

# Selby District Council



## Agenda

Meeting: **Executive**  
Date: **8 January 2015**  
Time: **4pm**  
Venue: **Committee Room**  
To: Councillor Mark Crane, Councillor Mrs Gillian Ivey, Councillor Cliff Lunn, Councillor John Mackman and Councillor Chris Metcalfe

### 1. Apologies for absence

### 2. Minutes

The Executive is asked to approve the minutes of the meetings held on 4 and 18 December 2014. Pages 1 to 11 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. Community Infrastructure Levy (CIL)**

Report E/14/57 provides the Executive with details on the CIL Draft Charging Schedule consultation and the issues raised. Pages 12 to 36 attached.

#### **5. Proposal to Strengthen Governance Arrangements – York, North Yorkshire and East Riding LEP**

Report E/14/58 summarises the proposal to create a Joint Committee in the York, North Yorkshire and East Riding LEP area to strengthen governance arrangements and seeks 'in principle' approval. Pages 37 to 40 attached.

#### **6. Housing Rents 2015/16 – Key Decision**

Report E/14/59 asks the Executive to approve proposals for Housing Revenue Account rent levels. Pages 41 to 44 attached.

#### **7. HRA Business Plan**

Report E/14/60 asks the Executive to approve the HRA Business Plan. Pages 45 to 99 attached.

#### **8. Housing Management System Replacement – Key Decision**

Report E/14/61 asks the Executive to approve the replacement of the existing housing and asset management systems and the procurement of a new consolidated software system. Pages 100 to 103 attached.

#### **9. Selby Leisure Centre – Key Decision**

Report E/14/62 asks the Executive to approve funding from the Programme for Growth for the budget shortfall. Pages 104 to 107 attached.

#### **10. Tour of Yorkshire Cycle Race**

Report E/14/63 advises the Executive of the success in securing Host status for the inaugural Tour of Yorkshire cycle race in 2015 and seeks agreement to earmark up to £100,000 from the commissioning contingency for 2015/16 to meet potential costs. Pages 108 to 110 attached.

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

Executive  
8 January 2015

<b>Dates of next meetings</b>
<b>15 January 2015 - Executive Briefing</b>
<b>5 February 2015 Executive</b>

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# Selby District Council



## Minutes

### Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	4 December 2014
Present:	Councillor M Crane (Chair), Mrs G Ivey, C Lunn and J Mackman.
Officers present:	Chief Executive, Deputy Chief Executive, Executive Director (S151), Director, Solicitor to the Council, Business Manager (ES), Lead Officer – Finance, Lead Officer – Policy, Policy Officer, Lead Officer – Contracts, Housing Development Manager, Democratic Services Manager.
Also Present:	Councillor Jack Crawford
Public:	0
Press:	0

NOTE: Only minute numbers 68, 70, 72, 73, 74, 75 and 77 are subject to call-in arrangements. The deadline for call-in is 5pm on the 17th of December 2014. Decisions not called in may be implemented on the 18<sup>th</sup> of December 2014.

#### 64. Apologies for Absence

Apologies were received from Councillor C Metcalfe.

#### 65. Minutes

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

Executive  
4 December 2014

**66. Disclosure of Interest**

Councillor J Mackman declared that he had registered as an “other interest” his role on the Selby and District Housing Trust. He left the room during the consideration of and voting on item 13 (Minute 77) on the agenda (Housing Development Strategy – Phase 1 Business Case – Byram, Byram Park Road).

**67. Draft Corporate Plan – Key Decision**

Councillor M Crane presented the report which asked the Executive to approve a draft of the emerging new Corporate Plan to cover the years 2015-2020.

The Executive discussed the report and asked officers to amend the Corporate Plan to find a more appropriate balance of activity when considering progress across the five big things. Officers also updated the Executive on amendments which had been submitted by Councillor C Metcalfe, these related to support for existing businesses and volunteering.

**Resolved:**

- i. Subject to the above comments, 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.**

Reason for the decision:

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.

**68. Local Land Charges Litigation**

Councillor C Lunn presented the report which updated the Executive on the progress of the negotiations with the claimants in the national land charges litigation seeking refunds of search fees. It also sought delegated authority to settle the claims against Selby District Council as and when a national settlement was agreed.

The Executive agreed to consider the financial implications of the settlement framework in Private Session.

**Resolved:**

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

The Solicitor to the Council set out the potential financial implications for the Council as detailed in the proposed settlement framework.

**The Executive agreed to return to Public Session.**

**Resolved:**

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

Reason for the decision:

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

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

Councillor C Lunn presented the report on the draft revenue budget and capital programme for 2015/16 to 2017/18.

Councillor C Lunn set out that, subject to confirmation of the Formula Grant Settlement, the 2015/16 budget showed a forecasted deficit of £11k after planned savings on the General Fund and a £1.3m surplus on the HRA, which was required to fund the capital programme.

The Executive discussed the savings proposals set out in the report. These included £200k on the Better Together Programme, £150k on the Leisure Management Contract and £150k on Green Energy. Councillor C Lunn stated that the Council would need to work together with its partners to deliver the savings.

The Executive noted that the Medium Term Financial Strategy assumed a Council Tax increase of 2% for 2015/16 and an estimated £96k payment of Council Tax Support Grant to Parish Councils.

**Resolved:**

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- i. **To approve for public consultation and submitted to Policy Review for comments the draft budgets, bids and savings.**
- ii. **To increase Council Tax by 2% for 2015/16, subject to the referendum rules.**

Reasons for the decision:

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

**70. Phase 2 Housing Delivery Programme – Key Decision**

Councillor M Crane presented the report which provided further information on the Affordable Housing Need in Sherburn in Elmet and an alternative phasing programme.

The Executive discussed the revised phasing programme for housing delivery. A minor amendment was agreed to the recommendation in the report to improve clarity.

**Resolved:**

**To approve the proposed phasing programme for the Housing Development Strategy as outlined in appendix 1 to the report.**

Reasons for the decision:

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

**71. Leisure Landlord PPM 14/15 Revised Costs**

Councillor C Lunn presented the report on the additional funding required for the Leisure landlord maintenance programme for 14/15, in order to award the roofing contract for work on Tadcaster Leisure centre.

The Executive agreed to recommend to Council the funding for the work at Tadcaster and then discussed the work to be completed at Selby Park, officers were asked to ensure better signage was put in place to improve awareness of the facilities available.

**Resolved:**

**To recommend Council to fund the balance of the cost of the Leisure Landlord Planned Preventative Maintenance Programme**

**from an additional drawdown of funding from Building Repairs Reserve in 2014/15.**

Reasons for the decision:

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.

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

Councillor C Lunn presented the report on the Employer Discretion Policy 2014, which was intended to cover all of the Council's employees who hold membership of the Local Government Pension Scheme (LGPS).

**Resolved:**

**To adopt the Employer Discretion Policy as set out in Appendix 2 of the report.**

Reasons for the decision

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

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

Councillor J Mackman presented the report which provided the Authority Monitoring Report and updated the Executive on the position on the Local Development Scheme and the five year housing land supply.

The Executive discussed the process and legal issues associated with the report. It was agreed to defer recommendations two and three in the report.

**At this point there was a 10 minute adjournment of the meeting.**

**Resolved:**

- i. To note the performance of the Core Strategies policies in the Authority Monitoring Report.**
- ii. To 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).**

Executive  
4 December 2014



Reason for the decision:

- i. To inform the Executive of the performance against Core Strategy targets.
- ii. To agree a revised timetable for the preparation of the SAPP.

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

Councillor M Crane presented the report on the potential for efficiencies and income generation from collaboration in the delivery of Revenues and Benefits Services.

The report sought authority to commence with a Competitive Dialogue to identifying a strategic partner and the potential for a commercial joint venture in partnership with Craven District Council.

**Resolved:**

- 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.**

Reason for the decision:

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.

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

Councillor M Crane presented the report which outlined the business case for the development of the SDC garage site at Westfield Road/Avenue, Eggborough.

The Executive discussed the Business Case and noted that indicative costs for the scheme meant that a subsidy of up to £26,056 would be required for the scheme to break even over 30 years. The housing need analysis for Eggborough had also been recently updated and

the level of need may not be sufficient for a third scheme in the village. The Executive acknowledged that the scheme was also not supported locally. Upon taking these factors into consideration the Executive agreed to not support the scheme at this time but to ask officers to examine the possibility of tidying up the site.

**Resolved:**

- i. To not support the scheme at this time.**
- ii. To ask officers to examine the possibility of tidying up the site.**

**Reason for the decision:**

The scheme would require significant financial support, there is insufficient housing need and a lack of local backing.

**76. Call in of Executive Report - 2nd Interim Budget Exceptions Report – Key Decision**

Councillor M Crane set out that the Executive's decision in respect of the refurbishment of the Bus Station at Tadcaster taken as part of the 2<sup>nd</sup> Interim Budget Exceptions Report at its meeting on 6 November 2014, had been called in by Scrutiny Committee. After considering the matter Scrutiny Committee agreed with the Executive decision and decide to take no further action.

***Councillor J Mackman left the meeting during consideration of the item set out below.***

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

Councillor M Crane presented the results of the outline business case for the proposed redevelopment of 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.

The Executive discussed the Business Case, the issues associated with the site and the options available for its development. The Executive felt there was a need to improve the area for its residents. It was agreed to start the process by demolishing the block of maisonettes, flats and bedsits. The Executive asked that demolition be clearly and sensitively communicated to residents. Officers were asked to continue to develop the options for the redevelopment of the site and to report back in due course.

**Resolved:**

- i. To demolish the maisonettes, flats and bedsits on Byram Park Road, Byram.**
- ii. To continue to develop the options for the development of the site.**

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 Bryam.
- ii. To provide more appropriate forms of general needs affordable housing in Byram;
- iii. To reduce incidences of anti-social behaviour associated with the flats on Byram Park Road and to regenerate the gateway to Byram.

The meeting closed at 5.19 pm

# Selby District Council



## Minutes

### Special Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	18 December 2014
Present:	Councillor M Crane (Chair), Mrs G Ivey and C Lunn.
Officers present:	Chief Executive, Executive Director (S151), Director, Solicitor to the Council, Democratic Services Manager.
Also Present:	
Public:	0
Press:	0

NOTE: Only minute number 80 is subject to call-in arrangements. The deadline for call-in is 5pm on the 30th of December 2014. Decisions not called in may be implemented on the 31<sup>st</sup> of December 2014.

#### **78. Apologies for Absence**

Apologies were received from Councillors J Mackman and C Metcalfe.

#### **79. Disclosure of Interest**

None

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**80. St Joseph's Street – Selby and District Housing Trust Development**

Councillor M Crane presented the report which gave an update on the affordable housing scheme at St Joseph's Street, Tadcaster and detailed a request from Selby District Housing Trust (the Trust) for additional funding.

The Executive heard that a revised business case for the scheme was considered and approved by the Executive in March 2014 and a development offer was made to the Trust.

The Trust accepted the offer subject to contract and had since tendered the scheme. The winning, and lowest, tender was in excess of the estimated cost contained in the revised business case and, having considered a range of options, the Trust was now formally requesting additional financial support from the Council to allow the scheme to proceed as planned.

The Executive expressed concern at the cost increase but were satisfied that a proper procurement procedure had been followed. The Executive Director (S151) explained that the final costs would be established on an open book basis and that cost savings would be sought where possible to achieve the budget for the scheme.

The Executive discussed the licence granted to a member of the public to use part of the land on the site for access purposes and the impact this had on the potential acquisition of the land by the Trust.

The Executive Director (S151) set out that that notice had been served to terminate the licence with effect from 4 May 2015. Separately, notice had also been served to vary the conditions on the licence so that the permitted access rights would not impede the development of the site. The Solicitor to the Council detailed the legal issues arising from the variation of the licence.

The Executive discussed the Trust's position on the land. It was agreed that in order for the Trust to commence work on site to meet the current programme, land would need to be passed into the Trust's ownership, but that the Council would defend any litigation in respect of the licence at its cost. If there was a dispute, then the Trust would have the right to return the land to the Council and the Council would reimburse all associated costs incurred by the Trust. It was agreed to fence off the land to enforce the varied licence conditions as soon as practicable with the costs being met from the Council's operational contingency.

**Resolved:**

- i) To provide grant funding of up to £31k and forego the anticipated £11k capital receipt from the sale of the market home, by way of contribution towards the costs of the affordable homes to be constructed by Selby and District Housing Trust at St Joseph's Street, Tadcaster.**
- ii) To fund the grant from the Programme for Growth (strategic sites budget).**
- iii) To set the loan rate at 4.2% (PWLB certainty rate at 10<sup>th</sup> December 2014).**
- iv) To approve an overdraft facility to fund the development of the market sale unit until sold.**

Reason for the decision:

To allow the affordable homes scheme to progress as planned.

The meeting closed at 10.02 am

# Selby District Council

## REPORT

Reference: E/14/57

Public – Item 4



**To:** The Executive  
**Date:** 8 January 2015  
**Status:** Non Key Decision  
**Report Published:** 30 December 2015  
**Author:** Tom Ridley Policy Officer  
**Executive Member:** Cllr Mark Crane Leader of the Council  
**Lead Officer:** Keith Dawson Director Community Services in support of the Executive Member

**Title:** Community Infrastructure Levy (CIL)

### Summary:

The CIL Draft Charging Schedule consultation has now ended and Officers have worked with the appointed consultants Peter Brett Associates to address the issues raised.

25 responses were received with many misunderstanding elements of the proposed CIL. However one response regarding residential development identified a potential error in the viability modelling provided by Peter Brett Associates. Therefore officers requested the consultants to undertake an additional detailed review of the modelling, during which a cell referencing error was identified which meant that purchaser's costs had not been properly accounted for. This has resulted in a change in the assumptions with the proposed changes outlined in this report; these changes now need to be approved to go back out to public consultation before the CIL can be brought back to Executive to decide on submitting for examination.

### Recommendations:

- i. To note the content of this report
- ii. To agree the consultation material for another round of consultation on the Draft Charging Schedule. In particular to note:
  - a. The change from a 2-zone charging system for housing development to a 3-zone system incorporating:
    - Low Zone £10 psm
    - Medium Zone £35 psm
    - High Zone £50 per psm

- b. **A more comprehensive Draft Charging Schedule Document**
- c. **The draft instalments and exemptions policies (unchanged)**
- d. **The indicative Regulation 123 List of spending priorities (unchanged)**
- iii. **To grant delegated authority to the Director of Community Services in consultation with the Leader of the Council to agree minor amendments and final wording to the consultation material as necessary.**

## **Reasons for recommendation**

- a) To inform Executive of the process and progress of the Community Infrastructure Levy.
- b) To enable Officers to change the housing charging zones and hold a second round of consultation in order to progress the CIL.

## **1. Introduction and background**

- 1.1 After April 2015 the Council will only be able to collect scaled back s106 on items that are required to make a development acceptable in planning terms. Therefore the Council can choose to introduce a CIL on new development to top up the scaled back s106 receipts. The CIL must be based on viability evidence and strike an appropriate balance between charging an appropriate levy and not inhibiting development from coming forward.
- 1.2 The CIL Draft Charging Schedule consultation was approved at July 2014 Executive Board and the second statutory consultation was then undertaken between 14 July 2014 and 18 September 2014.

## **2. The Report**

- 2.1 Below is a summary of the key issues raised in the consultation. The main issue and only responses which have resulted in a change to the Draft Charging Schedule are an objection to some of the inputs used in the viability modelling provided by Peter Brett Associates in the Economic Viability Assessment (EVA). The key areas are:

### Inputs used in the Economic Viability Assessment

- 2.2 A representation received by G L Hearn on behalf of Gladman Developments objected that the model Peter Brett Associates had used in the EVA contained a number of errors. Therefore this suggested the charging zones and rates were based on an incorrect EVA. This was reinforced by the fact G L Hearn have recently made the same argument at Hambleton and Ryedale Council's CIL examination which resulted in the EIP being withdrawn pending further investigation into the inputs and assumptions. Peter Brett Associates were also the consultant used by Hambleton and Ryedale Council and it would seem that the same incorrect inputs may have been used in both EVA pieces of work.



- 2.3 Officers therefore instructed Peter Brett Associates to address the issues raised by G L Hearn which resulted in Peter Brett Associates confirming that one cell input into the modelling was in fact incorrect. This was the purchaser's costs on the land sales value which were not properly being accounted for. In response to the other issues raised by G L Hearn and a small number of other representations Peter Brett Associates have also looked at and updated other input assumptions; these are sales values, build costs and the benchmark land values. All of these inputs and assumptions have now been assessed and updated by Peter Brett Associates and have addressed the issues raised by G L Hearn and the other representations meaning the EVA and the charging zones now strike an appropriate balance and are robust and defensible at an EIP.
- 2.4 Previously the EVA inputs and assumptions identified 2 charging zones a High £45 psm and a Low £25 psm. However it is clear that after the incorrect input is corrected and the updated inputs and assumptions are used the outputs calculated are quite different to those originally proposed. The updated data shows there are now 3 distinct zones comprising High £50 psm, Medium £35 psm and Low £10 psm. The low charging zone covers Barlby, Selby South and Selby North, with £35 psm for the South of the district and some of the East up to the North East of the district, with the remainder of the North West covered by a £50 psm rate the new charging zone maps are available in Appendix 1.
- 2.5 The £10 psm charging zone covers an area that before the mistake was corrected had a proposed charge of £25 psm. This will mean a drop in CIL revenues from the original proposals, for example on a 3 bed 88sqm house the CIL charge will now be £880 rather than £2200. Although this is a substantial change the charging rates must be based on the EVA evidence which now demonstrates £10 psm charge. However any residential developments that do come forward in the £10 psm zone after April 2015 would also still be liable for S106 payments to make the site acceptable in planning terms, for example a large site would still have to provide a new school if it was necessary to make the site acceptable in planning terms and would still have to provide Section 278 road improvements. There will also now be an increase in CIL revenue raised in the High and Medium zones as those rates have now gone up. This will result in a High Value zone 88sqm house providing £4400 rather than £3960 previously and a Medium zone 88sqm house providing £3080 rather than £2200 previously.
- 2.6 With the new viability evidence recommending a £10 psm, £35 psm and £50 psm charge it would be difficult for the Council to propose anything different and any amount above this would be very hard to defend at EIP risking the charging zones not being accepted. As CIL is recommended to have a prudent approach at first and strike an appropriate balance on allowing development to come forward Peter Brett Associates and Officers recommend progressing with the new proposed rates. If the Council delays bringing the Charging Schedule forward there is a risk that no CIL will be in place well beyond April 2015 and sites in the £50 charging zone will come forward

paying £0 as no CIL is in place. Members are asked to approve the £10, £35 and £50 charging zones and rates for consultation.

#### Regulation 123 list

- 2.7 A number of representations were submitted suggesting that the council adopt a more detailed Regulation 123 list while some new items were suggested to be added to the list for future funding.
- 2.8 Officers feel the current Regulation 123 list has been prepared in line with the regulations and it is not considered appropriate at this time for the Council to be any more specific, for instance, it is not the role of the R123 list to identify spending priorities or amounts within it and more details will be released on the run up to adoption. No changes are proposed as a result of the consultation.

#### Exceptions Policy

- 2.9 The Exceptions Policy has been welcomed by representors and no changes are proposed as a result of the consultation.

#### Instalments Policy

- 2.10 The addition of an Instalments Policy has been welcomed by representors although those who commented on the policy commented it was not generous enough towards developers. Officers believe it is a fair policy and is in line with comparable adopted instalment policies and note it is also not part of the Examination In Public. No changes are proposed as a result of the consultation.

#### Retail definitions

- 2.11 Two representations on behalf of Sainsbury's and Asda raised an objection to the EVA and the Councils approach of separating Supermarket, Convenience and Retail Warehouse use classes.
- 2.12 Peter Brett Associates and Officers believe the difference in use between supermarkets and neighbourhood convenience stores is clear, distinct and reflected in the definitions set out. Supermarkets are capable of, and are generally used by people to undertake their main weekly food shop. Retail warehouses are generally used by people seeking to purchase comparison goods, often bulky household items. Neighbourhood convenience stores are used principally to 'top-up' on convenience goods. This approach has been used and accepted at examinations previously and therefore this approach is considered acceptable and has precedent. No changes are proposed as a result of the consultation.

#### General Comments

- 2.13 From the representations received it was recognised that there is still a lot of confusion and misinterpretation of the regulations and CIL process by Parish Councils and members of the public. Officers have also taken the opportunity

to update the Draft Charging Schedule document itself (Appendix 1) so that it now contains clear information and background to the CIL and the processes involved rather than just displaying the charging zone map and rates. This is intended to make the document more user friendly and accessible for customers and to address some of the issues raised that are outside of the Councils control.

#### 2.14 Timetable

There is now a delay in submitting the CIL for examination as this will have to be delayed until after another 4 week consultation has been approved, undertaken and the responses assessed. This changes the original timetable which was to submit for examination in November 2014 with an EIP late January with a view to adopt in April 2015. Under the new timetable the CIL will now be ready to submit from late February 2015 subject to Executive Board dates approval. The Planning Inspectorate is currently advising that submission through to examination is an 8 week process followed by 8 weeks to make a decision and submit a report back to the Council. Therefore as a guide from submission through to adoption is on average a 4 month process, although this may be longer or shorter depending on the exam itself.

#### Impacts

- 2.16 After April 2015 the Council will only be able to collect scaled back s106 on items that are required to make the development acceptable in planning terms. Until the CIL is adopted the Council will lose any potential CIL revenue and will not be able to use CIL to fund items on the R123 (Appendix 2c). Therefore it is recommended by Officers that consultation on the updated Draft Charging Schedule is progressed in order to minimise any potential loss in CIL Revenue.

#### Summary

- 2.17 Officers consider that the only changes necessary based on the Draft Charging Schedule Consultation are the residential charging zones and rates as outlined above. This will require a repeat of the 4 week consultation on the amended Draft Charging Schedule which could start in mid-January 2015. After the consultation and the responses have been assessed members will then be asked to consider timescales in submitting for an EIP.

#### Next Steps

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

#### **3.1 Legal Issues**

As set out in the report to the Executive meeting of 5 December 2013,  
• The CIL will be subject to an Examination in Public to hear objections before Adoption.

- The CIL will replace a lot of Section 106 negotiations where those issues are listed on the Regulation 123 List, but other issues will still be subject to Section 106 agreements.
- The Authority will be the Charging Authority for the purpose of CIL Regulations, but may not necessarily be the Spending Authority. Its responsibilities therefore may be more limited in the actual spending of the CIL levy money.

3.2 The responders to the CIL consultation may challenge the introduction of the CIL through an EIP. There will be an opportunity for Legal Challenge upon the adoption of the CIL.

### 3.3 **Financial Issues**

As set out in the report to the Executive meeting of 5 December 2013:

- After April 2015 the Council will only be able to charge scaled back s106 on items that are required to make the development acceptable in planning terms. Until the CIL is adopted the Council will lose the potential CIL revenue and will not be able to use CIL to fund items on the R123.
- The Council is required to report spending of the CIL levy annually, including for 3rd party spending. However, the Authority is not responsible for under-spending, failure to spend, or any subsequent challenge for refunds or similar claims of those 3rd parties.
- The implementation of CIL (upon adoption) will require a dedicated Officer resource. It is envisaged that the CIL will fund the post through the 5% top slicing.

## 4. **Conclusion**

4.1 Officers consider that based on the consultation responses the residential charging zones and rates need to be changed to reflect the updated and now correct EVA. This has resulted in a new 3 zone Charging Schedule with a £10, £35 and £50 charging zones. If accepted and approved for consultation Officers would look to start the required 4 week consultation as soon as possible in order to move the CIL process forward.

4.1 Overall, CIL continues to be viable and appropriate in both planning and economic terms.

## 5. **Background Documents**

- Agenda and Minutes of Executive meeting of 3 July 2014
- Agenda and Minutes of Executive meeting of 5 June 2014
- Agenda and Minutes of Executive meeting of 5 December 2013
- Preliminary Draft and Draft Charging Schedule consultation material ([www.selby.gov.uk/cil](http://www.selby.gov.uk/cil))

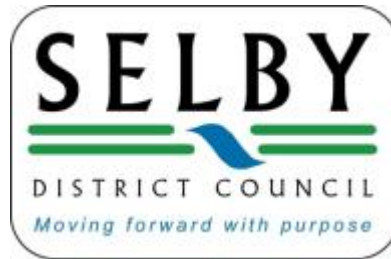
DCLG Community Infrastructure Guidance note, February 2014 [http://www.planningportal.gov.uk/uploads/cil/cil\\_guidance\\_main.pdf](http://www.planningportal.gov.uk/uploads/cil/cil_guidance_main.pdf)

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**Appendices:**

- Appendix 1: Updated Draft Charging Schedule
- Appendix 2: A: Draft CIL Instalments Policy  
B: Draft Exceptional Circumstances Policy  
C: Indicative Regulation 123 List



# Community Infrastructure Levy

Draft Charging Schedule

January 2014

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## **i. Statement of Statutory Compliance**

*The CIL Draft Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012 2013 and 2014)*

*and Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011). In setting the levy rates, Selby District Council considers it has struck an appropriate balance between;*

*a) the desirability of funding from CIL in whole or in part the actual and estimated total cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding, and*

*b) the potential effects, taken as a whole, of the imposition of CIL on the economic viability of development across the Selby District.*

*This Charging Schedule was approved by on [date to be inserted following examination]*

*This Charging Schedule will come into effect on [date to be inserted following a successful examination and full Council approval]*



## **1.0 Introduction**

1.1 This document is the Draft Charging Schedule (DCS) for the Selby District Council Community Infrastructure Levy (CIL). This document contains the Charging Schedule itself along with Charging Zone Maps as well as an explanation and background of CIL to make the process easier to understand.

1.2 The CIL is a tariff system that local authorities can choose to charge on new development in their area by setting a Charging Schedule. The CIL is a charge levied on new buildings and extensions to buildings according to their floor area. In this way money is raised from developments to help the Council pay for infrastructure such as schools, public transport improvements, greenspace, highways, and other facilities to ensure sustainable growth. It can only be spent on infrastructure needs as a result of new growth and will be a mandatory charge. The CIL will replace the current Section 106 (s106) 'tariff' approaches which are currently used for this purpose because the Council can no longer use s106s in the same way from April 2015 due to a change in government regulations. However s106s will continue to be used for affordable housing and anything required for the specific development site to make it acceptable in planning terms, further details of this are outlined in this document. The CIL regulations are clear the CIL should not be set at such a level that it risks the delivery of the development plan, and has to be based on viability evidence

### Who is liable for the payment of CIL?

1.3 The regulations state the registered owner of the land is liable to pay the CIL, unless another party claims liability and declares this to the council. On adoption of CIL the council intends to incorporate a section for this into the application. For example a developer may have a contract with the land owner to develop a site and therefore declare they are liable for the CIL payment on the owner's behalf. The regulations and governments intention is that those who benefit financially when planning

permission is granted should share some of that gain with the community. That benefit is also transferred when the land is sold with planning permission, which also runs with the land. The CIL can also be paid to the Council 'in kind' through the transfer of land or the provision of infrastructure, however this will be at the Councils discretion and will be tested on a case by case basis.

#### When is CIL due to for payment?

- 1.4 The levy's charges will become due on the 'commencement of development' the definition of which is the same as that used in current planning legislation. When planning permission is granted, the Council will issue a liability notice setting out the amount of the levy that will be due for payment. Upon commencement of development payments must be made in full or in line with the council's instalments policy and failure to do so can lead to a prison sentence.

#### What can the Council spend CIL on?

- 1.5 CIL can only be spent on 'Strategic Infrastructure' which includes transport, flood defences, schools, health and social care facilities, parks and green spaces, cultural and sports facilities as well as maintenance and improvement of facilities affected by development. Items that the council wishes to spend CIL money on must be published in a Regulation 123 List (R123) and only items on this list can receive CIL funding. From April 2015 s106 can only be sought for items not listed on the R123 list and only for infrastructure directly required to make development 'acceptable in planning terms'. The R123 list also ensures that no 'double dipping' occurs and that a development cannot make a payment for the same item through CIL and s106.
- 1.6 The regulation state that the council is required to provide a 'Meaningful Proportion' to areas where development takes place. The Selby District Council catchment is fully covered by Parish/Town Councils therefore Town/Parish Councils are due 15% of any CIL payments collected within their area. Areas that have an adopted Neighbourhood Plan will receive 25% as a government incentive to accept

development through a Neighbourhood Plan. Unlike the councils CIL receipts, the Parish Council's meaningful proportion is not tied to the R123 and does not have to be spent in consultation with SDC. However Parish Councils do have to spend the meaningful proportion in line with the following CIL regulations:

(a) "The provision, improvement, replacement, operation or maintenance of infrastructure; or,

(b) Anything else that is concerned with addressing the demands that development places on an area" (Regulation 59C).

## **2.0 Background to the Draft Charging Rates & Zones**

2.1 Peter Brett Associates (PBA), formerly Roger Tym & Partners, was commissioned by SDC to provide specialist services for the development and preparation of a Community Infrastructure Levy (CIL) Economic Viability Assessment. The Viability Assessment has been used to inform the council of the appropriate charges and zones as well as explaining in detail the approach and methods used for setting the rates. This document along with 2 updates can be found on the Councils website:

[Community Infrastructure Levy, Economic Viability Assessment September 2013](#)

(hyperlink will be inserted upon adoption)

[Selby Community Infrastructure Levy, Addendum Report April 2014](#)

(hyperlink will be inserted upon adoption)

[Community Infrastructure Levy, Revised Draft Charging Schedule Report November 2014](#)

(hyperlink will be inserted upon adoption)

### **3.0 THE DRAFT CHARGING SCHEDULE**

- 3.1 CIL will be applied on the chargeable floor space of all new development apart from that exempt under the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013, and 2014) and specifically Part 2 and Part 6.

These exemptions from the CIL rates are:

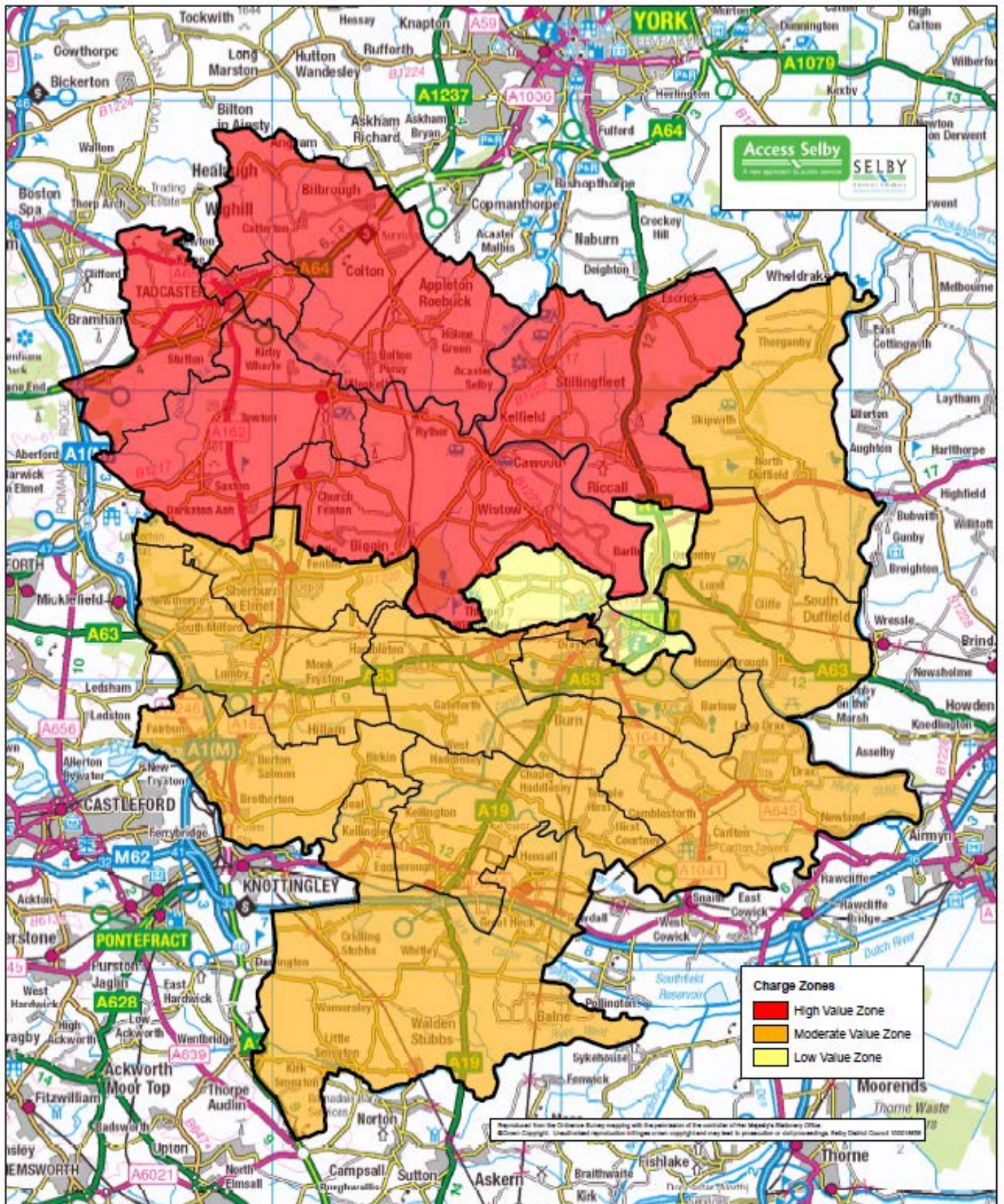
- a) Where the gross internal area of a new buildings or extensions to buildings will be less than 100 square metres (other than where the development will comprise one or more dwellings);
  - b) A building into which people do not normally go;
  - c) A building into which people go only intermittently for the purpose of maintaining or inspecting fixed plant or machinery;
  - d) A building for which planning permission was granted for a limited period;
  - e) Development by charities of their own land to be used wholly or mainly for their charitable purposes;
  - f) Social Housing;
  - g) Vacant buildings brought back into the same use;
  - h) Floorspace resulting from change of use development where part of the building has been in continuous lawful use for at least six months in the three years twelve months prior to the development being permitted;
  - i) Houses, flats, residential annexes and residential extensions which are built by 'self-builders';
  - j) Mezzanine floors of less than 200 square metres inserted into an existing building, unless they form part of a wider planning permission that seeks to provide other works as well.
- 3.2 SDC has chosen to adopt an Instalments Policy, which allows those liable for CIL to pay their CIL charge in phased stages, this is set out in a separate document.
- 3.3 The Council has chosen to adopt an Exceptional Circumstances Policy, whereby developers can request strictly through a viability appraisal for some or all of the CIL charge to be waived this is set out in a separate document and has very narrow criteria.

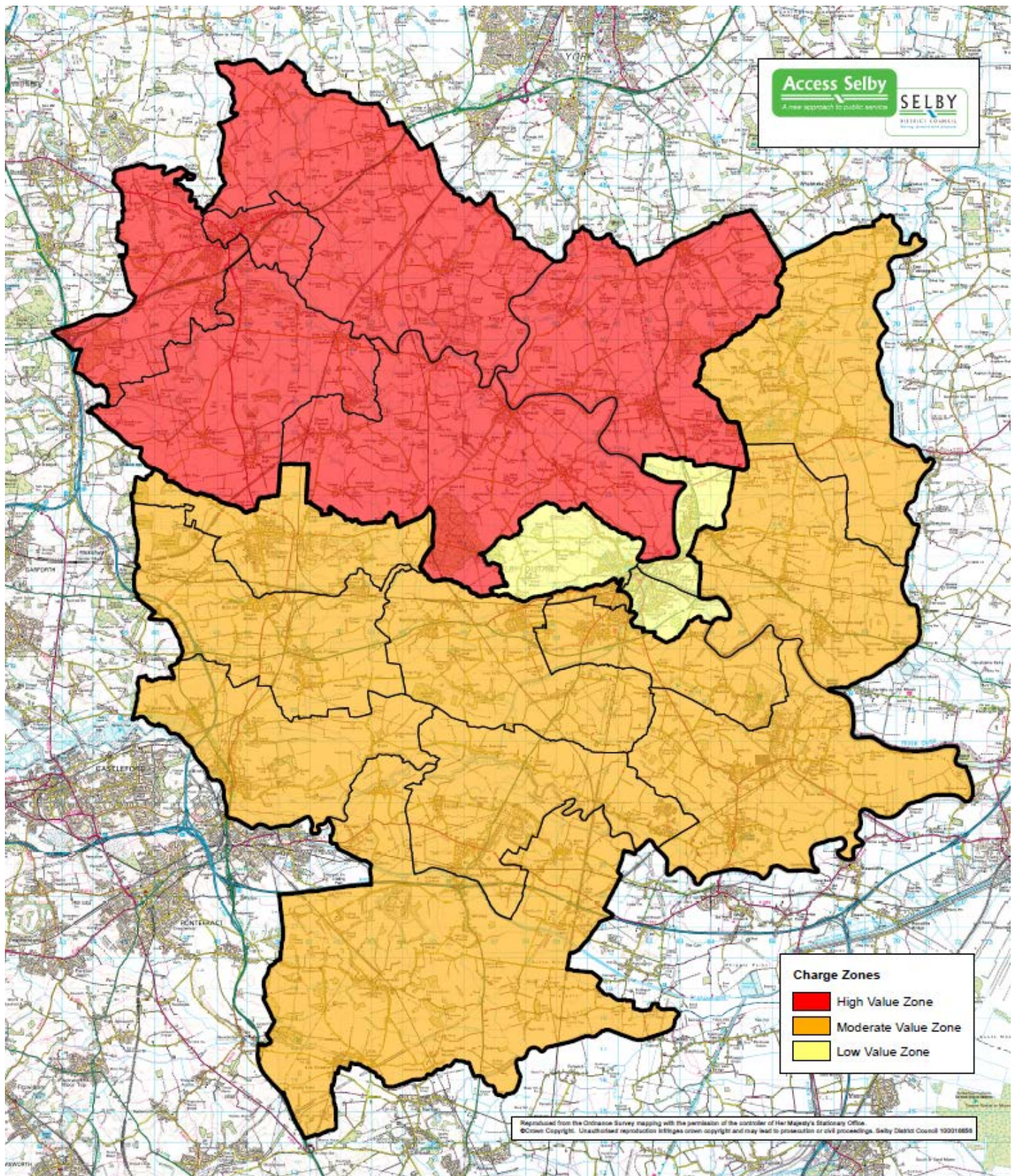
3.4

<b>Use</b>	<b>Proposed CIL Charge per sq. m.</b>
<b>Private Market Houses (excl. apartments)</b> Low value areas Moderate value areas High value areas	£10 £35 £50
<b>Supermarket</b>	£110
<b>Retail Warehouse</b>	£60
<b>Public/Institutional Facilities as follows: education, health, community and emergency services</b>	£0
<b>All other chargeable development (incl. apartments)</b>	£0

3.5 The charging zones which these rates apply to are set out on the following map which is presented on an OS base as required in the regulations.

3.6 This map is also available on SDC website and clearly demonstrates the boundaries (hyperlink will be inserted).





**For any further details please Consult Selby District Council**

**[http://www.selby.gov.uk/service\\_main.asp?menuid=2&pageid=951&id=2391](http://www.selby.gov.uk/service_main.asp?menuid=2&pageid=951&id=2391)**



### **A: Draft CIL Instalments Policy**

The responsibility to pay the levy is with the landowner on which the proposed developed is to be situated. The regulations define the landowner as a person who owns a 'material interest' in the relevant land to be developed.

In order to be eligible to pay a CIL liability by instalment, all the relevant forms must be submitted to the Council prior to the commencement of the chargeable development, and all payments must be made in accordance with this CIL Instalment Policy and Regulatory requirements.

This Instalments Policy is made in line with Regulations 69B and 70 of the Community Infrastructure Levy Regulations 2010 (as amended) and is as follows:

- a) This Instalments Policy takes effect on adoption of the CIL.
- b) The CIL instalment policy calculates payment days from commencement of development on site. The Commencement date will be taken to be the date advised by the developer in the commencement notice under CIL Regulation 67.
- c) Payment of instalments are as follows:

<b>CIL charge</b>	<b>Instalment Policy</b>	<b>Note 1</b>	
Up to £50,000	Due in full within 60 calendar days of commencement	This is approximately equivalent to housing developments of up to 10 dwellings in the higher charge zone, or up to 20 dwellings in the lower charge zone, or to supermarkets of 450sqm, or retail warehousing of 830sqm.	The majority of residential development schemes in the District will fall in to these categories. It is likely that upon commencement , such schemes will normally be completed within a year
£50,001 to £100,000	50% due within 90 days of commencement of development, then  50% due within 120 days of commencement of development	Larger schemes will require additional flexibility to ensure that the larger levy is payable without risk to viability. A longer lead-in time is available for such schemes, and double the normal time to pay in full.	
£100,001 and over	35% due within 90 days of commencement of development, then  35% due within 6 calendar months of commencement of development, then	These larger developments may normally take longer than one year to complete, so they also enjoy longer lead-in time and more instalments over a longer period.	

	30% due within 9 calendar months of commencement of development.	
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The requirements set out in Regulation 70 of the CIL Regulations must be complied with if the persons liable for paying CIL wish to do so by instalment, in accordance with this published Instalment Policy.

This Instalment Policy only applies where:

1. The Council has received a CIL Assumption of Liability form prior to commencement of the chargeable development (Regulation 70(1) (a)), and
2. The Council has received a CIL Commencement Notice prior to commencement of the chargeable development (Regulation 70(1) (b)) and the Council does not challenge the date of commencement specified.

If the above requirements are not met, the CIL liability is payable in full at the end of the period of 60 days beginning with the intended commencement date of the chargeable development.

Where the above requirements have been met, instalment payments must be made in accordance with this Instalment Policy. Where an instalment payment is not received in full on or before the day on which it is due, the unpaid balance of the CIL liability becomes payable in full immediately (Regulation 70(8)(a)).

### **Surcharges**

Any failure to comply with the requirements of the CIL Regulations 2010 (as amended) in any respect could result in Surcharges being applied e.g.

- If nobody has assumed liability to pay CIL prior to the commencement of the chargeable development;
- There has been a failure to submit a Commencement Notice prior to commencement;
- There has been a failure to submit a Notice of Chargeable Development prior to commencement.

Please note this list of circumstances under which surcharges may become payable provides examples only and is not exhaustive.

### **Payments-in-kind**

Where the amount of the levy payable is more than £50,000 the Council may consider an in-kind payment of land or infrastructure.

The CIL Regulations allow for payments-in-kind in the form of land or infrastructure to be offset against the CIL liability where agreed by the Council as more desirable instead of monies. However, this must only be done with the intention of using the land to provide, or facilitate the provision of, infrastructure to support the development of the area. This could be for example where the most suitable land for the infrastructure project is within the development site.

An agreement to make an in-kind payment must be entered into before commencement of development and provided to the same timescales as cash payments. Land paid in kind may contain existing buildings and structures, and land or infrastructure must be valued by an independent valuer who, in the case of land, will ascertain its open market value, and in the case of infrastructure the cost (including related design cost) to the provider. This will determine how much liability it will off-set.

However, where land is required within a development to provide built infrastructure to support that specific development (as opposed to support growth strategically) , it will be expected that any land transfer will be at no cost to the Council and will not be accepted as a CIL payment in kind.

## **B: Draft EXCEPTIONAL CIRCUMSTANCES POLICY**

Regulations 55 to 58 allow charging authorities to set discretionary relief for exceptional circumstances. Use of an exceptional circumstances policy enables the charging authority to avoid rendering sites with specific and exceptional cost burdens unviable should exceptional circumstances arise. It is a mechanism to enable growth and deliver development where CIL and S106 conflict. Before granting relief, the Council will need to be satisfied that the relief would not constitute notifiable State Aid as set out further below

The Council intends to have an Exceptions Policy for exceptional circumstances which will be set and agreed by The Executive. The Council will have to comply with notification requirements and publish a statement confirming that relief for exceptional circumstances is available in the District from a specified date. The process would then be that a landowner would have to submit a claim in accordance with the Regulations. The Council may grant relief from liability to pay CIL if (a) it appears to the Council that there are exceptional circumstances which justify doing so; and (b) the Council considers it expedient to do so. The Regulations specify the requirements that must be met in making this assessment, and these are set out below:-

- Reg 55(3) A charging authority may grant relief for exceptional circumstances if –
- a) It has made relief for exceptional circumstances available in its area;
  - b) A planning obligation under S106 of TCPA 1990 has been entered into in respect of the planning permission which permits the chargeable development; and
  - c) The charging authority-
    - i. Considers that to require payment of the CIL charged by it in respect of the chargeable development would have an unacceptable impact on the economic viability of the chargeable development, and
    - ii. Is satisfied that to grant relief would not constitute a State aid which is required to be notified to and approved by the European Commission.

The person claiming relief must be an owner of a material interest in the relevant land. A claim for relief must be submitted in writing and be received before commencement of the chargeable development. It must be accompanied by an assessment carried out by an independent person of the cost of complying with the planning obligation, the economic viability of the chargeable development, an explanation of why payment of the chargeable amount would have an unacceptable impact on the economic viability of that development, an apportionment assessment (if there is more than one material interest in the relevant land), and a declaration that the claimant has sent a copy of the completed claim form to the owners of the other material interests in the relevant land (if any).

For the purposes of the above paragraph an independent person is a person who is appointed by the claimant with the agreement of the charging authority and has appropriate qualifications and experience.

A chargeable development ceases to be eligible for relief for exceptional circumstances if before the chargeable development is commenced there is a

disqualifying event. This is where the development is granted charitable or social housing relief, is disposed of, or has not been commenced within 12 months.

It should be noted that the Council has undertaken viability assessments to carefully consider the level at which the proposed CIL charges have been set, taking into account the provision of affordable housing at 40% and likely development specific S106 obligations. In view of this, it is important to note that the consideration for relief will be rare and any relief given must be done in accordance with the procedure stated above and state aid rules.

## **C: Indicative Regulation 123 List**

### **Selby District Council Community Infrastructure Levy (CIL) Indicative Regulation 123 List January 2015**

Regulation 123 provides for the Council to set out a list of those projects or types of infrastructure that it intends will be, or may be, wholly or partly funded through the CIL. In order to ensure that individual developments are not charged for the same infrastructure items through both Section 106 Agreements and the CIL, a S106 contribution cannot then be made towards an infrastructure item already on the List.

This Indicative Regulation 123 List is provided as part of the consultation on the Draft Charging Schedule. It establishes the broad areas that the Council intends to fund through CIL, but subject to comments received in the Draft Charging Schedule consultation, it will be refined and revised upon adoption of the CIL.

<b>Item</b>	<b>Notes</b>
SDC Administration Fee of 5%	This will cover officer time across departments in administering the CIL.
Meaningful Proportion to Parish/Town Councils: 15% (25% if development takes place in locations covered by a Neighbourhood Plan)	The 'meaningful proportion' held by local communities can be spent on the R123 List, but it does not have to be.
Improvement/upgrade of pumping stations to address flood risk	except for on-site provision or where this is required as a direct result of an adjacent development
Primary and Secondary School Education	except for large scale residential development identified in the forthcoming Site Allocations and Policies Plan, which will be expected to provide primary schools either as an integral part of the development or as the result of no more than 5 separate planning obligations
Capacity increases in GP surgeries and dentist's offices	For extensions to accommodate additional patients
Strategic Road Network improvements	For works to improve flow/capacity on the main junctions and route of the A64(T)
Green infrastructure and recreation open space	

The Council will review this list at least once a year, as part of monitoring of CIL collection and spend, and any changes will be justified and subject to appropriate local consultation.

The indicative R123 List does not identify priorities for spending within it, or any apportionment of the CIL funds across the District, and does not signify a commitment from the Council to fund the projects listed through the CIL.

The Council will work with local communities and Parish/Town Councils to agree local priorities for spend at the appropriate time.

For clarity, all other matters will continue to be addressed through S106 Agreements. This includes (non-exhaustive)

- Affordable housing
- Employment and skills agreements e.g. local employment or apprentice contracts
- Site specific matters needed to make the development acceptable in planning terms, including:
  - Provision for waste handling
  - New bus connections or services and cycle/pedestrian routes and connections if directly required by the development
  - Local junction / highways improvements and access into the site
  - Primary schools/extensions as a direct result of large sites or groups of up to five sites identified in the Site Allocations Plan
  - On-site greenspace and public realm improvements where this is required as a direct result of a development
  - On-site drainage and flooding solutions

# REPORT

Reference: E/14/58

Public – Item 5



**To:** The Executive  
**Date:** 8 January 2015  
**Status:** Non Key Decision  
**Report Published:** 30 December 2014  
**Author:** Gillian Marshall, Solicitor to the Council  
**Executive Member:** Councillor Mark Crane  
**Lead Officer:** Mary Weastell Chief Executive

**Title:** North Yorkshire and York Local Enterprise Partnership – proposal to create a Joint Committee

## Summary:

This report summarises the proposal to create a Joint Committee in the York, North Yorkshire and East Riding LEP area to strengthen governance arrangements and seeks 'in principle' approval. It also outlines the proposals to dissolve the Leeds City Region Leaders Board and notes that reports on both issues will be brought back to the Executive early in 2015.

## Recommendations:

- i. That the Executive approve, in principle, the creation of a Joint Committee for the York, North Yorkshire and the East Riding Local Enterprise Partnership
- ii. That the Executive notes that final proposals including the exact nature of functions to be delegated will be brought back for consideration early in 2015 following further work by the LEP.
- iii. That the Executive notes that the Leeds City Region LEP has agreed to dissolve its Joint Committee following the establishment of the West Yorkshire Combined Authority and the Executive will receive a report recommending that it rescinds the delegations to the LCR Leaders Board early in 2015.



## Reasons for recommendation

- i) To improve the governance arrangements for the York, North Yorkshire and East Riding LEP in order to meet the requirements of the current Growth Deal and to put the region on a firmer footing in future funding negotiations.

## 1. Introduction and background

- 1.1 Devolution of powers to regions (including potentially fiscal powers) is currently under consideration. The Government considers a range of factors when negotiating Growth Deals, including the strength of local partnerships. Strong partnerships can ensure that there is clear decision making over large areas, underpinned by a strong democratic mandate which simplifies the local government landscape for businesses, government and their agencies so that important investment decisions can be made in one place.
- 1.2 The extent and strength of local governance has been a major factor in City Deals and Growth Deals and appears to now be directly influencing the options for English devolution, with Combined Authorities in city regions being promoted as the vehicle for achieving this following a vigorous and concerted campaign. This campaign is gathering real momentum, with the enhanced Manchester Deal recently announced and other expected to follow.
- 1.3 The recent Growth Deal offered by Government to the York, North Yorkshire and East Riding (YNYER) LEP area clearly took account of the limited progress made thus far in strengthening local governance for this area. However, the deal does require strengthened cooperation across YNYER in terms of planning and transport. The Deal requires that ‘the LEP and local planning authorities commit to getting up-to-date Local Plans in place, deliver effective strategic planning by working together and across boundaries, and ensure delivery of housing in Local Plans’.
- 1.4 The Growth Deal also requires that ‘The YNYER LEP (and its partners) and DfT (and its agencies) commit to working together proactively on long-term strategic road network planning to support local economic growth’. In order to secure greater responsibilities and finances, the Region need to demonstrate strong local governance.
- 1.5 There are three models that are considered by government to be suitable for strengthening governance and ensuring that there is greater accountability for any public funding under the Growth Deal and for delivery of agreed projects and investments; namely:
  - (A) A Formal Joint Committee
  - (B) An Economic Prosperity Board (Similar to a Combined Authority but without the transport functions)
  - (C) A Combined Authority –responsibility for transport, economic development and regeneration

## **2. The Report**

- 2.1 On 5 December 2014 it was agreed by majority at the Chief Execs and Leaders meeting for North Yorkshire and York to move to a Joint Committee structure in respect of economic development and transport functions for YNYER LEP area. In addition they commissioned further work on the options and models for a combined authority. The Leader and Chief Exec will be feeding in to the further work on a combined authority.
- 2.2 The creation of a Joint Committee will need formal approval from all constituent authorities and will need agreements for hosting and support functions. A key area to be agreed is the extent of powers to be devolved to a joint committee. Across the country joint committees have been created with some or all of the following functions
- Powers with regard to setting and reviewing objectives for strategic infrastructure investments across the area
  - Strategic Transport
  - Economic Development and Regeneration
  - Creation of jobs/houses etc
- 2.3 It is therefore suggested that the Executive give 'in principle' approval to the creation of a Joint Committee and that a further report be prepared setting out the precise functions to be delegated once this has been discussed and agreed between the LEP Partners.
- 2.4 On 12 December 2014 the existing Leeds City Region Joint Committee (the LCR Leaders Board) voted to ask the participating authorities to formally dissolve the Joint Committee and to remove the delegations previously agreed. It is anticipated that a formal report to do so will be considered by the Executive early in 2015.

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

### **Legal Issues**

- 3.1 It is highly likely that the functions to be delegated will be executive functions and therefore within the powers of the Leader to delegate (or to rescind any delegation). Given the strategic regional nature of this proposal the final details are to be discussed at the Executive prior to the formal delegation. Any powers so delegated are to be reported to Council at the next meeting under the terms of Executive Procedure Rule 2.2.

### **Financial Issues**

- 3.2 There are no financial implications arising from the in principle approval. If there are any direct implications once the extent of the proposed delegation is known these will be reported to the Executive before a final decision is taken.

### **Impact Assessment**

3.3 There are no identified impacts for equality, diversity of communities arising from this report.

#### **4. Conclusion**

4.1 That the executive should note the national direction of travel in terms of devolution and the strengthening of governance in LEPs and combined authorities and approve, in principle, the creation of a YNYER Joint Committee.

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

Report to the YNYER LEP Board – Local Governance for Economic Growth 5  
December 2014

Report to the LCR Leaders Board – LCR Governance Arrangements – 12  
December 2014

Contact Officer:

Gillian Marshall  
Solicitor to the Council  
X 42095

#### **Appendices:**

None

# Selby District Council

## REPORT

Reference: E/14/59

Public – Item 6



**To:** The Executive  
**Date:** 8 January 2015  
**Status:** Key Decision  
**Report Published:** 30 December 2014  
**Author:** Kevin Ross – Senior Finance Officer  
**Executive Member:** Cllr C Lunn  
**Lead Officer:** Karen Iveson, Executive Director (and S151)

**Title:** Housing Rents 2015/16

### Summary:

This report presents proposals for Housing Revenue Account rent levels in accordance with Central Government's new policy on rent setting. Based on the Government's new formula for rent increases (CPI + 1%), an average increase of 2.2% would be applied for 2015/16. This will see rents rise from £83.56 (as at 6 February 2014) to £85.36, an average increase of £1.80 on a 48 week basis.

The Government's rent restructuring process comes to an end during 2014/15. This method for calculating rents has been used over the last 13 years and provides for maximum increases of RPI + 0.5% + £2 with a view to getting Council Housing Rents in line with a target (formula) rent equivalent to those of other registered providers of social housing in the same area.

This method of increasing rents was due to end 31 March 2016 but has been pulled forward one year and from 2015/16 is replaced by a new method linked to CPI which is planned to run until 2024/25. As a result of this change in setting rents, where a property has not achieved its target rent the Government expect (and in accordance with the HRA Business Plan) that from April 2015 following a vacancy, the property is re-let at formula, thereby the rent need not remain below formula rent permanently.

### Recommendation:

**The Executive approve the proposed 2.2% average rent increase for 2015/16.**

### Reasons for recommendation

To allow rent levels to be set in advance of the coming financial year within the constraints of Government rent setting policy.

## 1. Introduction and background

- 1.1 Under the Government's rent restructuring policy, formula data was provided by the Department for Communities and Local Government (DCLG) to ensure similar rents for similar properties in similar areas, are calculated over a transitional period. When convergence is achieved Housing Associations and Local Authorities will use the same formula for setting rent levels, which will ensure that tenants pay similar rents for similar properties regardless of whether the landlord is a Registered Social Landlord (RSL) or a Local Authority.
- 1.2 2014/15 was the thirteenth year of the transitional period during which actual rents are moving towards formula (target) rent levels under the rent-restructuring scheme, the maximum any individual rent could increase was RPI + 0.5% +£2.
- 1.3 The transitional period for convergence ends in 2014/15 and is the final year instead of 2015/16. From 2015/16 the model for rent calculation has changed to increases of CPI plus 1% (this increase applies to both formula and actual increases). CPI is taken at September of the preceding year.
- 1.4 The move to CPI instead of RPI follows the Office for National Statistics announcement in January 2013 that the formula used to produce the Retail Price Index does not meet international standards. As a result the Government has moved to the Consumer Price Index, this change puts rent on a more stable footing: CPI has been less susceptible to sudden changes than RPI in recent years.
- 1.5 The Government plans to commit to this policy for ten years – until 2024/25, which is intended to give long term certainty and stability on rents.
- 1.6 Where a property is not at formula rent by 2014/15, in accordance with the HRA Business Plan, the Government expect that from April 2015 following a vacancy, the property is re-let at formula, thereby the rent need not remain below formula rent permanently.

## 2. The Report

- 2.1 The 2014/15 weekly average rent, set on a 48 week basis is £83.56 (per Housing Rents report to Executive; 6 February 2014).
- 2.2 Actual and Formula rent increases are calculated using the previous year's rent, increased by Consumer Price Index (CPI) + 1%. CPI is taken at September of the preceding year i.e. 1.2% for September 2014.
- 2.3 **Average Rent Charges on a 48 week basis**

Year	2015/16 Proposed Increase	2016/17	2017/18
Actual Rent £	85.36	87.24	89.16
% Increase	2.2	2.2	2.2
Formula Rent £	87.33	89.25	91.21
% Increase / (Decrease)	2.2	2.2	2.2
Difference Actual vs. Formula £	1.97	2.01	2.05

- 2.4 The above table shows the formula rent against the actual rent to be charged to tenants. Formula rent is the rent target for our dwellings to be comparable with Registered Social Landlords. 2016/17 and 2017/18 indicative increases are based upon the 2015/16 proposed increase.
- 2.5 Formula rents on average for 2015/16 are £1.97 per week higher than actual rents on a 48 week basis. During 2013/14 there were 233 relets, to the end of October 2014 there have been 164 with a forecast of approximately 260 relets for the year. For the year to date only 25% of the relets have been against properties not meeting their target rent. If all new tenancies commence at target it would achieve approximately £6k to £9k per year additional rent. Currently over 1,100 properties are below their target but this would diminish year on year through the new tenancies.

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

#### 3.1 Legal Issues

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

#### 3.2 Financial Issues

- 3.2.1 The rent yield from the proposals in this report are summarised as follows:

	2014/15 (£000)	2015/16 (£000)	2016/17 (£000)	2017/18 (£000)
<b>Budgeted Rent (£k)</b>	12,283	12,489	12,750	13,015
<b>Annual Increase (£k)</b>		206	261	265

Under the HRA self financing regime, the Council keeps all of the rent collected and no longer has to pay subsidy. The amount of debt the Council took on as part of this change was influenced by rent income projections based on formula rent convergence. Rent generated is utilised to service the debt incurred, invest in maintaining our housing stock and new build opportunities as well as cover the running costs of our Housing Revenue Account service.

#### 3.3 Impact Assessment

- 3.3.1 The move to a CPI based increase will give lower increases going forward which is good headline news for tenants although approximately 60% receive partial or full benefit. However, this has a negative impact against the self-financing business plan, meaning that in the longer term there will be less resource for re-investment in our housing stock. Every 1% of reduced rent has an impact of approximately £120k per year.

### 4. Conclusion

Although rents generated cover the immediate commitments of the HRA including the capital programme, the new formula has an impact on the longer term by reducing the amount built up in reserves to reinvest in our current stock, build houses and the opportunity to repay debt earlier than planned.

## 5. Background Documents

None

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# Selby District Council

## REPORT

Reference: E/14/60

Public – Item 7



**To:** The Executive  
**Date:** 8 January 2015  
**Status:** Non Key Decision  
**Report Published:** 30 December 2014  
**Author:** Julia Jennison – Policy Officer  
**Executive Member:** Cllr Cliff Lunn - Lead Member for Finance & Resources  
**Lead Officer:** Karen Iveson – Executive Director (and s151)

**Title: Housing Revenue Account Business Plan Refresh 2014**

### Summary:

The draft Housing Revenue Account Business Plan refresh was consulted following approval by Executive on 4<sup>th</sup> September 2014.

Consultation was carried out between 10<sup>th</sup> September and 11<sup>th</sup> December together with press releases and information circulated to tenants. Policy Review endorsed the Plan but other than that there were no formal responses to the consultation.

The results of the new Stock Condition Survey confirmed our general view of the stock and justified financial provision within the capital programme.

### Recommendations:

- i. **To approve the HRA Business Plan and recommend approval of the financial assumptions and implications by Council in February 2015.**

### Reasons for recommendation

- i. To set out a viable business plan for the HRA service;
- ii. To comply with the requirements set out in the Localism Act.



## 1. Introduction and background

- 1.1 The current Housing Revenue Account (HRA) Business Plan covers the period 2012-2017 but since this was approved, there have been significant government reforms including the move to self-financing and revised proposals for rent convergence. The Council also has the opportunity to be more involved in the development of new affordable homes in the district.
- 1.2 A revised HRA Business Plan 2014 has been prepared which sets out the Council's vision for its housing service to 2017 which was approved for consultation by Executive on 4<sup>th</sup> September 2014.
- 1.3 A new Stock Condition Survey was commissioned and completed alongside the consultation. 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 dwelling condition deteriorates.

## 2. The Report

- 2.1 The draft Business Plan was consulted between 10<sup>th</sup> September and 11<sup>th</sup> December 2014.

Action	Date
Hard copies made available to CEFs and TARAs with attendance by Community Officers, hard copies at the contact centre, and press release	By 9 <sup>th</sup> Sept
Consultation set up on webpage for electronic responses, hard copies available on request	10 Sept – 11 Dec
In Focus article, press release	
Central CEF	10 <sup>th</sup> Sept
Policy Review	16 <sup>th</sup> Sept
The consultation was highlighted in the introduction to the summer Open Door newsletter, and an overview of the draft document was also provided to all tenants through the latest winter edition of 'Open Door' newsletter, delivered during the last week of November.	Delivery around 20 <sup>th</sup> Sept, and 26 <sup>th</sup> November
Flaxley Rd TARA	14 <sup>th</sup> Oct
Abbots Road TARA	20 <sup>th</sup> Oct
Tadcaster CEF	24 <sup>th</sup> Nov

Tenant and Leaseholder Editorial panel as consultees	30 <sup>th</sup> Nov
Western CEF	2 <sup>nd</sup> Dec
Eastern CEF	10 <sup>th</sup> Dec
Southern CEF	11 <sup>th</sup> Dec

- 2.2 The draft was endorsed by Policy Review when they met on 16<sup>th</sup> September.
- 2.3 Unfortunately the offer to discuss the draft with tenant representatives through their Scrutiny Panel was unable to be taken up due to the representatives' ill health.
- 2.4 With the exception of feedback from Policy Review, there were no formal responses to the consultation.
- 2.5 From 2015/16 a new rent setting procedure will commence where annual and formula (target rents) will rise by CPI + 1%. This replaces the rent restructuring model where annual maximum increases were based upon RPI + 0.5% + £2 to bring rents in line with registered social landlords. This new method has come in one year early and as a result has restricted the number of properties converging; to mitigate this from April 2015 re-lets will be at formula. The new method of calculating rent increases will give lower rent rises going forward which is good news for tenants but will have a long lasting impact on the finances of the HRA. Although rents generated cover the immediate commitments of the HRA including the capital programme, the new formula has an impact on the longer term by reducing the amount built up in reserves to reinvest in our current stock, build houses and the opportunity to repay debt earlier than planned.
- 2.6 The new Stock Condition Survey results have been fed into the financial planning forecasts within the final Business Plan. We surveyed around 850 properties, at least one of every "archetype" (property type, age and street) concentrating external condition. We also collected kitchen and bathroom data on 10% of the surveys.
- 2.7 To a large degree the stock condition survey confirmed our general view of the stock. It identified around £2.8 million of works to external walls, gable ends, lintels and sills, which we had already identified as likely to be required, and which is included in the capital programme. None of this work is urgent, so bids over 5 years from 2016/17 will cover the costs.
- 2.8 The survey also identified the remaining timber door replacements to the value of £394k, which are already in the 30-year plan.
- 2.9 With the benefit of this information we have revised our longer term forecasts. We expect kitchen and boiler replacements to slow down over the coming 5 years (which is reflected in the 30-year plan).

- 2.10 Funding to maintain the stock will be limited 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.
- 2.11 Following additional financial planning as a result of the survey and changes to how rents are set, the Business Plan has been finalised. 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.
- 2.12 The Council plans to build homes which will meet the needs of those on its waiting list, in particular those with a disability. Up to £5.3m of borrowing is available for new build within the HRA for the development of non-general needs homes and a target of 53 homes has been set; general needs homes will be built by the new Selby & District Housing Trust.
- 2.13 A new Strategic Housing Market Assessment (SHMA) is being commissioned to inform our plans.
- 2.14 However, the provisions of our Affordable Housing Supplementary Planning Document, approved in February 2014, to enable us to collect affordable housing contributions on housing schemes 9 units or less, will no longer apply. On 29<sup>th</sup> November 2014, the Government revised the national Planning Practice Guidance (PPG) to the effect that affordable housing and tariff style contributions on residential sites of 1 -10 dwellings should not be sought. This will reduce the sums available for new affordable housing development.
- 2.15 The time line for the HRA Business Plan refresh 2014 is set out below.

<b>Date</b>	<b>Event</b>	<b>Action</b>
4th Sept 2014	Executive	Recommendation for consultation
10th Sept – 11th December 2014	Consultation and Stock Condition Survey	Review and revised financial forecasts
8 Jan 2015	Executive	Approval of the Business case, and recommendation for approval of the financial assumptions and implications
24 Feb 2015	Council	Approval of the financial assumptions and implications

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

#### **Legal Issues**

- 3.1 The revised HRA Business Plan meets the requirements as set out in the Localism Act.

#### **Financial Issues**

- 3.2 The key financial issues for the HRA are highlighted in the main body of the report. The financial strategy for the HRA has been reviewed in the context of major changes in housing finance arrangements and the results of the latest Stock Condition Survey. The implications for the HRA and its long term viability have been assessed and the plan has been updated to reflect these changes.
- 3.3 The draft Business Plan acknowledges the Government's enhanced 'Right to Buy' scheme and the aim for 'one-for-one' replacement of additional homes sold nationally. The implications for the HRA and its long term viability are being assessed in light of our experience of sales over the last two years and the plan will be updated over the summer to reflect this change.
- 3.4 As part of these arrangements we are able to retain more capital receipts by entering into an agreement with the Government to reinvest receipts in new affordable rented homes although the amount is subject to the level of capital receipts achieved compared to the Government's estimates and we have not yet reached the required level.

#### **Impact Assessment**

- 3.5 An Equalities Impact Assessment has been completed which identifies that with an ageing population we may need to make provision for a growing number of adaptations to our properties. Over recent years there has been an increasing call on our budgets for this purpose, and we will continue to try to relet adapted properties to those who need them wherever possible. The opportunity to build new homes within the HRA will enable us to address more specific needs and level access.

### **4. Conclusion**

- 4.1 Following consultation, and with the addition of both the refreshed information regarding rent levels from 2015/16 onwards and the results of the Stock Condition Survey, the Business Plan has been finalised. It will continue to be kept under review to ensure that we can deliver the various elements of our Action Plan.

**5. Background Documents**

HRA Business Plan 2012-17

Affordable Housing Supplementary Planning Document 2014

Tenancy Policy 2013

Equalities Impact Assessment

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**Appendices:**

**Appendix A**

**Housing Revenue Account Business Plan refresh 2014**

# Selby District Council Housing Revenue Account Business Plan 2012-17

Refresh 2014

Final 22/12/14

## **Foreword**

Welcome to Selby District Council's HRA Business Plan refresh for 2014.

Since approval of the current Housing Revenue Account Business Plan 2012-17 there have been significant government reforms including the move to self-financing and revised proposals for rent convergence.

In particular this Business Plan refresh takes into account the results of the Stock Condition Survey 2014, and looks at the opportunities provided for the Council to be more involved in the development of new affordable homes in the district.

As major landlord in Selby District, this offer sets out our aims and describes what we will do to help our tenants live healthy lives.

Councillor C. Lunn  
Executive Member

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Appendix A – HRA Business Plan 2014-17 Key Deliverables

Appendix B – Selby District Profile

Appendix C(i) – Selby DC – HRA Business Plan Revenue Operating Account

Appendix C(ii) – Selby DC – HRA Business Plan – Capital Programme and Major Repairs Reserve

Appendix C(iii) – Financial Assumptions

Appendix D – Risks



# 1. Introduction

- 1.1 The Housing Revenue Account (HRA) Business Plan is our plan for managing our housing service between 2012-2017. The Business Plan is a key element in ensuring the effective management and maintenance of our housing stock.
- 1.2 In developing this Business Plan we have taken into account the views of our tenants, our Housing Strategy, the demand for social housing and the likely availability of resources. This 2014 refresh includes a review of our long term financial position, informed by a new Stock Condition Survey 2014 which confirmed our own view of stock condition, and provided confirmation that our longer term financial planning for the repair and maintenance of our stock is on track.
- 1.3 This Business Plan is set in the context of major change – financial reform with the abolition of the old Housing Subsidy System in favour of self-financing, which has allowed us to be more involved in the development of new affordable homes in the district. The risk of reducing stock numbers within the HRA as a result of the Government’s enhanced Right to Buy (RTB) scheme will continue, particularly with the introduction of larger discounts and a shorter eligibility period.
- 1.4 Self-financing has seen local housing authorities take on central Government housing debt in return for keeping all of the rents their tenants pay; putting control of housing services into the hands of local councils and strengthening the link between the rent we collect and the services we provide to our tenants and leaseholders. However, rent levels are still governed centrally.
- 1.5 The Council, through its operational arm ‘Access Selby’, manages 3,105 homes across Selby District (at 1<sup>st</sup> Dec 2014). We will continue to try to engage with and work together with consultative tenant and leaseholder groups to develop our housing service to meet the challenges that lie ahead. We believe that only by listening to and understanding our customers can we improve services and ensure they meet their needs.

## 2. Our Vision

2.1 Following the district council elections in 2011 the Council developed a new 'Corporate Plan' which set out its aspirations for the district to 2015 and beyond, in the form of 'Five Big Things':

1. *Tough times call for a **stronger council** fighting your corner and getting everyone working together...*
2. *...it's all about **changing places** and helping others to see our district through new eyes...*
3. *...we want to work with others to make this a great place with people **living well** and leading happy and healthy lives...*
4. *...and we won't be afraid of **tackling the tough stuff** - that might otherwise knock us off course...*
5. *...which means being **switched on** to what's happening around us, knowing what's important and being fit for the job.*

2.2 These 'Big Things' provide the framework for everything that we do and set the tone for **our vision for our housing service**.....

***“People getting involved and taking a pride in where they live, in homes that enhance their quality of life”***

Our key aims are to:

- Increase tenant and leaseholder participation through tenant groups and the Community Engagement Forums;
- Shape our housing stock so that it better meets the needs of our changing communities through more effective asset management;
- Improve the quality of life of our tenants and leaseholders through targeted investment in their homes;
- Help meet affordable housing needs across the district through making best use of the resources we have available;
- Deliver value for money to our tenants and stakeholders through efficient and responsive services ensuring a viable housing service.

2.3 We will work with Access Selby to develop these aims into real improvement on the ground and have set out the key deliverables our tenants and leaseholders can expect from this Business Plan, in Section 5 and at Appendix A.

2.4 The Council is currently preparing a new Corporate Plan, with refreshed corporate priorities, which will be adopted early in 2015.

### **3. The context for our housing service**

#### **The national policy environment**

- 3.1 In broad terms, the primary emphasis of national housing policy over the past 30 years has been on extending owner occupation. In the public sector the Government has introduced a range of reforms to the way social housing is delivered.
- 3.2 These include giving greater flexibility to social landlords to determine the types of tenancies they grant to new tenants. The Council developed a Tenancy Policy in 2013, which sets out our strategic aims for the management of our stock, including the use of flexible, fixed term tenancies from 1 April 2015. The rights of existing secure and assured tenants are protected.
- 3.3 With the introduction of Affordable Rent (at up to 80% market rent) charged as part of a delivery agreement with the Homes and Communities Agency (HCA), the rents of Registered Providers (RPs) generally have increased. Councils have become the housing provider for those who are most vulnerable and judged to be in greatest need, through the continuing offer of lower social rent. The impact of the recession continues to produce high demand for low cost homes to rent, and further to the review of our allocations scheme which has identified those in greatest need, we will consider whether higher rents will be affordable to those applicants with low incomes. Our new Strategic Housing Market Assessment (SHMA), commissioned early in 2015 will include an assessment of affordability.

#### **Housing in the district**

- 3.4 In 2012, most homes in the district (78%) were lived in by the owner; higher than the national average of 68%. Approximately 10% of all households in the district lived in Council owned properties and approximately 3% lived in properties managed by Registered Providers.
- 3.5 The average house price in Selby district was £178,917 in 2010, rising to £189,650 in quarter 2 of 2013 (up almost 6%, the most recent data). Comparative figures in North Yorkshire were higher, at £223,065 in 2010 but dropping to £212,641 in quarter 2 of 2013 (down almost 5%).
- 3.6 Quarterly data since 2007 shows Selby prices consistently below those for North Yorkshire, and increasing at a faster pace in 2013:



- 3.7 Despite the reduction in house prices during the recession, housing affordability still remains an issue. In April 2014, lower quartile house prices in Selby were approximately 6.6 times higher than lower quartile earnings. The ratio that is generally used to define 'affordable' is 3.5. Selby District's affordability ratio is considerably higher than this<sup>1</sup>.

### **Supply and demand for affordable housing**

- 3.8 The Council currently retains and manages 3,105 properties let at social rents:

<sup>1</sup> Source: STREAM (Statistics, Research and Mapping for North Yorkshire & York) data April 2014

Stock by Property Type as at 01/12/2014

Code	Description	Properties
BD1	First Floor Bedsit	8
BDG	Ground Floor Bedsit	27
BG1	1 Bed Bungalow	520
BG2	2 Bed Bungalow	622
BG3	3 Bed Bungalow	11
FL1	1 Bed First Floor Flat	75
FL2	3 Bed First Floor Flat	1
FL3	1 Bed Ground Floor Flat	108
FL4	2 Bed First Floor Flat	180
FL5	1 Bed Second Floor Flat	5
FL6	2 Bed Second Floor Flat	8
FL7	2 Bed Ground Floor Flat	183
HS1	1 Bed House	8
HS2	2 Bed House	266
HS3	3 Bed House	1038
HS4	4 Bed House	37
HS5	5 Bed House	2
MA2	2 Bed Maisonette	6

3105

Of  
which

Sheltered Accommodation	48
Designated for Older People	1233
General Needs	1824

3.9 There are currently 622 active applicants (at 15th December 2014) on the Housing Register (including transfers). The number of active applicants for Selby has reduced substantially from 1,788 in 2012, following the HomeChoice policy review in 2013, due to the introduction of stricter criteria on household income and equity, and a local connection requirement for applicants, with homeowners who have no housing need being excluded from the list. Applications from homeowners will each be considered on their individual circumstances.

3.10 However, mainly as a result of the continuing squeeze on our residents' personal finances caused by welfare changes, numbers have risen by 145 in the last 3-4 months, from 477 immediately after the review was completed.

3.11 The profile of our applicants<sup>2</sup> now is:

2012	2014	
25%	0%	of applicants on the Housing Register were under 18
22%	20%	of applicants were over 60
Nearly 60%	55%	of lead applicants are female
1.6%	11.9%	of applicants were Black and Minority Ethnic Groups
21%	31%	of applicants had a disability

It is likely that the increased percentages of applicants from Black and Minority Ethnic Groups and those with a disability, reflects the characteristics of those who are able to remain on the Housing Register following the introduction of the revised HomeChoice policy. The reduction in the numbers of applicants aged over 60 reflects the provision of the revised policy, whereby homeowners are deemed to be adequately housed unless there are particular circumstances under which they need to access social housing, such as being unable to access housing with their own resources, unable to use the stairs in their existing home, or needing to be near to support networks. The proportion of older people generally in the district is predicted to rise, and it is likely that this increase will be reflected in the demand for affordable housing, with more households over 60 joining the list over time. We need to ensure that our offer to this group in the future meets their increasing expectations, and we will seek to do so through our development programme within the HRA.

3.12 More generally, our Strategic Housing Market assessment (SHMA) 2009 established a demand for smaller, 2 and 3 bed properties. However, further work is being undertaken to ensure that there is still demand from applicants for this type of home, and that it remains affordable following changes to welfare provision.

3.13 A new Strategic Housing Market Assessment (SHMA) is to be commissioned early in 2015 which will inform our plans for affordable housing development for 2015 onwards. This will include a focus on the needs of older people, and provide an affordability assessment relating to the charging of higher, Affordable Rents by social landlords in the district (at up to 80% market rent).

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<sup>2</sup> Choice based letting

- 3.14 There were the following new build affordable housing completions between 1<sup>st</sup> April 2011 and 31<sup>st</sup> March 2014, shown as a percentage of all new build completions.

New build completions	All houses	Affordable housing completions*	% affordable against all new build completions
2011-12	338	73	22%
2012-13	248	89	36%
2013-14	319	39	12%

Our target for affordable housing, set out in our Core Strategy 2013, is up to 40% affordable housing on market schemes. However, in the table above, the figures for all new build completions include schemes where no affordable contribution is required.

\*Numbers of affordable housing completions ignore any commuted sum contributions for affordable housing in lieu of onsite provision, and this will reduce the percentage out turn. However, this will be compensated in future years by the development of affordable homes funded by these contributions.

### **Housing strategy and policy changes**

- 3.15 The Localism Act placed a new duty on councils to develop a Tenancy Strategy which registered providers of social housing are expected to have regard to. The Strategy provides an overview of what the authority expects of partners in their own individual Tenancy Policies. Selby District Council has worked in partnership with local authorities across North Yorkshire to produce a combined strategy which was finalised in 2012.
- 3.16 As a stock holding council, in 2012 Selby District Council developed its own Tenancy Policy relating to the management of its housing stock, which addresses specific questions in relation to management and allocations.
- 3.17 In particular, the Tenancy Policy introduces the use of flexible fixed term tenancies, generally for five-year periods, which will provide opportunities to address under/over occupation, and potentially free up a scarce resource (in particular larger homes and those with major adaptations) to those in need on the waiting list. However, it may result in additional void turnover and associated costs should tenancies be brought to an end.
- 3.18 At 2011/12 void turnover was 10%, reducing to 7.5% in 2012/13, and 8.2% in 2013/14. In the short term it was anticipated that there may be additional stock turnover as a result of welfare reform and the spare

room subsidy, with tenants seeking smaller or cheaper accommodation, but this does not appear to have been the case. However, it is considered that a number of tenants may be delaying moving whilst they are able to claim Discretionary Housing Payments.

- 3.19 Alongside the introduction of flexible fixed term tenancies, lifetime (secure) tenancies will still be available to certain applicants –
- Applicants for sheltered housing, whatever age
  - Applicants of state pensionable age
  - Applicants who are deemed to be vulnerable

More detailed information can be found in our Tenancy Policy 2013.

- 3.20 Revised equality and diversity objectives were consulted on in April 2012 and these are applied to all new and reviewed policies to ensure they are non-discriminatory. These issues are particularly important as the district experiences some changing demographics due to varying numbers of migrant workers.
- 3.21 The Council is continuing to monitor the implications of welfare reform and this has included consideration by Policy Review of how tenants who downsize might be affected by variations in rent as a result of work progressing towards convergence. Policy Review concluded that there is no evidence which would suggest a new policy is required relating to this particular issue, but this will be kept under review. In particular we will continue to monitor how welfare changes may impact on individual tenants' ability to manage their finances, levels of arrears, and the impact of Discretionary Housing Payments.
- 3.22 A profile of Selby district which has a bearing on our approach to our housing service is set out at **Appendix B**.



## **4. Our housing service today**

4.1 Since our last Business Plan was developed we have made significant changes to our housing service. We identified a number of improvement priorities that we have been working on over the last 5 years:

### **4.1.1 Profiling the district housing stock and monitoring current and future housing need**

- We have worked with partners across North Yorkshire to develop a county wide Housing Strategy which has enabled us to take a co-ordinated approach to housing. This was updated in 2013 and is undergoing a further refresh in 2014/15.
- We have operated 'choice based lettings' through HomeChoice, with partners across North Yorkshire, making it easier for applicants to find a home that suits their needs. The scheme was reviewed in 2013 in order to ensure that scarce housing resources are allocated to those in greatest need.
- We have maintained our average void turnaround time at 24 days in 2013/14
- We plan to commission a new SHMA at the start of 2015 which will provide us with evidence on housing need and affordability to enable us to plan for the development of the right affordable housing in the right place.

### **4.1.2 Ensuring that decent and affordable housing is available to everyone**

- We had a target to achieve the government's 'Decency' standard by December 2010 which we exceeded, delivering our 'Decency Plus' standard (which included new kitchens) to those properties in need.
- We removed all the concrete panels from our Airey homes (84no) and replaced them with brick block and insulation, bringing them up to modern thermal efficiency standards. This work is now complete.
- We are going through a programme to replace old and inefficient boilers and last year fitted over 400 new 'A' rated boilers.
- We replaced over 100 electric heating systems where homes are not on the gas network.
- We removed all our inefficient warm air units.

- We have improved our performance on dealing with responsive repairs. Over the last three years there has been a vast improvement in repairs completed, with 99% of emergency repairs completed on time and 98% of non-urgent repairs completed on time.
- We have worked with Registered Providers and developers to secure 325 additional affordable homes in the district over the last 5 years (2009/10 – 2013/14) to complement our own housing stock.

#### **4.1.3 Promoting social inclusion, respect and sustainable communities**

- We have an established Tenant Participation Strategy and Community Engagement framework to encourage more people to be involved in making a difference to where they live.
- Since 2012 we have carried out 65 adaptations to our own stock in order to help more tenants to remain living in their own home, which is most commonly their first choice of option.
- Additional support is provided through regular contact, and emergency assistance through our Lifeline service which has recently been reviewed.

#### **4.2 Providing a customer focussed service**

- We have improved our responsive repair service as set out at 4.1.2.
- Our customer contact centre continues to deal with service issues at first point of contact, and has achieved high satisfaction levels with the service we provide. 91% of all enquiries are dealt with at the first point of contact, and during 2013/14 waiting times have been reduced, despite an increase in calls, to an average of 1 minute 35 seconds.

#### **4.3 Providing value for money**

- Our home improvements continue to help tenants save on energy costs into the future.
- We have achieved significant cash savings and efficiencies within the HRA service over the last 5 years, improving value for money for our tenants, ensuring the on-going viability of the HRA and allowing us to re-invest in our homes.
- We have reduced the need for depot accommodation which has, in turn, reduced our overheads. In addition we have introduced

new working practices for our operatives and have achieved additional efficiencies through the 'Better Together' partnership work with North Yorkshire County Council (NYCC) by sharing depot accommodation with NYCC highways, which will further reduce our overheads.

- The new working practices have seen operatives working directly from home rather than reporting into the depot at the start of each day. They also receive their instructions through mobile hand held devices, further reducing the need to attend at the depot – giving them more time to spend on asset management and maintenance.
- We continue to use a collaborative procurement approach for purchasing materials and procuring contactors which allows us to utilise the buying power of larger organisations whilst sharing expertise and also saving money.

4.4 Much has been achieved over the last 5 years, not least of which has been the continued viability of the HRA, which previously had been forecasted to be in deficit by 2012/13. Tenants gave the Council a mandate in 2006 to continue to provide the housing service. However the changes in Government policy and on-going economic uncertainty mean that further challenges lie ahead.

## 5. Our housing service looking forward

5.1 As part of the Business Plan for years 2012 to 2017 we continue to consider the aspirations of the Council and our tenants and how these can be achieved within the financial resources available.

5.2 Section 2 set out our key aims for our housing service, however the changing policy environment makes predicting the future particularly difficult and our responses to some emerging issues are in the early stages of development. This Business Plan is the start of a dialogue with our tenants and other stakeholders to help inform our future planning. **Our aims over the five years are to:**

***Increase tenant and leaseholder participation through the work of tenant groups and the Community Engagement Forums***

5.3 Opportunities are available for tenants, leaseholders and residents to get involved through the offer of Area Panels, the Tenant Scrutiny Panel, and the Repairs and Maintenance Group (all for tenants), and Tenant and Resident Associations (TARAs). Work is continuing with input from TPAS (the Tenant Participation Advisory Service) to encourage a greater take up of this offer.

5.4 We aim to build tenants' pride in their homes and where they live through actively engaging with them, and our Tenant Participation Strategy identifies a number of actions we will continue to work on together with tenants over the coming years. As part of this work we will explore opportunities to improve the lives of our tenants and leaseholders including consideration of the built environment and better use of shared spaces.

***Shape our housing stock so that it better meets the needs of our changing communities through more effective asset management***

5.5 In addition to improving current homes, we will look for opportunities to utilise the HRA asset base in a more innovative way to achieve a reshaping of the housing stock to help meet the needs of current and future tenants, taking into account in particular our aging population and demand for adapted homes. Subject to available resources we will consider new build, buy-backs, reconfiguration of existing stock, redevelopment, buying up poor condition private property, refurbishing and letting. This may include consideration of the use of surplus green spaces, garage sites and plots, and the options for making alternative provision.

5.6 We will consider targeting allocations for such schemes at suitable SDC tenants who live nearby and who are under/over occupying their homes, in order to manage the wider stock more effectively and in particular make larger units available to families on our waiting list.

- 5.7 In 2013 we set up Selby & District Housing Trust (the Trust) to help deliver additional affordable homes in the district to meet identified general needs, by developing council-owned land (subject to individual business cases).
- 5.8 We will continue to review the profile of our stock as part of our asset management plan; making sure that we have the right homes in the right places to meet the district's needs. Following review, strategic transfers to the Trust will be considered on a case by case basis in accordance with the provisions of our Housing Development Strategy 2013 to facilitate the development of additional affordable homes. In addition we plan to build homes within the HRA with a target of 53 new homes by 2019. Our review will include consideration of the more general offer to our tenants and leaseholders in terms of the wider infrastructure and improve underutilised land which still provides an important public open space function.
- 5.9 From April 2014, the government confirmed that councils will have more flexibility to sell land for new development. Vacant land can now be sold at below market value to a broad range of organisations provided it is then used to build affordable homes. This may also provide the opportunity to develop specific areas where land may be underused.
- 5.10 As part of our response to this change we are considering how we might achieve the Government's objectives for 'one-for-one' replacement of homes sold, along with a continuing viable HRA. Our Housing Development Strategy 2013, section 4, and Asset Transfer Policy 2014 set out the mechanisms for the development of new homes, by identifying the route from initial identification of suitable SDC land through to its appraisal and final development either through the HRA or via the Trust.
- 5.11 The Government's enhanced Right to Buy scheme, which has increased the maximum discount for tenants wishing to buy their council owned home (from £24,000 in Selby district to the new national discount of £75,000), and the reduction in the time period for eligibility, means that more tenants will be able to buy their homes in future. For more information see 6.39 – 6.44.

***Improve the quality of life of our tenants and leaseholders through targeted investment in their homes***

- 5.12 Our capital investment programme is estimated to average £2.8 million per year over the next five years, allowing us to maintain our 'Decent Plus' standard.
- 5.13 Improving the lives of our tenants is a key driver in targeting spend. Our approved capital programme for the next three years focuses on

energy efficiency measures which aim to improve living conditions and reduce energy consumption such as new roofs, windows and heating systems.

- 5.14 We are continuing to replace old and inefficient boilers and to replace electric heating systems where homes are not on the gas network.
- 5.15 We will continue to look at ways of bringing efficient heating to all our properties.
- 5.16 We will consider the opportunities provided by the Green Deal to implement further energy efficiency measures including consideration of solar panels and community oil purchase networks.
- 5.17 We will also consider how we might improve the streetscene on our estates and look at whether smaller areas of land might be better used either through redevelopment or an improved offer for our tenants and leaseholders.
- 5.18 Capital investment in years four and five will be subject to review and prioritisation alongside the range of issues identified in this Business Plan; however we aim to continue to improve our stock.
- 5.19 We will need to consider how we can continue to meet requests for adaptations to our stock particularly with resources being limited, at a time when we have an increasingly aging population and an increase in the percentage of applicants on the waiting list with an identified disability.

***Help meet affordable housing needs across the district through making best use of the resources we have available***

- 5.20 Through self-financing we have much greater flexibility to plan for the long-term than has been possible under the old subsidy system. Whilst there will be an on-going need to balance the repayment of debt and additional investment in stock, there is now the potential for us to consider new build through our Programme for Growth, either within the HRA or through the Trust, to buy back former council houses or pursue other initiatives to increase the housing stock. Where necessary, in order for an affordable housing development to progress, we will consider the development of a small number of market units for sale or discounted sale in order to subsidise a scheme, or the addition of Section 106 commuted sum contributions where appropriate.
- 5.21 Part of our response to growing housing need will be to sensitively tackle the under-occupation of our homes and review those property types which are generally hard to let. Various approaches have been taken to improve the attractiveness of these homes, many of which are 1 bedrooled bungalows in Tadcaster. Demand among older people (60+) for these units is limited as they are located on a hill, and

generally there is a preference for 2 bedrooms to allow for family to stay, or for couples to sleep in separate rooms. Decoration allowances have been offered, but in some properties the small room sizes and bathroom facilities are also an issue. General needs accommodation in Byram is also difficult to let and ongoing work by our Assets team includes the development of options appraisals.

- 5.22 Most importantly we will target our resources to help meet the needs of vulnerable people within our communities.

***Deliver value for money to our tenants and stakeholders with efficient responsive and viable housing services***

- 5.23 The HRA is a self-contained business which relies on the rental income from council-owned homes to provide the on-going maintenance and management resources needed to sustain our housing stock. In order to maximise investment in our homes and sustain the service to our tenants it is vital that our operations are as efficient and effective as possible.
- 5.24 We aim to reduce demand for responsive repairs by having a clear three-year investment plan in place. We will do this by improving the time taken to respond to emergency repairs through ensuring lean, customer focussed processes that make best use of modern technology.
- 5.25 When properties become vacant we aim to use the opportunity to bring forward major improvement works before re-letting, thereby benefiting future tenants.
- 5.26 The Council will consider registering with the Homes and Communities Agency to assist new affordable housing development within the HRA. Funding from Section 106 affordable housing contributions will contribute to the development of additional affordable homes.

**Impact of Community Right to Bid and Right to Challenge**

- 5.27 **Right to Bid.** This aims to facilitate community focused, locally-led action by providing an important tool to help communities looking to take over and run local assets. This has been effected through Part 5 Chapter 3 of the Localism Act, and the Assets of Community Value (England) Regulations. The scheme will give communities the opportunity to identify assets of community value and have them listed. The list will be published on our website. If these assets are put up for sale at some time in the future, the community will have the opportunity to raise finance and prepare to bid for them.
- 5.28 It is possible that one of these community assets may belong to the HRA, although no bids have been received to date.

- 5.29 **Right to Challenge.** This allows voluntary and community groups, charities, social enterprises, parish councils, local and fire and rescue authority staff to bid to run authority services where they believe they can do so differently and better. This could be the whole service or part of a service, and groups need to submit a written expression of interest to do so. Local authorities must consider and respond to expressions of interest which, if accepted, will trigger a procurement exercise for that service. The interested group will then take part in the procurement exercise, alongside others. The Community Right to Challenge was also introduced by the Localism Act 2011.
- 5.30 It is open to tenants or other groups to bid to run either all or part of the housing service should they so wish.



## 6. Our Finances

- 6.1 The Housing Revenue Account (HRA) aims to provide the financial environment to support our landlord responsibilities over the medium to longer term, as well as our strategic objectives for the housing service.
- 6.2 As a local authority landlord we are required by Government to maintain a 30 year financial forecast of income and expenditure on our housing service. This Business Plan refresh focuses on the next three years but also takes a long term view to ensure on-going sustainability of the service. A summary of income and costs for the HRA (including the key assumptions used) is shown at **Appendix C**.
- 6.3 The recently completed Stock Condition Survey has not had a significant impact on our forecasts; we know that our existing stock is getting older and will require greater investment to maintain a suitable standard for occupancy. This, coupled with increases in Right to Buy on the back of greater discounts, means less rental income available in the future to reinvest in homes whilst meeting the requirements of servicing self-financing debt.
- 6.4 The table below demonstrates the potential impact of the Stock Condition Survey over the next 30 years coupled with consistent Right to Buy sales. The scenarios assume that the 2014/15 capital programme is not affected.

Scenario	Average Annual Cost (£000's)	30 Year Capital Cost (£000's)	Increase (£000's)
Current Cost (App C (ii))	4,731	141,933	-
10% Increase	5,204	156,120	14,187
25% Increase	5,913	177,390	35,457

### Self-financing

- 6.5 The financial framework for the HRA has undergone major reform with the introduction of 'self-financing' from April 2012. The aims of 'self-financing' are to:
- give local authorities the resources, incentives and flexibility they need to manage their own housing stock for the long-term and to drive up quality and efficiency; and
  - give tenants the information they need to hold their landlord to account, by replacing the previous opaque system with one which

has a clear relationship between the rent a landlord collects and the services they provide.

- 6.6 These reforms replace the former redistributive housing system which set a level of cost allowances (including the capital programme) for running the HRA on an annual basis. From April 2012 the Council has had to take on £57.733m of Central Government housing debt but is no longer required to make an annual payment into the national housing subsidy pool. The amount of debt we had to take on was calculated using a methodology that values the stock over 30 years, and aims to leave the Council with a long term sustainable business plan with full responsibility for the expenditure on the management and maintenance of our homes.

### **HRA income**

- 6.7 The HRA is a 'ring-fenced' account which means that all of the costs associated with maintaining our homes, financing improvement works and running the service, are met from the rental and other associated income generated from the houses and garages we let to tenants. We cannot use this income for any other Council services.
- 6.8 Under the Government's rent restructuring policy, formula data was provided by the Department for Communities and Local Government (DCLG) to ensure similar rents for similar properties in similar areas are calculated over a transitional period. At convergence, Registered Providers and Local Authorities will use the same formula for setting rent levels, which will ensure that tenants pay similar rents for similar properties regardless of whether the landlord is a Registered Provider (RP) or a Local Authority.
- 6.9 The government has recently made a number of changes to the way rents for social housing will be managed from 2015.

### **Rents for Social housing from 2015**

- 6.10 The transitional period for convergence is coming to an end, and it is now proposed that 2014/15 will be the final year instead of 2015/16. From 2015/16 the model for rent calculation is set to change to increases of CPI plus 1% (this increase applies to both formula and actual increases).
- 6.11 The Government plans to commit to this policy for ten years until 2024/25, which is intended to give long term certainty and stability on rents.
- 6.12 For many landlords and tenants this change will not be significant as the consumer prices index has historically risen at a rate of about 0.5% less than the retail price index. Many landlords and tenants will also

welcome the announcement as bringing more certainty to future rent policy in the long-term.

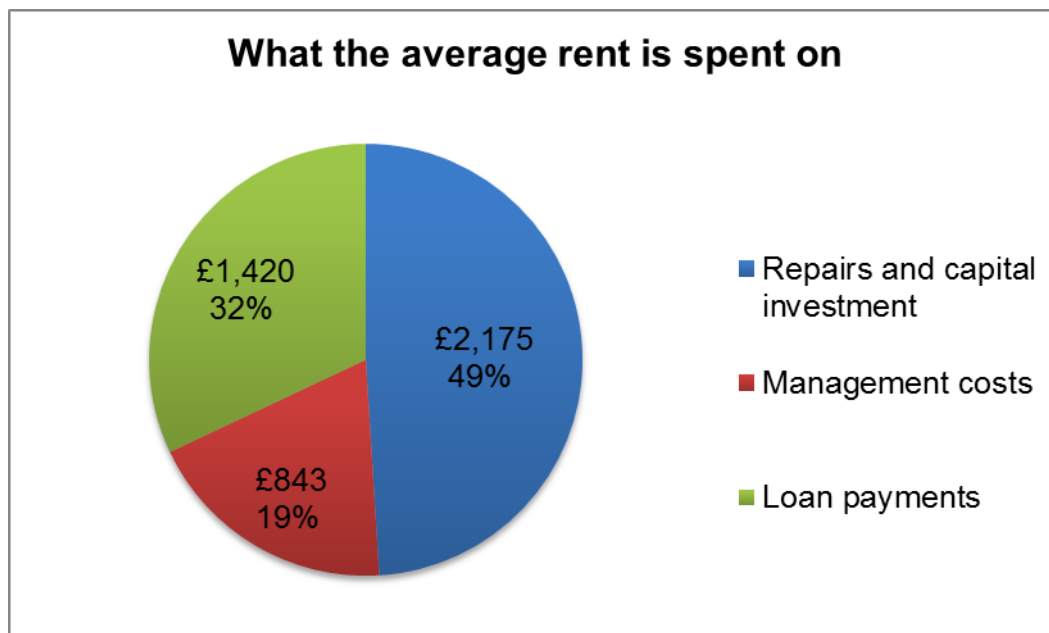
- 6.13 However, where landlords have yet to achieve rent convergence the new approach will prevent them from doing so in future. This mainly affects local authorities that have not been able to converge their rents with formula rents either because of the operation of the 'caps and limits' in the existing rent policy framework or because of historic policy decisions such as very low rents already in the District. This is especially significant in that the debt settlement with self-financing was based on the assumption that rents would converge.
- 6.14 Rent generated is utilised to service the debt incurred, invest in maintaining our housing stock and new build opportunities as well as cover the running costs of our Housing Revenue Account service. The move to a CPI based increase will give lower increases going forward which is good headline news for tenants but has a negative impact against the self-financing business plan, meaning that in the longer term there will be less resource for re-investment in our housing stock. The business plan originally assumed increases of 5% but CPI at September 2014 (for 15/16 rent setting) is 1.2% which would give a total increase of 2.2%.
- 6.15 Target rents will be charged for new tenants from 1 April 2015. Where a property is not at formula rent by 2014/15, the Government expects that from April 2015 following a vacancy, the property will be re-let at formula.
- 6.16 On 6 February 2014, the Council's Executive resolved to approve the proposed 5.6% average rent increase for 2014/15. Approval of the rent increase is fundamental to the continuation of funding of the HRA. A rise of 5.6% is higher than the current level of inflation but is necessary to assist in meeting the financial commitments of the HRA including debt repayment and maintenance of stock.
- 6.17 The Executive also requested that Policy Review Committee consider the implications for existing tenants wishing or needing to downsize, of re-letting vacant properties at target rents, and whether recommendations are required for an appropriate policy in such circumstances – see 3.20.
- 6.18 The 2014/15 weekly average rent for a three-bedroomed property in Selby district (set on a 52 week basis) is £85.35. Approximately 60% of our tenants are in receipt of some element of Housing Benefit.
- 6.19 Garage rents are increased by RPI each year, in line with the Council's policy for fees and charges, generating around £120k a year, although this will reduce if sites are redeveloped for affordable homes.

6.20 After allowing for void (vacant) properties and an element of bad debt, we estimate HRA rental income for 2014/15 to be £12.3m (95% of the total income to the HRA). Overall income to the HRA is £12.9m with Supporting People income, hostel and garage rents and interest etc. making up the remaining £650,000.

6.21 In the future, if the Council was to enter into a delivery agreement with the HCA for the development of new homes, Affordable Rent (at 80% market rent) would be able to be charged on those new units. This will be considered as new schemes are assessed.

### Running Costs

6.22 Based on 2014/15 estimates, the average rent of £4,438 per year is spent on the following:



6.23 Nearly half of HRA costs (49%) are on repairs and investment in our housing stock, with 32% of costs associated with principal and interest on borrowing. Management and support costs account for around 19% of total costs. Comparing these costs with 2012/13, through efficiencies, we have reduced the management element from 25% to 19%, investment in our homes has increased from 45% to 49%, and interest payments have increased slightly from 30% – 32%.

### Borrowing

6.24 The Council's borrowing position following self-financing is summarised as follows:

### Summary borrowing position for self-financing

	£000's
Opening Debt Allocation (Debt Cap)	63,068
Actual debt	57,733
Borrowing Headroom	5,335

- 6.25 Actual HRA borrowing is made up of £7.5m historic debt and £50.2m new borrowing – all through fixed rate ‘interest only’ loans and in accordance with the Council’s Treasury Management Strategy.

### Loan analysis

Loan Value	Loan Rate	Loan Term	Maturity Date
£	%	Years	
6,500,000	8.785	8.16	22.05.2020
1,000,000	8.375	44.0	31.03.2056
16,793,000	3.50	30.0	28.03.2042
16,720,000	3.52	40.0	28.03.2052
16,720,000	3.48	50.0	28.03.2062

- 6.26 The business plan model assumes that borrowing is repaid at the earliest opportunity, in order to demonstrate viability. In reality the Council will be able to review the plan regularly and make decisions about the use of surpluses, balancing the repayment of borrowing and additional investment in the stock. This will give the Council greater flexibility in its long term planning than has been possible under the previous subsidy system. In 2014/15 interest charges are estimated to be £2.66m and money has been set aside to cover future principal repayments of £1.26m. As part of our Treasury Management Strategy we are also planning to use our growing cash balances to fund investment in new build homes (both HRA and Selby and District Housing Trust homes) through internal borrowing.

## **Stock investment needs**

- 6.27 A new Stock Condition Survey was carried out in 2014 to inform the capital programme, and provide revised financial information to support this Business Plan. The survey was a sample to reflect our varied housing stock, and covered around a third of our homes. We surveyed around 850 properties, at least one of every “archetype” (property type, age and street) concentrating on external condition. We also collected kitchen and bathroom data on 10% of the surveys.
- 6.28 To a large degree the stock condition survey confirmed our general view of the stock. It identified around £2.8 million of works to external walls, gable ends, lintels and sills, which we had already identified as likely to be required, and which is included in the capital programme. None of this work is urgent, so bids over 5 years from 2016/17 will cover the costs.
- 6.29 The survey also identified the remaining timber door replacements to the value of £394k, which are already in the 30-year plan.
- 6.30 We expect kitchen and boiler replacements to slow down over the coming 5 years (which is reflected in the 30-year plan)
- 6.31 With the benefit of this information we have revised our longer term forecasts and assessed any opportunity for further improvement to our stock. Analysis of information relating to the community centres will be completed in readiness for the next budget cycle.
- 6.32 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.
- 6.33 Following a review of our financial planning as a result of the survey, a programme of works can be formulated, 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.
- 6.34 The table below summarises the capital investment estimates for the next five years. Resources for investment in our stock come from the depreciation charges set aside in our Major Repairs Reserve along with any in-year surpluses generated. These surpluses can also be set aside with a view to repaying debt at the earliest opportunity.

- 6.35 The programme of works for 2014/15 – 2018/19 was approved as part of the 2014/15 budget process. Capital investment in years four and five of the plan is subject to review and prioritisation alongside the range of strategic issues identified in this Business Plan.

### Capital investment forecasts

	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Programme of Works	3,711	2,865	2,251	3,766	3,858
New Development	300	1,250	1,250	1,250	1,250
Total capital Investment	4,011	4,115	3,501	5,016	5,108

- 6.36 Over the initial three years of the plan, our planned replacement programme saw tenants benefiting from measures to improve the energy efficiency of their homes – ensuring we fulfil our landlord responsibilities whilst cutting our tenants' energy bills.
- 6.37 The cost of improving the stock beyond this level will need to be the subject of further review and consultation taking into account the resources available and the Council's Asset Management Strategy, although we aim to begin a programme to replace bathrooms once we have completed our planned kitchen upgrades.
- 6.38 The total projected expenditure to improve and maintain the stock and related assets has been adjusted following the Stock Condition Survey, and feeds into a revised programme of works. Information on the estimated investment needs and resources available over 30 years is be shown at **Appendix C(ii)**.

### Right to Buy

- 6.39 RTB sales in Selby district were 60% higher in 2013/14 than in 2012/13, but are yet to reach the levels they achieved before the recent recession.
- 6.40 Within the HRA Business Plan we had initially assumed right to buy sales at two per annum for 2012/13 and 2013/14, five per annum for 2014/15 to 2019/20 and 10 per annum thereafter.
- 6.41 However, from the baseline of 2010-11 and 2011-12 when there were three sales per year, there were 10 completions in 2012-13 and 16 during 2013-14. At the end of December 2014 there have been 20 RTB sales for 2014-15. It is likely that these numbers will continue to

increase, and assumptions have been made within our financial planning to take account of additional sales. The following table shows an estimate of receipts from the sale of council houses and the amount Selby District Council can retain for debt repayment and new build projects.

	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
Estimated Receipt from sales	773	812	852	892	934
Estimated Government share	373	389	412	436	461
Selby share	400	423	440	456	473

- 6.42 From April 2012 the Government's enhanced 'Right to Buy' scheme brought a new maximum discount of £75,000 for eligible tenants (against the previous maximum of £24,000 for Selby), and from late 2014, there is a reduced qualifying period of three years from five previously. The Government's proposal indicates that net receipts from these sales should be used to replace the additional homes sold due to the increase in discount.
- 6.43 The net receipt can be adjusted for allowable costs, and repayment of debt, although debt repayment is not mandatory. The 'one-for-one' replacement rules state that no more than 30% of the cost of replacement homes can be funded from RTB receipts, with the rest coming from other funding opportunities, such as borrowing against future rental income of the dwelling, or working in partnership with other social landlords.
- 6.44 There is a recognition that this may have a detrimental impact on the self-financing business plans of local authorities and as part of our response to this change we will be preparing a local funding plan to help us demonstrate how we will work towards the Government's objectives for the replacement of homes sold, along with a continuing viable Housing Revenue Account. This will include a risk assessment of which properties are more susceptible to the RTB.

### **Impact of Local Enterprise Partnership and Local Investment Fund**

- 6.45 House building is vital for local economic growth, and the Council will continue to work closely with the North Yorkshire Local Enterprise



Partnership (LEP) when preparing bids for extra borrowing powers, which will form part of the government's Local Growth Fund.

- 6.46 Increasing the supply of affordable homes is a priority for the Government and it is a critical element in wider economic growth. Work is progressing with LEPs for North Yorkshire and Leeds City Region to agree local Growth Deals. In many areas, a key part of the local strategies developed by LEPs will be investment for housing growth.
- 6.47 Since the introduction of self-financing for local government in 2012, many stockholding councils are starting to look again at the opportunities it offers to build new homes for their local communities. However, many councils have said that they can do more if they can undertake additional borrowing. The government therefore announced in the Autumn Statement in 2013, that local authority HRA borrowing limits would be raised by £150 million in 2015-16 and £150 million in 2016-17, allocated on a competitive basis to drive value for money. In July 2014 the government announced an increase of £60 million in additional HRA borrowing to help bring forward additional affordable homes, and will be holding a second bid round for new schemes in 2016/17. We will consider this opportunity for additional funding.
- 6.48 Local authorities who had a proposal agreed by their LEP were able to bid for additional borrowing. Selby bids through the LEPs included Riccall as a key growth site for North Yorkshire, Olympia Park and Papyrus Works, Newton Kyme, as key growth sites for Leeds City Region.

## **Risks**

- 6.49 The financial elements of the business plan carry a number of risks:

### **Interest Rates**

- The council decided to take fixed rate borrowing for the new £50.233m loans from PWLB which have been used to pay CLG which has mitigated the risk of exposure to increasing interest rates as the economy starts to recover. Should further borrowing be taken in future then the risk of higher rates for new borrowing remains.

### **Inflation – Economic Uncertainty**

- Inflation is a key issue for the Council especially when rates are high relative to income growth.
- High inflation impacts on the rent modelling which from 2015/16 will be CPI plus 1%.
- The self financing business plan financial model has been modelled using a prudent inflation rate consistent with the rates used by the Council of 3.0% from 2013/14.

### **Assets – Council Houses**

- The viability and affordability of the HRA business plan when originally developed, was based on the stock numbers reducing with then current forecasts of Right to Buys (RTB). This business plan refresh also considers the impact of government policy relating to increased discounts and reduced eligibility periods on the number of RTB sales, and the forecast takes account of this.
- Increased asset disposals would result in reduced rental income but also reduced maintenance liabilities and affect the repayment of associated debt. The Council has taken a range of loans over a mix of maturity dates to allow flexibility for repayment and will prepare a local funding plan to forecast the impact of this change and to help mitigate the associated financial risks.

### **Rents (Income)**

- Rent increases could result in a lower collection rate. Welfare reform, unemployment, inflation and other economic factors could affect tenants' ability to afford higher rent increases. Rents have been modelled using social rent policy and to keep within guideline rent for 2014/15.

### **Reserves**

- 6.50 As part of the budget setting process the Council is required to review the adequacy of its reserves and this includes the HRA reserve. The Council confirmed in February 2012 that the HRA reserve should be £1.5m. This level is deemed adequate to provide financial resource for any unforeseen circumstances within the HRA that may require additional funds. This equates to approximately £480 per dwelling.

### **Financial Outlook to 2016/17 and beyond**

- 6.51 Following the move to self-financing the financial forecasts show that, based on original assumptions on 'Right to Buy' sales, there were sufficient resources over the five-year period of the plan to maintain a viable Housing Service, maintain the Decent Homes plus standard, and carry out the necessary planned repairs to our housing stock, although this did put pressure on the ability to repay debt over 30 years. The original financial model showed the need to increase principal set-aside from year 11 onwards to maintain a 30 year payback.
- 6.52 The financial forecast at **Appendix C** suggests that, subject to the assumptions within the model, there is some modest headroom in years 1 to 5. This provides some level of contingency as the impacts of this change become clearer.
- 6.53 We have the opportunity to increase borrowing up to our 'debt cap' which would cost in the region of £240k per year in interest charges plus principal repayments of around £178k per year based on a 30

year term. With this additional borrowing, the plan is to build an additional 50 homes over the next 5 years.

- 6.54 The balance of using resources to repay debt and maintain and/or extend the housing stock will be an on-going feature of the Business Plan and will require careful consideration as the further impacts of the changes to 'Right to Buy' emerge. That said, the ability to invest in our housing stock over the life of the plan will continue to improve the quality of the homes we provide. Within the available resources there will be the ability to focus spending on those things which will have greatest impact on achieving the Council's objectives whilst improving the quality of life for our tenants.
- 6.55 The Council has entered into an agreement with central government to keep the capital receipts from right to buy sales, but this is unlikely to be possible until 2017/18. Decisions will also need to be made regarding the priority for repaying debt against using capital to build.

### **Increasing Local Authority housing**

- 6.56 Demand for affordable homes remains high, although there is a reduced number of 622 active applicants on the waiting list for Selby following the HomeChoice policy review in 2013, which sets out stricter criteria on household income/equity, local connection, and reduced numbers due to homeowners with no housing need being excluded from the list.
- 6.57 Since April 2012, stock owning local authorities have had flexibility to increase housing supply. Under the Housing Revenue Account self-financing system, authorities can keep their rental income and manage their housing stock in the most effective way. Additionally, they may also use finance and surplus revenue to directly fund capital work and have borrowing approval which could be used to raise private finance to support the building of more local authority homes.
- 6.58 Our Housing Development Strategy 2013 provides a framework for the Council to deliver affordable housing itself, either through the HRA, or through the Trust.
- 6.59 We are keen to ensure that opportunities for the development of affordable housing in the district are maximised. Consideration will be able to be given to whether individual schemes are better progressed within the HRA or through the Trust and a number of Council owned sites have already been approved for affordable housing development.

- 6.60 A contingency amount of £75k per year is in the plan from 2015/16. This is to be utilised to support rent losses from void properties on sites earmarked for redevelopment.
- 6.61 The Council will build homes to meet the needs of those on its waiting list, in particular those with a disability. The sum of £300k will be available initially for new build within the HRA for the development of non-general needs homes; general needs homes will be built by the new Trust. Our Housing Development Strategy 2013 sets out that an indicative funding plan assuming an average build of £100k per property could be:

	Year 1 £000's	Year 2 £000's	Year 3 £000's	Year 4 £000's	Year 5 £000's
<b>Resources required</b>	<b>600</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Financed by:</b>					
HRA Debt	300	1,250	1,250	1,250	1,250
S106	0	0	500	500	500
GF Debt	300	1250	750	750	750
<b>Total Funds</b>	<b>600</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>

- 6.62 The Council will consider registering with the Homes and Communities Agency to become a Registered Provider, which would offer the opportunity to bid for funding for the development of new affordable homes. If we were to enter into a delivery agreement with the Homes & Communities Agency (HCA) under the Affordable Homes Programme, with their agreement we would be able to consider offering new homes at a higher Affordable Rent (up to 80% market rent) (See 6.21). The additional income from higher rents, together with Section 106 affordable housing contributions could assist in funding more affordable homes in the district.
- 6.63 Our Affordable Housing Supplementary Planning Document (AHSPD) approved in 2014 did provide for commuted sums to be collected from developers in lieu of them providing affordable housing under certain circumstances, including on sites of less than 10 units. It was planned that such monies would be available to contribute to the funding of affordable housing in the district. However on 29<sup>th</sup> November 2014, the Government revised the national Planning Practice Guidance (PPG) to the effect that affordable housing and tariff style contributions on residential sites of 1 -10 dwellings should not be sought. Despite this, there may still be contributions on larger sites and affordable housing developers (potentially including SDC, the Trust and RP partners)

would be able to bid for these. The mechanism for this approach is under consideration.

- 6.64 The Trust is already bringing forward two sites in Tadcaster where land has been provided by the Council, for the development of up to five affordable homes, and a further site in Riccall is out to consultation.
- 6.65 The Council also has the potential to buy back former Council houses as they come on the market, subject to a local housing need being identified. This option has been considered in the Council's Development Strategy 2013 (see clause 4.4.4). These homes would be of a good size and standard, usually located near existing Council stock for ease of management, and could be let to new tenants at target rent. Each purchase would be dependent on an individual business case.

## **7. Delivery**

### **Operations**

- 7.1 The Council has commissioned 'Access Selby' to deliver the Housing Service, and the Delivery Plan which flows from this Business Plan forms part of the Access Selby Service Level Agreement.
- 7.2 In general the clerical, administrative services are provided through the Access Selby Business Support Team and front line services are provided by the Contact Centre and Community Officers Team. Responsive repairs and works to 'void' properties are co-ordinated and delivered through the Assets team based in Selby.

### **Housing Strategy and Policy Changes**

- 7.3 Access Selby Policy Team is responsible for reviewing existing housing policies and responding to new and developing national policies and legislation including housing and homeless strategy, allocations, tenancy and tenant participation. The team works closely with the Housing Officer and Community Officer Lead on the delivery of policies and is working in partnership with North Yorkshire local authorities on sub regional policies.

### **Service performance**

- 7.4 Although the past few years have brought many challenges, we have strived to deliver excellent services to our customers and we have provided:
- quick and easy access to services by phone, in person and on line with customer satisfaction at 95% improving to 98.7% for 2013/14, and 92% of enquiries continuing to be dealt with at the first contact during 2014;
  - community officers to provide better coordinated services affecting tenants and the communities in which they live;
  - extended opportunities for community engagement through the Tenant and Resident Association (TARA) network;
  - opportunities for tenants Area Panels to be set up;
  - choice-based lettings (CBL), to support easier access to housing information, and to improve choice and mobility;
  - quick repairs, mostly by appointment at a time that suits the customer;
  - support to vulnerable people, with aids and adaptations provided quickly;
  - a high level of rent collection from current tenants, remaining high at just over 98% of rent due collected in both 2011/12 and 2013/14;
  - generally low cost and high quality services; with significant improvements made during the last year to the turnaround of re-

lets to maximise availability of accommodation. For voids, the target re-let time for 2013/14 was 24 days, and this was achieved with an outturn of 23.6 days.

- 7.5 There is still room for improvement though, so we will:
- continue to offer opportunities for young people and people from minority communities to have their say as these people are under-represented in customer engagement groups;
  - target urgent repairs to increase the number that are carried out within agreed timescales;
  - continue our work on homeless prevention & housing options to ensure that our housing stock is offered to those in need; and
  - continue our work to tackle rent arrears owed by current and former tenants.

7.6 The Council is also committed to delivery of national standards:

<b>Standard</b>	<b>Covers</b>
Tenant involvement and empowerment standard	Customer service and choice; Involvement and empowerment; Equality and diversity; Tenants with additional support needs; Complaints.
Home standard	Repairs and maintenance; Quality of accommodation.
Tenancy standard	Allocations; Rents and tenure.
Neighbourhood and community standard	Neighbourhood management; Local area co-operation; Anti-social behaviour.
Value for money standard	Value for money services.
Governance	Decision making & governance.

These are clear outcome-based standards with statutory requirements that all social landlords must meet and a focus on tailoring services to meet local needs and priorities.

7.7 These, and the issues outlined in Section 5, will be taken forward through the Service Level Agreement the Council has with Access Selby and we will monitor progress in these key areas.

7.8 The headline risks associated with this Business Plan are set out in **Appendix D**.

## **8. Consultation**

- 8.1 Tenants were consulted on the original 2012-17 Business Plan (as required by s105 Housing Act 1985) through the Tenants and Leaseholder Scrutiny Panel which will continue to have an important role in making sure that tenants have all the information they need.
- 8.2 This draft Business Plan has been brought to the attention of all tenants and leaseholders through the 'Open Door' newsletter delivered to each of them, it was available at each of the Community Engagement Forum meetings and Tenant and Resident Associations, with a copy on-line for comment (hard copies available on request). There were also a number of press releases.
- 8.3 This draft HRA Business Plan 2014 was consulted between 10<sup>th</sup> September – 11<sup>th</sup> December 2014.



HRA Business Plan 2015-17 Key Deliverables

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
<b>Stronger Council</b>				
Increased tenant and leaseholder participation	More tenants and leaseholders getting actively involved	<p>Although tenants were invited through their newsletter, CEFs, Community Officers, Councillors to form Area Panels during 2013, there was no take up.</p> <p>The Tenant Scrutiny Panel currently has 4 members and is recruiting a 5<sup>th</sup>. Repairs and Maintenance group continue to meet despite reduced numbers.</p> <p>TARAs for Flaxley Rd and South Selby continue to meet.</p> <p>Tenants Editorial Panel still operating Tenants were surveyed through Open Door as to their preferred method of communication, which was found to be paper</p> <p>Weekly housing surgeries are held in Sherburn and Tadcaster</p> <p>The Customer pledge was rolled out by April 2013</p>	<p>The offer is still open for tenants to form Area Panels</p> <p>We are assisting the Scrutiny Panel to recruit more members to groups though Open Door and Community Officer contacts</p> <p>In order to progress this we are now working with TPAS (Tenant Participation Advisory Service) although there is already a wide range of opportunities</p> <p>Support TARAs</p> <p>Continue to deliver a hard copy of Open Door to all our tenants and leaseholders</p> <p>Continue to offer surgeries</p> <p>Consider additional options provided by new Tenants Leading Change guide</p>	<p>Ongoing</p> <p>Work is ongoing</p> <p>Ongoing in 2014/15</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>By January 2015</p>

	Improved appearance of 'estates'	<p>Quarterly estate walkabouts continue to be held for tenants and leaseholders to identify local issues</p> <p>A programme of garage contents clearance has begun to tidy areas and relet garages</p> <p>The garden at Laurie Backhouse Court has been redesigned.</p> <p>We have targeted overgrown gardens for improvement</p>	<p>Walkabouts to continue</p> <p>Continue with garage clearance programme</p> <p>We will continue to target overgrown gardens and will take enforcement action in the worst cases to demonstrate our commitment</p> <p>Continue to identify areas in need of action</p>	<p>Quarterly</p> <p>2015</p> <p>Focus 2014 and ongoing</p> <p>Ongoing</p>
	Reduced incidence of anti-social Behaviour	<p>Consider how small areas of land might be better used</p> <p>Personal, environmental and nuisance related complaints (including overgrown trees, gardens etc across all tenures) has increased due to our increased focus on these issues – 2012/2013 - 676 2013/2014 - 959</p> <p>The planned review of the Anti-social behaviour policy in 2013 was re-timetabled to Autumn 2014 when new legislation will be implemented.</p>	<p>Assess viability for development with/without adjacent opportunities</p> <p>It is likely that reporting will increase following policy review as the policy is now aimed at the district generally and not just at tenants</p> <p>2014 Review and development of ASB policy with procedures completed early 2015</p>	<p>Ongoing</p> <p>Ongoing</p> <p>2015</p>

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
<b>Changing places</b>				
Homes stock that better meets the needs of our changing communities	'New' properties that match our assessed need	Since 2012 we have carried out 65 adaptations to our own stock	Implement effective Asset Management Strategy for Council owned homes	Annually by 31 March
	More tenants buying their homes	16 tenants bought their homes under RTB during 2013/14, with 20 during 2014/15 so far	Consider how additional affordable homes might be developed through the HRA	2015
	Local funding plan in place that demonstrates viability of RTB and 'one-for-one' replacement	Insufficient receipts have been generated to date	We will continue to assist tenants who apply to buy their home	Ongoing
	Review our approach to lettings of Tadcaster bungalows and Bryam flats	Offers of assistance to new occupants of bungalows	We will need to further consider any opportunities for replacement homes	2015+
		Options appraisal for Byram flats	Continue to monitor lettings	Ongoing
			Consider options	2015
<b>Living well</b>				
Improved quality of life of our tenants and leaseholders	'Decent Plus' standard maintained	We have maintained the Decent Homes standard and increased energy efficiency through the insulation of 84 Airey homes	Continue to maintain stock intelligence – a new Stock Condition Survey has been completed. Approx a third of our homes were visited	Annually by 31 March
	More tenants with reduced heating costs	We have installed 500 boilers/new heating systems	Deliver Council's approved capital programme	Ongoing
			We will consider the opportunities	

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
	<p>Increased satisfaction in the service</p> <p>Adaptations continuing to be provided where required</p>	<p>Customer satisfaction with our service in general remains high at over 98% in both 2012/13 and 2013/14</p> <p>We spent £130k during 2013/14, mainly on wet rooms, ramps and handrails</p>	<p>provided by the Green Deal to implement further energy efficiency measures</p> <p>Continue to deliver a customer focussed responsive repairs service</p> <p>Consider how we can continue to meet demand for adaptations</p>	<p>2015 onwards</p> <p>Ongoing</p> <p>Annually</p>

Outcomes to be achieved	What success will look like	How success has been achieved to December 2014	What Access Selby will do 2015 +	By when
<b>Tackling the tough stuff</b>				
Help meet the affordable housing needs across the district	Net increase in housing stock	There were an additional 128 affordable completions in 2012/13 and 2013/14.	Continue to implement effective Asset Management Strategy for Council owned homes	Annually by 31 March
	Ratio of occupancy bedrooms improved in fixed term tenancies	Tenancy Policy 2013 has introduced the use of Fixed term tenancies.	Consider the development of additional affordable housing through the HRA with a target of 53 new homes by 2019	Ongoing
	Reduction in number of 'hard to let' properties	With focussed allocations most homes can be let – we have no long term voids.	More effective tenancy allocations through fixed terms When the first of these come to an end (potentially in 6 years time) we will have the opportunity to review occupancy	Introduced 1 April 2015, first effect will be in 2021
	Local funding plan in place to demonstrate replacement of homes sold	New Stock Condition Survey completed and revised receipts trajectory following enhanced RTB	Continue to consider new approaches to letting these homes Assessment of 'hard-to-let' homes is ongoing including assessment of redevelopment potential	Ongoing
	Consider opportunities for additional HRA borrowing	Housing Development Strategy and Asset Transfer Strategies put in place	Consider ways in which new AH might be funded Assess what opportunities there are and consider good practice elsewhere	2015 and ongoing 2015 and ongoing

<b>Outcomes to be achieved</b>	<b>What success will look like</b>	<b>How success has been achieved to December 2014</b>	<b>What Access Selby will do 2015 +</b>	<b>By when</b>
	Develop a mechanism for distribution of affordable housing S106 contributions	Ongoing discussions and consideration of best practice	Publish details of how these monies are to be distributed	2015
<b>Switched on</b>				
Value for money delivered to our tenants and stakeholders	Improved performance across key performance measures (including responsive repairs)  Reduced management costs	Annual reviews are undertaken. Recently void turnover has reduced from 10% in 2011/12 to 8.2% in 2013/14  Average void turnaround time was maintained in 2013/14 at 24 days  Savings have been achieved by Community Officers providing a generic service  Overall savings on management have been generated through the Access Selby structure	Annual review of HRA Business Plan  We will continue to focus on the cost of void turnover  Further savings will continue to be identified and implemented eg procurement  Further savings will continue to be identified and implemented eg vehicles	September each year  Ongoing  2015 and Ongoing  2015 and Ongoing
Effective and transparent decision making demonstrated	Information easily available to tenants and leaseholders about how we manage their homes	Annual report to tenants and leaseholders published in Open Door and delivered to all Scrutiny Panel has the opportunity to challenge and discuss our service	Annual report to be circulated Continue to support the Scrutiny Panel to engage with us	Annual and ongoing

## Extracts from Selby District Profile /Needs Assessment 2014

### Place

Selby is mainly a rural district that covers an area of 602 square km, made up of countryside that is broken up by the three market towns of Selby, Sherburn in Elmet and Tadcaster, and supplemented by a range of larger villages that provide some services, access to larger towns and employment opportunities, plus many smaller rural villages and hamlets. Historically the district's economy has been dominated by agriculture, coal mining and energy industries, with Selby being the main employment centre, supplemented by industrial and distribution based growth in Sherburn in Elmet.

Between 2001 and 2011 the district's population increased by 9.0%; and the mid-2012 population estimates put the current population at 84,144<sup>3</sup>, and it is expected to continue to grow. This equates to almost 14% of the total North Yorkshire population – showing a steady and expected level of growth. Projections show that between 2012 and 2037 the population of North Yorkshire is expected to increase by 6.6% - with an average yearly increase of 1,580 people. Growth is expected in all Districts, but Selby is due to see the largest increase at 17.9% by 2037. Approximately a third of the population live in the market towns, with the remaining residents living in the 60 or so villages and hamlets.<sup>4</sup>

### Housing

There is currently an undersupply of all types of housing in the district. According to the Council's Core Strategy, a minimum of 450 new homes is required each year to meet current and future residential requirements (up to 2027). Land has been identified in the district over the next five years to accommodate the type and volume of homes necessary (SHLAA 2011 and 5 Year Housing Land Supply). The need for additional housing is recognised by a number of CEFs.

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<sup>3</sup> ONS Mid-Year Population Estimates

<sup>4</sup> SDC Core Strategy

## Housing Affordability

The table below shows that in order to buy a modest home in the district, a lower paid worker would need to spend over six times their salary. This multiple is the second lowest in the county, with only Scarborough being lower, and is comparable with national levels.

In accordance with the national picture more affordable housing<sup>5</sup> is needed in the district. In 2008 it was estimated that an additional 409 homes per year would be necessary for a five year period to accommodate the affordable housing need. Currently supply does not meet demand.

### Affordability of housing: Ratio of lower quartile house prices to lower quartile earnings (Ratio) (North Yorkshire) [2013]

North Yorkshire	North Yorkshire Code	Ratio of lower quartile house prices to lower quartile earnings (Ratio)
North Yorkshire County	36	7.20

#### Comparators

Area Name	Area Code	Ratio of lower quartile house prices to lower quartile earnings (Ratio)
Scarborough District	36UG	5.99
England	064	6.45
Selby District	36UH	6.63
Ryedale District	36UF	7.36
Craven District	36UB	7.38
York	00FF	7.89
Harrogate District	36UD	8.60
Hambleton District	36UC	8.69
Richmondshire District	36UE	8.95

The data below is from the Selby District Council Annual Monitoring Report. It demonstrates that affordable dwellings supplied through market housing schemes over the past seven years have contributed an average of just under 80% of all such homes built in the district. As 409 affordable homes are estimated to be required each year in the district during the six year period, supply represents just under 19% of this aim, and makes up just under 19% of the total homes built in the district.

<sup>5</sup> Social rented, affordable rented and intermediate housing for sale or rent, provided to eligible households whose needs are not met by the market.



## People

### Changing demographics

The population of Selby is projected to increase and age along with the rest of North Yorkshire, with a projected population of 103,400 by 2035, and 35% increase in the over 65 years age group by 2021 (JSNA Selby Summary 2012) – recent longer term projection expect this to increase to be at 62.6% by 2037. This is important as many conditions (eg stroke, diabetes and dementia) are associated with increasing age. Suffering from such conditions will impact on people's ability to live independently, with people requiring more home adaptations or support to remain healthy and safe within their own home, social or supported housing. The latter often falls within the classification of affordable housing.

### Ethnic Diversity

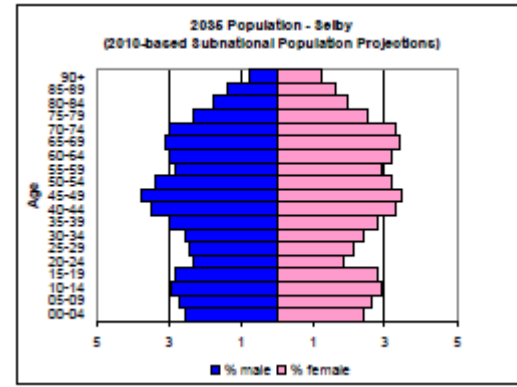
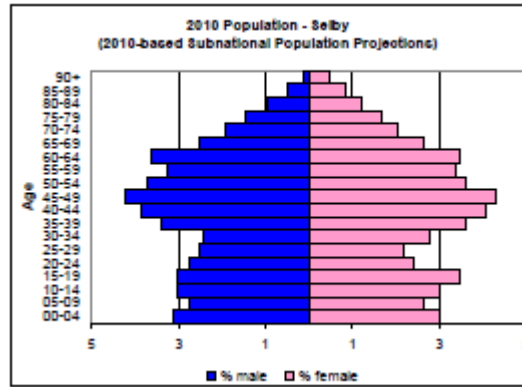
According to national statistics, Selby's community, from a race and religious perspective, is becoming more diverse. The 2011 Census updates indicate that 95.5% of residents in the district are White British – this shows a rise in residents who come from other ethnic groups of 4% from pre-census figures.

## Participation

Public sector budget cuts have already had an impact on local services. In the next few years this pressure will considerably increase, Selby District Council budgets are under pressure with central government funding cuts estimated to 1.5m over the next few years. North Yorkshire Country Council is also in a four year programme of cuts, faced with saving 94m by 2015. In order to meet the challenge of this austerity, the Council needs to collaborate with a range of public and private sector partners, but there is also a growing necessity to work closely with voluntary and community organisations to develop resilience and adapt to face the challenges ahead.

People are living much longer than previously which means that the population will continue to expand – the charts below show the effect of these changes on the projected population age profile.

This issue is budget squeeze, and a support services for the disadvantaged - the vast currently rely on state maintain their quality of



compounded by the growth in the need for disabled, vulnerable and majority of which support and services to life.

In the future such a need will become more reliant on a range of community based solutions. To achieve this we need people to participate, be active in their communities, look after their own health, as well as getting involved in supporting those that need assistance in their own families, and within local communities.

Another way of giving communities better value access to services is to develop the use of technology, enabling people to self-serve when accessing services online.



**Selby DC - HRA Business Plan - Capital Programme & Major Repairs Reserve**

Year	Contributions & Expenditure - Capital Programme					Loan Repayments		
	Depreciation Transferred to MRR £,000	Additional Contributions to MRR £,000	Total Contributions to MRR £,000	Estimated Capital Programme £,000	Additional MRR Funds Available for Investment £,000	Debt Repayment Contributions £,000	Debt Repayment Schedule £,000	MRR Debt Repayments Balance £,000
1 2014/15	-1,328	-2,399	-3,727	3,711	-16	-1,260		-1,260
2 2015/16	-1,355	-2,237	-3,592	2,865	-744	-1,260		-2,520
3 2016/17	-1,383	-2,317	-3,700	2,251	-2,192	-1,260		-3,780
4 2017/18	-1,415	-2,501	-3,915	3,766	-2,342	-1,260		-5,040
5 2018/19	-1,449	-2,725	-4,174	3,858	-2,657	-1,260		-6,300
6 2019/20	-1,483	-2,961	-4,444	3,934	-3,167	-1,260		-7,560
7 2020/21	-1,519	-3,635	-5,154	4,011	-4,309	-1,260	6,500	-2,320
8 2021/22	-1,552	-3,906	-5,458	4,090	-5,678	-1,260		-3,580
9 2022/23	-1,584	-4,169	-5,753	4,170	-7,261	-1,260		-4,840
10 2023/24	-1,616	-4,442	-6,058	4,252	-9,066	-1,260		-6,100
11 2024/25	-1,649	-4,726	-6,375	4,335	-11,106	-1,260		-7,360
12 2025/26	-1,682	-5,020	-6,703	4,425	-13,384	-1,260		-8,620
13 2026/27	-1,716	-5,326	-7,042	4,516	-15,910	-1,260		-9,880
14 2027/28	-1,751	-5,643	-7,394	4,609	-18,695	-1,260		-11,140
15 2028/29	-1,786	-5,972	-7,759	4,704	-21,750	-1,260		-12,400
16 2029/30	-1,822	-6,314	-8,136	4,795	-25,091	-1,260		-13,660
17 2030/31	-1,859	-6,668	-8,527	4,888	-28,730	-1,260		-14,920
18 2031/32	-1,896	-7,035	-8,932	4,982	-32,680	-1,260		-16,180
19 2032/33	-1,934	-7,416	-9,351	5,078	-36,952	-1,260		-17,440
20 2033/34	-1,973	-7,811	-9,784	5,176	-41,561	-1,260		-18,700
21 2034/35	-2,013	-8,221	-10,233	5,275	-46,520	-1,260		-19,960
22 2035/36	-2,053	-8,645	-10,698	5,376	-51,841	-1,260		-21,220
23 2036/37	-2,094	-9,085	-11,179	5,479	-57,541	-1,260		-22,480
24 2037/38	-2,136	-9,541	-11,676	5,584	-63,634	-1,260		-23,740
25 2038/39	-2,179	-10,013	-12,191	5,690	-70,135	-1,260		-25,000
26 2039/40	-2,222	-10,476	-12,698	5,799	-77,035	-1,260		-26,260
27 2040/41	-2,266	-10,972	-13,238	5,909	-84,364	-1,260		-27,520
28 2041/42	-2,311	-11,298	-13,609	6,021	-91,952	-1,260	16,833	-11,947
29 2042/43	-2,357	-12,221	-14,578	6,135	-100,395	-1,260		-13,207
30 2043/44	-2,404	-12,785	-15,189	6,251	-109,333	-1,260		-14,467
Total	-54,789	-196,478	-251,267	141,933		-37,800	23,333	

### Financial Assumptions

Forecasted costs and income are based on the Councils 2014/15 budgets and the following assumptions:

1. 2014/15 Rents increase in line with government policy, to converge with target rents increasing at inflation (RPI) +0.5%, from 2015/16 a new rent policy commences with rents increasing at CPI + 1% for a ten year period.
2. Non-dwelling income increases in line with the Council's policy for fees and charges of inflation as at September each year.
3. The void rate is set at 1% and the bad debt provision at 1%
4. The day to day maintenance costs increase in line with inflation and do not vary with small stock losses from right to buy.
5. General inflation based on RPI at 2.5%
6. Cost of borrowing 4.18%
7. Any surplus funds generated through efficiencies or additional income is allocated to the major repairs reserve to be available for use either to repay borrowing or additional investment in stock.
8. Increased discounts for tenants to purchase homes under right to buy has led to increased assumptions in the number of annual sales to 16 per year.
9. Capital programme is based on stock survey data held and includes inflation.
10. The HRA unallocated reserve minimum level remains at £1.5m.

### Risks

The key risks associated with this Business Plan are:

Political – whether the existing programme and new initiatives would deliver the Council's vision and aspirations, and the impact of any national policy changes

Economic – due to increasing construction costs, insufficient finances are available;

Social – due to the changing demographics and expectations whether the Council's existing programme and any new initiatives meet our customer needs;

Technological – ensuring our providers have the skills to deliver this Business Plan;

Legal - that the Council considers all the legal aspects of any new initiative to ensure compliance with legislation and health and safety law.

# Selby District Council

## REPORT

Reference: E/14/61

Public – Item 8



**To:** The Executive  
**Date:** 8 January 2015  
**Status:** Key Decision  
**Report Published:** 30 December 2014  
**Author:** Chris Smith - Lead Officer Data & Systems  
**Executive Member:** Cllr C Lunn – Lead Member for Finance & Resources  
**Lead Officer:** Karen Iveson – Executive Director (s151)

**Title:** Housing Software Replacement

### Summary:

This report proposes to replace the Council's existing housing and asset management systems and to procure a new consolidated software system that integrates with other key critical systems in particular Northgate Information@Work, Northgate Revenues & Benefits, Northgate PARIS Income Management Systems and the new Customer Relationship Management system.

The software no longer provides value for money due to the extent of the monetary outlay to support the systems and the manual intervention and resources required to enable them to function.

Total costs for the software are expected to be £180k. The allowance within the ICT replacement programme is £130k but there are sufficient funds within the reserve to cover the full cost in the short term.

Maintenance costs going forward are expected to be around £11k pa for the duration of the 5 year contract, giving an annual maintenance saving of £55k on the current outlay.

It is proposed that the year 1 savings are used to repay the additional funds required from the ICT Reserve.

Failure to upgrade/replace unsupported software on the council's network would incur a fine through the Public Services Network (PSN) compliance.

## **Recommendations:**

### **It is recommended that:**

- i. the Council's current housing and asset management software systems are replaced with one consolidated system;**
- ii. £180k capital for the system to be paid from the ICT Reserve with £50k being repaid from the first year revenue savings.**

### **Reasons for recommendation**

- i.** To ensure the authority meets the current legislation on the Public Services Network (PSN) compliance;
- ii.** To ensure that the Council's housing ICT systems are fit for purpose and meet the needs of the organisation going forward;
- iii.** To ensure the ICT Reserve is replenished.

## **1. Introduction and background**

- 1.1 The current housing system has been in operation for 15 years and is a critical system for Access Selby to carry out its duties and functions as a social landlord. Replacement of the system is scheduled for the current financial year and a budget of £130k is included within the capital programme.
- 1.2 The system operating function is obsolete, increasingly difficult to support (with long standing issues with remote access to the system) and is resource intensive due to manual updates.
- 1.3 The system has an outdated look and feel and the software supplier is no longer developing the product. Whilst the system is stable, in the event of a system failure, recovery would be at best extremely onerous and time consuming, at worst impossible.
- 1.4 In addition, our asset management system e-State Pro, supplied by Asprey Solutions, is no longer fit for purpose due to:
  - Asbestos register no longer compliant and requires upgrade;
  - System can only be updated manually and is resource heavy;
  - There is no facility to produce schedules of work and manage contracts.
- 1.5 The cost of support & maintenance for the current housing and asset management systems is £66k per year.

## **2. The Report**

- 2.1 This report proposes to replace the Council's existing housing and asset management systems and to procure a new consolidated software system.



- 2.2 The new software will provide an integrated solution which seamlessly shares and links data with other key databases within the authority driving forward greater efficiency and accuracy amongst the users.
- 2.3 The integrated solution makes it easy to keep information up to date. One input can propagate across all integrated systems, keeping data current along with real time reporting functionality.
- 2.4 The software has the capability to improve quality of service to the customer via self-serve and the ability to log their own repairs and introduce the wider use of mobile technology to the lettings function and support service within Access Selby.
- 2.5 A software specification has been written for the new system with soft market testing through system demonstrations conducted.
- 2.6 The use of a software and ICT framework for the tender exercise received a response from 3 potential suppliers. An evaluation panel of officers from across the business was set up to evaluate each bid and score the submissions against the specification. The quality assessment was subdivided over a small number of criteria and the financial assessment was based on a 5 year cost envelope.
- 2.7 Each officer score was used to calculate a consensus score for each submission and therefore provide a robust technical and financial evaluation.
- 2.8 On the basis of the completed technical and cost evaluation for each of the tenders, the panel recommended the preferred software supplier that produced the cheapest option based on the 5 year financial evaluation and who met all the key criteria on the technical evaluation.
- 2.9 Reference sites have been identified to allow the evaluation panel to reality check the statements within the bids.

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

#### **Financial Issues**

- 3.1 Total costs for the software are expected to be £180k. The allowance within the ICT replacement programme is £130k but there are sufficient funds within the ICT Reserve to cover the full cost in the short term.
- 3.2 Maintenance costs going forward are expected to be around £11k pa for the duration of the 5 year contract, giving an annual maintenance saving of £55k on the current outlay.
- 3.3 It is proposed that the additional £50k funding requirement is paid out of the ICT Reserve and repaid within the first year revenue savings, giving annual

savings of £55k from year 2 onwards, which will contribute towards Access Selby's savings target going forward.

### **Impact Assessment**

- 3.4 Failure to upgrade/replace unsupported software on the council's network would incur a fine through the Public Services Network (PSN) compliance.
- 3.5 The software no longer provides value for money due to the extent of the monetary outlay to support the system and the manual intervention and resources required to enable it to function.
- 3.6 Key integration with other key critical systems in particular Northgate Information@Work, Northgate Revenues & Benefits, Northgate PARIS Income Management Systems and the new Customer Relationship Management system.
- 3.7 Significant annual support & maintenance savings will be evident alongside redesign of processes to drive internal efficiencies.

### **4. Conclusion**

- 4.1 This proposal recommends the replacement of our current Housing software systems into one consolidated system that is fit for purpose and meets the needs of the organisation going forward.
- 4.2 The current software no longer provides value for money due to the extent of the monetary outlay to support the systems and the manual intervention and resources required to enable them to function.
- 4.3 Failure to upgrade/replace unsupported software on the council's network would incur a fine through the Public Services Network (PSN) compliance.
- 4.4 The proposed solution provides savings of £55k per annum on the maintenance and support costs from year 2 onwards.

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# Selby District Council

## REPORT

Reference: E/14/62

Public – Item 9



**To:** The Executive  
**Date:** 8 January 2015  
**Status:** Key Decision  
**Report Published:** 30 December 2014  
**Author:** Karen Iveson – Executive Director (and s151)  
**Executive Member:** Councillor G Ivey – Deputy Leader  
**Lead Officer:** Jonathan Lund, Deputy Chief Executive

**Title:** Selby Leisure Centre

### Summary:

This report sets out the latest cost estimates for Selby Leisure Centre as work nears completion.

Additional work to the car park in front of the leisure centre has been added to the project in order to facilitate the development potential of the remainder of the site and provide a finished site to complement the opening of the new leisure centre.

When the decision was taken to add this work it was anticipated that this could be accommodated within the approved budget for the leisure centre project. However the extent of the works has been greater than envisaged and the contractor for the work has been replaced at short notice and consequently the costs are now in excess of the approved budget.

Latest estimates show a funding shortfall of £201k after inclusion of £390k in respect of the additional car park works. In order to cover the shortfall and retain a level of contingency for the leisure centre project it is proposed that £250k be allocated from the Programme for Growth.

### Recommendations:

**It is recommended that the budget shortfall be noted and that £250k be allocated from the Programme for Growth.**

## **Reasons for the recommendations**

To ensure the project is fully funded.

### **1. Introduction and background**

- 1.1 This report sets out the latest cost estimates for Selby Leisure Centre as work nears completion.
- 1.2 Additional work to the car park in front of the leisure centre has been added to the project in order to facilitate the development potential of the remainder of the site for the proposed Leisure Village and to provide a finished site to complement the opening of the new leisure centre.

### **2. The Report**

- 2.1 The current budget for the leisure centre is £7,329,048 including the All Weather Pitch (£296,998).
- 2.2 In September 2014 it was decided to vary the scope of works to include additional car park works to the front of the leisure centre, following proposals to redevelop the part of the site previously allocated for parking.
- 2.3 At that time the indicative estimate for the works totalled a maximum of £200k based upon outline plans, which could be accommodated within the contingency for the leisure centre. As the proposal offered better value and operational benefits to those proposed with the redevelopment plan, in consultation with the Programme for Growth Programme Board, the car park works were added into the leisure centre project.
- 2.4 Wates, the main contractor for the leisure centre project, were instructed to proceed with submitting a variation to the approved planning permission, developing the car park designs further to establish a firm price for the work and proceeding with the enabling works required.
- 2.5 As part of the detailed design of the car park, detailed costings have been prepared which show that the work required is now estimated at £390k.
- 2.6 The increase in estimate is due to a number of factors – the work required is more extensive than originally anticipated by Wates and their sub-contractor has since gone into liquidation meaning an alternative partner has had to be sourced at short notice, which has increased the cost further.
- 2.7 Whilst this cost is significantly more than the estimate when the variation to the construction contract was approved, it has been challenged by Turner and Townsend (the Council's project managers) and is considered to be reasonable given the circumstances.
- 2.8 Taking into account this additional cost and retaining a £49k contingency, there is currently a shortfall in the leisure centre budget of £250k. It is proposed that this be covered by the Programme for Growth.

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

#### **Legal Issues**

- 3.1 The decision to allocate funds from within existing budgets is within the budget and policy framework of the Council and is a decision that can be taken by the Executive. However as it has arisen at short notice and is a key decision not on the forward plan, the provisions of Executive Procedure Rule 5.5 must be followed. The reason this report is urgent and cannot be deferred until February is in accordance with the Council's Financial Procedure Rules which require the shortfall in budget for the leisure centre to be reported to the Executive immediately.

#### **Financial Issues**

- 3.2 The financial implications are as set out in the report. In addition it should be noted that the inclusion of the car park works within the leisure centre project will mean that the cost of the proposed leisure village on the remainder of the site, will be less than they would otherwise have been, which will have a beneficial impact on the business case for that proposal when it comes forward for consideration.

#### **Impact Assessment**

- 3.3 Inclusion of the additional car park works within the leisure centre project will enable the remainder of the site to be developed in isolation from the newly opened leisure centre and therefore will impact positively on users of the centre.

### **4. Conclusion**

- 4.1 The addition of car park works to the front of the new leisure centre in order to facilitate the proposed Leisure Village, has resulted in a budget shortfall for the leisure centre project. Completion of these works will benefit the operations of the leisure centre when it opens. Whilst this is adding to the cost of the leisure centre it will provide a cost benefit to the Leisure Village when that scheme comes forward for consideration. Therefore it is recommended that funds are allocated from the Programme for Growth to fund the additional car park works required to facilitate the Selby Leisure Village.

### **5. Background Documents**

None

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**Appendices:**

None

# Selby District Council

## REPORT

Reference: E/14/63

Public – Item 10



**To:** The Executive  
**Date:** 8 January 2015  
**Status:** Non Key Decision  
**Report Published:** 30 December 2014  
**Author:** Gillian Marshall Solicitor to the Council  
**Executive Member:** Councillor Mark Crane  
**Lead Officer:** Mary Weastell Chief Executive

**Title:** Tour of Yorkshire Cycle Race

### Summary:

This report advises the Executive of the success in securing Host status for the inaugural Tour of Yorkshire cycle race in 2015 and seeks agreement to earmark up to £100,000 from the commissioning contingency for 2015/16 to meet potential costs. A full report is expected to be presented to the Executive for consideration in February 2015.

### Recommendations:

- i. **To note and welcome the selection of Selby as the host of a start/finish of the Tour of Yorkshire cycle race 2015 and the economic benefits this is likely to bring to the District.**
- ii. **To note that a detailed report will be presented for consideration once the route is confirmed and following detailed negotiations with the race organisers and potential sponsors and partners.**

### Reasons for recommendation

To confirm the commitment to hosting the race and in order to progress detailed discussions.

#### 1. Introduction and background

1.1 Welcome to Yorkshire and Amaury Sport Organisation (ASO) supported by

British Cycling submitted an application to the Union Cycliste Internationale (UCI) for a new, world class professional cycle race in Yorkshire. This was approved and the provisionally titled "Tour of Yorkshire" will be a three-day race with its inaugural event running from 1 – 3 May 2015.

- 1.2 Based on the strong collaboration that has been built up between Welcome to Yorkshire and ASO for the Grand Départ and working in partnership with British Cycling, the race will be a 2.1 UCI Europe Tour event, guaranteeing the participation of some of the world's leading cyclists and providing a fitting legacy to this year's Tour de France visit to Yorkshire. The organisers are strongly committed to create what they hope will become "a breath-taking new race in a region made for cycling".
- 1.3 It is likely that the event will attract a wide promotion of Yorkshire through international TV coverage and the estimated number of visitors; up to one million across the three days. A strong focus will be put on not only sustaining, but further increasing the already outstanding enthusiasm for cycling in the UK.
- 1.4 On 22 December 2014 it was announced that Selby would be one of the start or finish points to the race. Full details of the route will be announced in January 2015.

## **2. The Report**

- 2.1 In order to have 'Host Town' status the Council will be required to make financial contribution in the form of a hosting fee of £100,000 and to commit to providing certain facilities. The exact extent of the commitment will be the subject of a legal agreement between the Council, Welcome to Yorkshire and ASO and will be influenced by the nature of the role Selby will play and the route.
- 2.2 It is expected the Selby will be able to seek sponsorship and partnering opportunities to minimise the direct costs to the District. These will be the subject of on-going discussions as the preparations for the event and route announcement continue. It is anticipated that a report will be brought to the February Executive meeting setting out in more detail the anticipated costs and likely direct contribution required from the Council.

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

### **Legal Issues**

- 3.1 Any agreement relating to the Council becoming a 'host city' for the Tour de Yorkshire will be the subject of a legal agreement between Welcome to Yorkshire and ASO and the District Council.



## **Financial Issues**

- 3.2 It is not possible at this stage to estimate precisely the direct costs of hosting the event and it is therefore recommended that a sum of up to £100,000 be earmarked from Commissioning Contingency in the 2015/16 budget to cover the potential costs.

## **Impact Assessment**

- 3.3 Hosting the race is expected to raise the profile of the District and bring significant economic benefits. The key factors as suggested by Welcome to Yorkshire are up to 900,000 additional spectators over the 3 day event and television coverage on terrestrial TV and across Europe utilising Eurosport Plus worldwide via ASO TV network contacts. In addition, there is the opportunity to showcase the area as a destination and add to the growing enthusiasm and participation in the sport of cycling in the UK. These benefits are likely to exceed by some margin the cost to the Council. Unlike the Tour de France, there will be no central procurement and the Council will be able to source best-value supplies independently and with other Host Towns/Cities. It is expected we will source locally wherever possible to keep money in the region.

## **4. Conclusion**

- 4.1 The status of Host Town is expected to bring significant benefits to the District and a sum of up to £100,000 from the Commissioning Contingency should be earmarked to cover the potential costs.

## **5. Background Documents**

None.

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### **Appendices:**

None.