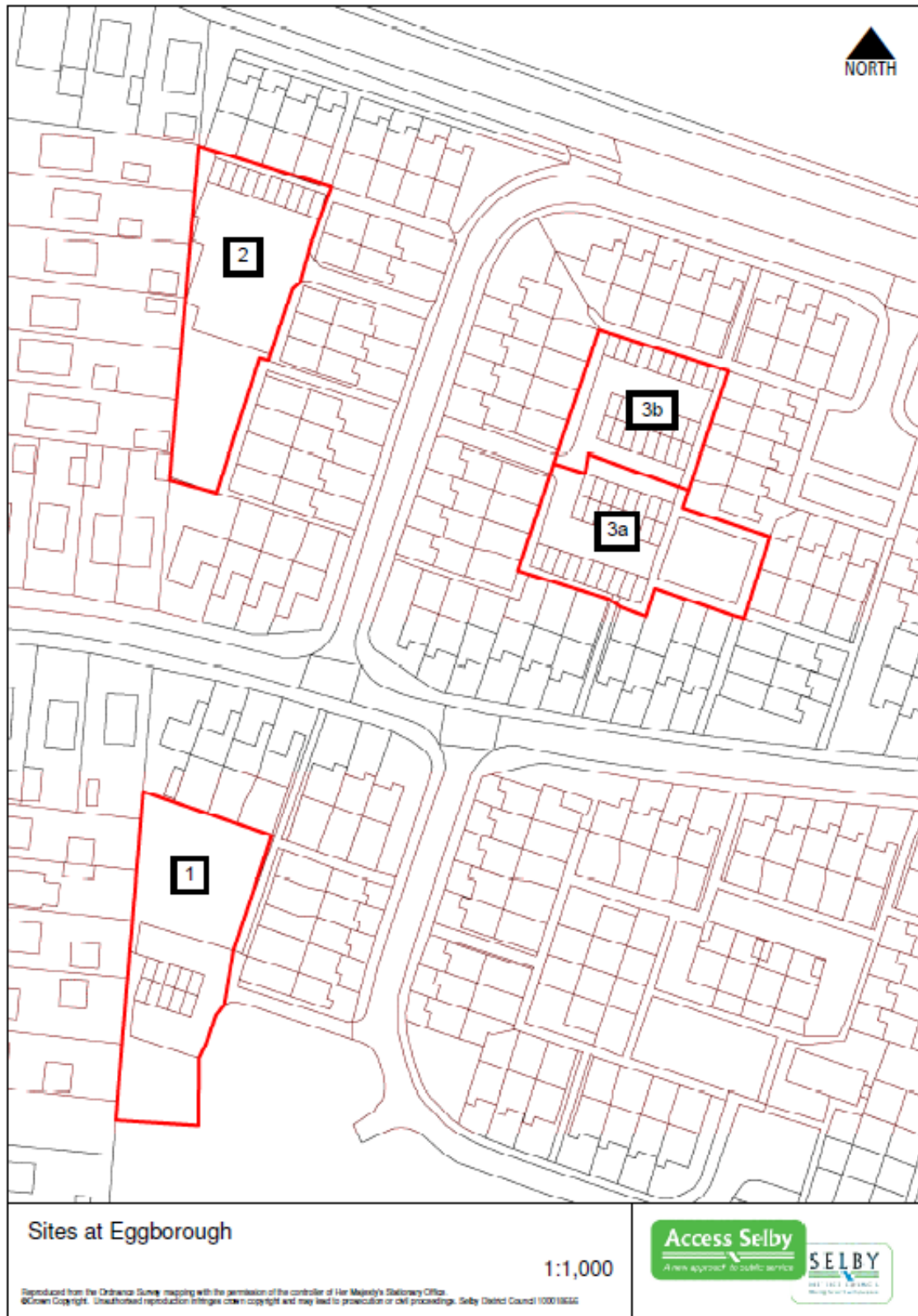
## Appendices:

### APPENDIX A - Site location plan

**APPENDIX B - Financial appraisal summary – option A**



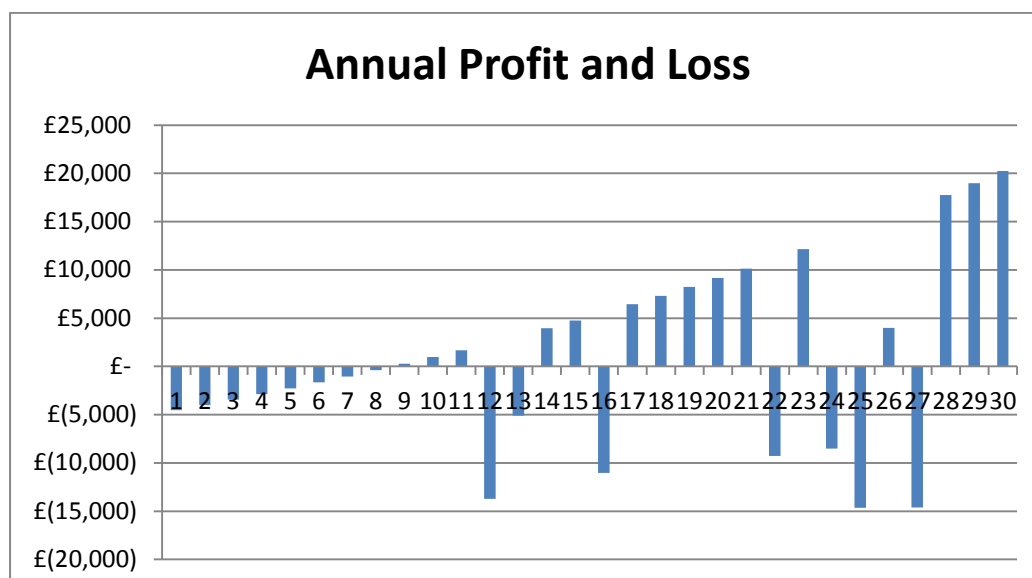
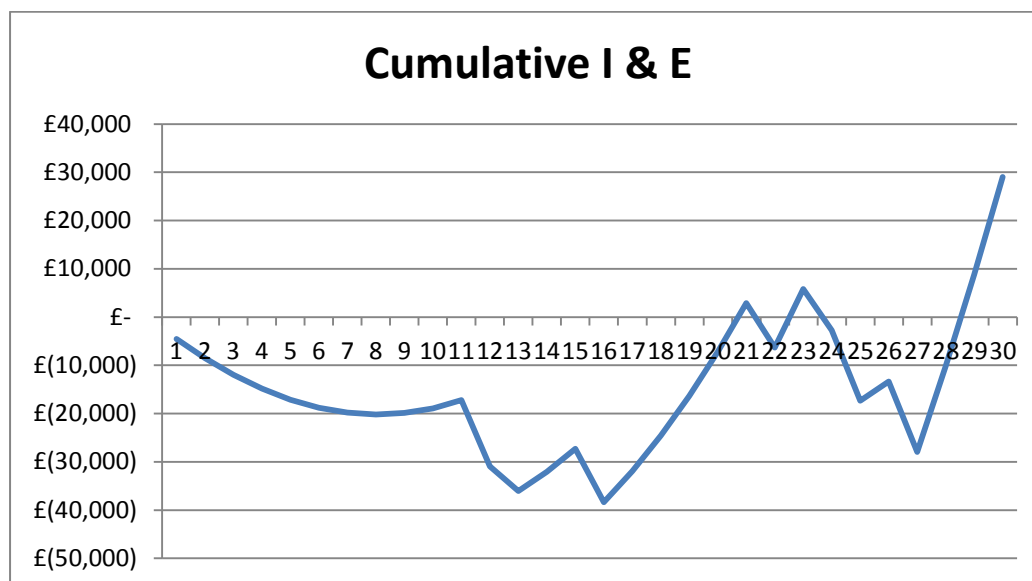
## APPENDIX A – site location – Site 3a



## APPENDIX B – Financial summary – Option A

### Four bungalows for rent at 80% of market rents

	Output	Benchmark	Test	Pass/Fail
30 Year Net Present Value (£)	-£26,055.78	0	Output>Benchmark	FAIL
60 Year Net Present Value (£)	£221,991.05	0	Output>Benchmark	PASS
Payback Year	33	30	Output<Benchmark	FAIL
30 Year IRR%	3.78%	4.31%	Output>Benchmark	FAIL
60 Year IRR%	6.36%	4.31%	Output>Benchmark	PASS



# Selby District Council

## REPORT

Reference: E/14/55

Public – Item 13



**To:** The Executive  
**Date:** 4 December 2014  
**Status:** Key Decision  
**Report Published:** 26 November 2014  
**Author:** Sally Rawlings  
**Executive Member:** Cllr Mark Crane  
**Lead Officer:** Karen Iveson

**Title:** Housing development at Woodlea/Byram Park Road, Byram – outline business case

### Summary:

This report provides outline business cases for the development of affordable housing on the SDC garage site at Woodlea, Byram and also the potential of regeneration and redevelopment of the block of maisonettes, flats and bedsits on Byram Park Road, Byram – which adjoins the Woodlea garage site. Two of the triggers for the proposals presented here are the high levels of anti-social behaviour (including drug use) from some of the tenants of this block and the incidences of fly-tipping on the garage site at the rear of the flats. Both of these have a negative impact on the reputation of this part of Byram village.

The report models three options for general needs affordable housing for rent which include proposals for the redevelopment of the combined site through Selby and District Housing Trust (Option A – 16 properties) or SDC's Housing Revenue Account (Option B – 16 properties) and also for a joint SDHT/SDC scheme (Option C 8/8 properties). All three options require a high level of subsidy from the Council and/or the HCA. Three further options (development of the garage site only and refurbishment of the flats along with do nothing) have also been considered and whilst they require less public subsidy, all have been discounted following consultation with councillors as they do not sufficiently address the issues associated with the flats on Byram Park Road.

## **Recommendations:**

- i. The development forms part of phase one of the Housing Development Programme;**
- ii. If either Option A or C, is agreed, then, subject to confirmation, the relevant site be offered to Selby & District Housing Trust for redevelopment and provision of affordable housing for general needs;**
- iii. If either Option B or C is agreed then up to £25,000 be allocated from the HRA Housing Development Strategy budget to prepare a detailed business case;**
- iv. Subject to agreement to recommendation ii, that a loan be made available to Selby and District Housing Trust on the basis outlined in the relevant financial appraisal for the preferred option, with the details to be delegated to the S151 Officer in consultation with the Lead Member for Finance and Resources and the Solicitor to the Council.**

## **Reasons for recommendations**

- To increase the provision of general needs affordable housing in Selby District Council area (as identified in the evidence supporting the Core Strategy) - and in particular in Byram;
- To provide more appropriate forms of general needs affordable housing in Byram;
- To reduce incidences of anti-social behaviour associated with the flats on Byram Park Road and to regenerate the gateway to Byram.

## **1 Introduction and background**

- 1.1 The Council own the garage site at Woodlea, Byram which was approved to be brought forward for re-development as part of Phase 1 of the Housing Development programme by the Executive at their meeting of 5 June 2014. Subsequently a steer has been given by the Executive that this site can be packaged with others in a revised Phase 1 Programme which concentrates on developing housing in Riccall, Byram and Eggborough in order achieve better value for money.
- 1.2 The Woodlea garage site consists of 16 garages – all of which are disused – and a leased garage plot which has a dilapidated structure on it.
- 1.3 The block of flats adjacent to the Woodlea garage site consists of 6 x 2 bed maisonettes, 3 x 1 bed flats and 6 x bedsits (21 bed spaces in total). Options A, B and C include the redevelopment of this site with the Woodlea garage site.
- 1.4 Over at least the past 10 years the flats, maisonettes and bedsits at Byram Park Road have had a chequered history with issues including anti-social behaviour, litter issues, high turnover rates and illegal drug use. Until April 2014

the bedsits were proving particularly 'hard to let' – this has changed more recently, probably due to the change in allocations policy as a result of the withdrawal of the 'spare bedroom subsidy'.

- 1.5 The local perception is that some of the occupants of these flats cause a nuisance and have a largely negative impact and poor reputation on that area of the village.
- 1.6 The poor perception of this part of Byram is borne out by the figures supplied by the SDC Community Officer team which show that there have been 13 incidences of fly-tipping on the Woodlea/Byram Park Road garage site since April 2013 and only one instance in the remainder of the village over the same period of time.
- 1.7 In addition, since March 2013, the average number of complaints received about the block of flats has been 1.2 per property over the 18 month period. This compares to 0.24 per property for the remaining properties in Byram Park Road (the majority of which are flats).
- 1.8 Furthermore, the redevelopment of this area of Byram provides a good opportunity to improve the 'gateway' to Byram. This would enable new housing to be provided to a good design standard to meet the needs of the local area. Good design could ensure that the gateway to the village has a more open and appealing feel.
- 1.9 This report considers three options (A, B and C) including both the garage site at Woodlea and the flats at Byram Park Road to identify the most beneficial scheme for the Council.

## **2 The Report**

### **Housing needs**

- 2.1 Byram is situated within the Western area of the District and the SHMA and Core Strategy identify that 7.5% (297) of the area's households are in housing need (the mean average housing need across the District is 7.7%).
- 2.2 45.4% of the Council's housing stock across the district (as at 2009) was made up of houses and 34.8% (as at 2009) was made up of flats. The SHMA 2009 also shows that demand for general needs housing exceeds supply in the Western area of the District and consequently puts '*some pressure on (housing) stock*'.
- 2.3 The SHMA 2009 also shows that 18 x 2 bed, 7 x 3 bed and 5 x 4 bed affordable properties are required to be built each year (between 2008/9 and 2012/13) in the Western area. This need was projected in 2009 and is likely to

have been changed by the later Government policy withdrawing the ‘spare room subsidy’ from housing benefit claimants and the subsequent change in allocations policy for affordable housing in North Yorkshire which now means that potential bidders for affordable and social housing can only bid on properties where their need for bedrooms matches the available property.

- 2.4 In the last 24 months only two new (private) properties have been built in Byram, indicating a low level rate of new build properties in the village, thus need levels are not likely to have reduced over this period.
- 2.5 The data available from Home Choice shows that there are 40 eligible bidders who have expressed a preference for Byram as their first choice – of these 32 (80%) are aged under 60 and would be eligible for general needs housing. The majority of all age groups prefer one and two bedroomed properties (62.5% and 25% respectively). The preference for one-bedroomed properties has increased across the district and is mainly due to the Home Choice criteria, which restricts the number of bedrooms an applicant can bid for based on their current needs only. If single bed-roomed properties were built in this rural location, then they would be relatively easy to let in the short term. However if the Home Choice criteria were to be relaxed, then these properties would immediately become ‘hard to let’.
- 2.6 The current SDC housing stock in Byram (as at March 2014) consists of:

*Table 1*

<b>House type</b>	<b>Number</b>
4 bed houses	3
3 bed houses	19
2 bed houses	0
2 bed flats/maisonettes	59
1 bed flats	23
Bedsits	6
2 bed bungalows	10
1 bed bungalows	10
<b>Total</b>	<b>130</b>

- 2.7 An additional site in Byram (East Acres) was approved by the Executive for further investigation for non-general needs housing, at their November 2014 meeting.
- 2.8 As can be seen, there is an imbalance between flats and houses which could partly be addressed by the redevelopment of this site. Of particular note is that SDC has no two bed-roomed houses left in Byram and there is no other social/affordable housing provider in the village.

## **Consultation**

- 2.9 Local consultation about the use of the site for affordable housing, the type of affordable housing which might be located on the site and its impact, is currently underway. This consultation has included the Ward Councillors (31 March 2014) and the Parish Council (at their meeting on 17 April 2014). It is also intended to undertake a consultation with the local residents (Byram Park Road and Woodlea).
- 2.10 Both the Parish Council and Ward Councillors were supportive of the redevelopment of both sites for general needs housing, including the demolition of Byram Park Road flats.
- 2.11 Pre-application consultation has taken place with the SDC planning department about developing the site and there appears to be no reason why this site, in principle, cannot be developed.

## **Development Proposals**

- 2.12 Given the desire to demolish existing flats and replace with houses, the objectives for the development are to increase the number of bed-spaces in Byram and to improve the gateway to Byram.
- 2.13 Three options are put forward for consideration:  
Option A – SDHT general needs housing – combined site  
Option B – HRA general needs housing – combined site  
Option C – joint SDHT/SDC scheme – combined site
- 2.14 In addition further options were researched – Option D – to only develop the Woodlea garage site with nine properties for rent by SDHT; Option E – to refurbish the block of flats and include the re-modelling of the six bedsits to provide three one bed flats; and Option F – do nothing. These options were discounted following further in-depth consultation with Councillors as it was strongly felt that none of these options would achieve the objectives for the development – in particular the issues of antisocial behaviour and the general perception of the current flats.
- 2.15 Options A, B and C involve demolishing the Byram park Road flats, with the cost of demolition being borne by the Council. It has been confirmed by the HCA that schemes involving HCA funding are unlikely to include the costs of demolishing existing social housing and therefore it is assumed that any SDHT scheme would be subject to a cleared site. Demolition of the flats would be at an estimated cost to SDC of £109,600 – effectively a subsidy of £6,850 per dwelling unit.

2.16 In approving demolition of the Byram Park Road flats, the Executive should be aware that the flats have a balance sheet value as at 31 March 2014 of £277,645 and have benefitted from capital expenditure from April 2008 to March 2014 as follows:

Table 2

Item	Cost	Comments
Re-roof (2008/9)	£28,596	
Decent homes (2008/9)	£48,972	
Connection to gas network (2013-2014)	£9,774	
Heating upgrade (2013-2014)	£42,000	Approximate cost as final bills not yet received
<b>Total</b>	<b>£129,342</b>	£8,623/unit or £28/week per unit for 6 years

2.17 This capital expenditure is similar to that for other Council-owned properties in Byram which have all had major repairs as part of the same programmes. This expenditure is reflected in the asset value above.

2.18 To counter the capital value of the asset, consideration should be given to the operating costs of these properties. Over the last three years there have been a total of 27 void instances at Byram Park Road flats with an annualised turnover of 60%, and an average of 7.44 weeks void. The table below shows that the operating costs of the flats are high in comparison to other properties in Byram. This shows that these properties are expensive to manage and maintain (at treble the average cost for the village).

Table 3

Property Group	No of properties	Annual ave. no of voids	Annual ave. est. re-let costs	Annual void repair costs	Annual responsive repair costs	Total average relet/repairs costs	Ave annual cost/ property
7-35 BPR block of flats	15	9	£3,168	£8,354	£7,899	£19,421	£1,295
BPR Houses	7	0	£0	-	£3,007	£3,007	£430
BPR other flats	14	3.7	£1,302	£5,192	£7,410	£13,904	£993
West/East Acres Houses	14	0.3	£106	£1,143	£6,358	£7,607	£543
West/East Acres Flats	49	13	£4,576	£8,072	£33,585	£46,233	£944
Woodlea	11	0.7	£246	£1,113	£5,863	£7,222	£657
<b>Total</b>	<b>110</b>	<b>26.7</b>	<b>£9,398</b>	<b>£23,874</b>	<b>£64,122</b>	<b>£97,394</b>	

(This table excludes 20 bungalows at St Edwards Close)

Mean average annual cost per property = £885 (excluding 20 bungalows)



2.19 Whilst the withdrawal of the spare room subsidy is likely to lessen the turnover on the bedsits – due to the lack of general availability of single bed-roomed properties for rent in the area, it is unlikely to have an impact on the turnover rates for the remaining properties in the block as these are larger in size.

2.20 The current annual income over the last 6 years for the flats shows::

Table 4

Year	Total rent due	Void rent loss	Estimated actual rent received
2008/09	£35,432	£981	£34,451
2009/10	£36,532	£1,541	£34,991
2010/11	£37,763	£469	£37,294
2011/12	£41,128	£2,276	£38,852
2012/13	£44,458	£4,529	£39,929
2013/14	£46,765	£731	£46,034
<b>Total</b>	<b>£242,078</b>	<b>£10,527</b>	<b>£231,551</b>

Table 5 (below) shows the impact on the rental stream of the higher turnover of properties in the block of flats when compared to other properties in the rest of the village (excluding bungalows)

Table 5

Property Group	No of properties	Annual turnover	Ave. annual rent loss (total)	Ave annual cost/property
7-35 BPR block of flats	15	60.0%	£1,755	£117
BPR Houses	7	0.0%	-	£0
BPR other flats	14	26.2%	£656	£47
West/East Acres Houses	14	2.4%	£143	£10
West/East Acres Flats	49	26.5%	£1,606	£33
Woodlea	11	6.1%	£131	£12
<b>Total</b>	<b>110</b>	<b>24.2%</b>	<b>£4,291</b>	

Mean average annual rent loss for village = £39 (excluding 20 bungalows)

2.21 Taking into account the average void and repair costs per annum and the average annual rent from the flats, there would be an average net rent received of £19,171. This rent generated is not sufficient to cover the cost of the capital repairs made over the same period (see paragraph 2.16) and further costs are likely in future.

## **Delivery issues**

- 2.22 Work will not be able to start on site until all of the existing tenants of the flats are rehoused. Currently 14 of the flats/maisonettes are occupied. Rehousing 14 households (on a temporary/permanent basis) could take some time as most occupants will need to be rehoused in Byram. Byram does have a high annualised rate of turnover (19.5%) when compared to other villages (e.g. Sherburn at 8%) which should make it quicker to do this here than in other parts of the District. On a purely statistical basis it should be possible to rehouse everyone within 12 months (as the annualised rate of turnover of 19.5% for 130 properties means that 25 become vacant each year). Any tenancies which are not relinquished/changed to another property on a voluntary basis will need to go through a similar procedure to that of a repossession. Whilst this presents a degree of financial risk it is anticipated that this can be accommodated within existing budgets.
- 2.23 A tenant liaison action plan will be devised in order to work with the remaining tenants in the block to assist them with the option to move voluntarily and they will have access to the Council's Tenant Incentive Scheme which funds the replacement of any improvements (e.g. carpets and floorcoverings). They will also be given the option to move anywhere within the district.

## **Legal issues (general)**

- 2.24 If the site is to be disposed of at less than market value the consent of the Secretary of State is required. The Secretary of State has issued some general consents which are subject to certain terms and conditions. If the disposal is within those terms and conditions then no application for a specific consent is required. It is possible to dispose of the site at less than market value under General Consent AA – the general consent under section 25 of the Local Government Act 1988. This consent was revised in April 2014 to provide additional flexibilities to councils who wish to dispose of their assets for new housing to any body or organisation excluding wholly or partly owned local authority organisations.
- 2.25 This consent (which is applicable in this report) is deemed to have been given by the Secretary of State provided that the benefit is for the development of the land as housing accommodation/facilities to benefit mainly the occupiers of housing accommodation, provided that the disposal is by transfer of the freehold or a lease for the minimum of 99 years; the development begins not less than three years after the transfer (this can be extended); the local authority are not, under any agreement or other arrangement made on or before disposal, entitled to manage or maintain any of the housing accommodation to be developed on that land.

- 2.26 An unofficial right of access is currently being enjoyed by the owner of 3, Byram Park Road the rear of whose property adjoins the site. A garage has been built in the garden of this property with access to the building being obtained across the site. No access was granted with the sale of the property under the 'right to buy' in 2002 and SDC legal services have served notice to prevent the access from being continued to be used. If the access was maintained then this would restrict the number of homes which could be built on this site.
- 2.27 A footpath from Woodlea to the edge of the site in order for those residents to access the garages is not an adopted Public Right of Way. SDC legal services are currently addressing the issue of ownership of this footpath and whether it can be stopped up if the development goes ahead.

### **Financial issues (general)**

- 2.28 Increases in construction and finance costs are negatively impacting on the financial viability of this scheme (and are likely to negatively impact on the remaining Phase 1 garage site schemes). The options under consideration do not include cross subsidy from market housing due to the low market value of homes in this area. Any cash subsidy from the Council for an SDHT scheme would need to be funded by the Programme for Growth or potentially from commuted s106 sums.
- 2.29 Any new general needs housing which is developed for the Housing Revenue Account (HRA) would be subject to the right to buy. However, the cost of building the properties will be taken into account (in full) when calculating the eligible discount. As Byram is in a low value housing market area it is expected that the 'cost floor' will be similar to the build cost, and therefore the value of the discount will be minimal.

### 3 Delivery Options

#### 3.1 Option A – SDHT Scheme - Redevelopment of the combined site to provide sixteen properties for rent

##### Delivery issues (specific)

- 3.1.1 This option would build sixteen properties for affordable rent with the expectation that SDC provide a cleared site and that SDHT will bid for subsidy from the Homes and Communities Agency (HCA) to fund the shortfall in viability. It is estimated that this equates to approximately £42.1k/unit subsidy. This is higher than average for the HCA (which in the previous Affordable Housing Programme round was up to £30,000/unit for rural schemes and in the current round is approximately £32,000/unit for rural schemes).
- 3.1.2 This option would provide 16 houses and 67 bed-spaces for SDHT but would reduce the number of HRA bed-spaces by 33 (and the number of properties by 16).

##### Legal issues (specific)

- 3.1.3 None

##### Financial issues (specific)

- 3.1.4 This scheme is only viable if the whole site can be cleared prior to any site transfer to SDHT and if additional subsidy can be secured. This is due to the low market values in this area of the district, which impacts on the level of rent which can be charged, thus impacting on the amount of any loan which can be repaid. The cost of site clearance would need to be met via the General Fund rather than the HRA as the benefit of the funding is ultimately for SDHT.
- 3.1.5 The estimated costs for **Option A - SDHT Scheme** - demolishing flats and building sixteen general needs properties for rent - 3 x 3b/5p at 83m<sup>2</sup> and 13 x 2b/4p at 77m<sup>2</sup> are:

Table 6

Freehold purchase	£nil
Capital works (exc. demolition and inc. fees/commuted sums)	£1,855,760
Contingency	£115,500
Capitalised interest	£41,712
<i>Sub-total</i>	<b>£2,012,972</b>
Less subsidy required	£674,025
<b>Loan required</b>	<b>£1,338,947</b>
<b>Net receipt to SDC</b>	<b>£nil</b>

1. Cost estimates subject to tender (current benchmark of £1,250/m<sup>2</sup> construction cost used – uplifted for inflation)

2. Assumed rental value per unit = £104.65 per week for 2b/4p and £113.71 per week for 3b/5p (80% of market rent).

3. Assumed land value is nil due to the viability of the scheme. This will need to be ascertained with the District Valuation Office (DVO) if this is the preferred option.

3.1.6 As this is an outline business case being undertaken at feasibility stage, the financial model has assumed estimated costs within the benchmark of a 5.31% internal rate of return (IRR) over 30 years. The loan interest rate has been estimated at the current PWLB annuity rate plus 1% giving an interest rate of 4.81%. The actual terms of the loan will be subject to confirmation following acceptance of the offer by SDHT and the agreed contract sum.

3.1.7 In order to meet the Council's viability output tests (see Appendix B) this option requires a capital subsidy of £674k from the HCA and SDC General Fund support of £110k (for the demolition costs) – Programme for Growth or potentially s106 commuted sums.

### **Impact (specific)**

3.1.8 Please see Appendix E.

## **3.2 Option B- HRA scheme – Redevelopment of the combined site with sixteen properties for rent for the HRA.**

### **Delivery issues (specific)**

3.2.1 This option would build **16 (3 x 3b/5p and 13 x 2b/4p) affordable homes** (all houses) for rent situated on the combined garage and flats sites funded by the HRA.

3.2.2 The demolition of the flats and replacement with 16 houses would give a net gain in the number of HRA bed-spaces of 34 but no change in the number of properties. This option would see the development of general needs housing rather than bungalows for the elderly or disabled. As such these properties would be available for sale under the Right to Buy scheme.

3.2.3 The full cost of the demolition is shown to be funded by the HRA as this option is within the HRA in its totality.

3.2.4 This option fails the viability test of achieving a 4.31% internal rate of return (IRR) in 30 years but passes 60 year IRR test. It also falls outside the allowed budget for new build within the HRA for 2015/2016 which allows for scheme costs averaging £100k/unit. This scheme is more expensive than this due to:

- The scheme being all houses which have a greater floor area and hence increased costs over bungalows
- Increased costs of demolition due to costs of demolishing the flats as well as the garages
- Increase in commuted sums (for recreational open space) as the scheme exceeds the minimum threshold.

If this option is preferred then it must be noted that the average extra costs of £28k/unit (totalling £448k) would mean that the numbers of properties developed for the HRA would reduce by up to 5, giving a total of 45 or 46 properties at the end of the programme.

- 3.2.5 This option also but falls outwith the current housing development strategy policy which is to develop only non-general needs housing through the HRA.

**Legal issues (specific)**

- 3.2.6 None.

**Financial Issues (specific)**

- 3.2.7 The estimated costs of this option to build sixteen properties for affordable rent (including demolition costs), are:

*Table 7*

Demolition of flats and garages	£109,600
Capital works (inc. fees/ commuted sums)	£1,820,060
Contingency	£116,172
<b>Loan/internal borrowing required</b>	<b>£2,045,832</b>

*1. Cost estimates subject to tender (current benchmark of £1,250/m<sup>2</sup> construction cost used – uplifted for inflation)*

*2. Assumed rental value per unit = £104.65 per week for 2b/4p and £113.71 per week for 3b/5p (80% of market rent).*

- 3.2.8 The financial model has assumed estimated PWLB annuity rate of 3.81%, this is slightly above the current rates, which allows for a small rate increase in light of this development not taking place immediately. Changes in interest rates will have an impact on the scheme viability and these rates will be monitored throughout the feasibility stages and any significant changes will be factored in.
- 3.2.9 Based on these assumptions, the scheme fails all output measures over 30 years - achieving payback towards the middle of year 42 and achieving an IRR of 2.34% against a benchmark of 4.31%. The IRR achieved at year 60 is 5.37%. However until a final interest rate is set this is subject to change.
- 3.2.10 In order to achieve payback over 30 years a subsidy from s106 receipts of £488,370 would be needed. Such resources are anticipated from developments in Sherburn but the level available per unit has not yet been established.
- 3.2.11 In order to take this option further a detailed business case is needed which would provide a detailed plan for the scheme, in-depth consultation, pre-planning design, detailed costings etc. – it is estimated that fees of up to £25,000 are needed for this work.

## Impact (specific)

3.2.12 Please see Appendix E

### 3.3 Option C – Combined SDHT and HRA scheme – Redevelopment of the combined site with sixteen properties for rent – 8 for SDHT and 8 for the HRA.

#### Delivery issues (specific)

3.3.1 This option is effectively a combination of options A and B with half of the properties being developed by SDHT and half by SDC. The development would have a neutral effect on the number of HRA bed-spaces but would reduce the number of HRA properties by 8.

3.3.2 The HCA subsidy requirement for the SDHT properties would be £42.8k/unit.

#### Legal issues (specific)

3.3.3 None.

#### Financial issues (specific)

3.3.4 The estimated costs for sixteen general needs properties for rent (SDHT - 2 x 3b/5p at 83m<sup>2</sup> and 6 x 2b/4p at 77m<sup>2</sup> and HRA - 1 x 3b/5p at 83m<sup>2</sup> and 7 x 2b/4p at 77m<sup>2</sup>) are:

Table 8

	SDHT	SDC
Freehold purchase	£0	£0
Demolition		£54,800
Capital works (inc. fees/ commuted sums)	£936,768	£907,214
Contingency	£58,026	£61,308
Capitalised interest	£20,990	£0
<i>Sub-total</i>	<i>£1,015,784</i>	<i>£1,023,322</i>
Less subsidy required	£342,025	
<b>Loan required</b>	<b>£673,759</b>	<b>£1,023,322</b>
<b>Net receipt to SDC</b>	<b>£0</b>	<b>n/a</b>

1. Cost estimates subject to tender (current benchmark of £1,250/m<sup>2</sup> construction cost used – uplifted for inflation)

2. Assumed rental value per unit = £104.65 per week for 2b/4p and £113.71 per week for 3b/5p (80% of market rent).

3. Assumed land value is nil due to the viability of the scheme. This will need to be ascertained with the District Valuation Office (DVO) if this is the preferred option.

3.3.5 50% of the demolition costs have been included in the HRA part of the scheme as these costs benefit that part of the proposed scheme. The remainder of the demolition costs of £55k (which form part of the SDHT part

of this option) would have to be met from the General Fund (Programme for Growth or s106 commuted sums).

- 3.3.6 As this is an outline business case being undertaken at feasibility stage, for the SDHT development, the financial model has assumed estimated costs within the benchmark of a 5.31% internal rate of return (IRR) over 30 years. The loan interest rate has been estimated at the current PWLB annuity rate plus 1% giving an interest rate of 4.81%. The actual terms of the loan will be subject to confirmation following acceptance of the offer by SDHT and officer endorsement of SDHT's detailed business case, and the agreed contract sum. In order to meet the Council's viability output tests (see Appendix B) this option requires a capital subsidy of £342k from the HCA and SDC General Fund support of £55k (towards the demolition costs).
- 3.3.7 For the SDC development the financial model has assumed an estimated PWLB annuity rate of 3.81%, with an internal rate of return (IRR) of 4.31% over the 30 year benchmark payback period.
- 3.3.8 Based on these assumptions, the HRA scheme fails all output measures over 30 years - achieving payback towards the middle of year 44 and an IRR of 2.13% against a benchmark of 4.31%. The IRR achieved at year 60 is 5.23%. However until a final interest rate is set this is subject to change.
- 3.3.9 In order to achieve payback over 30 years a subsidy from s106 receipts, of £268,536 would be needed. Such resources are anticipated from developments in Sherburn but the level available per unit has not yet been established.
- 3.3.10 In order to take the HRA element of the scheme further a detailed business case is needed which would provide a detailed plan for the scheme, in-depth consultation, pre-planning design, detailed costings etc. It is estimated that fees of up to £25,000 are needed for this work which would be undertaken in partnership with SDHT to facilitate a joint scheme. As such an in principle offer would be made to SDHT for their element of the scheme in accordance with the outline business case above.

#### **4 Further options**

- 4.1 In addition to the above options, three further options were researched – Option D – to only develop the Woodlea garage site with nine properties for rent by SDHT; Option E – to refurbish the block of flats and include the re-modelling of the six bedsits to provide three one bed flats; Option F – do nothing.
- 4.2 Whilst all of these options would require a lower level of public subsidy, all were discounted following further in-depth consultation with Councillors as it was strongly felt that none of these options would achieve the objectives set out at the beginning of this report



## 5 Conclusion

- 5.1 The objectives of this scheme are to increase the provision of general needs affordable housing in particular in Byram and to regenerate the gateway to Byram. Options A –E provide affordable housing but only options A, B and C would address the issues/negative perceptions associated with the flats on Byram Park Road.
- 5.2 All three options (A, B and C) require a high level of subsidy. Option A would see the lowest level of subsidy for the Council but this would mean the loss of 16 HRA properties. However the properties in question (the flats on Byram Park Road) are more expensive to manage and maintain than the other properties in Byram and as a result generate a lower return for the HRA.
- 5.3 The Executive is requested to give a steer as to which option(s) they would prefer to be further developed into detailed business cases and if all or part of the development should be offered to SDHT.

## 6 Background Documents

The following documents provide background to this proposal:

- Selby District Council Housing Development Strategy - report to Council – 10 September 2013 (pp 115 – 122) [http://www.selby.gov.uk/upload/Council\\_Agenda\\_10.9.13\\_PUBLI\\_C.pdf](http://www.selby.gov.uk/upload/Council_Agenda_10.9.13_PUBLI_C.pdf)
- Selby District Council Housing Development Sites - report to Council – 10 September 2013 (pp 84 – 114) [http://www.selby.gov.uk/upload/Council\\_Agenda\\_10.9.13\\_PUBLI\\_C.pdf](http://www.selby.gov.uk/upload/Council_Agenda_10.9.13_PUBLI_C.pdf)
- Housing Development Strategy Phase 1 progress report – report to Executive - 5 June 2014 (pp 6 – 10) [http://www.selby.gov.uk/upload/Exec\\_Agenda\\_5.6.14.pdf](http://www.selby.gov.uk/upload/Exec_Agenda_5.6.14.pdf)
- North Yorkshire Allocations Policy [http://www.selby.gov.uk/upload/North\\_Yorkshire\\_Housing\\_Allocation\\_Policy\\_2011.pdf](http://www.selby.gov.uk/upload/North_Yorkshire_Housing_Allocation_Policy_2011.pdf)

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**Appendices:**

- APPENDIX A - Site location plan**
- APPENDIX B - Financial appraisal summary – option a)**
- APPENDIX C - Financial appraisal summary – option b)**
- APPENDIX D - Financial appraisal summary – option c)**
- APPENDIX E - Impact assessment – options a, b and c**

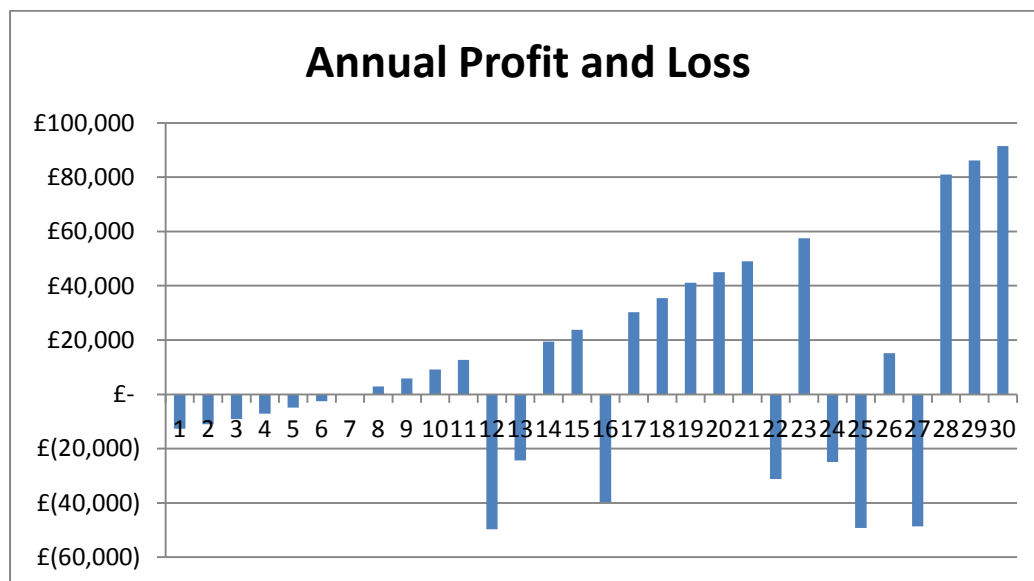
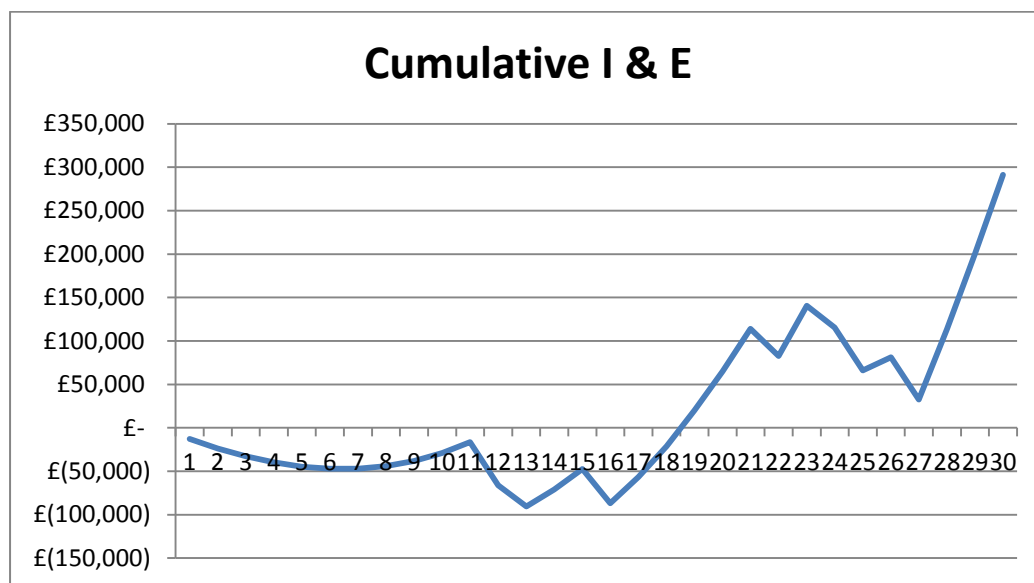
**APPENDIX A – site location – All Options (A, B and C)**



**APPENDIX B – Financial summary – Option A**

**16 properties for SDHT – 3 x 3b/5p and 13 x 2b/4p (all for 80% market rent) inc. HCA subsidy**

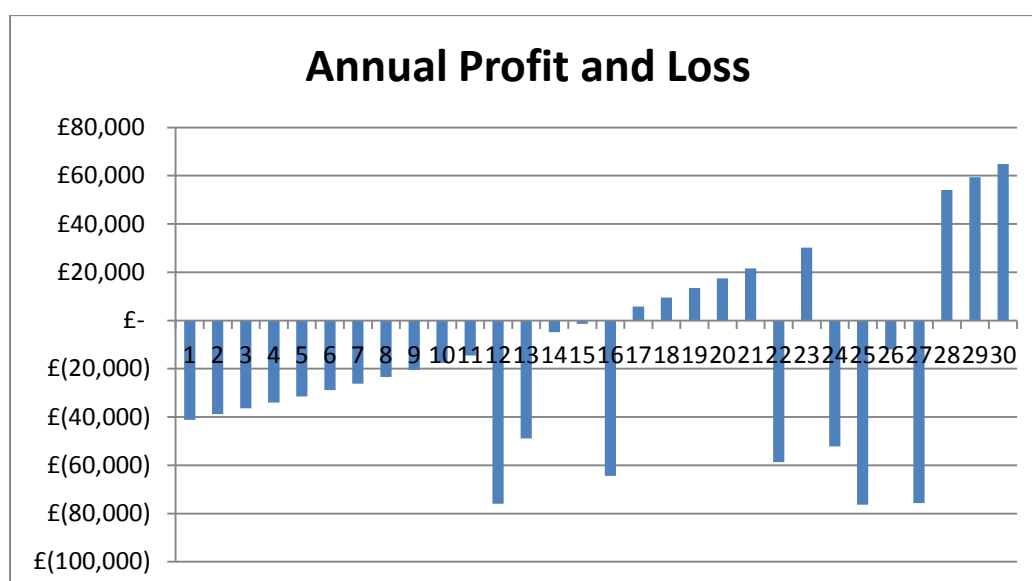
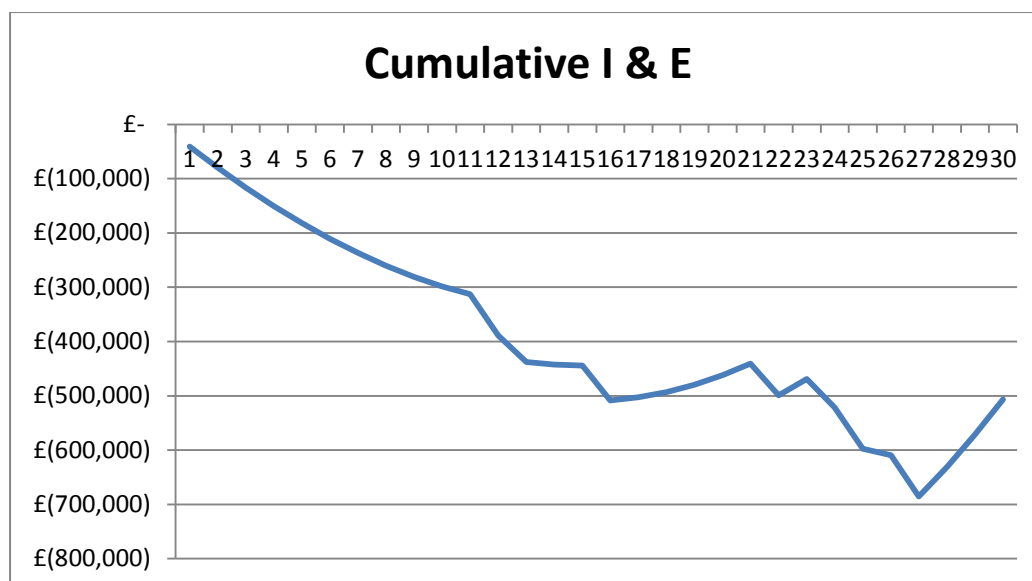
	<b>Output</b>	<b>Benchmark</b>	<b>Test</b>	<b>Pass/Fail</b>
30 Year Net Present Value (£)	£24.27	0	Output>Benchmark	PASS
60 Year Net Present Value (£)	£685,254.70	0	Output>Benchmark	PASS
Payback Year	30	30	Output<Benchmark	PASS
30 Year IRR%	5.31%	5.31%	Output>Benchmark	PASS
60 Year IRR%	7.44%	5.31%	Output>Benchmark	PASS



## APPENDIX C – Financial summary – Option B

**16 properties for HRA – 3 x 3b/5p and 13 x 2b/4p (all for 80% market rent) – with no additional subsidy**

	Output	Benchmark	Test	Pass/Fail
30 Year Net Present Value (£)	-£488,370.49	0	Output>Benchmark	FAIL
60 Year Net Present Value (£)	£580,821.72	0	Output>Benchmark	PASS
Payback Year	42	30	Output<Benchmark	FAIL
30 Year IRR%	2.34%	4.31%	Output>Benchmark	FAIL
60 Year IRR%	5.37%	4.31%	Output>Benchmark	PASS



## APPENDIX D – Financial summary – Option C

Combined scheme – 8 properties for rent – SDHT – 2 x 3b/5p and 6 x 2b/4p

8 properties for rent – HRA – 1 x 3b/5p and 7 x 2b/4p

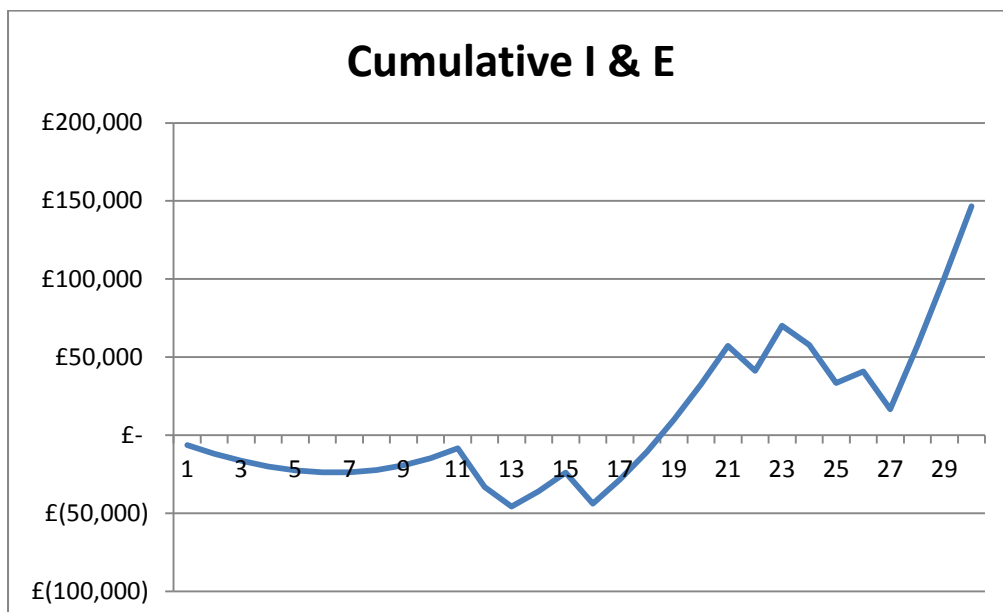
**SDHT performance criteria (assumes HCA or other subsidy at a level to meet the benchmark)**

	Output	Benchmark	Test	Pass/Fail
30 Year Net Present Value (£)	£0.86	0	Output>Benchmark	PASS
60 Year Net Present Value (£)	£344,831.18	0	Output>Benchmark	PASS
Payback Year	30	30	Output<Benchmark	PASS
30 Year IRR%	5.31%	5.31%	Output>Benchmark	PASS
60 Year IRR%	7.44%	5.31%	Output>Benchmark	PASS

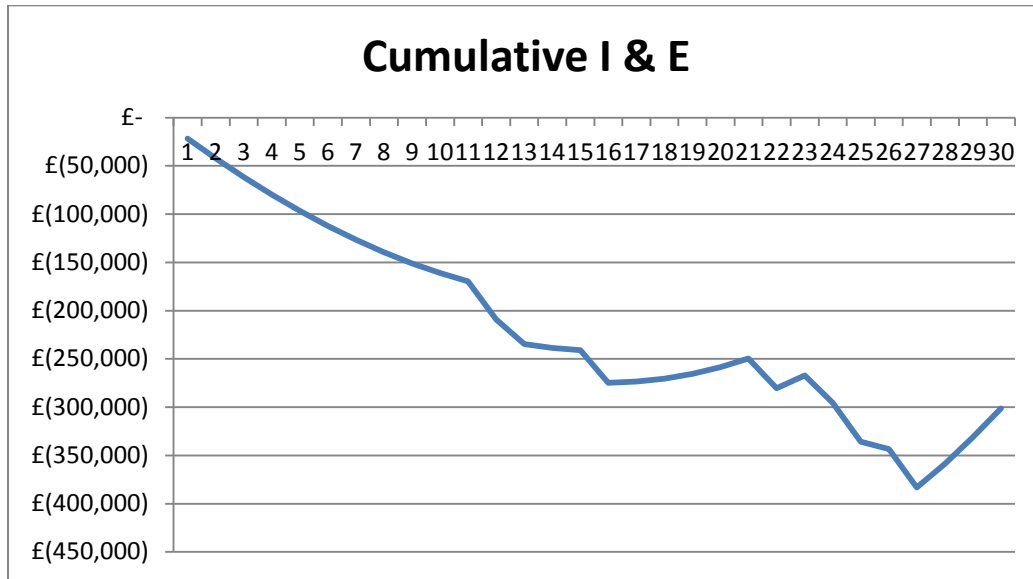
**HRA performance criteria (assumes no additional subsidy)**

	Output	Benchmark	Test	Pass/Fail
30 Year Net Present Value (£)	-£268,535.57	0	Output>Benchmark	FAIL
60 Year Net Present Value (£)	£249,707.32	0	Output>Benchmark	PASS
Payback Year	44	30	Output<Benchmark	FAIL
30 Year IRR%	2.13%	4.31%	Output>Benchmark	FAIL
60 Year IRR%	5.23%	4.31%	Output>Benchmark	PASS

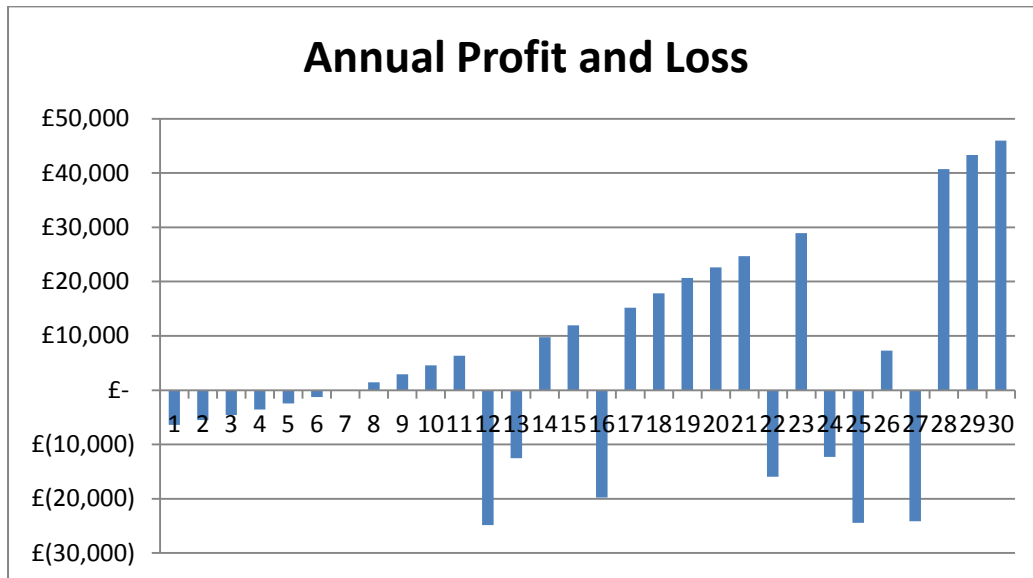
## SDHT



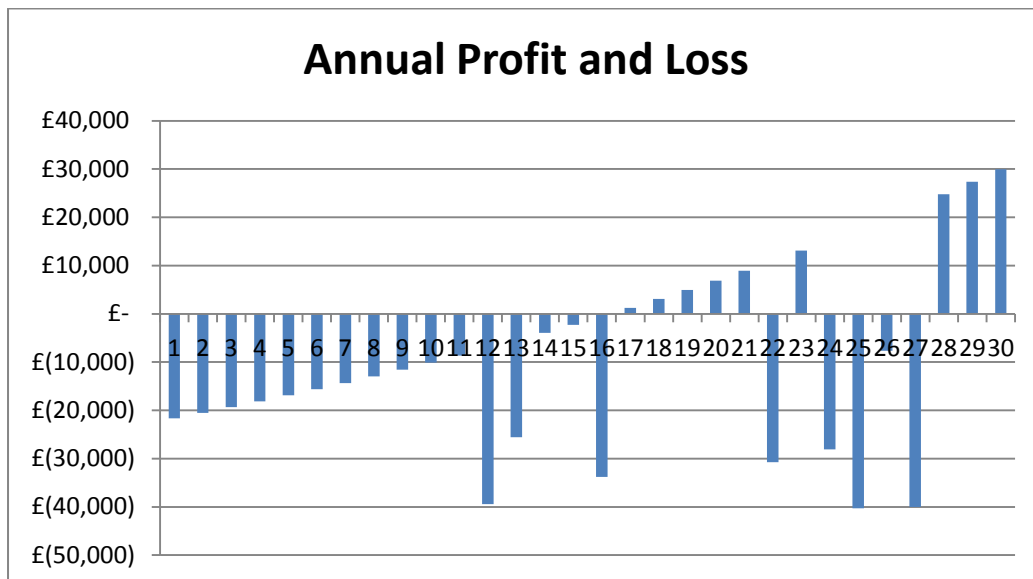
**HRA**



**SDHT**



**HRA**



**APPENDIX E – Impact assessment – Options A, B and C**

	<b>Option</b>	<b>Community</b>	<b>Equality &amp; Diversity</b>	<b>Environment</b>	<b>Economic</b>
<b>Total redevelopment</b>	<b>A</b> – SDHT – 16 properties for rent	<ul style="list-style-type: none"> <li>•Positive impact on the community as an eyesore and a nuisance is developed into much needed affordable housing</li> <li>•Reduction in Anti-Social behaviour (including violent attacks) in Byram due to a more sustainable mix of properties on the site</li> <li>•Reduction in drug use and reduced risk of ‘sharps’ on backland site</li> <li>•Reduction in nuisance caused by youths abusing alcohol and setting fires</li> <li>•Removal of opportunity to use site for exchange of stolen goods and other illegal activities</li> <li>•Removal of ‘waste’ ground used for fly tipping which encourages rats.</li> <li>•Part of a wider strategic opportunity to regenerate the Council’s underutilised land holdings</li> <li>•increase in HRA provision of housing (options B &amp; C)</li> <li>•provision is sustainable due to existing facilities in Byram (shop, doctors surgery, community centre)</li> </ul>	<ul style="list-style-type: none"> <li>•neutral impact on equality and diversity as access to the housing is open to all</li> </ul>	<ul style="list-style-type: none"> <li>•Improve the gateway to Byram;</li> <li>•Improve the garden spaces on the site;</li> <li>•Reduce the incidences of fly-tipping;</li> </ul>	<ul style="list-style-type: none"> <li>•positive impact on the economy of the District in the short term through the employment and skills requirements placed on any contractor by the Council</li> <li>•longer term the impact is probably neutral</li> </ul>
	<b>B</b> – HRA – 16 properties for rent				
	<b>C</b> – SDHT – 8 properties for rent and HRA – 8 properties for rent				



	Option	Community	Equality & Diversity	Environment	Economic
Return sh flats only	<b>D</b> –SDHT - 9 properties for rent	<ul style="list-style-type: none"> <li>•Positive impact on the community as an eyesore and a nuisance is developed into much needed affordable housing</li> <li>•Part of a wider strategic opportunity to regenerate the Council's underutilised land holdings</li> <li>•provision is sustainable due to existing facilities in Byram (shop, doctors surgery, community centre)</li> <li>•Potentially does not address the Anti-social behaviour from tenants in the remaining flats</li> </ul>		<ul style="list-style-type: none"> <li>•Reduce the incidences of fly-tipping;</li> </ul>	
	<b>E</b> – HRA refurbishment	<ul style="list-style-type: none"> <li>•Improves the look and feel of the existing block of flats</li> <li>•May take longer to improve perceptions</li> </ul>		<ul style="list-style-type: none"> <li>•Still leaves eyesore and nuisance prone site to rear</li> </ul>	
	<b>F</b> – do nothing	<ul style="list-style-type: none"> <li>•Negative impact as an eyesore and nuisance site is not improved</li> <li>•No increase in bed spaces;</li> <li>•No increase in employment and skills opportunities</li> <li>•No strategic impact</li> </ul>			