

# Selby District Council



## Agenda

Meeting: **Executive**  
Date: **Thursday 7 January 2016**  
Time: **4.00pm**  
Venue: **Committee Room**  
To: **Councillors M Crane (Chair), J Mackman (Vice Chair),  
C Lunn, C Metcalfe and D Peart.**

### 1. Apologies for absence

### 2. Minutes

The Executive is asked to approve the minutes of the meeting held on 3 December 2015 (pages 1 to 6 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. **Housing Rents 2016/17 – Key Decision**

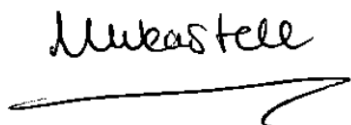
Report E/15/46 presents proposals for Housing Revenue Account rent levels in accordance with Central Government's new policy on rent setting, and asks the Executive to approve the proposed one per cent reduction in rent levels for the 2016/17 financial year (pages 7 to 10 attached).

#### 5. **Organisational Review Update**

To receive a verbal report from the Chief Executive to update the Executive on progress with the Organisational Review following the close of the formal consultation.

#### 6. **Appointments to Outside Bodies**

To receive a verbal report on the change of membership of the Danvm Drainage Board.



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

<b>Dates of next meetings</b>
<b>14 January 2016 - Executive Briefing, 2pm</b>
<b>4 February 2016 – Executive 4pm</b>

For enquiries relating to this agenda please contact Palbinder Mann, Democratic Services Manager on 01757 292207 or [pmann@selby.gov.uk](mailto:pmann@selby.gov.uk).

#### **Recording at Council Meetings**

Recording is allowed at Council, committee and sub-committee meetings which are open to the public, subject to:- (i) the recording being conducted with the full knowledge of the Chairman of the meeting; and (ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact the Democratic Services Manager using the details above prior to the start of the meeting. Any recording must be conducted openly and not in secret.

# Selby District Council



## Minutes

### Executive

Venue:	Committee Room, Civic Centre, Selby
Date:	Thursday 3 December 2015
Time:	4pm
Present:	Councillors M Crane (Chair), C Lunn and D Peart.
Officers present:	Chief Executive, Executive Director (s151), Solicitor to the Council, Director of Community Services, Interim Planning Policy Manger (minute item 75), Executive Director, Communities (minute item 76), Community Safety Project Lead (minute item 76), Core Project Officer (minute item 76), Assistant Policy Officer (minute item 77), Commissioning and Performance Officer (minute item 78) and Democratic Services Manager.
Also Present:	Councillor B Packham
Public:	1
Press:	0

NOTE: Only minute numbers 75 to 78 are subject to call-in arrangements. The deadline for call-in is 5pm on Tuesday 15 December 2015. Decisions not called in may be implemented from Wednesday 16 December 2015.

**70. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors J Mackman and C Metcalfe.

**71. MINUTES**

The Executive considered the minutes from the meeting held on 5 November and the Special meeting held on 19 November 2015.

**RESOLVED:**

**To approve the minutes of the meetings held on 5 and 19 November 2015 for signature by the Chair.**

**72. DISCLOSURES OF INTEREST**

There were no declarations of interest

**73. MEDIUM TERM FINANCIAL STRATEGY (GENERAL FUND) – KEY DECISION**

Councillor Lunn, Lead Executive Member for Finance and Resources presented the report which provided an update to the revised Medium Term Financial Strategy (MTFS) considered by the Executive and Policy Review Committee in September 2015.

The Lead Executive Member for Finance and Resources explained that the Council was still awaiting details of the Local Government Finance Settlement which would be provided as part of the Spending Review.

**RESOLVED:**

**To submit the Medium Term Financial Strategy to Council for approval.**

**REASON FOR THE DECISION**

*To set the framework for the 2016/17 budget and 2016 – 2018/19 Medium Term Financial Plan.*

**74. DRAFT REVENUE BUDGET AND CAPITAL PROGRAMME 2016/17 AND MEDIUM TERM FINANCIAL PLAN – KEY DECISION**

Councillor Lunn, Lead Executive Member for Finance and Resources presented the report on the draft revenue budget and capital programme for 2016/17 to 2017/18.

**RESOLVED:**

**To approve the draft budgets, bids and savings for public consultation and submission to Policy Review Committee for comments.**

**REASON FOR THE DECISION**

*To enable the views of the public and Policy Review Committee members to be gathered through consultation.*

**75. AUTHORITY MONITORING REPORT (AMR), INCLUDING FIVE YEAR HOUSING LAND SUPPLY REPORT**

Councillor Crane, Leader of the Council presented the report which outlined an overall update on the AMR as well as providing new information relating to the forward publication timetable for PLAN Selby and the Council's most recent statement on five year housing land supply.

The Leader of the Council highlighted that the Council now had a housing supply of 5.8 years and it was noted this figure contained a 20% buffer.

Clarification was sought on the breakdown per designated service village of the permissions for housing outlined in table six of the report. It was agreed that this figure could be provided

A query was raised with regard to why the timescales for the Local Development Scheme had changed. The Director of Community Services explained that the consultation for the proposals which was due to take place in January or February 2016 would now be taking place in the summer of 2016. The Executive was also informed that further work needed to be done to the traffic model and traffic surveys still needed to be completed. The Director of Community Services added the delivery date was still aimed to be 2017.

**RESOLVED:**

- i) To note the content of the report and appendices, including the implications of the 5YHLS statement and on-going work on Duty to Co-operate.**
- ii) To endorse the new Local Development Scheme (LDS) timetable for the PLAN Selby Sites and Policies document.**

- iii) **To endorse the updated Five Year Housing Land Supply Methodology and resultant housing land supply figure as set out in the Statement.**

#### **REASON FOR THE DECISION**

- *To comply with the requirements for an Authority Monitoring Report under the Planning and Compulsory Purchase Act 2004.*
- *To inform the Executive of the performance of planning policies against Core Strategy targets.*
- *To enable the publication of an updated Local Development Scheme with regard to the timetable for PLAN Selby.*
- *To enable publication of the latest position on the Five Year Housing Land Supply.*

#### **76. IMPLEMENTATION OF THE “PREVENT” DUTY**

The Executive Director, Communities presented the report which detailed Section 26 of the Counter Terrorism and Security Act 2015, the finding of the self-assessment carried out by the Council and the Action Plan which had been formulated to address the areas identified.

It was agreed that other partnerships and collaborations that the Council was involved in should also be covered. Therefore it was agreed to amend the third resolution to state this.

#### **RESOLVED:**

- i) **To note the scope of the new duty and actions being undertaken to ensure the Council complies with it.**
- ii) **To consider the Selby District Prevent Duty Action Plan 2015/16.**
- iii) **To approve the insertion in all new contracts of requirements to ensure that the “prevent duty” is being addressed including a requirement in larger contracts and other formal arrangements (over £50k in value) that the provider train all staff and appoint a “prevent” champion. Where existing contracts are reviewed the Council**

**should also seek to include such terms where the change is permissible within the scope of public procurement law.**

#### **REASON FOR THE DECISION**

*To comply with the new 'Prevent duty' and Guidance.*

#### **77. CORPORATE ENFORCEMENT POLICY**

Councillor Peart presented the report on the review of the current Corporate Enforcement Policy.

It was clarified that the Executive would set the enforcement priorities and campaigns.

#### **RESOLVED:**

- i) To approve the draft Corporate Enforcement Policy for public consultation.**
- ii) To note that the Executive will set the Enforcement priorities/campaigns.**

#### **REASON FOR THE DECISION**

- To ensure the policy reflects changes to the regulatory framework and best practice.*
- To ensure that appropriate priorities/campaigns are chosen to allow effective allocation of resources.*

#### **78. SELBY DISTRICT CORPORATE PLAN DELIVERY REPORT – QUARTER 2 – 2015/16**

Councillor Crane presented the report which provided details on the Corporate Plan delivery following Quarter 2 of the financial year 2015/16.

#### **RESOLVED:**

**To approve the report.**

#### **REASON FOR THE DECISION**

*The on-going management of performance enables the Council to monitor success in achieving its strategic priorities.*

The meeting closed at 4.35pm

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# Selby District Council

## REPORT

Reference: E/15/46

Public



**To:** The Executive  
**Date:** 7 January 2016  
**Status:** Key Decision  
**Report Published:** 23 December 2015  
**Author:** Kevin Ross – Senior Finance Officer  
**Executive Member:** Cllr C Lunn  
**Lead Officer:** Karen Iveson, Executive Director (S151)

**Title:** Housing Rents 2016/17

### Summary:

This report presents proposals for Housing Revenue Account rent levels in accordance with Central Government's new policy on rent setting. Following the Chancellor of the Exchequer's budget on 8 July 2015, the Welfare Reform and Work Bill requires registered providers to reduce rents by 1% per year for 4 years from April 2016. This move is intended to help protect taxpayers from the rising costs of subsidising rents through housing benefit, and protect tenants from rising housing costs.

This method replaces a revised model introduced from 1 April 2015 to replace rent restructuring. This method was planned to run for 10 years to 2024/25 and from April 2015 was linked to CPI. For 2015/16 this calculation resulted in a 2.2% increase in rents, lower than through the previous rent restructuring regime. To mitigate the impact on the HRA business plan (where larger rent increases had been anticipated) any new tenancies from April 2015 that had not converged with formula (target) rent would be let at target.

Based on the Government's new formula for the 1% rent reduction, rents will reduce from an average £85.36 to £84.51 per week on a 48 rent week basis, an average decrease of £0.85.

## Recommendation:

**The Executive approve the proposed 1.0% average rent decrease for 2016/17.**

## 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 For 2015/16, the Government planned to commit to a new policy for rent setting for 10 years – until 2024/25 based on CPI + 1% increases. This was intended to give long term certainty and stability on rents. CPI at September 2015 was - 0.1%, which would have given a total rent increase of 0.9% prior to Government intervention.
- 1.2 In addition, where a property was not at formula rent by 1 April 2015, the Government expected that following a vacancy the property was re-let at formula rent, thereby the rent did not remain below formula rent permanently.
- 1.3 New tenancies from 1 April 2015 were let at formula rent if the property had not previously converged through rent restructuring. However, from 1 April 2016 the baseline rent is that applicable on 8 July 2015. Therefore, this stops any re-lets being made at formula rent if the previous tenancy had not managed to converge. It is also anticipated that formula rents will reduce by 1% per year for the four years. At this point in time 1,123 properties have not yet converged with formula rent.

### 2. The Report

- 2.1 The 2015/16 weekly average rent, set on a 48 week basis is £85.36 (per Housing Rents report to Executive; 8 January 2015).
- 2.2 Actual and Formula rent increases are calculated using the previous year's rent, except those properties that re-let at formula between 1 April and 8 July 2015 (32 properties in total) less 1%.
- 2.3 **Average Rent Charges on a 48 week basis**

Year	2016/17 Proposed decrease	2017/18	2018/19
Actual Rent £	84.51	83.67	82.83
% decrease	1.0	1.0	1.0
Formula Rent £	86.40	85.54	84.68
% Decrease	1.0	1.0	1.0
Difference Actual vs. Formula £	1.89	1.87	1.85

- 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.
- 2.5 Formula rents on average for 2015/17 are £1.89 per week higher than actual rents on a 48 week basis.

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

#### 3.1 Legal Issues

The 1% rent reduction is subject to the Welfare Reform and Work Bill which is expected to come into force from April 2016.

#### 3.2 Financial Issues

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

	2015/16 (£000)	2016/17 (£000)	2017/18 (£000)	2018/19 (£000)
<b>Budgeted Rent (£k)</b>	12,489	12,199	12,048	11,898
<b>Annual Decrease (£k)</b>		290	151	150
<b>Anticipated position based on last year's budget</b>		12,750	13,015	13,341
<b>Difference</b>		551	967	1,443

The impact of these rent reductions against the corresponding assumptions used for last year's rent setting report show a gap of up to £3m in funding over the next three years, although these figures are influenced by sales, new build and interest rates. By 2019/20, year 4 of the Government's plan, the loss of income is expected to be over £4.5m.

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. The HRA Revenue Budget has been drafted taking into account the reduction in rental income and our immediate investment needs can be covered although it will impact in the longer term. The 30 Year business plan will be updated to reflect this rent loss and will be reported to the Executive in due course.

#### 3.3 Impact Assessment

This move has a negative impact on the overall funding of the HRA, meaning that in the longer term there will be less resource for re-investment in our housing stock. Partially mitigating this (resulting from the stock condition survey)

is a reduction in the HRA Capital Programme although this saving may be utilised to support potential works at the Hillside Estate in Tadcaster, all of which are currently affordable. This is lost funding which will never be recovered to invest in the housing stock and development. In the shorter term, the HRA can meet its current revenue and capital commitments.

**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 if required.

**5. Background Documents**

None

**Contact Details**

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