

# Selby District Council



## Agenda

Meeting: **Executive**  
Date: **Thursday 25 August 2016**  
Time: **4.00pm**  
Venue: **Committee Room**  
To: **Councillors M Crane (Chair), J Mackman (Vice Chair),  
C Lunn, C Metcalfe and R Musgrave.**

### 1. Apologies for absence

### 2. Minutes

The Executive is asked to approve the minutes of the meeting held on 12 July 2016 (pages 1 to 8 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. Car Park Strategy 2017–2020**

Report E/16/11 presents the draft Car Park Strategy 2017-2020 and asks the Executive to approve the Strategy for public consultation (pages 9 to 57 attached).

#### **5. Housing Development at Woodlea/Byram Park Road Flats, Byram, Outline Business Case**

Report E/16/12 outlines the different options available with regard to the development of the above site in Byram (pages 58 to 74 attached).

#### **6. Financial Results and Budget Exceptions Report to 30 June 2016**

Report E/16/13 provides the Executive with details of major variations between budgeted and actual expenditure and income for the 2016/17 financial year to 30 June 2016 (pages 75 to 87 attached).

#### **7. Treasury Management – Monitoring Report to 30 June 2016**

Report E/16/14 reviews the Council's borrowing and investment activity (Treasury Management) for the 3 month period 1 April to 30 June 2016 and presents performance against the Prudential Indicators (pages 88 to 95 attached).

#### **8. Medium Term Financial Strategy (General Fund)**

Report E/16/15 presents an update to the revised Medium Term Financial Strategy (MTFS) approved by Council in February 2016. (pages 96 to 133 attached).

#### **9. Postal Services Collection and Delivery Contract Award**

Report E/16/16 proposes the award of the Council's postal services collection and delivery contract following a regional tender exercise (pages 134 to 136 attached).

#### **10. Green Waste Treatment Procurement**

Report E/16/17 proposes the award of a new framework contract and associated call off contracts for the treatment of green waste collected via the Council's kerbside collection schemes, to replace existing contracts upon expiry (pages 137 to 140 attached).

#### **11. Five Year Housing Land Supply (2015-16)**

Report E/16/18 presents an overall update on the Council's most recent statement on five-year housing land supply, dated 31<sup>st</sup> March 2016 (pages 141 to 163 attached).

**Janet Waggott**  
**Chief Executive**

<b>Dates of next meetings</b>
<b>Thursday 15 September 2016 – Executive Briefing, 2pm</b>
<b>Thursday 22 September 2016 – Additional Executive Briefing, 3pm</b>
<b>Thursday 6 October 2016 – Executive, 1pm</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 12 July 2016
Time:	4pm
Present:	Councillors M Crane (Chair), J Mackman (Vice Chair), C Lunn, C Metcalfe and R Musgrave.
Officers present:	Mary Weastell - Chief Executive, Karen Iveson - Chief Finance Officer (s151), Dave Caulfield – Director of Economic Regeneration and Place, Gillian Marshall - Solicitor to the Council, Mike James - Lead Officer, Communications, Stuart Robinson – Head of Service, Business Development, Glenn Shelley – Interim Manager (Minute items 10 and 12), Vanessa Henley – Benefits and Taxation Officer (Minute items 10 and 12) Keith Cadman - Head of Commissioning, Contracts and Procurement (Minute Item 13), Andy Watmough – Head of Operations, Inspiring Healthy Lifestyles (Minute Item 13), James Cokeham – Head of Strategic Planning, Policy and Economic Development (Minute item 14), Drew Fussey – Business Development Officer (Minute item 15) and Palbinder Mann - Democratic Services Manager.
Also present:	Councillor Bob Packham
Public:	0
Press:	0

NOTE: Only minute number 9 to 15 are subject to call-in arrangements. The deadline for call-in is 5pm on Thursday 21 July 2016. Decisions not called in may be implemented from Friday 22 July 2016.

Executive  
12 July 2016

**7. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**8. MINUTES**

The Executive considered the minutes from the meeting held on 2 June 2016.

It was queried when the updates relating to emergency planning and performance issues would be provided to the Executive. It was noted that updates on these items would be brought to Executive Briefing.

**RESOLVED:**

**To approve the minutes of the meeting held on 2 June 2016 for signature by the Chair.**

**8. DISCLOSURES OF INTEREST**

There were no declarations of interest

*The Chair welcomed Dave Caulfield, Director of Economic Regeneration and Place and Stuart Robinson, Head of Service, Business Development to their first meeting of the Executive.*

**9. SELBY DISTRICT COUNCIL ANNUAL REPORT 2015/16**

Councillor Crane, Leader of the Council presented the annual report which set out the Council's achievements, challenges, and opportunities, the environment which it operated in and its year-end financial position.

The Executive thanked the Lead Officer, Communications for his work in producing the report.

**RESOLVED:**

**To approve the Selby District Council Annual Report 2015/16 for publication**

**REASON FOR THE DECISION**

*To enable the report to be published online, supported by printed copies distributed to key contacts.*

**10. COUNCIL TAX SUPPORT SCHEME 2017/18**

Councillor Lunn, Lead Executive Member for Finance and Resources presented the report which asked the Executive to

Executive  
12 July 2016

review the Council Tax Support Scheme in order to approve for public consultation, new arrangements for 2017/18 and 2018/19.

The Lead Executive Member for Finance and Resources explained that proposals for the new scheme subject to public consultation were to maintain the maximum level of Council Tax Support to be awarded at 90% and along with the other councils in North Yorkshire, to introduce a number of other changes to bring the scheme into line with the Government's welfare reform policies. These changes are intended to strike a proportionate balance between ability to pay and avoiding significant hardship whilst simplifying the scheme.

**RESOLVED:**

- i) To approve public consultation is undertaken on the maximum Tax Support level remaining at the current level of 90%;**
- ii) To approve that public consultation is undertaken on the changes proposed to the Council Tax Support Working Age Scheme as outlined in the report.**

**REASON FOR THE DECISION**

*The necessary public consultation will provide feedback on the Council's proposed scheme to help inform the Council's decision making process.*

**11. FINANCIAL RESULTS AND BUDGET EXCEPTIONS REPORT TO 31 MARCH 2016**

Councillor Lunn, Lead Executive Member for Finance and Resources presented the Council's year-end financial results for 2015/16.

The Lead Executive Member for Finance and Resources explained that after allowing for a number of budgets to be carried forward into 2016/17, there had been surpluses in the General Fund and the Housing Revenue Account (HRA). These surpluses were the results of additional income and overachievement of savings, and would provide additional resources to support the Council's future spending plans. The Lead Member for Finance and Resources also outlined progress on the capital programmes and the Programme for Growth – of particular note was the new Leisure Village in Selby which had remained on track throughout the year.

Discussion took place on the reasons for the surpluses and it was explained that these had largely been due to income, for example

Executive  
12 July 2016

from planning fees and some grants, being higher than anticipated. The Chief Finance Officer assured Executive members that budgets would be reviewed going forward to incorporate any on-going trends.

**RESOLVED:**

- i) **The funds set out in Appendix D of the report (£1.493m Revenue and £3.985m Capital) be carried forward from 2015/16 to 2016/17;**
- ii) **The £608k General Fund surplus is transferred to the Business Development Reserve (£324k) and Contingency Reserve (£284k) to support future cost pressures.**
- iii) **The additional £394k Core HRA surplus be transferred to 'HRA Major Repairs Reserve' to support the future capital programme;**
- iv) **The £10k Access Selby HRA surplus is transferred to 'HRA Balances for reinvestment in services.**

**REASON FOR THE DECISION**

*To allow projects and initiatives not completed in year to be rolled over to the following year and to make adequate appropriations to reserves to mitigate future spending priorities.*

**12. BUSINESS RATE RELIEF ON ACADEMIES AND LIBRARIES**

Councillor Lunn, Lead Executive Member for Finance and Resources presented the report which outlined proposed amendments to the Council's Discretionary Rate Relief Policy.

The Lead Executive Member for Finance and Resources explained that it was recommended that academies were excluded from obtaining discretionary charitable rate relief.

**RESOLVED:**

**To exclude Academies from Discretionary Charitable Rate Relief**

**REASON FOR THE DECISION**

*To ensure the Council's Discretionary Rate Relief Policy is affordable.*

Executive  
12 July 2016

**13. LEISURE CONTRACT ANNUAL REVIEW APRIL 2015 – MARCH 2016**

Councillor Musgrave, Lead Executive Member for Housing, Leisure, Health and Culture presented the report which outlined the sixth formal annual review of the Leisure Contract with Wigan Leisure and Culture Trust (WLCT), covering the period April 2015 to March 2016.

The Lead Executive Member for Housing, Leisure, Health and Culture explained that there had been over 300,000 visitors to Selby Leisure Centre which demonstrated a significant increase from previous figures. The Executive were informed that there had also been a positive performance with regard to the Tadcaster Leisure Centre.

The Head of Operations, Inspiring Healthy Lifestyles explained that in terms of the number of people coming through the door, there had been an increase from the previous year however a further test would come during the winter period where people tended to stay indoors.

With regard to the positive performance from Tadcaster, the Head of Operations, Inspiring Healthy Lifestyles explained that there had been refurbishment work done to the centre which had resulted in a steady increase of visitors.

A query was raised regarding whether the complaints and accident figures were correct in the report. It was agreed that this would be double checked.

**RESOLVED:**

**To endorse the key findings of the report and in particular the performance of inspiring healthy lifestyles Trust to date.**

**REASON FOR THE DECISION**

*To recognise the work inspiring healthy lifestyles has made in delivering the leisure services offer across the Selby District and deliver key aspects of the corporate plan.*

**14. SELBY DISTRICT ECONOMIC DEVELOPMENT STRATEGY 2016-2020 AND BEYOND**

Councillor Metcalfe, Lead Executive Member for Communities and Economic Development presented final consultation draft of the Selby District Economic Development Strategy.

Executive  
12 July 2016



The Lead Executive Member for Communities and Economic Development stated that the strategy was outward looking and would help to ensure that Selby with its excellent transport links played a key role in the Northern Powerhouse region.

The Head of Service, Strategic Planning, Policy and Economic Development explained that there had been a detailed evidence base behind the strategy and it also contained a detailed strategic framework linked to the Council's Corporate Plan.

The Executive praised the strategy however stated that the consultation period should extend beyond the summer holidays to allow for more comments to be received. It was agreed that a consultation period for eight weeks running from August to the end of the September should allow for an effective consultation.

**RESOLVED:**

**To approve the 'Final Consultation Draft' of the Selby District Economic Development Strategy for public consultation.**

**REASON FOR THE DECISION**

*To enable input into the Council's Economic Development Strategy from partners, the District's businesses and the broader community.*

**15. CO-LOCATION AT THE CIVIC CENTRE WITH NORTH YORKSHIRE POLICE**

Councillor Lunn, Lead Executive Member for Finance and Resources presented the report which provided details of the co-location of North Yorkshire Police (NYP) at Selby District Council Civic Centre.

The Lead Executive Member for Finance and Resources explained that the proposal was to relocate the Police to the Civic Centre which would deliver operational savings to both the Police and the Council. The proposal would require an extension of the Civic Centre around which there were two proposals outlined in the report.

The Lead Executive Member for Finance and Resources explained that the proposal had been considered by the Overview and Scrutiny Committee and outlined that they had raised the following queries:

- Why were 32 workstations being built when there would only be 15 staff in the building at any one time? The Lead

Executive  
12 July 2016

Executive Member for Finance and Resources explained that the number of workstations being built had been decided by the Police to enable sufficient work spaces during 'handover periods' and the Council would receive income for the additional space used.

- Was it not possible to convert the existing building? The Lead Executive Member for Finance and Resources explained that this was not possible due to the Police needing lockers, shower and changing room facilities. It was also stated that the Council had the opportunity to increase floor space at a much reduced price.
- Concerns had been raised around security however reassurances had been given that there would be a Police presence at all times.
- Concerns had been raised at the extra car parking required. The Lead Executive Member for Finance and Resources explained that there were proposals in the report to provide an additional 41 staff car parking spaces provided as part of the expansion of the car park.
- A query had been raised regarding the overage clause. The Lead Executive Member for Finance and Resources explained that the National Health Service (NHS) would not be activating the overage clause as the proposals were not for a commercial enterprise purpose.

Discussion took place on the proposals, in particular the amount of car parking spaces which would be required. It was felt that there was already a shortage of car parking spaces and consideration may have to be given in the future for a larger expansion of the car park to create additional spaces.

Concern was raised that the number of police staff in the building at certain times would be higher than the number of extra car parking spaces proposed due the shift change in police staff overlapping by an hour. The Business Development Officer explained that the Police had stated that there would be no more than 38 staff in the building at any one time.

It was acknowledged that the Police would have to submit a planning application for the proposals that would consider travel planning and impact on neighbouring properties.

**RESOLVED:**

- i) **To approve the proposal subject to the approval of Council for the drawdown of**

Executive  
12 July 2016

**up to £415,000 from the Business Development Reserve and the completion of the necessary legal agreements;**

- ii) To authorise the Director of Corporate Services and Commissioning, in consultation with Lead Member for Finance and Resources, Chief Finance Officer and Solicitor to the Council to enter into the detailed legal and financial contracts to enable the co-location based on Option 2 as first preference. If option 2 cannot be negotiated with mutually beneficial terms, then option 1 to be pursued.**

### **REASON FOR THE DECISION**

*To enable the Director of Corporate Services and Commissioning to enter the detailed legal and financial agreements to progress the co-location proposal to a satisfactory outcome for the Council.*

The meeting closed at 5.34pm

# Selby District Council

## REPORT

Reference: E/16/11

Public



**To:** The Executive  
**Date:** 25 August 2016  
**Status:** Key Decision  
**Report Published:** 17 August 2016  
**Author:** Michelle Dinsdale – Policy Officer  
Chris Watson – Assistant Policy Officer  
**Executive Member:** Councillor Chris Metcalfe – Lead Member for  
Communities and Economic Development  
**Lead Officer:** Dave Caulfield – Director of Economic Regeneration  
and Place

**Title:** Car Park Strategy 2017 - 2020

### Summary:

A scheduled comprehensive review of the Council's current Car Park Strategy has been carried out. The outcome is a new draft Strategy which sets the service framework and focuses on town centre vitality; supporting the growth ambitions of the Corporate Plan 2015-2020 and the emerging Economic Development Strategy. The draft Car Park Strategy (Appendix 1) (the 'Draft Strategy') proposes improvements to the appearance of car parks, reviewing the tariff with an aim to support growth and moving to a universal tariff across all of the Council's public car parks. This strategic framework will be implemented operationally by a dedicated action plan. Officers are proposing to undertake a comprehensive consultation on the Draft Strategy from 2 September 2016 to 12 December 2016 which will include: the public, local businesses and elected members. The results of the consultation and recommendations on a final Strategy will be brought to Executive for approval in March 2017.

### Recommendations:

- To approve the draft Car Park Strategy 2017-2020 for public consultation.

### Reasons for recommendations

To obtain views on the Draft Strategy to use the council car parks as a tool to invest in growth and how this can be achieved.

## **1. Introduction and background**

- 1.1 A scheduled comprehensive review of the Council's current Car Park Strategy has been carried out. An outcome of the previous review, which was completed in June 2014, resulted in no changes to the car park tariff scheme in Selby town and a continuation of free parking in Sherburn in Elmet and Tadcaster.
- 1.2 The Draft Strategy has been developed to run alongside and consider the Council's refreshed Corporate Plan (2015-2020), the emerging Economic Development Strategy, the Core Strategy and the Asset Management Strategy (2015-2018). Whilst exempt from the Corporate Charging Policy, the Draft Strategy does consider its principles.
- 1.3 A car park audit has been carried out, which includes identifying provision and current and future demand. In developing the Draft Strategy, the requirements of the three principal settlements within the district have been taken into account, including consideration of all users e.g. residents, shoppers, visitors, local businesses and workers; how provision and charging structures can contribute to the vitality and viability of the town/village centres; how the regulations can be implemented and enforced effectively.
- 1.4 In reviewing our approach to parking, Officers have undertaken a review of comparator and neighbouring authorities. The outcome of which supports the proposals set out in the Draft Strategy.
- 1.5 Since the previous review, there have been several changes in the district which indicate a need to take a different approach to car parks. One of the most significant of these has been the introduction of the Corporate Plan 2015-2020. This has led to the development of a suite of documents including the emerging Economic Development Strategy to deliver the growth ambitions the Corporate Plan sets out. This draft Strategy has been developed to add to this suite and is a building block towards helping the district realise its growth ambitions.
- 1.6 There is a large amount of free parking available in Selby town centre; this is provided by a retail park and supermarket car parks for their customers. Non-customers have taken advantage of this offer, to the detriment of a number of our key anchor tenants. These anchor tenants have responded to this by introducing automatic number plate recognition enforcement in these car parks. Anecdotal evidence suggests that this has led to people now considering where they park, and whether to come into Selby to shop at all. Now is therefore an ideal opportunity for the Council to proactively engage with the public to gather customer intelligence on how the Council's car park provision can complement the current private free offer and attract more people into the town. There are similar restrictions in Sherburn in Elmet. However as parking is currently free in Sherburn's Council owned car parks, Officers understand this is not causing an issue on the same scale as in Selby, but the growth in the village is expected to cause parking concerns in the medium to long term.

- 1.7 The Summit Indoor Adventure in Selby opened in May 2016 and the facility has resulted in increased visitor numbers to the town. Additional on-site parking has been developed and improvements to South Parade and Back Micklegate car park have been implemented to allow for any overspill. These car parks are therefore expecting to receive a higher level of demand. It is hoped that this will also have a positive impact on town centre vitality by increasing footfall in the town.
- 1.8 The flooding and the collapse of the road bridge in Tadcaster in December 2015 has had a significant impact on the town centre economy. Several shops have been closed since this point and the town divided by the river for several months with only foot access to join the two sides of the town. This combined with the heavy long stay use of the Council's car parks providing a barrier to growth means that recovery from the flooding has been slow. Whilst this has had a significant impact on the retail offer in the town local land owners have provided some mitigation by temporarily making land available in the town centre for car park use. Officers recognise that long stay use is popular in the town and any changes may cause concern. Officers are therefore exploring alternative options for long stay parking.

## **2 The Report**

- 2.1 As part of the development stage Officers set up a working group. This working group included key staff from Legal, Finance, Contracts and Operations. The group identified that a lack of usage data was a significant issue to the development of any new tariff and that this would need to be available prior to a review of the tariff scheme. A decision was therefore made to increase the functionality of the new pay and display machines planned to be purchased (within the permitted budget) to allow for data gathering and analysis. In addition to this Operations are exploring options for gathering data in Tadcaster and Sherburn car parks.
- 2.2 A new suite of pay and display machines have been ordered for the car parks in Selby. These will be cash payment only (but with the option of additional functionality available in the future e.g. credit/debit card readers) with a modem allowing collection of accurate usage data. The new machines are expected to be delivered and in place in September. Data from the machines will be collated and analysed and fed into the tariff review the outcome of which will be reported to the Executive in March 2017
- 2.3 In developing this Strategy Officers have undertaken a process of: benchmarking other strategies, neighbouring and economic comparator councils' tariffs, researched national parking studies and worked closely with the local Highways Authority Officers.

- 2.4 Findings from a benchmarking exercise show there is a very strong trend (80%) amongst our neighbouring councils to use undesignated parking i.e. no distinction between short or long stay, meaning that currently Selby District is not consistent with the local area and that over half (60%) of our Chartered Institute of Public Finance and Accountancy (CIPFA) comparator councils offer a period of free parking in some or all of their car parks.
- 2.5 Assessment of local and national policy establishes the need for car parks to support growth in the district. This is set out clearly in the Policy Context of the draft Strategy. In addition to this, national reports such as ‘the Portas Review’ and ‘Re-Think! Parking on the High Street’ set out the need for town centre car parks to compete with out of town shopping centres and encourage supportive tariffs, with the Portas Review suggesting a period of free parking.
- 2.6 Work with the Highways Authority has included a joint approach to improving the directional signage on the highway network to the Council’s car parks. These works are on-going and will help to address a local concern regarding the current poor signage identified in the Market Town Assessments (which were commissioned to contribute to the evidence base of the emerging sites and policies local plan). This joint approach’s primary focus however, is maintaining and developing the close relationship between on and off street parking in Selby District.
- 2.7 These changes to the district landscape and consideration of the local and national policy fed into the view that car parks should be used as an investment for growth in our district. With this in mind Officers developed an economic development focussed overriding objective which the strategy is designed to achieve.

### **Overriding Objective**

- 2.8 The focus of the Draft Strategy is growth, with the overriding objective: “***To use the Council’s car parks as a platform to boost the local economies of the district by improving the customer experience***”.

### **Priorities**

- 2.9 In order to achieve this objective the following five priorities have been identified:
1. To meet customer needs with regard to car park provision;
  2. To establish a fair, sustainable and value for money tariff scheme that supports the use of local facilities by the customers;
  3. To provide well-maintained car park facilities which meet the needs of customers;
  4. To enforce car park charges effectively ensuring equity and consistency for customers; and
  5. To maximise use of car parks for the benefit of the local community and local businesses.

2.10 These priorities will have equal weight and are underpinned by key actions which will form the basis of an operational action plan to implement the Draft Strategy. These priorities set out a number of key changes which will help the car parks achieve their strategic objective.

## **Key Changes**

2.11 The Draft Strategy proposes a number of changes from the existing car park strategy.

The key changes proposed are:

- A Universal tariff, no more long and short stay designations
- A tariff structure in all SDC car parks (including Sherburn and Tadcaster) designed to encourage town centre vitality (to be proposed by set by operations as part of a tariff review)
- Upgrading the appearance of car parks.

These key changes will be supported by:

- Enhanced and well maintained car parks
- Utilising new machines to gather data
- Working with the private sector to provide bespoke solutions where necessary.

These changes will all support:

- Making the Council's car parks the natural choice for town centre customers
- Local small businesses by capitalising on the car parks central locations increasing footfall
- The larger businesses such as the supermarkets; as the current tariff scheme is displacing town centre users into their car parks to the detriment of these key retail anchor tenants
- The needs for the long stay parker, e.g. exploring options for a supportive permit scheme, or working with a private car park owner.

## **Consultation**

2.12 If approved, consultation would take place from 2 September 2016 to 12 December 2016. This extended period of consultation is proposed to allow officers to incorporate all the Community Engagement Forums (CEFs), in particular the Central, Western and Tadcaster and Villages CEFs.

2.13 To encourage engagement with key commercial stakeholders and to garner comments and feedback on the overarching approach, it is proposed that a number of businesses/anchor tenants will be contacted. This would include, for example, high street retail businesses in Tadcaster and the large town-centre supermarkets in Selby. The full list of consultees is attached at Appendix 2.



## **Timeline**

- 2.14 It is anticipated that the new machines will be operational by the beginning of September (approximate) and that data will be gathered during the period September to November 2016. Following analysis of the usage data a report will be taken to the Executive, seeking approval to undertake public consultation on a proposed revised tariff scheme.
- 2.15 The length of the timeline will ultimately result in a delay in introducing any new tariff in Sherburn and Tadcaster.
- 2.16 A report will be brought back to Executive on 2 March 2017 following the consultation with details of responses and any proposed changes to the Draft Strategy.

## **Implementation**

- 2.17 The Draft Strategy represents a major shift in attitude towards the Council's car parks. The car parks will be a tool for investing in growth in line with the Corporate Plan, helping promote town centre vitality by putting customers at their heart.
- 2.18 Implementing this shift may have financial implications, the extent of which cannot be currently modelled. The current lack of car park usage data and robust financial modelling will be addressed in Selby by the introduction of new machines which have data capture technology. Officers are currently exploring options for gathering usage data for Sherburn and Tadcaster.
- 2.19 The result of this project will see Operations develop an action plan guided by the Draft Strategy, managing data gathering and analysis from new machines (which have been procured by Contracts). It will also see operations raising relevant bids for improvement works.

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

### **Legal Issues**

- 3.1 The Draft Strategy does not propose a new tariff scheme, rather an approach to the setting of a new tariff scheme. Any new/revised tariff scheme resulting from the approach set in the Draft Strategy would need to follow a legislative procedure, which includes a period of public consultation, and be enacted by an order under the Road Traffic Regulation Act 1984.

## **Financial Issues**

- 3.2 Information provided from Finance shows that the income received from car parks in the year 2015/16 stands at £349,278. This is an increase of £6,445 from 2014/2015, which is partly attributed to the income from the new leisure centre car park and could indicate usage of Council car parks has increased slightly as fees have remained frozen over this period. The day to day running costs of delivering the car park service in the year 2015/2016 were £156,820, which do not include major repairs or resurfacing costs. Regular contributions are made to the Council's Buildings Repairs and Projects (Asset Management) Reserve to smooth the impact of such fluctuating costs.
- 3.3 In respect of future investment needs, funding will be required both to invest more in routine maintenance and to carry out improvement works and enhancements proposed in the draft strategy. In order to facilitate implementation of the strategy an operational Action Plan, which will include full financial implications, will be developed and brought before the Executive.
- 3.4 There is a risk that introducing changes to tariffs aimed at supporting growth will have a significant impact on the long term viability of the car park service, though this is a crucial action in achieving the overall objective of the Draft Strategy. Any adverse impact on the Council's overall financial outlook would require either reprioritisation of resources, and/or savings against other services. The proposed collection and analysis of usage data will therefore enable vital financial modelling to be carried out.
- 3.5 However, it should be noted that any introduction of a tariff scheme to Sherburn and Tadcaster will be new income which previously was not available. This will therefore contribute to mitigation of any baseline income losses any changes to the tariff scheme to support town centre vitality may cause.
- 3.6 Tariffs will remain the same until a tariff review is completed. The full extent of financial implications will be detailed in a tariff review report to Executive in March 2017.

## **Impact Assessment**

- 3.7 The Draft Strategy will help the Corporate Plan achieve its goals by helping make Selby District 'a great place' to: do business; enjoy life; and make a difference. These are supported by SDC delivering great value under the Corporate Plan. It will achieve this through the introduction of a new car park emphasis which focuses on our car parks to fulfil their potential as an economic development tool and enhances the user experience. It aims to ensure spaces are available for visitors, whilst still considering the needs of workers.

- 3.8 Equality, Diversity and Community Impact Screenings have been completed for each of the principle settlements which have not highlighted any significant impacts on the protected characteristics. However, Priority 1 of the draft strategy looks to ensure the needs of disabled customers are met.
- 3.9 Officers have received contact from key anchor retail tenants in the district asking for the District Council to offer support for their business through supportive use of our car parks.

#### **4. Conclusion**

- 4.1 A draft customer focussed car park strategy which aims to achieve growth for the district as part of a suite of documents including the Corporate Plan and emerging Economic Development Strategy has been developed. Officers propose a wide consultation to gather the views of the customer, the general public, local businesses and elected members. A report containing the findings of this consultation and any proposed changes to the Draft Strategy will then be brought back to Executive on 2 March 2017. In addition a report detailing the outcome of the tariff review will also be brought before the Executive in March 2017.

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

Equality, Diversity and Community Impact Screenings

##### **Contact Officers:**

Michelle Dinsdale  
Policy Officer  
Selby District Council  
[mdinsdale@selby.gov.uk](mailto:mdinsdale@selby.gov.uk)

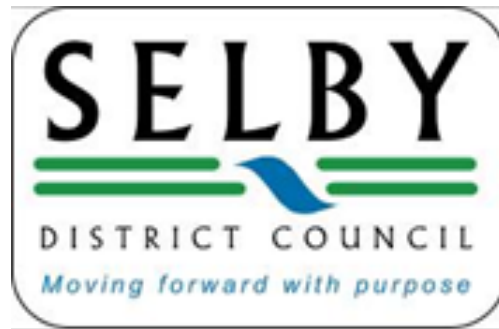
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**Appendices:**

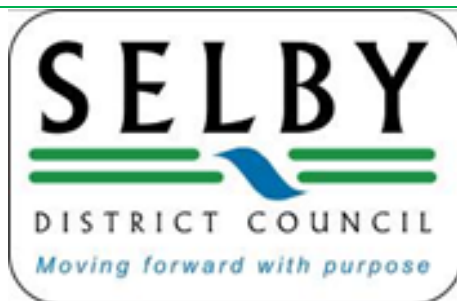
**Appendix 1:** Draft Car Park Strategy 2017-2020

**Appendix 2:** List of Consultees



# Car Park Strategy 2017-2020





## Contents

Portfolio Holder Statement .....	i
Executive Summary .....	ii
Part 1: Background .....	1
1. Introduction .....	1
2. Provision and Demand .....	3
Part 2: What Are We Going to Change?.....	10
3. Overriding Objective.....	10
4. Priorities.....	12
Part 3: How Are We Going to Change It?.....	19
5. Action Plan.....	19
Part 4: How Will We Know this Strategy Has Been Successful? .....	20
6. Measuring Success.....	20
7. Key Performance Indicators .....	21
Appendix A - Policy Context.....	22
Appendix B - District Profile.....	27
Appendix C - Benchmarking Evidence .....	29
Appendix D - Maps	

## Portfolio Holder Statement

I am pleased to introduce the District Council's 2017-2020 Car Park Strategy.

This strategy forms part of a suite of documents which contribute to the delivery of the Council's Corporate Plan 2015-2020 priorities focussing on developing growth and prosperity in the district.

Improving the customers' experience of using our car parks is at the heart of this strategy. When developing this strategy we have considered what influences customers' parking choices and identified the changes which need to be made to our current car park offer in order to ensure customers' expectations are met. By meeting these expectations we are responding to the needs of our local retailers; we are supporting increased use of the town centres and encouraging their economic growth and vitality. This strategy reflects the needs and requirements of all car park users and the wider community as we move forward in these challenging times.



**Cllr C Metcalfe**

**Portfolio Holder for Communities and Economic Development**

## Executive Summary

The existing car park strategy was last reviewed in 2014, however, since this time a new Corporate Plan has been introduced. The existing strategy focussed primarily on Selby and aimed to encourage turnover in short stay car parks through fees and supported long stay parkers with competitive all day rates. The existing fee structure, however may not align with the new Corporate Plan.

The short stay fees do not compliment the private short stay provision in Selby. The short stay provision is provided primarily by supermarkets and a retail park which have a free offer (of at least 2 hours). The fees in our car parks may be displacing users into these free supermarkets to the detriment of those businesses.

Car parks in Sherburn and Tadcaster do not have any restrictions placed on them. This leads to users parking long stay and not supporting local businesses by restricting customer turnover. Ease of parking and availability of spaces is cited as a key consideration of users<sup>1</sup>. The unrestricted long stay parking in town centres prevents this.

With this new strategy we are focussed on using the car parks as a tool for growth as part of a number of key documents to support the Corporate Plan. To achieve this, several changes are being introduced, these include a move away from long and short stay designated car parks to a universal approach and the introduction of a supportive tariff structure which promotes growth in all Council owned public car parks.

To implement this strategy the Council will ensure that it:

- Understands the main types of town centre user in each of the three principal settlements;
- Recognises the importance of car parks as a gateway to the town by improving their appearance and maintenance;
- Improves signage to the car parks to support tourism and usage (prevent customers navigating away from the town);
- Sets a tariff scheme which supports local businesses or town centre vitality.

In order to ensure the strategy achieves a positive economic impact on town centre businesses and improves the customer experience there will be a 12 month post-implementation review. This review will help us to identify any changes in usage trends and assess the impact of the strategy on town centre vitality.

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<sup>1</sup> <http://thegreatbritishhighstreet.co.uk/pdf/GBHS-What-Works.pdf?2> (page 10)



## Part 1: Background

### 1. Introduction

- 1.1. This strategy relates to off-street parking in Council owned car parks in Selby District. The on-street parking is managed by North Yorkshire County Council (NYCC). We have and will continue to work closely with NYCC to identify and mitigate any potential detrimental effect to the Highway Network as a result of this strategy.
- 1.2. This strategy replaces the Council's previous Car Park Strategy from 2013. This new strategy is to run alongside and support our refreshed Corporate Plan (2015-2020), emerging Economic Development Strategy 2016-2020, Core Strategy, Asset Management Strategy 2015-2018 and Corporate Charging Policy. The Policy context is set out in more detail at Appendix A.
- 1.3. The emphasis of this strategy is to use our car parks to fulfil their potential to contribute towards town vitality and enhance the user experience
- 1.4. In line with the Corporate Plan this new approach will make Selby District a great place to:
- **do business:** by increasing the offer of our car parks, customers are encouraged to come to the District for retail and leisure purposes. Thereby supporting local businesses and the vitality of both the day time and night time economies.
  - **enjoy life:** by improving the customer experience, particularly through increasing the convenience of using our car parks. We will encourage short stay shopping and longer stay tourism and leisure, aiding the promotion of culture and health in the District.
  - **make a difference:** by improving access to car parking services, enabling customers to pay electronically and online.
- 1.5. These priorities will be supported by Selby District Council delivering **great value**, ensuring its vision of a council which is customer focused, business like and forward thinking.
- 1.6. The overriding objective of this strategy is:

***“To use the Council’s car parks as a platform to boost the local economies of the District by improving the customer experience”***

- 1.7. Selby district is rural in nature and is surrounded by larger economies, such as York and Leeds. As a result the district is subject to a lot of out commuting for work, retail and leisure activities (a more detailed district profile can be found at Appendix B). By encouraging local retail use and following the opening of the Summit Indoor Adventure alongside work to improve our culture and tourism offer, we aim to retain some of this retail and leisure market locally boosting town centre vitality.
- 1.8. When developing this strategy a benchmarking exercise was carried out with both our neighbouring authorities and our CIPFA nearest comparative authorities. This found that our neighbours do not designate car parks i.e. no short and long stay car parks and therefore in terms of consistency for our customers we should not.
- 1.9. This benchmarking also showed the majority of our CIPFA comparative authorities are offering a period of free parking to their customers. Given they are similar economies to Selby District's; this would suggest we should explore a different and potentially more supportive tariff structure universally in our car parks. Detailed information about the benchmarking exercise can be found at Appendix C.

## 2. Provision and Demand

- 2.1. This section looks at customer needs and the current car parking provision on offer, both Council and Non-Council. It also assesses the current and future demand across the principal settlements within the District. It will explore each of the individual settlements in turn setting out what provision and demand is currently and what issues and opportunities these present. Identifying our customers and their needs is crucial to the success of this strategy.
- 2.2. There are some characteristics which are shared across all customer types. The British Parking Association commissioned a study into finding the top 10 factors which dictate a driver's choice of car park<sup>2</sup>. This list is as follows:

Ranking	Car Park Factor
1	Location
2	Personal safety
3	Safe environment
4	Tariffs
5	Ease of access
6	No/little queuing
7	Number of spaces
8	Effective surveillance
9	Size of parking space
10	Appropriate lighting

- 2.3. In addition to the top 10, method of payment and cleanliness were also noted as a raised consideration. Due to limited resources the Council will need to target investment and improvement into elements that will make the most difference to the customer experience.

<sup>2</sup> <http://thegreatbritishhighstreet.co.uk/pdf/GBHS-What-Works.pdf?2> (page 10)

## Selby

### Provision

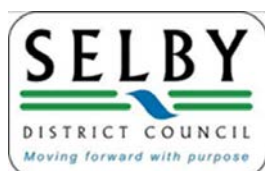
Council Car Parks			Non Council Car Parks		
Location	Designation	Number of Spaces	Location	Designation	Number of Spaces (approximate)
Audus Street	Short stay	51	Abbey Walk Retail Park	Short stay	292
Back Micklegate	Long stay	198	James Street	Short stay	18
Church Hill	Short stay	8	Morrisons	Long stay	200
Market Cross	Short stay	48	Selby Train Station	Long stay	130
Micklegate	Short stay	52	Station Road	Long Stay	70
Portholme Crescent	Short stay	140	Tesco, Portholme Road	Short stay	200
Portholme Road	Long stay	106	Wetheralls, Abbey Yard	Short stay	31
Selby Leisure Centre	Short stay	130			
South Parade	Short stay	54			
The Park	Short stay	32			
<b>Total</b>		<b>819</b>			<b>941</b>

### Council

2.4. There are 10 Council public car parks located in Selby town. As the above table shows, all 10 car parks are designated as either short stay (8) or long stay (2). There are fees for each of these set out in section 4.1. All the car parks are centrally located as can be seen on the map at Appendix D. There is no coach parking provision currently in Selby. The Council shares a car park with Selby War Memorial Hospital at its Civic Centre, this car park will not be considered as part of this strategy.

### Private

2.5. There is both long and short stay chargeable provision available privately in Selby, all of which is subject to restrictions. The long stay paid provision is popular with commuters due to its proximity to the train and bus station. There is also short stay parking offered by supermarkets and a central retail park which is free to park, but restricted to time and customers only. This private parking and its designation can also be seen on the map at Appendix D.



**Demand:**

2.6. The following table provides details of current demand and any potential future impacts on the future demand for car parks in Selby, which have been considered when drafting this strategy.

Current	Future
<ul style="list-style-type: none"> <li>• Based on analysis of the most recent income figures and a number of site visits, usage appears to have increased slightly (compared to the 2013 survey figures)</li> <li>• Portholme Crescent and Portholme Road car parks continue to be under performing/have low usage</li> <li>• The most recent car park survey in Selby town was undertaken in October 2013 and showed that overall Selby District Council car parks were at 38% capacity and there is no evidence to suggest there has been a significant change</li> <li>• Currently availability of spaces is not an issue<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• An anticipated increase in demand due to:               <ul style="list-style-type: none"> <li>○ The opening of the Summit Indoor Adventure (including potential demand for coach parking); and</li> <li>○ The Core Strategy indicated growth in Selby Town</li> <li>○ the popularity of the train station and out commuting<sup>4</sup></li> </ul> </li> <li>• An anticipated shift in demand due to:               <ul style="list-style-type: none"> <li>○ Drivers reconsidering where they choose to park, as a result of more parking fines being issued following the implementation of increased enforcement in a number of the supermarket car parks</li> </ul> </li> </ul>

**Opportunities and Issues:**

2.7. The above information and the District profile has enabled a list of current and future opportunities/issues to be compiled.

<sup>3</sup> Based on the Council's latest Survey of Usage (October 2013)

<sup>4</sup> <http://orr.gov.uk/statistics/published-stats/station-usage-estimates>

Current	Future
<ul style="list-style-type: none"> <li>• Car parks are clustered and users not defined</li> <li>• A need to attract/direct users to car parks located the furthest from the town centre, in particular long stay, to ensure spaces are available in central car parks for appropriate users, e.g. shoppers and visitors/tourists</li> <li>• A need to introduce monitoring of the impact of free parking initiatives e.g. Small Business Saturday and Christmas on car park usage</li> <li>• A need to monitor the impact on car park usage of District/town events e.g. Tour de Yorkshire, annual food festival etc.</li> <li>• A need to facilitate a shift in parking habits (for non-supermarket customers) from supermarket car parks to Council owned car parks to support town centre vitality</li> </ul>	<ul style="list-style-type: none"> <li>• Explore need and if necessary options for coach parking</li> <li>• Explore options for incentives for long stay parkers to move to underused car parks (Portholme Crescent and Portholme Road) e.g. the introduction of discounted permits for these car parks</li> <li>• Monitor measures aimed to free up spaces in central private car parks for their customers</li> <li>• Consideration of the needs of the car park users in relation to required length of stay</li> <li>• Potential links to PLAN Selby regeneration areas and wider master planning work</li> </ul>

## Sherburn- in -Elmet

### Provision:

Council Car Parks			Non-Council Car Parks		
Location	Designation	Number of spaces	Location	Designation	Number of spaces
Church View	None	29	Aldi, Low Street	Short	76
Elmet Social Club	None	15	Co-op, Finkle Hill	Short	60
<b>Total</b>		<b>44</b>			<b>136</b>

### Council

2.8. There are 2 Council car parks in Sherburn village centre. These two car parks are free to park and have no restrictions. The car parks are centrally located as can be seen on the map at Appendix D. There is no coach parking provision currently in Sherburn.

### Private

2.9. There are a number of private off-street parking options in Sherburn, as can also be seen on the map at Appendix D. These range from supermarket parking to small shop front parking areas. All these free parking offers are restricted to customer use,

with some also restricted to time. There is currently no chargeable off street parking provision in Sherburn.

### Demand:

2.10. The following table provides details of current demand and any potential future impacts on the future demand for car parks in Sherburn, which have been considered when drafting this strategy.

Current	Future
<ul style="list-style-type: none"> <li>• Suggestion that the capacity of council owned car parks are approximately 50% - based on a number of site visits by officers</li> <li>• In the town centre demand is not met. This is based on:               <ul style="list-style-type: none"> <li>○ Parish Council information;</li> <li>○ discussions with District Councillors; and</li> <li>○ the 2015 Market Town Study</li> </ul> </li> <li>• There is limited parking at the train station located on the outskirts of the village towards the industrial estate</li> </ul>	<p>Future demand anticipated to increase due to:</p> <ul style="list-style-type: none"> <li>○ the number of new businesses relocating to the industrial estate on the outskirts of the village;</li> <li>○ the level of on-going and future housing development planned in the village; and</li> <li>○ the popularity of the train station and out commuting<sup>5</sup></li> </ul>

### Opportunities and Issues:

2.11. The above information and the District profile has enabled a list of current and future opportunities/issues to be compiled.

Current	Future
<ul style="list-style-type: none"> <li>• Lack of signage leading to a lack of awareness of Council car park existence (out of sight of the high street) and the location (a short walk from the high street)</li> <li>• Insufficient provision - it is imperative that the Council looks to promote its car parks in Sherburn to ease the current parking problem in the village and the anticipated future increase in demand</li> </ul>	<ul style="list-style-type: none"> <li>• Explore need and if necessary options for coach parking</li> <li>• There is currently a need for more spaces at the train station for commuters and it is anticipated that this need will become even greater in the long term</li> <li>• Consideration of the needs of the main car park users in relation to the required length of stay</li> <li>• Potential links to PLAN Selby regeneration areas and wider master planning work</li> </ul>

<sup>5</sup> <http://orr.gov.uk/statistics/published-stats/station-usage-estimates>

## Tadcaster

### Provision:

Council Car Parks			Non-Council Car Parks		
Location	Designation	Number of spaces	Location	Designation	Number of spaces
Britannia Street	None	90	Sainsburys, Mill Lane	None	112
Central Area (Chapel Street)	None	154			
<b>Total</b>		<b>244</b>			<b>112</b>

### Council

2.12. The Council owns 3 car parks in Tadcaster; however, one is included in the lease for Tadcaster Leisure Centre and will not be considered as part of this strategy. The remaining 2 car parks are set out above (and can be seen on the map at Appendix D)

### Private

2.13. There is limited private off-street parking in Tadcaster as can also be seen on the map at Appendix D. This provision, whilst free and unrestricted to time, is restricted to use for customers only e.g. a national supermarket chain, the council's leisure centre and the community swimming pool. There is currently no chargeable off street parking provision in Tadcaster.

### Demand:

2.14. The table overleaf provides details of current demand and any potential future impacts on the future demand for car parks in Tadcaster, which have been considered when drafting this strategy.



Current	Future
<ul style="list-style-type: none"> <li>• Shoppers and visitors struggle to find a space in Central Area car park - long stay parkers taking space – based on:               <ul style="list-style-type: none"> <li>○ Observations (Cllrs, officers and local businesses); and</li> <li>○ the Market Town Study (June 2015)</li> </ul> </li> <li>• Car parks popular with long stay parkers</li> <li>• A survey of use for Central Area Car Park (carried out by Tadcaster and Rural Community Interest Company in March 2015) showed that across an average day the car park was on average at 87% (135 of 155 spaces) capacity and that 115 cars were parking for 4 hours or more.</li> </ul>	<p>An anticipated increase due to:</p> <ul style="list-style-type: none"> <li>○ aspirations of the Economic Development Strategy – i.e. the development of retail and tourism offer in town centre</li> </ul>

### Opportunities and Issues:

2.15. The above information and the District profile has enabled a list of current and future opportunities/issues to be compiled.

Current	Future
<ul style="list-style-type: none"> <li>• The need to reduce the number of cars which are parked all day in Central Area car park, to free up space for visitors/shoppers</li> <li>• Lack of turnover in car parks leading to visitors/shoppers not visiting due to space availability issues</li> </ul>	<ul style="list-style-type: none"> <li>• Explore need and if necessary options for coach parking</li> <li>• Explore options for regular long stay car park users e.g. traders and workers, alternative provision, which takes into account convenience and affordability</li> <li>• Consideration of the needs of the main car park users in relation to the required length of stay</li> <li>• Potential links to PLAN Selby regeneration areas and wider master planning work</li> </ul>

## Part 2: What Are We Going to Change?

### 3. Overriding Objective

- 3.1. This strategy has been designed to utilise the Council's car parks as a tool for economic growth and town centre vitality. Complementing the free offers provided by anchor retail tenants and improving the car park experience for customers. Ensuring we understand who our customers are, what our customers' needs are and how we can best support them is therefore crucial to the success of this strategy.

***“To use the Council's car parks as a platform to boost the local economies of the District by improving the customer experience”***

- 3.2. There are a number of elements of the previous Car Park Strategy which do not fully support the overriding objective of this strategy. This strategy acknowledges the need for change and sets out the framework to guide the Council's new approach to car parking provision.
- 3.3. Convenient free parking is offered from supermarkets and a central retail park in Selby. Whilst the Council car parks are free and unrestricted in Sherburn and Tadcaster, this brings its own issues of not encouraging turnover. Sherburn and Tadcaster also have free parking on key anchor retail tenant sites.
- 3.4. Whilst restricted to customers, the private provision in Selby is being utilised by non-customers to visit Selby town centre to the detriment of the businesses. This has been demonstrated to us through consultation with one of the supermarkets and the retail park. Users are taking advantage of the free supermarket and retail park car park offers which could ultimately have a negative impact on the vitality and sustainability of the town centre, potentially placing the on-going presence of these anchor retail tenants at risk.
- 3.5. The current Council car park provision has the potential to do more to promote town centre vitality and sustainability through improvements to the customer experience. There is a need for regular turnover of spaces creating 'churn' to ensure sufficient provision is available for short term use by visitors and shoppers to the town centres. There is scope for the current tariff scheme to better support the vitality of local shops

and the town centre in this way. Through enhancing the customer experience this strategy aims to bring about a shift in parking behaviour, making the Council's car parks the first choice for town centre users.

- 3.6. The introduction of pay and display parking, including a supportive tariff scheme which promotes growth in all Council owned public car parks is therefore paramount to achieving this strategy's over-riding objective.
- 3.7. The improvements to the customer experience, leading to thriving town centres (and therefore improved local economies) are golden threads which run through five key priorities (listed at section 4.1.) which underpin the above objective.
- 3.8. The priorities and supporting actions have been developed to meet this objective. When developing these priorities we have taken into account the requirements of each of the principal settlements, namely: Selby, Sherburn in Elmet and Tadcaster.

## 4. Priorities

- 4.1. The evidence and context outlined throughout this document has led to the identification of strategic issues that need to be addressed as part of this strategy. These strategic issues can be summarised into 5 broad priorities:
1. **To meet customer needs with regard to car park provision;**
  2. **To establish a fair, sustainable and value for money tariff scheme which supports the use of local facilities by the customers;**
  3. **To provide well-maintained car park facilities which meet the needs of customers;**
  4. **To enforce car park charges effectively ensuring equity and consistency for customers; and**
  5. **To maximise use of car parks for the benefit of the local community and local businesses.**
- 4.2. It should be noted that the priorities are not listed in order of importance and equal weight should be attributed to each priority. These priorities are explained in greater detail overleaf:

## **Priority 1: To meet customer need with regard to car park provision.**

*“Parking provision can determine where we choose to live, work, shop and play. Sensible, well thought out parking policy can help build a strong and vibrant economy.”<sup>6</sup>*

This priority is ensuring parking provision meets the needs of all customers. It takes into account demand both in the short term and the long term, in order to cater for anticipated increased visitor numbers, and housing and employment growth in the District. This growth is expected through projects such as the Summit Indoor Adventure, Olympia Park and the Core Strategy’s growth ambitions generally.

### **Actions:**

1. Move away from long and short stay designation to a universal approach
2. Identify who are our key customers and the appropriate car parks for them
3. Use signage to direct users to appropriate car parks
4. Monitor usage in car parks on an on-going basis
5. Work with private sector to ensure adequate provision
6. Ensure the specialist needs of customers are met e.g. disabilities, parent and child
7. Ensure adequate coach parking provision

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<sup>6</sup> Federation of Small Businesses ‘Keep Trade Local’ September 2008

## **Priority 2: To establish a fair, sustainable and value for money tariff scheme which supports the use of local facilities by the customers.**

*“There is no simple formula that can be given on determining the right kind of tariff to be introduced nationally because every location is exposed to an individual set of dynamics and factors. The only universal answer is that local authorities and other operators must develop a plan for parking provision that faces up to the question, “What and who is our parking for?” and compliments a wider strategy for accessibility that again, fits with a strategy for the town centre or local authority area”<sup>7</sup>.*

This priority is about establishing a tariff scheme that takes account of, and addresses a number of issues which currently exist in the District. It acknowledges the need to set a level of charge which does not deter users from parking in Council car parks. This priority should ensure the tariff scheme does not displace users from our car parks and into car parks that are not intended for them (e.g. supermarket car parks if not using the supermarket). We want to support those businesses by moving people into our car parks allowing their customers to always have enough provision. The tariff scheme should not displace customers to the on-street offer. Over-reliance on on-street parking has detrimental effects on congestion, pollution and threatens the safety of town centre users.

The tariff scheme should help support the customer experience and boost local businesses by being simple and consistent. This support should allow for turnover of spaces for shoppers and support those who wish to stay in the town centre longer. Whether this local business is retail, tourism, day or night time economy, it's about boosting the local vitality for businesses by putting the customer at the heart of the tariff scheme. Supporting our wider Corporate Plan and Economic Development Strategy for the benefit of the customers is the key aim for the tariff scheme.

The key principles outlined in the Corporate Charging Policy will be considered to ensure transparency and consistency.

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<sup>7</sup> Re-Think! Parking on the High Street – Guidance on Parking in Town and City Centres by Ojay McDonald, 2013

**Actions:**

1. Undertake a comprehensive review of the tariff schemes in Council owned public car parks, factoring in the demands/needs of customers and setting the tariff scheme at a level that promotes usage/economic growth in the district.
2. Continue to offer free parking in all Council owned car parks after 6.00pm
3. Continue to offer free parking on Sundays
4. Continue to offer free parking to disabled customers with a valid badge
5. Undertake regular usage surveys/analyse pay and display machine data.
6. Monitor and analyse car park income and expenditure data (and where appropriate take action)

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### **Priority 3: To provide well-maintained car park facilities which meet the needs of customers.**

*“Out-of-town centres create an environment where the shopper comes first, with wide footways and pedestrianized streets, and good public transport links such as free buses. This has taken business away from our high streets. In order to be places that people want to visit, high streets need to be accessible, attractive and safe.”<sup>8</sup>*

Appearance is a key consideration in our car parks. Our car parks are gateways to the settlements and the launch-pad to the customer experience of our District. Therefore, it is important that car parks are kept in good condition and repair; and are visually appealing and provide a welcoming environment which orientates customers.

Therefore, this priority is about ensuring a positive customer experience. This will be achieved through ensuring our car parks offer a safe and welcoming environment, with facilities which meet the general needs of all customers e.g. new pay and display machines, or the more specific needs of certain customers e.g. information boards for visitors.

As the launch-pad to the customer experience in the District our car parks need to meet the expectations of a customer. This means that they should be in good repair, clearly marked, visually appealing and help signpost the customer to key attractions in the settlement.

Machines should be reliable and efficient. Machines should also be ‘future-proof’, enabling easy upgrades.

#### **Actions:**

1. Aim for all car parks to have and maintain the Park Mark standard
2. Devise a maintenance plan based on the individual car park condition survey recommendations
3. Enhance the appearance of Council owned car parks
4. Provide information boards with maps
5. Provide the option for telephone payments in Council car parks
6. Provide electric car charging points in appropriate Council car parks
7. Provide cycle lockers in appropriate Council car parks

<sup>8</sup> *The Portas Review* (2011), Mary Portas



#### **Priority 4: To enforce car park charges effectively ensuring equity and consistency for customers.**

*“Local authorities should seek to improve the quality of parking in town centres so that it is convenient, safe and secure... They should set appropriate parking charges that do not undermine the vitality of town centres. Parking enforcement should be proportionate.”<sup>9</sup>*

This priority is about ensuring the appropriate level of effective enforcement is in place. It is about delivering fairness and ensuring safety for all users e.g. taking action against those who choose not to pay, park outside designated bays, park beyond their ticket time etc.

This priority is not about using Civil Parking Enforcement (CPE) as a revenue generation tool. No financial targets or bonuses should be assigned to the issuing of Penalty Charge Notices (PCN's).

To ensure this is effective and fair, it should be carried out in all Council owned car parks, complement parking and be transparent in terms of PCN's issued and the number of appeals, including how many were successful.

#### **Actions:**

1. Ensure that sufficient, effective enforcement is in place in all pay and display car parks in the District.
2. Publish enforcement performance data.

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<sup>9</sup> Paragraph 40 National Planning Policy Framework 2012

## Priority 5: To maximise use of the car parks for the benefit of the local community and local businesses.

*“Car parking charges must be viewed more holistically as part of an accessibility strategy for town centres which takes into account the need to promote its businesses. Such a strategy should lead to the intelligent utilisation of parking provision to support the town centre.”<sup>10</sup>*

This priority is about ensuring that we make the best use of our assets, through influencing parking behaviour to maximise use of the car parks. Through improvements to the customer experience, we can influence parking behaviour and trends.

Through understanding customer needs and demand, introducing a supportive tariff scheme and offering value for money permits, we are able to maximise Council car park use. By offering value for money permits we can encourage use of a previously underutilised car park. Where an alternative option for a car park is proposed it will be assessed for its benefit for the local community and local businesses.

It is important to make the Council car parks the first choice for customers. This may be, for example, by making the tariff competitive with the alternative private provision. It may also be by improving the signage (both physical and online) in order to raise awareness of existence and location of Council car parks.

### **Actions:**

1. Offer and promote value for money permits for underused car parks
2. Improve online information about the car park offer
3. Work with NYCC to improve highway signage/directional signage of the Council's car parks
4. Consider alternative uses for car parks if a broader benefit can be demonstrated e.g. town centre regeneration.

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<sup>10</sup> Re-Think! Parking on the High Street: Guidance on Parking Provision in Town and City Centres (Page 8)

## Part 3: How Are We Going to Change It?

### 5. Action Plan

- 5.1. An operational Action Plan will be developed in order to facilitate implementation of the individual actions listed under each priority. Each action will be subject to a timeline and designated to a responsible officer.
- 5.2. Over time more information will be collected from the improved technology available in pay and display machines. This information will inform future operational decisions on how car parks are used to achieve this strategy's overriding objective. The Action Plan will therefore be monitored and reviewed as appropriate through the lifespan of this strategy.

## Part 4: How Will We Know this Strategy Has Been Successful?

### 6. Measuring Success

- 6.1. We are trying to attract new customers to our car parks and improve the experience for existing customers. It is anticipated that an improved car park offer will result in an increased car park usage which will have knock on effects for both small and larger retailers in the town centres. Influencing parking behaviours to the most appropriate car parks e.g. shoppers to town centre car parks, will result in increased footfall in the town centre, supporting growth and town centre vitality.
- 6.2. Success of this strategy will ultimately be evidenced by the enhanced customer experience. This will be measured by: Increased usage and/or turnover in Council car parks, the health of the town centre economies and most importantly, customer satisfaction. To measure this success we will require key performance indicators (see Section 7).
- 6.3. Following the implementation of the changes set out in this strategy there will be a 12 month post implementation review. This review will allow us to assess any trends and changes in parking behaviour to make sure they are achieving the overriding objective.

## 7. Key Performance Indicators

7.1. Key Performance Indicators have been set to focus on three main areas: namely, Customers, Local Business; and Quality.

### Customers

Measure Name	Measure Definition	Reporting Frequency	Target	Information Source
<b>Car Park use</b>	The increased amount of turnover in car park spaces	Annual	TBC*	Tickets issued data from parking machines.
<b>Permit sales</b>	The increased sales of long stay permits	Annual	TBC*	Sale of permit data
<b>Customer satisfaction</b>	Customer satisfaction of customers using SDC car parks	Annual	90% satisfaction level	Survey/questionnaire

### Local Business

Measure Name	Measure Definition	Reporting Frequency	Target	Information Source
<b>Vacant town centre business premises</b>	Reduction in the number of vacant town centre business premises	Annual	TBC*	Non-national domestic rate figures
<b>Turnover of town centre premises</b>	Reduction in turnover of town centre premises	Annual	TBC*	Non-national domestic rate figures

### Quality

Measure Name	Measure Definition	Reporting Frequency	Target	Information Source
<b>Condition and required maintenance</b>	Ensuring a high quality condition is maintained in line with 6 monthly asset inspection surveys	6 monthly	100% of identified work carried out within works order deadline	6 monthly asset inspection surveys and asset management system

\*These targets will be confirmed once we have collated and/or analysed baseline data.

## Appendix A - Policy Context

1. There is a range of national and local policy that is relevant to parking and promoting the vitality and viability of town centres.

### National:

2. In 2012 the Government published its new National Planning Policy Framework (NPPF). Section 3 of the Framework, entitled 'Supporting a Prosperous Rural Economy', refers to parking provision for both new building developments and town centre parking as follows:

*"39. if setting local parking standards for residential and non-residential development, local planning authorities should take into account:*

- *the accessibility of the development;*
- *the type, mix and use of development;*
- *the availability of and opportunities for public transport;*
- *local car ownership levels; and*
- *an overall need to reduce the use of high-emission vehicles.*

*40. Local authorities should seek to improve the quality of parking in town centres so that it is convenient, safe and secure, including appropriate provision for motorcycles. They should set appropriate parking charges that do not undermine the vitality of town centres. Parking enforcement should be proportionate."*

3. Further to the NPPF, new planning guidance was published in August 2013 which provides further detail in terms of town centre parking provision, stating that councils should understand the important role appropriate parking facilities can play in rejuvenating shops, high streets and town centres:

*"The quality of parking in town centres is important; it should be convenient, safe and secure. Parking charges should be appropriate and not undermine the vitality of town centres and local shops, and parking enforcement should be proportionate."*

*"This positive approach should include seeking to improve the quality of parking in town centres (in line with the National Planning Policy Framework) and, where it is*

*necessary to ensure the vitality of town centres, the quantity too. Local authorities should set appropriate parking charges that do not undermine the vitality of town[s].”*

4. The extracts above support this Strategy’s focus on using car parks to support the vitality of the District’s local economies by improving the customer experience.

**Local:**

5. The Council’s Corporate Plan 2015 - 2020 identifies the following priorities:
  - a) Making Selby District a Great Place to do Business
  - b) Making Selby District a Great Place to Enjoy Life
  - c) Making Selby District a Great Place to Make a Difference
6. These are supported by Selby District Council *delivering great value* under the Corporate Plan.
7. Improving the customer experience and maximising use of our car parks will help support local businesses, strengthening our local economy and contribute towards a sustainable and thriving future for the District’s main settlements (namely, Selby, Sherburn and Tadcaster). Supporting town vitality and thereby increasing footfall in this way can also help secure and develop the retail environment in our town centres.
8. Growth is a key feature in the Corporate Plan and this strategy is focussed on using the car parks as a tool for achieving this growth. It will achieve this through putting the customer first.
9. Selby District Council approved a new Asset Management Strategy 2015-2018 (AMS) on 5 November 2015, which identifies car parks as a key asset. The AMS outlines how the Council’s assets should be managed in an effective, economical, and efficient manner for the next 3 years.
10. The AMS objectives are:
  - a) To use our assets in a sustainable way to support the Council’s strategic objectives and to contribute to the development of the Council’s emerging economic strategy.

- b) To identify ways to maximise the use of assets for the benefit of the local community and to encourage inward investment.
- c) To ensure our assets are fit for purpose and maintained to the required standard.
11. This strategy has been developed with these objectives in mind, and the priorities outlined in Section 4 will make sure car parks play a part in helping the Council achieve these objectives.
12. The Council's emerging Economic Development Strategy (EDS) is focussed on promoting growth within the District. It therefore very closely links the EDS to the overriding objective of this strategy. Objective 2a of the EDS is to "develop a long-term programme of market town regeneration to boost the visitor, leisure and night-economy" which this strategy will help achieve.
13. This strategy provides a stepping stone towards achieving Objective 2a, but it is not an isolated solution. Regeneration of place requires many facets and this strategy provides just one of those. With the emphasis on growth and local business vitality, delivered through improving the customer experience, this strategy aims to boost the visitor and leisure industry locally in line with the EDS. Through supportive pricing structures and safe car parking, the centrally located car parks can help boost the night time economy.
14. In October 2013 the Council's Core Strategy came into force and is in place until 2027. The Core Strategy is the long-term strategic vision for how the District will be shaped by setting out a number of broad policies to guide development. The Vision for the Core Strategy is:
- "By 2027 Selby District will be a distinctive rural District with an outstanding environment, a diverse economy and attractive, vibrant towns and villages. Residents will have a high quality of life and there will be a wide range of housing and job opportunities to help create socially balanced and sustainable communities, which are less dependent on surrounding towns and cities."*
15. This strategy clearly feeds into this long term vision: contributing to making the District a diverse economy and to create vibrant towns and villages.



16. This strategy will clearly be linked to the Core Strategy when considered in reference to paragraph 3.5(9) of the Core Strategy:

*“Developing the economy of the District by capitalising on local strengths, nurturing existing business, supporting entrepreneurs and innovation, and promoting diversification into new growth sectors.”*

17. This strategy is therefore ideally placed to help the Core Strategy achieve its vision. It will push for growth to help achieve the diverse economy through strong local business vitality and support local tourism which will provide choice within the District to meet retail and leisure needs.

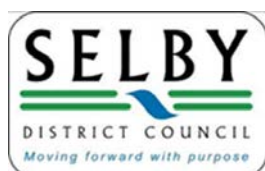
18. The Corporate Charging Policy (CCP) approved May 2016 sets out the principles for all charges set by the Council. Whilst the car park service is exempt from the policy, the principles of the policy should still hold a persuasive precedent over any decisions taken with regard to car park related charges (i.e. the tariff scheme).

19. The principles of CCP are that all fees and charges will:

- Contribute to the achievement of corporate and service objectives;
- Maximise potential income, to achieve financial objectives, unless there is an explicit policy decision to subsidise the service;
- Be subject to equality impact assessment screening and consultation where appropriate.
- Minimise the costs of collection;
- As a minimum be increased annually from 1 April each year in line with Consumer Price Index (CPI) inflation increases (rate published for the preceding September each year);
- Be subject to a scheduled review at least every 3-5 years.

20. A coordinated approach to this strategy has been undertaken with NYCC, including consideration of the NYCC Parking Strategy 2011.

The North Yorkshire County Council (NYCC) Parking Strategy (October 2011) states that: *“Successfully managing on-street parking provision has a major impact on the transport network. The benefits include:*



- *Reducing congestion*
- *Improving localised air quality*
- *Improving road safety*
- *Maintaining access to and encouraging use of public transport*
- *Balancing on and off street parking supply and demand*
- *Helping businesses with collections and deliveries*
- *Enabling residents to park near to their properties”*

The NYCC Parking Strategy, in its key principles, goes on to describe the importance of the relationship between on and off street parking: *“As previously stated the County Council has no direct control over the provision of off-street parking. Nevertheless there is a commitment to joint working with district councils and other partners to ensure that on and off street parking provision complement each other.*

*Effective on-street parking management measures help to balance on and off street parking supply and demand. The inter-relationship should encourage drivers to park in designated on-street spaces for short visits and deter those wanting to park on-street for longer periods. This creates more available designated on-street spaces and helps to ensure that the provision is used by the intended categories of user namely short stay visitors, shoppers and disabled drivers.”*

On parking space numbers and impact on the local economy of parking charges the NYCC strategy comments: *“7.4 A study by the Transport Research Laboratory identified a common misconception that providing as many parking spaces as possible is the best way to manage parking so as to maximise access. Rather, the key is to ensure that the parking stock is used efficiently so that the availability of spaces matches demand wherever possible. The effective management of parking provision is therefore as important as the absolute number of parking spaces provided.*

*7.5 There is a potential conflict between using parking as a means of facilitating car use, and as a means of selectively controlling car accessibility (and thereby car use). In North Yorkshire a balanced approach is required to meet the needs of different communities. The rural nature of the county means many people rely on the car to access key services and sufficient parking provision at certain locations is therefore required.”*

## Appendix B - District Profile

1. The District has a population of 85,400<sup>11</sup>, good transport links, and relatively low cost housing when compared with neighbouring authorities. This means that the District is subject to a lot of out commuting in terms of workers and shoppers (i.e. our residents often leave the District for employment, retail and leisure, contributing to the economies of neighbouring areas rather than our own).
2. Generally speaking the District is rural in nature. This inevitably leads to higher car use by residents as there is a lack of regular public transport (and increasing pressure on rural bus routes) for several of the villages. For this reason, there needs to be recognition that effective alternative transport methods may never be possible. Private cars will, therefore, remain the only travel option for many people in the District.
3. Cars are already very popular in the District, with the number of cars in the District increasing over recent years. This is shown in the tables below. We have no reason to expect a decrease in this trend.

	Households with no car or van		Households with one car or van		Households with one or more cars or vans		Households with two cars or van	
	(No.)	(%)	(No.)	(%)	(No.)	(%)	(No.)	(%)
<b>Households in Selby District (34,559)</b>	5,155	14.9%	13,707	39.7%	29,404	85.1%	11,921	34.5%

Source: Office for National Statistics, 2011 Census Data

	2001	2011	Increase from 2001- 2011	
			(No.)	(%)
<b>No. of cars in Selby District</b>	40,808	50,350	9,542	23.4%

Source: Office for National Statistics, 2001 Census Data & 2011 Census Data

4. A market town assessment was undertaken by Spawforths in June 2015 which identified a number of car park specific issues across the three main settlements of Selby, Sherburn and Tadcaster. These are set out in the table below, along with the parish population for each settlement.

<sup>11</sup> Mid-Year Estimates, Office for National Statistics, 2014

	Parish Population (Census 2011)	Market Town Assessment June 2015 findings
<b>Selby</b>	14,731	<ul style="list-style-type: none"> <li>• Poor distribution of parking areas</li> <li>• A need for improved and cheaper parking</li> <li>• Aspirations for free parking</li> <li>• Aspiration for improved parking signage in the town</li> <li>• Aspirations for improvements in relation to the quality of the environment in Selby town centre including improved street furniture/floral displays (Based on shopper and retailer surveys for the most popular suggested improvements)</li> <li>• A business aspiration for free parking within Selby (This was the most popular suggestion for town centre improvements received from town centre businesses within Selby)</li> <li>• Access and technology aspirations – parking signage in the town could be improved to help visitors and residents</li> </ul>
<b>Sherburn</b>	6,657	<ul style="list-style-type: none"> <li>• There is a car parking availability issue</li> <li>• There is a need for the forward strategy to focus on adequately meeting daily shopping and service needs</li> <li>• Local businesses consider the poor quality of the town centre environment and availability of car parking to be the main issues facing Sherburn</li> </ul>
<b>Tadcaster</b>	6,003	<ul style="list-style-type: none"> <li>• A need to improve the appearance and vitality of Tadcaster town centre, and make it easier for people to shop locally</li> <li>• A lack of footfall in the town centre</li> <li>• A need to create facilities that will not only be enjoyed by local people, but that will also encourage visitors to come and enjoy all the area has to offer</li> </ul>

## Appendix C - Benchmarking Evidence

1. As part of the Car Park Strategy review, a benchmarking exercise was undertaken, particularly focusing on car park tariffs and designation of 10 neighbouring councils (those geographically close to us) and 20 comparator councils (authorities similar to Selby District)<sup>12</sup>. The findings of this benchmarking exercise are detailed in the tables below.

### 2. Car Park Tariffs

In Selby town, during the charging period the tariffs in operation in the Council's public car parks are as set out below.

#### Selby Council tariffs:

Short Stay		Long Stay	
Duration	Price	Duration	Price
1 hour	50p	Up to 3 Hours	£1.20
2 hours	£1.00	Over 3 Hours	£3.00
Over 2 hours/all day	£5.40		

### 3 Average tariffs of comparator councils:

Duration	Short stay	Long stay	Undesignated
1 hour	73p	70p	70p
2 hours	£1.27	£1.11	£1.15
3 hours	£1.75	£1.52	£1.94
4 hours	£2.74	£1.80	£2.90
Over 4 hours/all day	£6.05	£3.37	£5.95

When any free parking on offer is not taken into account, prices across these comparator councils ranged from 50p for an hour to £10 for up to 11 hours. When compared with comparator councils, **Selby's current tariff is cheaper than the average.**

<sup>12</sup> The comparator authorities were based on CIPFA comparator data. The comparator data was based on population, retail premises per 1000 population, offices per 1000 population and percentage of properties in Bands A to D and E to H amongst other things. 20 of the 30 closest comparator authorities' car park offer were assessed.

#### 4. Average tariffs of neighbouring councils:

Duration	Tariff <sup>13</sup>
1 hour	£1.09
2 hours	£2.04
3 hours	£2.94
4 hours	£3.99
Over 4 hours/all day	£5.33

Prices across neighbouring councils ranged from 60p for an hour to £12 for all day parking. One area (Skipton) uses a 'pop and shop' scheme with a 20p charge for 30 minutes. **When these neighbouring average tariff prices are compared with Selby's existing tariff, again Selby is cheaper than the average.**

#### 5. Free parking offer

During the charging period, there is currently no offer of a period of free parking in Council car parks in Selby town.

##### Councils which currently offer a period of free parking:

	Percentage (and number)
Comparator councils	60% (12)
Neighbouring councils	20% (2)

Out of the 20 comparator councils, there were a range of free parking offers: the first half hour free; the first 2 hours free; all day free; and free all day after a certain time. Some car parks offered free parking but with a restriction (usually 2 hours) on how long drivers could park there for.

These findings indicate a slight trend amongst our comparator councils towards offering free parking. This is perhaps more important than the trends of our neighbouring councils regarding price, as the comparator councils have economies more closely linked to ours than those of the neighbouring councils (which include a range of much larger economies such as Leeds and York).

<sup>13</sup> Of the 10 neighbouring councils benchmarked with, only 2 used designated parking (short stay and long stay), and these tariffs have been incorporated into an overall average using undesignated tariffs as well.

## 6. Car Park Designation

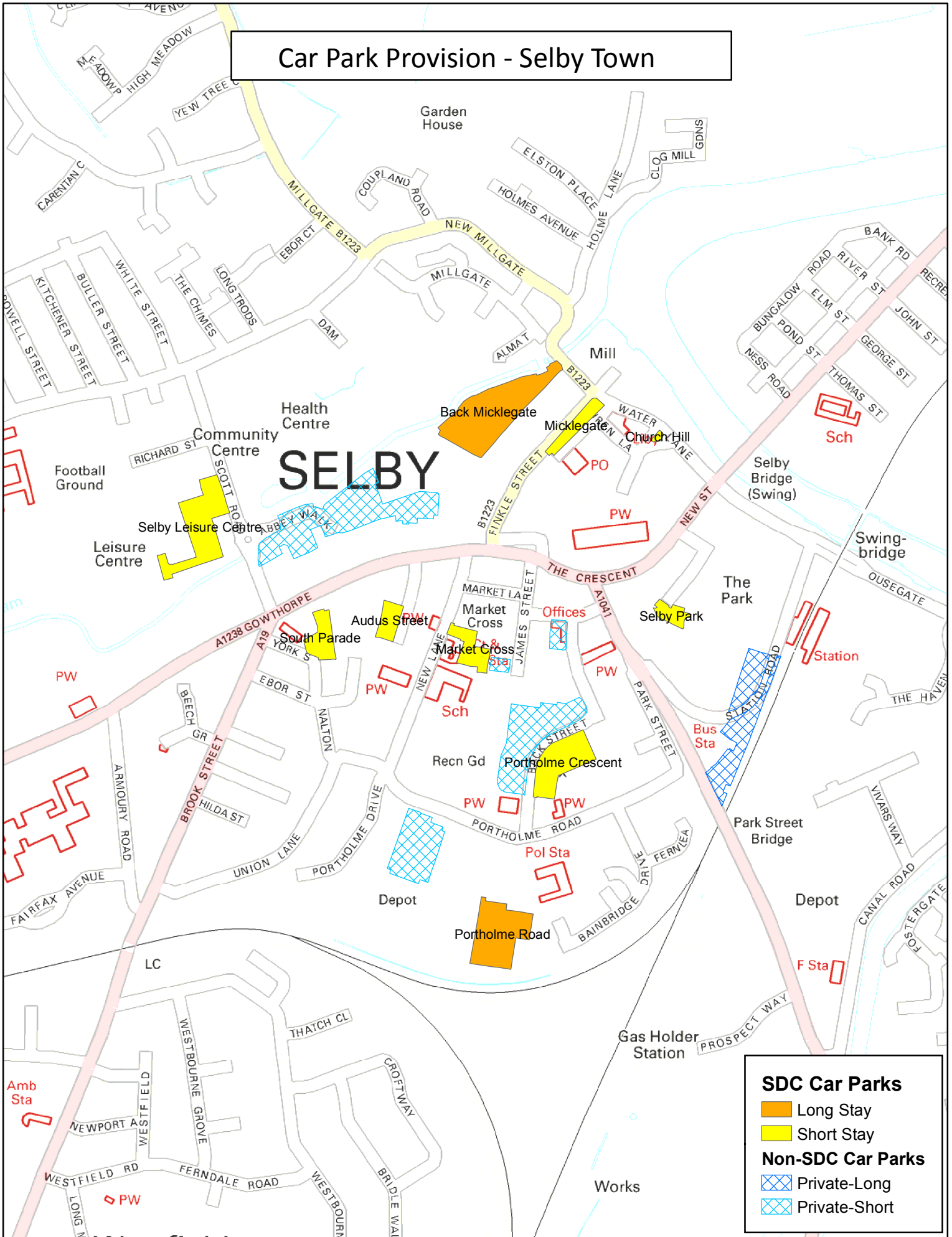
The Council car parks in Selby town are currently designated (either as short or long stay).

### Councils which currently have undesignated parking:

	Percentage (and number)
Comparator councils	35% (7)
Neighbouring councils	80% (8)

These findings show there is a very strong trend amongst our neighbouring councils to use undesignated parking, **meaning that currently Selby District is not consistent with the local area.**

# Car Park Provision - Selby Town



## SDC Car Parks

- Long Stay
- Short Stay

## Non-SDC Car Parks

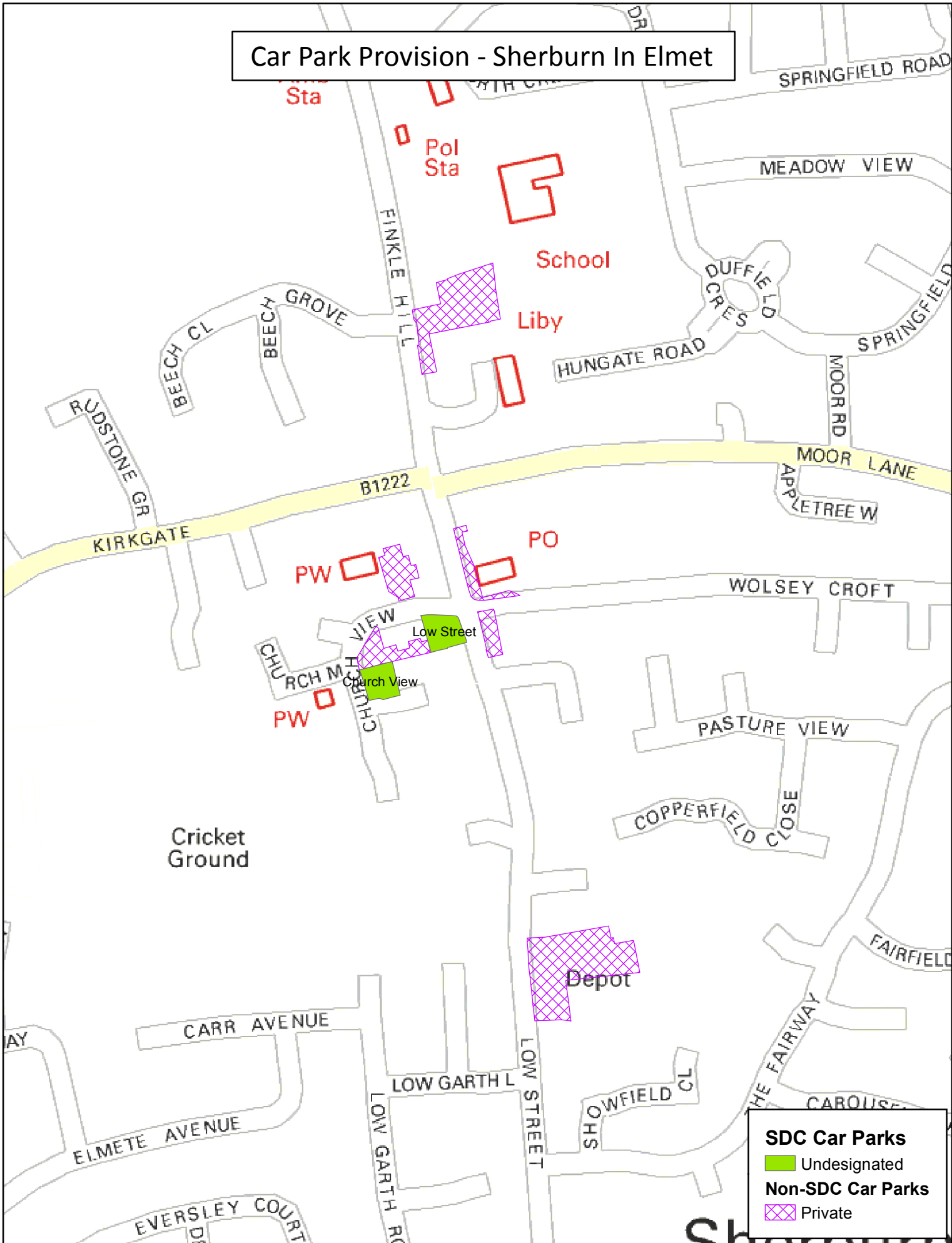
- Private-Long
- Private-Short



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# Car Park Provision - Sherburn In Elmet

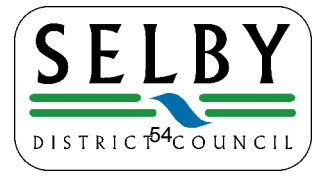


**SDC Car Parks**

- Undesignated

**Non-SDC Car Parks**

- Private



# TERR

## Car Park Provision - Tadcaster Town

Riverside  
Community  
Primary School

Viaduct Walk (Path)

Barnado's

Mill House

Salmon Pass

Castle Hill  
Motte & Bailey

Liby Sch

PW

WESTGATE

Car Pk

Britannia

Ppg Sta

The Grange

Central Area

Pav

Recn Gd

Pav

PW

The Old  
Brewery

Football Ground

Ind Est

Wharf

QUEEN'S GD

Recn Gd

Football Ground

### SDC Car Parks

Undesignated

### Non-SDC Car Parks

Private

0 125 250 500 Metres



## Appendix 2

### Draft Car Park Strategy – List of Consultees

- Central CEF
- Western CEF
- Southern CEF
- Tadcaster CEF
- Eastern CEF
- Policy Review Committee
- Scrutiny Committee
- Selby Town Enterprise Partnership (STEP)
- Selby Civic Society
- Sherburn Business Network Group
- Tadcaster Business Forum
- Tadcaster Civic Society
- Selby Business Buddies
- All District Councillors
- Selby Town Council
- Tadcaster Town Council
- Sherburn Parish Council
- Selby area North Yorkshire County Councillors
- Member of Parliament
- Major Businesses:
  - Morrisons (Selby)
  - Sainsbury's (Tadcaster and Selby)
  - Co-op (Sherburn)
  - Aldi (Sherburn)
  - GBR Phoenix Beard (Management Company Abbey Walk Retail Park Selby)
  - Dransfields (Management Company Market Cross Selby)
  - Tesco (Selby)
- Major employers in the district, including
  - Sam Smiths Old Brewery Tadcaster
  - Heineken
  - British Gypsum
  - Clipper
  - Cranswick Gourmet Bacon Co
  - Cromwell Polythene
  - Debenhams
  - Eddie Stobart
  - For Farmers
  - GR Electrical
  - ICL

- Kingspan Insulation
- Lambert Engineering
- NAMSA Medvance
- Optare
- Pecan Deluxe Candy
- Potter Logistics
- Powerlink UK
- Rigid Containers
- Sainsburys Supermarkets
- Sedalcol UK
  
- Other Car Park Owners
  - Bus Station
  - Wetherells
  - James Street
  - Community Swimming Pool – Tadcaster
  - Tadcaster Albion Football Club
  - Shops with parking outside in Sherburn
- Public
  - Online
  - Hard copy in CCC
  - Hard copy in Libraries
  - Via local media
- NYCC Highways
- Tadcaster Medical Centre
- Harrogate Borough Council
- Inspiring Healthy Lifestyles
- Current car park permit holders
- Selby District Council employees

# Selby District Council

## REPORT

Reference: E/16/12

Public



**To:** The Executive  
**Date:** 25 August 2016  
**Status:** Key decision  
**Report Published:** 17 August 2016  
**Author:** Sally Rawlings  
**Executive Member:** Richard Musgrave, Lead Member for Housing, Leisure, Health and Culture  
**Lead Officer:** Dave Caulfield, Director of Economic Regeneration and Place

**Title:** Housing Development at Woodlea/Byram Park Road flats, Byram – Outline Business Case

### Summary:

The priority for this site is to improve the gateway to Byram and regenerate that part of the village – not only the physical appearance but also the sense of community in that location with the aim of making it as strong as in the rest of the village.

The original outline proposals for this site were for three x 3b/5p houses and thirteen x 2b/4p houses. Following the redevelopment of the site at East Acres in Byram for older/vulnerable persons' bungalows, and a reassessment of housing need it is proposed to continue to use this site for the provision of family accommodation, albeit reduced to fifteen properties, following a re-appraisal of the site.

Previously, the main issues connected with this site have been anti-social behaviour (ASB) connected with the original flats on the site. It is felt that the local lettings policy for the site will address this issue and the housing mix and the design will be much improved on that of the original flats.

The options in this report consider the preferred mix of properties for the site (options i), ii) and iii) and the proposed developer (Options a, b and c).

The preferred option for the mix of properties are based on the local housing needs as derived from the Choice Based Lettings scheme data. Over the past five years there have only been two planning applications for new dwellings in Byram – one of which is a mobile home. Thus this proposed development also addresses the failings of the current market to supply family accommodation in the village.

The options in part 3 consider the potential developer of the site. Three options were originally presented to Executive in December 2014 and these are re-examined here. The Council's policy to support its Affordable Housing Development Strategy and current programme is to deliver older/vulnerable persons accommodation through the Housing Revenue Account and to develop general needs accommodation in partnership with Selby and District Housing Trust. However the demolition of the HRA flats and resulting rent loss mean that consideration has also been given to developing general needs housing scheme through the HRA in full or part.

#### **Recommendations:**

- i. That the mix, either option i) or ii) or iii), be agreed prior to agreeing the developer of the site;**
- ii. If either Option A or C, is agreed, then, subject to confirmation, the relevant site be offered to Selby & District Housing Trust for redevelopment and provision of affordable housing for general needs, and the pre development costs for the scheme are underwritten to a maximum value of £25,000;**
- iii. If either Option B or C is agreed then up to £25,000 be allocated from the HRA Housing Development Strategy budget to prepare a detailed business case;**
- iv. Subject to a decision on recommendation ii above, which involves Selby and District Housing Trust developing the scheme in whole or in part, that a loan be made available to Selby and District Housing Trust on the basis outlined in the relevant financial appraisal for the preferred option, with the details to be delegated to the Chief Finance Officer in consultation with the Lead Member for Finance and Resources and the Solicitor to the Council.**

#### **Reasons for recommendations**

- to facilitate the redevelopment of the site at Byram Park Road flats and Woodlea garages
- to provide affordable family accommodation in Byram
- to prepare a detailed business case for the redevelopment

## **1 Introduction and background**

- 1.1 The Council own the garage site at Woodlea, Byram which was approved to be brought forward for re-development as part of Phase 1 of the Housing Development programme by the Executive at their meeting of 5 June 2014. Subsequently a steer has been given by the Executive that this site can be packaged with others in a revised Phase 1 Programme which concentrates on developing housing in Riccall, Byram and Eggborough in order achieve better value for money.
- 1.2 The Woodlea garage site consists of 16 garages – all of which are disused.
- 1.3 The block of flats adjacent to the Woodlea garage site consists of 6 x 2 bed maisonettes, 3 x 1 bed flats and 6 x bedsits (21 bed spaces in total).
- 1.4 Over at least the past 10 years the flats, maisonettes and bedsits at Byram Park Road have had a chequered history with issues including anti-social behaviour, litter issues, high turnover rates and illegal drug use. Until April 2014 the bedsits were proving particularly ‘hard to let’ – this has changed more recently, probably due to the change in allocations policy as a result of the withdrawal of the ‘spare bedroom subsidy’.
- 1.5 The local perception is that some of the occupants of these flats cause a nuisance and have a largely negative impact and poor reputation on that area of the village.
- 1.6 The poor perception of this part of Byram is borne out by the figures supplied by the SDC Community Officer team which show that there have been 13 incidences of fly-tipping on the Woodlea/Byram Park Road garage site between April 2013 and November 2014 and only one instance in the remainder of the village over the same period of time.
- 1.7 In addition, between March 2013 and November 2014, the average number of complaints received about the block of flats has been 1.2 per property over the 18 month period. This compares to 0.24 per property for the remaining properties in Byram Park Road (the majority of which are flats).
- 1.8 Furthermore, the redevelopment of this area of Byram provides a good opportunity to improve the ‘gateway’ to Byram. This would enable new housing to be provided to a good design standard to meet the needs of the local area. Good design could ensure that the gateway to the village has a more open and appealing feel.
- 1.9 The Executive approved the demolition of the flats at its meeting of 2 July 2015. The tenants have since been found alternative accommodation with the last

household moving out in June 2016. A planning application has since been submitted for the demolition of the block and all services are in the process of being disconnected. If planning permission to demolish is received within the normal timescales it will be possible to demolish the property prior to the end of December 2016.

## 2 The Report

### Housing needs

- 2.1 Byram is situated within the Western area of the District and the SHMA and Core Strategy identify that 7.5% (297) of the area's households are in housing need (the mean average housing need across the District is 7.7%).
- 2.2 45.4% of the Council's housing stock across the district (as at 2009) was made up of houses and 34.8% (as at 2009) was made up of flats. The remainder are bungalows. The SHMA 2009 also shows that demand for general needs housing exceeds supply in the Western area of the District and consequently puts '*some pressure on (housing) stock*'.
- 2.3 The SHMA 2009 also shows that 18 x 2 bed, 7 x 3 bed and 5 x 4 bed affordable properties are required to be built each year (between 2008/9 and 2012/13) in the Western area. This need was projected in 2009 and is likely to have been changed by the later Government policy withdrawing the 'spare room subsidy' from housing benefit claimants and the subsequent change in allocations policy for affordable housing in North Yorkshire which now means that potential bidders for affordable and social housing can only bid on properties where their need for bedrooms matches the available property.
- 2.4 In the last 30 months only two new (private) properties have been given planning permission in Byram (one of which is a mobile home), indicating a low level rate of new build properties in the village, thus need levels are not likely to have reduced over this period.
- 2.5 Home Housing Association has submitted a planning application to develop 30 homes for affordable rent off East Acres in Byram. The planning application is for 6 x 1b/2p houses; 15 x 2b/4p houses; 7 x 3b/5p houses and 2 x 4b/6p houses. Home is not part of the Council's Home Choice (Choice Based Lettings (CBL)) scheme, and neither is there an agreement for nomination rights from the Council for this development.
- 2.6 The data available from Home Choice shows that there are 44 eligible bidders who have expressed a preference for Byram as their first choice – of these 37 (84%) are aged under 60 and would be eligible for general needs housing. The majority of all age groups prefer one and two bedroomed properties (59.1% and 25% respectively). The preference for one-bedroomed properties has



increased across the district and is mainly due to the Home Choice criteria, which restricts the number of bedrooms an applicant can bid for based on their current needs only. If single bed-roomed properties were built in this rural location, then they would be relatively easy to let in the short term. However if the Home Choice criteria were to be relaxed, then these properties would immediately become 'hard to let'.

2.7 The current SDC housing stock in Byram (as at April 2016) consists of:

House type	Number
4 bed houses	3
3 bed houses	19
2 bed houses	0
2 bed flats/maisonettes	52
1 bed flats	20
Bedsits	0
2 bed bungalows	10
1 bed bungalows	10
<b>Total</b>	<b>114</b>

*Table 1*

2.8 An additional site in Byram (East Acres) has been approved for the development of five bungalows for older/vulnerable people by the Executive on 14 April 2016 and is due to start on site on 5 September 2016.

2.9 A local lettings policy will apply to any development on this site.

2.10 As can be seen, there is an imbalance between flats and houses which could partly be addressed by the redevelopment of this site. Of particular note is that SDC has no two bed-roomed houses left in Byram and at present there is no other social/ affordable housing provider in the village.

### **Consultation**

2.11 Local consultation about the use of the site for affordable housing, the type of affordable housing which might be located on the site and its impact, has been underway since March 2014. This consultation has included the previous Ward Councillors and the Parish Council. It is also intended to undertake a consultation with the local residents (Byram Park Road and Woodlea) prior to December 2016. A briefing is being arranged with the new District Councillor for Byram.

2.12 To date both the Parish Council and Ward Councillor were supportive of the redevelopment of both sites for general needs housing, including the demolition of Byram Park Road flats.

2.13 Pre-application consultation has taken place with the SDC planning department about developing the site and there appears to be no reason why this site, in principle, cannot be developed.

### Development Proposals

2.14 Given the desire to demolish existing flats and replace with houses, the objectives for the development are to increase the number of bed-spaces in Byram and to improve the gateway to Byram.

2.15 Options presented in this report consider the mix of the scheme and the preferred developer of the scheme. Table 2 below indicates the level of public subsidy required based on the three options proposed for the mix of properties on the site – based on the assumption that they are developed by Selby & District Housing Trust (SDHT).

Option	Mix	Public subsidy/unit
i)	3 x 3 bed houses; 12 x 2 bed houses	£48.4k
ii)	3 x 3 bed houses; 9 x 2 bed houses; 6 x 1 bed flats	£39.4k
iii)	3 x 3 bed houses; 9 x 2 bed houses; 9 x 1 bed flats	£36.5k

*Table 2*

2.16 All three options detailed above meet current housing needs, although option i) does not address the expressed need for 1 bedroomed properties. The above options are discussed in more detail below:

a. Option i)

This mix, whilst requiring a higher rate of public subsidy per property, meets the agreed objective of meeting community regeneration considerations, improving the potential levels of positive social impact and providing an improvement to this key gateway site to Byram. These considerations could outweigh the potential additional costs and provide better value to the community. In terms of value for money, the total public subsidy is just under the levels felt to offer value for money.

b. Option ii)

This mix better meets the housing needs of the area whilst also meeting the Council's value for money criteria of providing a maximum public subsidy of £50k/unit. It is believed that the design of any flats on the site, along with the local lettings policy should achieve the requirement to achieve a positive social impact. In addition, good design will ensure that the objectives around the improvement to this gateway site are met.

c. Option iii)

This mix is probably the best match for the housing needs of the area, and also achieves the best value for money for the site – requiring an public subsidy of

£36.5k/unit which is lower than the maximum level set by the Council. This mix increases the density on site which, despite the local lettings policy, may not be perceived locally as achieving a positive social impact. Whilst this should be mitigated by ensuring good design for the site (as detailed in Option ii) above), this may not be achieved due to the previous issues of anti-social behaviour and drugs misuse on the site.

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

#### **Legal issues**

- 3.1 If the site is to be disposed of at less than market value as proposed in the SDHT scenarios the consent of the Secretary of State is required. The Secretary of State has issued some general consents which are subject to certain terms and conditions. If the disposal is within those terms and conditions then no application for a specific consent is required. It is possible to dispose of the site at less than market value under General Consent AA – the general consent under section 25 of the Local Government Act 1988. This consent was revised in April 2014 to provide additional flexibilities to councils who wish to dispose of their assets for new housing to any body or organisation excluding wholly or partly owned local authority organisations.
- 3.2 This consent (which is applicable in this report) is deemed to have been given by the Secretary of State provided that the benefit is for the development of the land as housing accommodation/facilities to benefit mainly the occupiers of housing accommodation, provided that the disposal is by transfer of the freehold or a lease for the minimum of 99 years; the development begins not less than three years after the transfer (this can be extended); the local authority are not, under any agreement or other arrangement made on or before disposal, entitled to manage or maintain any of the housing accommodation to be developed on that land.
- 3.3 An unofficial right of access is currently being enjoyed by the owner of 3, Byram Park Road the rear of whose property adjoins the site. A garage has been built in the garden of this property with access to the building being obtained across the site. No access was granted with the sale of the property under the 'right to buy' in 2002 and SDC legal services have served notice to prevent the access from being continued to be used. If the access was maintained then this would restrict the number of homes which could be built on this site.
- 3.4 A footpath from Woodlea to the edge of the site in order for those residents to access the garages is not an adopted Public Right of Way. SDC legal services are currently addressing the issue of ownership of this footpath and whether it can be stopped up if the development goes ahead.

## Financial issues

- 3.5 Increases in construction and finance costs are negatively impacting on the financial viability of this scheme. The options under consideration do not include cross subsidy from market housing due to the low market value of homes in this area. Any cash subsidy from the Council for an SDHT scheme would need to be funded from commuted s106 sums (subject to availability) the Programme for Growth or potentially from capital receipts.
- 3.6 Any new general needs housing which is developed for the Housing Revenue Account (HRA) would be subject to the right to buy. However, the cost of building the properties (in full) will be taken into account when calculating the eligible discount. As Byram is in a low value housing market area it is expected that the 'cost floor' will be similar to the build cost, and therefore the value of the discount will be minimal.
- 3.7 In this case the cost floor is the total outlay (cost) of building the properties. If this is higher than the market value of the property then any Right to Buy Sale must be at the market value irrespective of any discounts to which a tenant might be entitled to. If the cost floor is lower than the market value but higher than the discounted sale price (i.e. market value less any discount entitlement) then the property has to be sold at the cost floor value. If the cost floor is lower than the discounted sale price then the property must be sold at the discounted sale price. The cost floor rule applies for fifteen years after the property is built.
- 3.8 As these are outline business cases being undertaken at feasibility stage, the financial model has assumed estimated costs within the benchmark of a 3.37% internal rate of return (IRR) over 30 years for the SDHT scenarios. The loan interest rate has been estimated at the current PWLB annuity rate plus 1% giving an interest rate of 2.87%. The actual terms of the loan will be subject to confirmation following acceptance of the offer by SDHT and the agreed contract sum.
- 3.9 SDC support of £110k (for the demolition and tenant relocation costs) have already been allocated from the HRA.

## Delivery options

- 3.10 There are three delivery options for this site, with Option A being examined in detail (Appendices B, C and D) as this conforms to current policy.

Option	Developer
A	Selby & District Housing Trust
B	Selby District Council (HRA)
C	Split site between SDHT and SDC

Table 3

## A – SDHT scheme

### **Option i) 3 x 3bed/5person houses and 12 x 2 bed/4 person houses**

3.11 The estimated costs for this option are:

Freehold purchase	£nil
Capital works (exc. demolition and inc. fees/ commuted sums)	£2,028,668
Contingency	£128,807
Capitalised interest	£27,586
<i>Sub-total</i>	<i>£2,185,061</i>
Less subsidy required	£725,500
<b>Loan required</b>	<b>£1,459,561</b>
<b>Net receipt to SDC</b>	<b>£nil</b>

Table 4

1. Cost estimates subject to tender (current benchmark of £1,516/m<sup>2</sup> construction cost used – uplifted for inflation)
2. Assumed rental value per unit = £95.08 per week for 2b/4p and £109.34 per week for 3b/5p (80% of market rent).
3. Assumed land value is nil due to the viability of the scheme. This will need to be ascertained with the Valuation Office Agency (VOA) if this is the preferred option.

3.12 In order to meet the Council's viability output tests (see Appendix B) this option requires additional public subsidy of £725.5k from s106 commuted sums or Programme for Growth, at an average of £48.4k/unit.

### **Option ii) 3 x 3bed/5person houses, 9 x 2 bed/4 person houses and 6 x 1 bed/2 person flats**

3.13 The estimated costs for this option are:

Freehold purchase	£nil
Capital works (exc. demolition and inc. fees/ commuted sums)	£2,127,166
Contingency	£135,059
Capitalised interest	£29,693
<i>Sub-total</i>	<i>£2,291,918</i>
Less subsidy required	£708,200
<b>Loan required</b>	<b>£1,583,718</b>
<b>Net receipt to SDC</b>	<b>£nil</b>

Table 5

1. Cost estimates subject to tender (current benchmark of £1,516/m<sup>2</sup> construction cost used – uplifted for inflation)
2. Assumed rental value per unit = £76.06 per week for 1b/2p flat; £95.08 per week for 2b/4p and £109.34 per week for 3b/5p (80% of market rent).
3. Assumed land value is nil due to the viability of the scheme. This will need to be ascertained with the Valuation Office Agency (VOA) if this is the preferred option.

3.14 In order to meet the Council's viability output tests (see Appendix C) this option requires additional public subsidy of £708.2k from s106 commuted sums or Programme for Growth at an average of £39.4k/unit.

**Option iii) 3 x 3bed/5person houses, 9 x 2 bed/4 person houses and 9 x 1 bed/2 person flats**

3.15 The estimated costs for this option are:

Freehold purchase	£nil
Capital works (exc. demolition and inc. fees/ commuted sums)	£2,367,829
Contingency	£150,442
Capitalised interest	£33,490
<i>Sub-total</i>	<i>£2,551,761</i>
Less subsidy required	£765,500
<b>Loan required</b>	<b>£1,786,261</b>
<b>Net receipt to SDC</b>	<b>£nil</b>

Table 6

1. Cost estimates subject to tender (current benchmark of £1,516/m<sup>2</sup> construction cost used – uplifted for inflation)
2. Assumed rental value per unit = £76.06 per week for 1b/2p flat; £95.08 per week for 2b/4p and £109.34 per week for 3b/5p (80% of market rent).
3. Assumed land value is nil due to the viability of the scheme. This will need to be ascertained with the Valuation Office Agency (VOA) if this is the preferred option.

3.16 In order to meet the Council's viability output tests (see Appendix D) this option requires additional public subsidy of £765.5k from s106 commuted sums or Programme for Growth at an average of £36.5k/unit.

**B – HRA scheme**

3.17 As this site has (until recently) brought in income to the HRA, the options below have also been assessed for delivery by SDC:

Option	Estimated cost	Estimated loan	Estimated public subsidy	
			Total	per unit
i) 3 x 3b/5p and 12 x 2b/4p	£2,117k	£1,500k	£617k	£41.2k
ii) 3 x 3b/5p, 9 x 2b/4p & 6 x 1b/2p	£2,231k	£1,621k	£610.1k	£34k
iii) 3 x 3b/5p, 9 x 2b/4p & 9 x 1b/2p	£2,483k	£1,825k	£658.5k	£31.4k

Table 7

1. Cost estimates subject to tender (current benchmark of £1,516/m<sup>2</sup> construction cost used – uplifted for inflation)
2. Assumed rental value per unit = £76.06 per week for 1b/2p flat; £95.08 per week for 2b/4p and £109.34 per week for 3b/5p (80% of market rent).

3.18 A public subsidy is required for these options (as detailed in Table 7 above) in order to meet the Council's viability output tests.

3.19 A risk of developing this scheme via the HRA is that the properties would be subject to the right to buy as outlined in paragraphs 3.6 and 3.7 above.

### **C – Combined scheme**

3.20 This option is effectively a combination of options A and B with half of the properties being developed by SDHT and half by SDC in order to bring in income to the HRA which will partially replace that generated by the previous property on the site.

3.21 The proposed split would be:

- Two x 3b/5p houses and six x 2b/4p houses for SDHT;
- One x 3b/5p house and six x 2b/4p houses for HRA.

3.22 Having tested this option through the Council's financial model it is clear that whilst there are some duplication of overheads, the public subsidy levels required per unit are between those required for wholly SDHT developed scheme and the wholly developed SDC developed scheme and lower than the Council's public subsidy policy of £50k/unit.

3.23 A risk of developing half of this scheme via the HRA is that half of the properties would be subject to the right to buy as outlined in paragraphs 3.6 and 3.7 above.

## **4 Impact Assessment**

4.1 The redevelopment of this site is part of a wider strategic opportunity to regenerate the Council's underutilised land holdings and for the increase of affordable family housing in the District.

4.2 In addition it will improve the visual amenity of a prominent brownfield gateway site in Byram.

4.3 This scheme should have a positive impact on the economy of the District in the short term through the employment and skills requirements placed on any contractor by the Council. In the longer term the impact is probably neutral

4.4 If the redevelopment is approved, once the contractors start on site a short term nuisance to those residents who adjoin the site may be caused by undertaking these works. These will be mitigated by good communications between the main contractor and residents. The main contractor will also be required to achieve equivalent standards to those of the 'considerate contractors' scheme'.

## 5 Conclusion

- 5.1 In addition to the objectives of improving the gateway to Byram, the further objective of this scheme to increase the provision of general needs affordable housing are covered by the options examined in this report.
- 5.2 All three options (A, B and C) require additional public subsidy. Option A meets the requirements of the Housing Development Strategy but this does not compensate SDC for the loss of 16 HRA properties. However these properties have proved to be more expensive to manage and maintain than the other properties in Byram and as a result have generated a lower return for the HRA.
- 5.3 The site is a key gateway site into the village and when redeveloped (regardless of mix and developer) will provide Byram with much needed additional affordable housing.
- 5.4 The Executive is asked to choose their preferred recommendation in the light of the options presented here.

## 6 Background Documents

The following documents provide background to this proposal:

- Selby District Council Housing Development Strategy - report to Council – 10 September 2013 (pp 115 – 122) [http://www.selby.gov.uk/upload/Council\\_Agenda\\_10.9.13\\_PUBLIC.pdf](http://www.selby.gov.uk/upload/Council_Agenda_10.9.13_PUBLIC.pdf)
- Selby District Council Housing Development Sites - report to Council – 10 September 2013 (pp 84 – 114) [http://www.selby.gov.uk/upload/Council\\_Agenda\\_10.9.13\\_PUBLIC.pdf](http://www.selby.gov.uk/upload/Council_Agenda_10.9.13_PUBLIC.pdf)
- Housing Development Strategy Phase 1 progress report – report to Executive - 5 June 2014 (pp 6 – 10) [http://www.selby.gov.uk/upload/Exec\\_Agenda\\_5.6.14.pdf](http://www.selby.gov.uk/upload/Exec_Agenda_5.6.14.pdf)
- Outline business cases – Phase 1 Business Case – Byram, Byram Park Road – report to Executive 4 December 2014 (pp 265 – 287) <http://www.selby.gov.uk/all-committee-meetings/71?page=2>
- S106 Affordable Housing Commuted Sum Allocation – report to Executive 5 November 2015 (pp 41 – 46) <http://www.selby.gov.uk/executive-05-november-2015>

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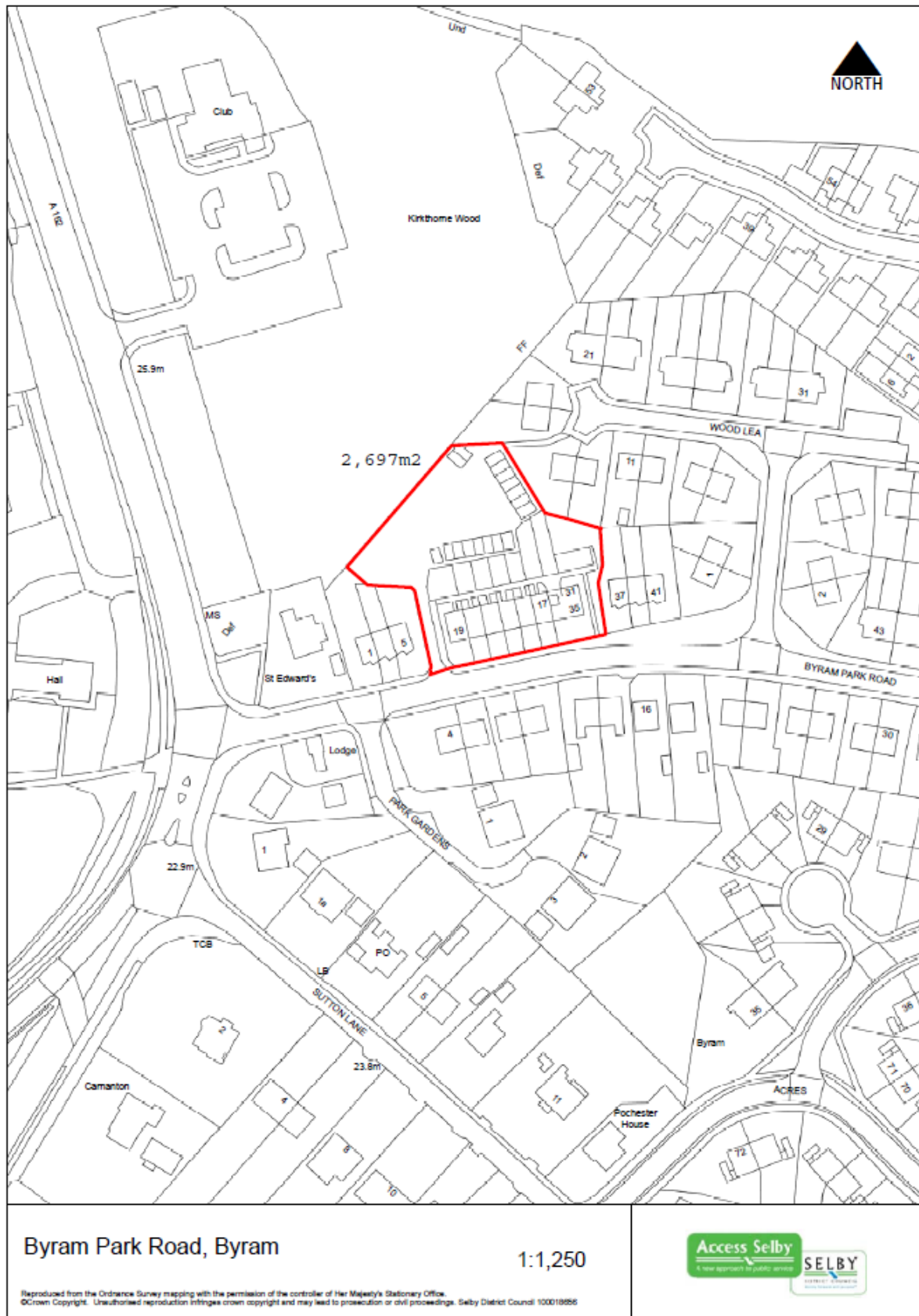
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**Appendices:**

- APPENDIX A - Site location plan**
- APPENDIX B - Financial appraisal summary – SDHT option i)**
- APPENDIX C - Financial appraisal summary – SDHT option ii)**
- APPENDIX D - Financial appraisal summary – SDHT option iii)**

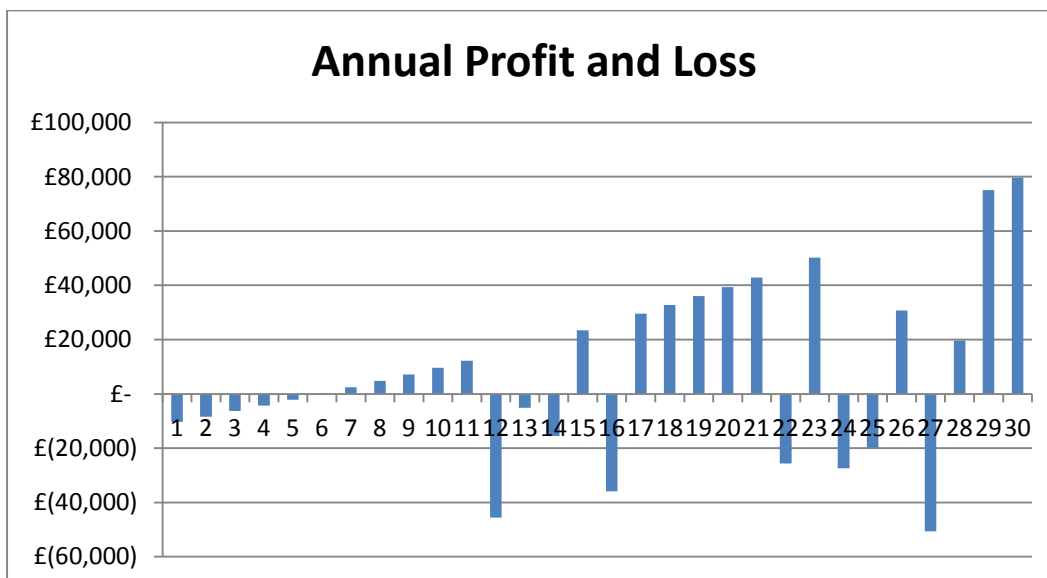
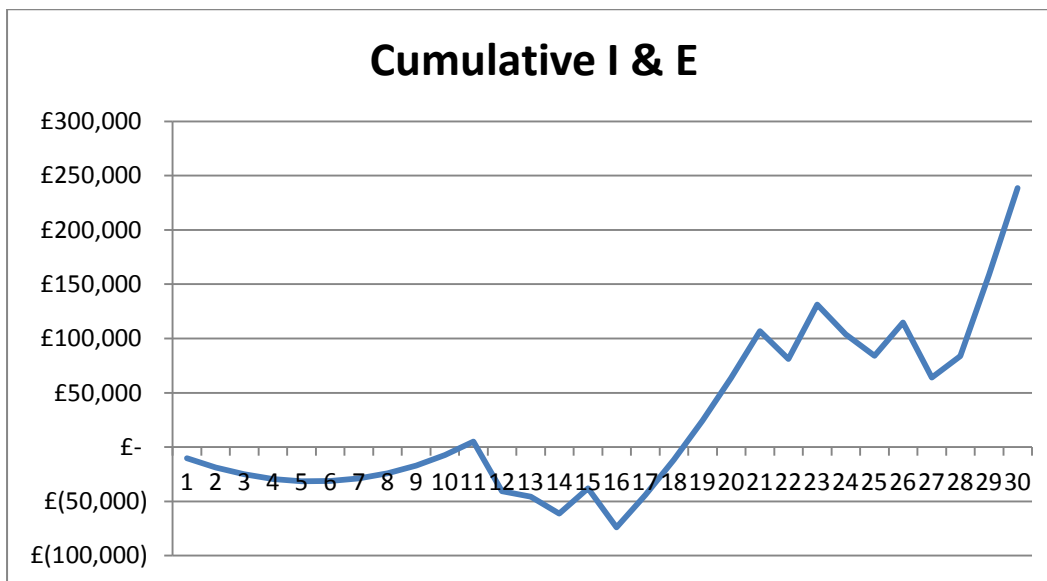
# APPENDIX A – site location



## APPENDIX B – Financial appraisal summary – SDHT option i)

### Three x 3b/5p houses and twelve x 2b/4p houses

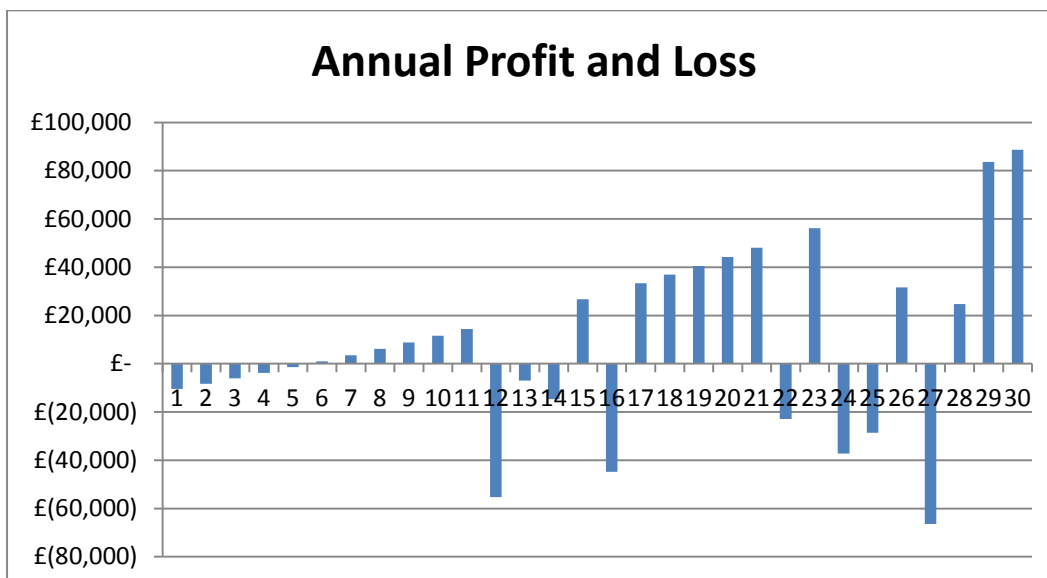
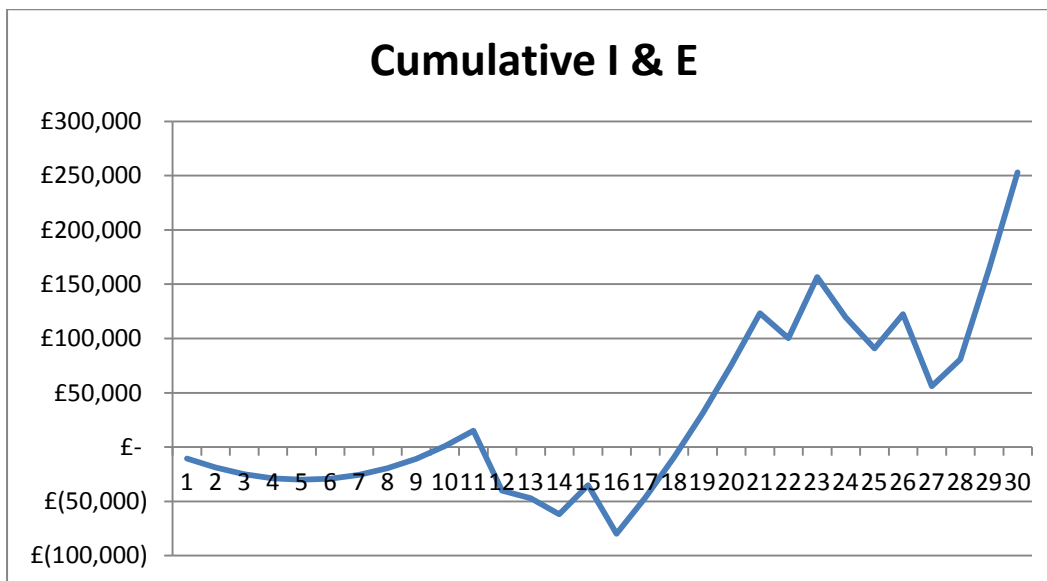
	Output	Benchmark	Test	Pass /Fail
30 Year Net Present Value (£)	0.00	0	Output>Benchmark	PASS
60 Year Net Present Value (£)	£1,327,369	0	Output>Benchmark	PASS
Payback Year	30	30	Output<Benchmark	PASS
30 Year IRR%	3.37%	3.37%	Output>Benchmark	PASS
60 Year IRR%	6.09%	3.37%	Output>Benchmark	PASS



## APPENDIX C – Financial appraisal summary – SDHT option ii)

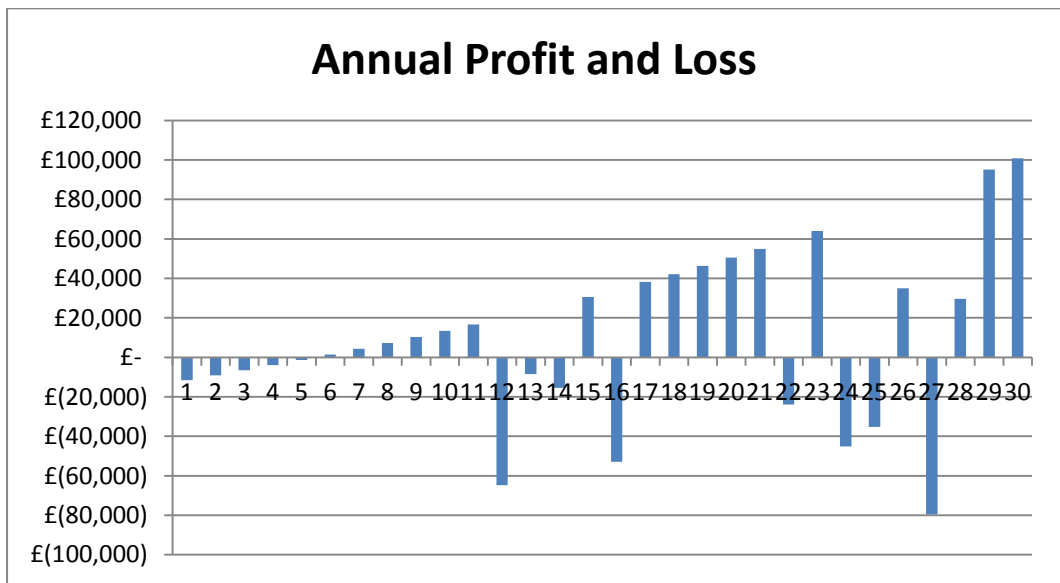
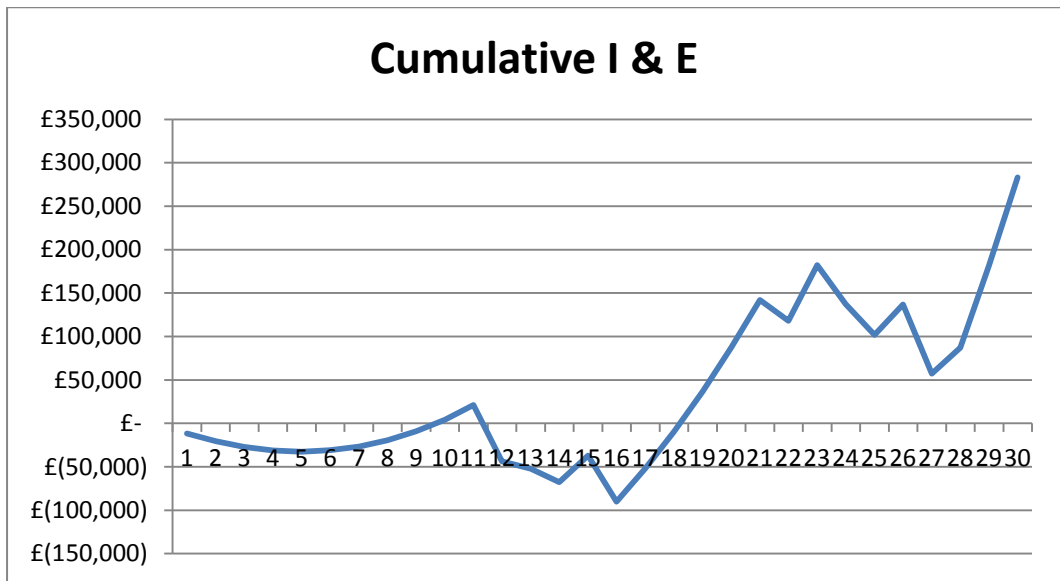
Three x 3b/5p houses, nine x 2b/4p houses and six x 1b/2p flats

	Output	Benchmark	Test	Pass /Fail
30 Year Net Present Value (£)	£49.62	0	Output>Benchmark	PASS
60 Year Net Present Value (£)	£1,441,359	0	Output>Benchmark	PASS
Payback Year	30	30	Output<Benchmark	PASS
30 Year IRR%	3.37%	3.37%	Output>Benchmark	PASS
60 Year IRR%	6.09%	3.37%	Output>Benchmark	PASS



**APPENDIX D – Financial appraisal summary – SDHT option iii)**  
**Three x 3b/5p houses, nine x 2b/4p houses and nine x 1b/2p flats**

	Output	Benchmark	Test	Pass /Fail
30 Year Net Present Value (£)	£0.00	0	Output>Benchmark	PASS
60 Year Net Present Value (£)	£1,625,870	0	Output>Benchmark	PASS
Payback Year	30	30	Output<Benchmark	PASS
30 Year IRR%	3.37%	3.37%	Output>Benchmark	PASS
60 Year IRR%	6.09%	3.37%	Output>Benchmark	PASS



# Selby District Council

## REPORT

Reference: E/16/13

Public



**To:** The Executive  
**Date:** 25 August 2016  
**Status:** Key Decision  
**Report Published:** 17 August 2016  
**Author:** Karen Iveson – Chief Finance Officer  
**Executive Member:** Councillor Cliff Lunn – Lead Member for Finance & Resources  
**Lead Officer:** Karen Iveson - Chief Finance Officer

**Title:** Financial Results and Budget Exceptions Report to 30 June 2016

### Summary:

At the end of quarter 1, the full year forecast for the General Fund shows an estimated shortfall of £137k against a budgeted surplus of £181k – a variance of £318k, largely due to a shortfall on the General Fund savings plan. Opportunities for in-year and on-going savings will be sought over the remainder of the year. The HRA is currently forecast to make a small shortfall of £20k although further variances are likely as the year progresses. The Capital Programme is progressing slowly within the General Fund and well in the HRA. A saving on a planned Democratic Services software upgrade is to be diverted to contaminated land software.

### Recommendations:

It is recommended that:

- i) the Executive endorse the actions of officers and note the contents of the report;
- ii) a £10k capital programme virement to fund a new contaminated land software solution from the saving on the Democratic Services ICT upgrade be approved.

## Reasons for recommendations

To ensure that budget exceptions are brought to the attention of the Executive in order to approve remedial action where necessary.

### 1. The Report

- 1.1 **Appendix A** presents the major forecasted variances identified to date for the first quarter of 2016/17 against approved budgets.

#### General Fund Revenue

- 1.2 The full year forecast outturn position (a deficit of £137k against a budgeted surplus of £181k) for the General Fund is analysed in the table below.

	Budget £000's	Forecast £000's	Forecast variance £000's
Net Revenue Budget	16,303	16,704	401
Grant RSG	(1,121)	(1,121)	0
NNDR	(2,250)	(2,250)	0
New Homes Bonus	(2,447)	(2,447)	0
Special & Specific Grants	(146)	(229)	(83)
<b>Amount to be met from Council Tax</b>	<b>10,339</b>	<b>10,657</b>	<b>318</b>
Council Tax	(4,982)	(4,982)	0
Council Tax Coll'n Fund	(129)	(129)	0
Business Rates Coll'n Fund	(5,409)	(5,409)	0
<b>Deficit/(Surplus)</b>	<b>(181)</b>	<b>137</b>	<b>318</b>

- 1.3 At this early stage in the year no specific remedial action to cover the deficit is proposed although opportunities for savings will be closely monitored. The contributing factors to the forecast variance are:

- The sale of Hurricane Close industrial unit in the first quarter of 2016/17 has left an income deficit of £64k which will be incorporated into the base budget going forward;
- The recent cut in the Bank Rate and an anticipated further cut later this year are estimated to reduce investment returns by £78k in 2016/17;
- The Lifeline Service currently anticipates a £54k overall shortfall in income - private payer income continues to grow but not sufficiently to fully absorb the impact of grant cuts;
- Planned savings are £313k short of target – further details are set out in the savings section below;
- These adverse variances have been partially offset by additional grant receipts - Council Tax Support Admin Subsidy (£77k), Neighbourhood Planning (£5k) and Smoke and Carbon Alarm New

- Burdens (£1k) and receipt of Welfare Support Grant (£17k);
- Continuing on a positive note - planning fee income continues to be buoyant and latest forecasts anticipate that the income budget will be exceeded by (£133k). At least 2 large applications are expected in the coming months and this forecast is continually updated.

### Housing Revenue Account

- 1.4 The full year forecast outturn position of the Housing Revenue Account is analysed in the table below:

	Budget £000's	Forecast £000's	Forecast variance £000's
Net Revenue Budget	10,679	10,699	20
Dwelling Rents	(12,199)	(12,199)	0
<b>Shortfall / Surplus</b>	<b>(1,520)</b>	<b>(1,500)</b>	<b>20</b>
Contribution to MRR	1,520	1,500	(20)
<b>Deficit/(Surplus)</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 1.5 The £20k variance relates to the impact of the interest rate cuts highlighted in paragraph 1.3 above. Further variances can be expected as the year progresses due to the sensitivity of housing rents – forecasts will be updated as more data is gathered through the year.

### Capital Programmes

- 1.6 To date there has been limited spend within the General Fund capital programme, although there has been some IT system spend on the Finance System upgrade, the electronic payments project and the network. Two new car park ticket machines have been purchased and installed in Selby to support the opening of the Leisure Village. Work on the collapsed culvert on Portholme Road is anticipated to start on site during the autumn. To date 19 Disabled Facility Grant payments have been awarded.
- 1.7 The Democratic Service software upgrade is not required during 2016/17 and will be re-profiled as part of a wider review of ICT systems through the 2017/18 budget process. The £10k saving is required to purchase contaminated land software as a greater priority. It was agreed within the Council's 2014-2018 Contaminated Land Strategy that the current prioritised list of sites and the software would be reviewed to ensure that developments in this software are incorporated in the Council's approach. A risk assessment has been carried out and there is an urgent need to manage contaminated land sites. Current software is no longer fit for purpose due to its age and changes to Statutory guidance and cannot be upgraded to meet our needs. There is a small annual support charge (less than £1k), which can be met from within existing budgets



- 1.8 Good progress is being made on the HRA capital programme, with the exception of pointing and roofing works at Tadcaster. The Structural Engineers report is due imminently which will then lead to leaseholder consultation which will mean work is unlikely to commence on site this financial year. Work is progressing with the bathroom replacement programme, door replacements, the heating programme and garage site clearance. Details of all budget exceptions can be found in **Appendix B**.

### **Savings**

- 1.9 **Appendix C** presents an update on progress against the Council's savings action plan for the General Fund and HRA.
- 1.10 At the end of quarter 1, the General Fund is still required to make savings of circa £600k. Officers are looking at maximising permanent savings and reviews of the base budgets will be carried out during the budget setting process to meet the increasingly demanding savings targets. To date there is a £313k shortfall against the savings target for the year - slippage and re-profiling of schemes identified such as mobile working, electronic payments, CRM and Civic Centre Office space have led to this shortfall.
- 1.11 HRA savings for the year have been achieved.

### **Programme for Growth**

- 1.12 The Leisure Village has been completed within budget and opened to the public on 28 May as planned. Work on the outdoor skate-park has been delayed due to the car parking works on the site - the scheme is expected to commence during September for completion by November. Unspent budgets across the remainder of the Programme have been carried forward from 2015/16 and a full review of the Programme is in progress - this will be reported separately to the Executive in October.

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

### **2.1 Legal Issues**

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

### **2.2 Financial Issues**

As set out in the report.

## **3. Conclusions**

- 3.1 A number of key variances, including a shortfall against savings targets, have been highlighted within the General Fund revenue budget. At this early stage no specific remedial action is proposed - the position will be monitored closely and opportunities for in-year and on-going savings will be sought over the remainder of the year.

- 3.2 The HRA is broadly on-track but variances are likely over the year.
- 3.3 Progress against the capital programmes is mixed with limited spend on the General Fund but generally good progress on the HRA. A saving on the Democratic Services software is to be allocated to contaminated land software which needs updating as a priority.

**Appendices:**

Appendix A – General Fund and Housing Revenue Account Revenue budget exceptions.

Appendix B – General Fund and Housing Revenue Account Capital Programme.

Appendix C – General Fund and Housing Revenue Account Savings.

**Contact Details**

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## BUDGET EXCEPTIONS REPORT

April - June 2016

## General Fund Income

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Other Government Grants	(2,592)	(41)	One-Off	Receipt of un-budgeted grant including Local Council Tax Support Admin Subsidy (£77k), Neighbourhood Planning (£5k) and Smoke and Carbon Alarm New Burdens (£1k). This is offset by the continued fall of Supporting People Grant £42k, this continued reduction from on-going assessment is not currently being met by private payers.
Government Grants	(17,705)	(17)	One-Off	Welfare Support Grant received from DWP.
Customer & Client Receipts	(4,006)	(15)	One-Off	Loss of rental income resulting from the sale of Hurricane Close industrial units £64k. Progression of the sale took place after the 2016/17 budget was set. Planning Fee income (£133k) is expected to exceed estimate and some larger applications are anticipated later in the year. Lifeline income from private payers is growing gradually but is anticipated to have a £54k shortfall to meet continued falling grants from assessment of customer needs.
Investment Income	(230)	78	One-Off	The shortfall in investment income is due to low returns from low interest rates now compounded by the recent cut in base rate.
<b>Total Variance - General Fund Income</b>		<b>5</b>		

## General Fund Expenditure

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Savings Target	612	313	On-going	Shortfall against savings target, savings identified during the year are reflected on the savings schedule. Officers continue to work to identify further savings to reduce this shortfall.
<b>Total Variance - General Fund Expenditure</b>		<b>313</b>		
<b>Total Variance - Operating (Surplus)/deficit</b>		<b>318</b>		

## Housing Revenue Account Income

Budget Description	Annual Budget £000's	Forecast Variance £000's	One-Off/ On-going	Comments
Investment Income	(48)	20	One-Off	The shortfall in investment income is due to low returns from low interest rates now compounded by the recent cut in base rate.
<b>Total Variance - HRA Income</b>		<b>20</b>		
<b>Total Variance - HRA</b>		<b>20</b>		

General Fund	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Industrial Units - Road Adoption	13,660	0	1,200	1,200	13,660	0	In negotiation with NYCC over the road adoption, there are issues still to be resolved regarding resurfacing of the road.
Portholme Road Culvert	356,670	0	45	45	356,670	0	Capita currently producing report on culvert which will establish costings and then work to be commissioned to start on site later in the year.
FMS Project	90,000	9,000	8,386	-614	90,000	0	Upgrade progressing well with testing underway, expected to go live late September / early October.
Northgate Revs & Bens	24,510	0	0	0	15,000	-9,510	Upgrade required for Northgate Business Objects in September 2016 and Annual Billing in November 2016. Following Revs and Bens upgrades it is anticipated that a £10k saving will be made on the capital spend. However, additional spend may be required in relation to the new software dependent on any potential recommendations from the service review following the software update.
Electronic Payments Project	61,665	5,139	5,175	36	61,665	0	Phase 1 complete. Design issues to be resolved prior to commencement of Phase 2.
Servers - ICT Infrastructure Replacement	120,000	10,000	14,645	4,645	120,000	0	Upgrade of current servers to meet developing systems requirements and enhance performance.
IDOX Upgrade	5,690	5,690	14,375	8,685	14,375	8,685	Payments required for PA Planning v2.1 & PA Licensing and TLC v8.1 upgrade. Although this is overspent, the intention will be to fund from underspend within the Revs & Bens capital funding. A review of the Capital spend profile will need to be made over the next couple of months to ensure that capital spend required within Development Management meets the aspirations of the authority.
Environmental Health System	12,940	6,470	5,375	-1,095	12,940	0	Data extract on EH completed. Currently looking to extract Licensing data alongside IDOX by w/c 12/08/16. In discussions with IDOX regarding converting the licensing data from M3 into IDOX. No further consultancy committed as yet as data conversion may potentially be undertaken manually in-house.
Councillor Tablets	18,340	0	0	0	18,340	0	ICT investigating / progressing scheme, licences may be required to meet PSN requirements, once the technical issues have been resolved the business case will be brought to Executive for consideration.
Democratic Services Upgrade	10,000	0	0	0	0	-10,000	This upgrade is not required in 16/17 and work is continuing to review the profile of ICT capital programme. Approval is required to use this saving to fund a new contaminated land software solution which requires more urgent attention.
Contaminated Land Software	0	0	0	0	0	10,000	It was agreed within the Council's 2014-2018 Contaminated Land Strategy that the current prioritised list of sites and the software would be reviewed to ensure that developments in this software are incorporated in the Council's approach. A risk assessment has been carried out and there is an urgent need to manage contaminated land sites. Current software is no longer fit for purpose due to its age and changes to Statutory guidance and cannot be upgraded to meet our needs.
Mobile Working Solution	249,800	0	0	0	249,800	0	A revised project brief and business case will be submitted to ELT in November. The direction of the Mobile Working Solution project will be dependent on what remote/mobile working functionality is available within the preferred solution for the Housing Management system.

## 2016/17 Selby District Council Capital Programme - To 30 June 2016

							A report will be submitted to Executive in October. The preliminary work to look at suppliers on the CCS framework is currently being undertaken. A preferred supplier will be identified during September and a recommendation will be included in the report to Executive in October.
Genero Housing System	175,610	0	0	0	175,610	0	
ICT - Desktop Replacement Programme	17,500	0	0	0	17,500	0	Continued cycle of replacement of IT equipment.
Asset Management Plan - Leisure & Parks	43,000	0	0	0	30,000	-13,000	No spend to date as repair work at Tadcaster Leisure Centre and Selby park is not due to commence until later in the year. Overall costs for the Tadcaster work are not as high as originally anticipated.
Car Park Ticket Machines	52,000	4,333	5,907	1,574	52,000	0	Delivery of machines expected by end of August and commissioning to be completed by end of September.
Private Sector - Home Improvement Loans	30,000	0	0	0	30,000	0	Interest in Repair assistance has been high. £9k has been committed with further applications currently with the Home Improvement Agency.
Disabled Facilities Grants	358,870	89,718	62,711	-27,007	358,870	0	Currently there is £228k committed. The budget funding is still being debated by Chief Housing Officers and the North Yorkshire Finance Teams responsible for the distribution of the Better Care Fund. It is likely that there 2016/17 allocation will be larger than the 2015/16 allocation and is expected to be in the region of £300K (the Better Care allocation was £346,958 but other districts are currently negotiating giving a percentage back to the fund on the basis it can support other initiatives).
New Build Projects	2,243,360	0	0	0	2,243,360	0	1 Sept Byram Park Flats site goes to Executive for decision on development from outline business case. Work also continues on proposals for phase 1 development at Landing Lane Riccall.
	<b>3,883,615</b>	<b>130,350</b>	<b>117,819</b>	<b>-12,531</b>	<b>3,859,790</b>	<b>-13,825</b>	

Housing Revenue Account	Annual Budget	Year to date Budget	Year to date Actual	Year to date Variance	Forecast	Forecast Variance	Comments
Kitchen Replacements	237,000	0	1,271	1,271	237,000	0	2016/17 Programme anticipated to complete approximately 100 kitchens by early October.
Pointing Works	566,840	0	4,572	4,572	10,000	-556,840	Programme on hold pending results of survey (see roofing).
Electrical Rewires	240,000	20,000	7,385	-12,615	240,000	0	Rolling programme of works, some of the budget will be used to support the refurbishment of Laurie Backhouse Court.
Bathroom Replacements	205,530	51,383	37,484	-13,899	205,530	0	Running alongside the kitchen replacement programme. The 2016/17 programme is anticipated to complete approximately 140 bathroom replacements by early October.
Asbestos Surveys	30,000	0	0	0	30,000	0	Progress is dependent on the new housing system being in place due to the format of the data.
Central Heating System Replacements	577,500	144,375	144,435	60	577,500	0	On-going rolling programme of works, good progress is being made, any underspends will be due to refusals / access and will be addressed in the future when the property becomes void..
Roof Replacements	532,650	0	0	0	32,650	-500,000	Awaiting the results of structural surveys which will determine the course of action and scheme commencement. The Structural Engineers report is expected imminently which will then lead to Leaseholder consultation. It is unlikely that work will commence on site this financial year.
Damp Works	230,000	57,500	38,849	-18,651	230,000	0	Work progressing well to cover more responsive works including some prevention measures (improving ventilation).
External Cyclical Repairs (Painting & Windows)	150,000	37,500	14,565	-22,935	150,000	0	Expected to be complete by the end of September in conjunction with the door replacement programme.
External Door Replacements	140,000	35,000	26,845	-8,155	140,000	0	As above.
Void Property Repairs	60,000	5,000	3,436	-1,564	60,000	0	Expenditure is dependent upon the condition of the property when it becomes void, further spend is anticipated in conjunction with the revenue budget.
Fencing Programme	40,000	10,000	4,969	-5,031	40,000	0	Programme on track and progressing well, still some invoices due for work completed.
St Wilfrids Court - Fire Alarm	25,000	0	0	0	25,000	0	To be completed as part of the Laurie Backhouse Court refurbishment.
Laurie Backhouse Court - Refurbishment	192,890	0	296	296	192,890	0	Currently on site and 50% complete. Expected to finish by the end of September.
Environmental Improvement Plan	185,000	46,250	38,545	-7,705	185,000	0	Use of the fund is progressing well this year with initiatives and projects coming forward. Current projects include joint funded support for Parish/Town Council and Groundwork initiatives including road and footpath improvements, car parking improvements, play area improvements and financial support for anti-social behaviour initiatives. The fund seeks to support community based initiatives that will benefit a significant number of residents, a proportion of which are council tenants. Many of the best schemes have involved joint funding which has allowed larger initiatives to be completed. The process is currently managed by officers who seek to ensure that proposals meet the selection criteria and where possible are spread across the whole district. Expenditure is expected to continue to grow as the year progresses.
Housing Development Project	88,490	0	900	900	88,490	0	Planning Application submitted for demolition of site during September, all tenants have now been rehoused.
Marsh Croft Flooding	0	0	-16,638	-16,638	0	0	No further spend due and the insurance claim covered more of the cost than anticipated. Currently applying for a flood resistance grant to cover prevention work incurred during 2015/16 not covered by the insurance claim.

## 2016/17 Selby District Council Capital Programme - To 30 June 2016

Garage Sites	50,000	12,500	11,185	-1,315	50,000	0	On-going work to clear, remove and refurbish garage sites to maximise rental potential.
Ousegate Hostel Fire Alarm System	15,000	0	0	0	15,000	0	Quotations currently being obtained to replace the Fire Alarm at Ousegate Lodge.
Harold Mills Court Fire	0	0	3,662	3,662	0	0	Spend to date has been on securing the site, tender due August for reinstatement of the Centre. Costs are anticipated to be covered by insurance.
Phase 1 Housing Development	2,800,000	20,000	19,027	-973	2,800,000	0	Anticipated to start on site on 15 August for Phase 1 in Byram and Eggborough. Awaiting a spend profile from the contractor.
	<b>6,365,900</b>	<b>439,508</b>	<b>340,788</b>	<b>-98,720</b>	<b>5,309,060</b>	<b>-1,056,840</b>	
<b>Total Capital Programme</b>	<b>10,249,515</b>	<b>569,857</b>	<b>458,606</b>	<b>-111,251</b>	<b>9,168,850</b>	<b>-1,070,665</b>	

<b>General Fund Savings</b>					
Proposed Savings	Status	2016/17	2017/18	2018/19	Comments
		£	£		
<b>IT &amp; Transformation Workstream</b>					
Better Together - CRM Replacement - Phase 1	Green	36,160	36,160	36,160	Phase 1 completed
Better Together - Digital Transformation - Phase 2	Red	-	30,000	30,000	ICT strategy to be refreshed and business case for shared customer portal (part of Better Together) to be considered.
Mobile Working	Red	-	41,728	41,728	Savings are subject to a revised business case and dependent on decisions around the new Housing Management System. Aim to re-visit the business case in autumn 2016.
Better Together - Formal amalgamation of District newspaper and County Council publications	Green	3,000	3,000	3,000	Completed
Electronic Payments	Red	4,000	15,500	15,500	Review of potential charges for electronic payments to be undertaken in 2016/17 although government proposals to cap charges may ultimately negate this.
Improved Revs & Bens Value for Money Further Internal Efficiencies (Outside of Better Together)	Amber	25,000	50,000	50,000	A service review has recently commenced with a target to deliver savings from 17/18 onwards. Additionally a review of staffing has been undertaken and a decision made to not fill vacant posts upto structure. £21k was saved in 15/16 and this post will not be filled in 16/17, additionally savings of £3k are proposed due to savings on annual billing.
	Red	6,500	9,500	9,500	To date no further efficiencies have been highlighted for 16/17 although there are reviews underway in planning and environmental health.
Access Selby' Commercialisation	Amber	18,000	50,000	50,000	There has been an increase in chargeable work on the housing repairs and lifeline services. Current forecasts suggest £18k is achievable in 16/17.
<b>Total Transformation</b>		<b>92,660</b>	<b>235,888</b>	<b>235,888</b>	
<b>Commissioning Workstream</b>					
Postage and Mail	Green	8,000	11,000	11,000	Initial saving of £5k completed plus a further £6k p.a. from October 2016 subject to Executive approval of new contract on 25 August.
Supplier Engagement	Amber	20,000	20,000	20,000	A variety of contracts are to be re-procured and currently on track to deliver savings from April 2017.
Reduce Tail end spend	Amber	14,500	14,500	14,500	£8.5k realised already in relation to car park tickets & telephones - £6k additional savings still to be identified in 2016/17 onwards.
Improved Waste / Recycling Value for Money	Red	-	100,000	200,000	Service under pressure due to growth in property numbers and contract variation under negotiation. 17/18 Target reduced by £100K and to be reassessed once details of variation are established.
Maximise use of Civic Centre Office Space	Red	25,000	71,000	71,000	£10.5k achieved - longer term savings will be dependant on arrangements with partners such as the police.
<b>Total Commissioning</b>		<b>67,500</b>	<b>216,500</b>	<b>316,500</b>	



Proposed Savings	Status	2016/17 £	2017/18 £	2018/19	Comments
<b>Income Generation Workstream</b>					
General Fund Housing Development	Amber	18,000	50,000	50,000	Interest from loans to SDHT - figures to be updated as new loans are agreed.
Green Energy	Red	-	150,000	150,000	The feasibility report confirms that a ground and roof mounted schemes are possible but changes to government subsidies means that detailed business case will be deferred and therefore a scheme will not be delivered to achieve a saving in 16/17.
Policy changes to introduce new income streams	Red	78,783	80,823	80,823	Charging policy has been updated and approved to allow full cost recovery on discretionary services. Opportunities currently under review.
<b>Total Income Generation</b>		<b>96,783</b>	<b>280,823</b>	<b>280,823</b>	
<b>Total General Fund Savings in Progress</b>		<b>256,943</b>	<b>733,211</b>	<b>833,211</b>	
<b>Savings Target</b>		<b>569,760</b>	<b>992,803</b>	<b>992,803</b>	
<b>Headroom/Deficit (+/-)</b>		<b>** - 312,817 -</b>	<b>259,592 -</b>	<b>159,592</b>	
<b>Green Savings</b>		47,160	50,160	50,160	
<b>Amber Savings</b>		95,500	184,500	184,500	
<b>Red Savings**</b>		114,283	498,551	598,551	
<b>Total</b>		<b>256,943</b>	<b>733,211</b>	<b>833,211</b>	

Key: **HRA Savings Plan**

Green: Savings likely to be achieved/low risk

Amber: Tentative savings - further work required/medium risk

Red: Requires a change in Council policy or significant change in service delivery/high risk

Proposed Savings	Status	2016/17 £	2017/18 £	2018/19 £	Progress
Review of Property Services unfilled posts	Green	50,000	50,000	50,000	Completed
Gas Servicing Contract	Green	20,000	20,000	20,000	Completed
Grassed Areas & Open Spaces base budget review	Green	29,000	29,000	29,000	Completed
Various Suppliers	Green	22,000	22,000	22,000	Completed
WTT - Savings	Green	129,591	129,591	129,591	Completed
2011/12 Pay Award	Green	27,000	27,000	27,000	Completed
Car Allowances	Green	5,600	5,600	5,600	Completed
Savings on Audit Fees and early Retirement Charges	Green	40,460	40,460	40,460	Completed
Ryecare Help-Line Telecom Saving	Green	700	700	700	Completed
Consolidation of IT Budgets	Green	23,685	23,685	23,685	Completed
Electrical Testing - R&M	Green	15,000	15,000	15,000	Completed
Vehicle Tracking System	Green	500	500	500	Completed
Direct Works - Phones	Green	2,000	2,000	2,000	Completed
Grants Audit Fees	Green	9,390	9,390	9,390	Completed
Clear Access Footways	Green	2,500	2,500	2,500	Completed
Footpaths	Green	10,000	10,000	10,000	Completed
Gutters & Fallpipes	Green	5,000	5,000	5,000	Completed
Tenants Participation - Housing Reports	Green	370	370	370	Completed
Energy Performance Certificates	Green	3,000	3,000	3,000	Completed
SDC Contract Hire Vehicles	Green	18,000	18,000	18,000	Completed
Asbestos Removal	Green	500	500	500	Completed
Solid Fuel Servicing	Green	12,470	12,470	12,470	Completed
Communal Lighting	Green	3,350	3,350	3,350	Completed
Pumping Stations	Green	3,210	3,210	3,210	Completed
Lift Maintenance	Green	1,300	1,300	1,300	Completed
Bank charges	Green	1,600	1,600	1,600	Completed
Debt collection costs	Green	1,300	1,300	1,300	Completed
Hostels	Green	5,230	5,230	5,230	Completed
Van Fuel (oil price & fuel card savings)	Green	2,450	2,450	2,450	Completed
Resource Accounting	Green	4,000	4,000	4,000	Completed
Rent - Bank Charge Savings	Green	1,000	1,000	1,000	Completed
Use of Temporary Accommodation	Green	13,740	13,740	13,740	Completed
Community Centres	Green	9,600	9,600	9,600	Completed
<b>Total Housing Revenue Account Savings</b>		<b>473,546</b>	<b>473,546</b>	<b>473,546</b>	
<b>Savings Target</b>		360,000	360,000	360,000	
<b>Headroom/Deficit (+/-)</b>	**	<b>113,546</b>	<b>113,546</b>	<b>113,546</b>	
<b>Green Savings</b>		473,546	473,546	473,546	
<b>Amber Savings</b>		-	-	-	
<b>Red Savings**</b>		-	-	-	
<b>Total</b>		<b>473,546</b>	<b>473,546</b>	<b>473,546</b>	

# Selby District Council

## REPORT

Reference: E/16/14

Public



**To:** The Executive  
**Date:** 25 August 2016  
**Status:** Key Decision  
**Report Published:** 17 August 2016  
**Author:** John Raine – Head of Technical Finance  
**Executive Member:** Councillor Cliff Lunn – Lead Member for Finance & Resources  
**Lead Director:** Karen Iveson – Chief Finance Officer

**Title:** Treasury Management – Monitoring Report to 30 June 2016

### Summary:

This report reviews the Council's borrowing and investment activity (Treasury Management) for the 3 month period 1 April to 30 June 2016 and presents performance against the Prudential Indicators.

Investments – Following the outcome of the EU referendum, the Bank of England cut Bank Rate from 0.50% to 0.25% on 4 August 2016. As a result, investment returns are anticipated to reduce further from the already low levels experienced in the first quarter of 2016/17. A further rate reduction is now forecast for November 2016, potentially to 0.10%. Consequently, the latest forecast for interest income has reduced and the Council is now expected to achieve £190k (£152k allocated to the General Fund; £38k to the Housing Revenue Account), which is £98k below budget and will reduce the surpluses originally forecast for the year.

Borrowing – the Council has long term borrowing of £60.3m at 30 June 2016. Interest payments of £2.5m are forecast for 2016/17.

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

## **Recommendations:**

- i. Councillors endorse the actions of officers on the Council's treasury activities for the period ending 30 June 2016 and approve the report.**

## **Reasons for recommendation**

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

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

- 1.1 This is the first monitoring report for treasury management in 2016/17 and covers the period 1 April to 30 June 2016. During this period the Council complied with its legislative and regulatory requirements.
- 1.2 Treasury management in Local Government is governed by the CIPFA "Code of Practice on Treasury Management in the Public Services" and in this context is the management of the Council's cash flows, its banking and its capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks. This Council has adopted the Code and complies with its requirements.
- 1.3 The Council's Treasury Strategy, including the Annual Investment Strategy and Prudential Indicators was approved by Council on 25 February 2016.
- 1.4 The two key budgets related to the Council's treasury management activities are the amount of interest earned on investments £288k (£230k General Fund, £58k HRA) and the amount of interest paid on borrowing £2,525k (£112k General Fund, £2,413k HRA).

### **2. The Report**

#### **Interest Rates and Market Conditions**

- 2.1 Following the Monetary Policy Committee of 4 August 2016, the Bank of England cut interest rates from 0.50% to 0.25%. The Council's Treasury Management advisors are currently forecasting a further cut in bank rate to 0.10% in November 2016 based on their interest rate forecast update from August 2016. Bank rate is projected to remain low with a first rate rise back to 0.25% in May 2018 and not returning to 0.50% until May 2019.

2.2 In addition, the Council's treasury advisors Capita summarised the key points associated with economic activity in Q1 2016/17 up to 30 June 2016:

- The UK voted to leave the EU;
- The economic recovery lost some momentum ahead of the vote;
- Growth remained highly dependent on consumer spending;
- The jobs recovery slowed, but wage growth picked up;
- Inflation remained at very low levels;
- A sharp fall in sterling following the EU referendum result;

2.3 Table 1 shows recent average interest rates available up to a duration of 12 months and reflects the lack of movement in rates since the start of the year. Following the cut in bank rate, however, the rates available are expected to reduce further in line with bank rate.

Table 1: Average Interest Rates 1 April 2016 to 30 June 2016

	<b>April 2016</b>	<b>May 2016</b>	<b>June 2016</b>
<b>Base Rate (Bank Rate)</b>	0.50	0.50	0.50
<b>Over Night</b>	0.40	0.40	0.45
<b>7 Days</b>	0.40	0.40	0.45
<b>1 month</b>	0.45	0.45	0.45
<b>3 Months</b>	0.55	0.55	0.50
<b>6 Months</b>	0.70	0.70	0.60
<b>1 Year</b>	0.80	0.80	0.70

2.4 The Council's Treasury Advisors, Capita provided a forecast for interest rates for both investments and PWLB borrowing as part of the Treasury Management Strategy. This forecast is regularly monitored and updated. Table 2 shows the forecast included in the Treasury Strategy and Table 3 shows the latest forecast.

Table 2: Forecast for Interest Rates Included in Treasury Strategy

<b>Date</b>	<b>Bank rate</b>	<b>5 year PWLB</b>	<b>10 year PWLB</b>	<b>25 year PWLB</b>	<b>50 year PWLB</b>
	%	%	%	%	%
Mar 2016	0.50	2.00	2.60	3.40	3.20
Sept 2016	0.50	2.20	2.80	3.50	3.30
Mar 2017	0.75	2.40	3.00	3.70	3.50
Sept 2017	1.00	2.60	3.20	3.80	3.70
March 2018	1.25	2.80	3.40	4.00	3.90
Sept 2018	1.50	3.00	3.60	4.10	4.00
March 2019	1.75	3.20	3.70	4.10	4.00

\* Net of certainty rate 0.2% discount

- 2.5 As can be seen from Tables 2 and 3, the reduction in bank has had a significant impact on the forecast for rates both in this financial year and next financial year.
- 2.6 The forecasts are based on moderate economic recovery and Monetary Policy Committee (MPC) views about inflation looking two years ahead. There is a high level of uncertainty in all forecasts due to the factors involved and their sensitivity to each other.

Table 3: Forecast for Interest Rates June 2016

<i>Date</i>	<i>Bank rate</i>	<i>5 year PWLB</i>	<i>10 year PWLB</i>	<i>25 year PWLB</i>	<i>50 year PWLB</i>
	%	%	%	%	%
Current rates	0.25	1.00	1.60	2.30	2.10
Sept 2016	0.25	1.00	1.50	2.30	2.10
Mar 2017	0.10	1.00	1.50	2.30	2.10
Sept 2017	0.10	1.10	1.60	2.40	2.20
March 2018	0.10	1.10	1.60	2.40	2.20
Sept 2018	0.25	1.20	1.70	2.50	2.30
March 2019	0.25	1.20	1.70	2.50	2.30

### Annual Investment Strategy

- 2.7 The Annual Investment Strategy outlines the Council's investment priorities which are consistent with those recommended by DCLG and CIPFA:
- ✦ Security of Capital and
  - ✦ Liquidity of its investments
- 2.8 The Council aims to achieve optimum return on investments commensurate with these priorities. In the current economic climate officers are striving to achieve a balance of investments that will provide the best possible return whilst minimising the on-going risks within the banking sector.
- 2.9 The Council continues to invest in only highly credit rated institutions using the Capita suggested creditworthiness matrices which take information from all the credit ratings agencies. Officers can confirm that the Council has not breached its approved investment limits during the first six months of the year.
- 2.10 While interest rates have remained low throughout 2016, cash balances have continued at relatively high levels. The current forecast is that the Council will achieve interest income of £190k (£152k allocated to the General Fund; £38k to the Housing Revenue Account), which is £98k below the budget for the year.

- 2.11 The investment of the cash balances of the Council are now managed as part of the investment pool operated by North Yorkshire County Council (NYCC). As at 31 June 2016 £32.0m was held within the NYCC investment pool at an average rate of 0.66%.
- 2.12 The average level of funds available for investment during the three months to June was £33.5m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme which has increased cash available to invest in the short term. The Council holds approximately £14.0m of core cash balances made up of earmarked reserves and capital receipts set aside to repay debt for investment purposes (i.e. funds available for more than one year).
- 2.13 The Council has a benchmark of its budget target of 1.50% to reflect performance of investments. However, as interest rates have remained low throughout 2016 the overall average rate of 0.66% is below benchmark. The forecast is kept under constant review. While the Council's cash balances remain high, which will support the interest earned budget, investment income rates are expected to reduce further in line with bank rate.

### **Borrowing**

- 2.14 It is a statutory duty for the Council to determine and keep under review its "Affordable Borrowing Limits". The Council's approved Prudential Indicators (affordable limits) were outlined in the Treasury Management Strategy Statement (TMSS). A list of the limits is shown at Appendix A. Officers can confirm that the Prudential Indicators were not breached during the first three months of the year.
- 2.15 The TMSS indicated that there was a requirement to take long term borrowing during 2016/17 to support the budgeted capital programme. However, the 2016/17 forecast borrowing requirement is entirely dependent on the level of funding required for the Selby Leisure Village within the Programme for Growth and the Housing Development. Any borrowing requirement will be confirmed as the project plans are finalised.
- 2.16 The Council approved an Authorised Borrowing Limit of £79.0m (£78m debt and £1m Leases) and an Operational Borrowing Limit of £74.0m (£73m debt and £1m Leases) for 2016/17. The highest total gross amount of debt in the year to 30 June has not been more than £60.3m on any occasion.
- 2.17 The Council was in an over-borrowed position of £3.1m as at 31 March 2016. This means that capital borrowing is currently in excess of the Council's underlying need to borrow. The over borrowed position is a

direct result of the setting aside of sums to repay debt in the future. However, the over-borrowed position will begin to reverse in 2016/17 as loans are made to support the Housing Trust, with no further plans to undertake any additional long term borrowing in the short/medium term. This stance will however be kept under review as borrowing rates are yet again at an all-time low.

### **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**

The £98k reduction in investment returns is now at a level which will inevitably flow through to the Council's net budget – the budget exceptions report elsewhere on this agenda highlights the issue. However, the Executive Director (s151) and –Head of Technical Finance will continue to, with advice from the Council's advisors (Capita and North Yorkshire County Council) look to maximise opportunities with the Council's investment and borrowing position. In addition officers will consider alternative forms of investment/cost reduction to mitigate the impact of low bank returns and report back to the Executive in due course.

### **4. Conclusion**

- 4.1 The impact of the economy, and the turmoil in the financial markets, continues to have an impact on the Council's investment returns and will continue to do so for some while.

### **5. Background Documents**

Accountancy treasury management files

#### **Contact Details**

John Raine  
Head of Technical Finance  
Selby District Council

#### **Appendices:**

Appendix A – Prudential Indicators as at 30 June 2016



**Prudential Indicators – As at 30June 2016**

Note	Prudential Indicator	2016/17 Indicator	Quarter 1 Actual
1.	Mid Year Capital Financing Requirement £'000	63,149	63,149
	Gross Borrowing £'000	61,025	61,025
	Investments £'000	27,000	32,036
2.	Net Borrowing £'000	34,025	28,989
3.	Authorised Limit for External Debt £'000	79,000	79,000
4.	Operational Boundary for External Debt £'000	74,000	74,000
5.	Limit of fixed interest rates based on net debt %	100%	100%
5.	Limit of variable interest rates based on net debt %	30%	30%
6.	Principal sums invested for over 364 days		
	1 to 2 Years £'000	20,000	0
	2 to 3 Years £'000	15,000	0
	3 to 4 Years £'000	5,000	0
	4 to 5 Years £'000	5,000	0
7.	Maturity Structure of external debt borrowing limits		
	Under 12 Months %	20%	0%
	1 Year to 2 Years %	20%	0%
	2 Years to 5 Years %	50%	1.66%
	5 Years to 10 Years %	50%	10.77%
	10 Years to 15 Years %	50%	0%
	15 Years and above %	90%	87.57%

**Notes to the Prudential Indicators**

1. Capital Financing Requirement – this is a measure of the Council's underlying need to borrow long term to fund its capital projects.

## APPENDIX B

2. Net Borrowing (Gross Borrowing less Investments) – this must not except in the short term exceed the capital financing requirement.
3. Authorised Limit for External Debt – this is the maximum amount of borrowing the Council believes it would need to undertake its functions during the year. It is set above the Operational Limit to accommodate unusual or exceptional cashflow movements.
4. Operational Boundary for External Debt – this is set at the Council’s most likely operation level. Any breaches of this would be reported to Councillor’s immediately.
5. Limit of fixed and variable interest rates on net debt – this is to manage interest rate fluctuations to ensure that the Council does not over expose itself to variable rate debt.
6. Principal Sums Invested for over 364 days – the purpose of these limits is so that the Council contains its exposure to the possibility of loss that might arise as a result of having to seek early repayment or redemption of investments.
7. Maturity Structure of Borrowing Limits – the purpose of this is to ensure that the Council is not required to repay all of its debt in one year. The debt in the 15 years and over category is spread over a range of maturities from 23 years to 50 years.

# Selby District Council

## REPORT

Reference: E/16/15

Public



**To:** The Executive  
**Date:** 25 August 2016  
**Status:** Key Decision  
**Report Published:** 17 August 2016  
**Author:** Karen Iveson – Chief Finance Officer  
**Executive Member:** Councillor Cliff Lunn – Lead Member for Finance & Resources  
**Lead Officer:** Karen Iveson – Chief Finance Officer

**Title: Medium Term Financial Strategy (General Fund)**

### Summary:

This report presents an update to the revised Medium Term Financial Strategy (MTFS) approved by Council in February 2016.

The key assumptions that underpin the strategy have been updated - Policy Review Committee was consulted at its meeting on 21 July 2016 and the committee was supportive of the approach.

The MTFS takes account of the Government's offer of a multi-year finance settlement for Local Government and this report proposes that this be recommended to full Council – the requirements for a supporting efficiency plan are contained within the MTFS.

The MTFS identifies risk and uncertainty around the move to 100% business rates retention and on-going reductions to Government funding (Revenue Support Grant and New Homes Bonus) as the key issues for the Council's finances and confirms the Council's strategic approach to reducing its base revenue budget and investing 'one-off' or finite resources to stimulate local economic growth and achieve sustainable income through Council Tax and Business Rates growth.

The MTFS confirms the Council's reserves strategy which seeks to set aside sums to cover known commitments and cover financial risk as well as earmarking resources to support delivery of the Council's

Corporate Plan.

Taking into account prudent forecasts in Business Rates income, alongside our on-going savings plans, a target net General Fund revenue budget of £10.5m is proposed for the 2017/18 budget, which includes a savings target of £1.1m.

The MTFS highlights the potential for New Homes Bonus and additional business rates receipts and confirms, subject to delivery of required savings, funding to support the 'Programme for Growth'. An indicative sum of £10m is potentially available to extend the programme from April 2017 and proposals will be considered as part of the forthcoming budget round.

As the MTFS has been drafted the Government has launched a consultation on 100% business rates retention and a call for evidence on a fairer funding review. The deadline for submission of responses is 26 September and a draft is currently being prepared, which will be finalised in consultation with Executive members and then accompany the MTFS report when it is considered by full Council on 20 September.

### **Recommendations:**

**It is recommended that:**

- i) the Medium Term Financial Strategy be submitted to Council for approval;**
- ii) the Executive recommend that Council take up the government's offer of a multi-year finance settlement.**

### **Reasons for recommendation**

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

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

- 1.1 The Council's latest Medium Term Financial Strategy was approved by full Council in February 2016 – this report presents an update taking into account changes to the key assumptions within the strategy. The draft MTFS including associated appendices is attached at **Appendix 1**.
- 1.2 Policy Review Committee were consulted on the proposals at their meeting on 21 July 2016 - the minutes of the meeting are attached at **Appendix 2**.

## **2. The Report**

- 2.1 The attached update paper models three scenarios for the Council's General Fund revenue budget over the next 10 years although major risk and anticipated changes within the financing system mean that meaningful future forecasting is extremely difficult. However, the mid-range forecast is the scenario that is proposed as the basis for the budget round for 2017/18.
- 2.2 Significant changes to the Business Rates Retention Scheme are anticipated following the Government's announcement that in future 100% of Business Rates will be retained by Local Government and Revenue Support Grant will be phased out.
- 2.3 On 21 March the Department of Communities and Local Government wrote to all councils setting out their offer of a multi-year finance settlement. The offer covers the Revenue Support Grant, Rural Services Delivery Grant and Transitional Grant.
- 2.4 The MTFs takes account of the multi-year settlement offer which sees settlement funding reducing by around £1m by 2019/20. Furthermore the government have reserved the right to alter the settlement due to unforeseen circumstance or 'shocks' in the system.
- 2.5 Whilst there is little compelling financial case for accepting the multi-year settlement, it is highly unlikely that non-acceptance would lead to additional funding and there remains a real risk of further funding reductions in the short-term should the Council decide not to take up the government's offer. Therefore it is proposed that subject to no significant changes, the offer of a multi-year settlement be recommended to Council.
- 2.6 In order to qualify for consideration, the Council must respond with a link to its published efficiency plan, no later than 5.00pm on 14 October 2016. The savings plan contained within the MTFs is considered sufficient to meet this requirement.
- 2.7 The mid-case scenario assumes that New Homes Bonus reduces by £1m from 2017/18 to 2018/19, which increases the needs for on-going revenue savings whilst continuing to support the Council's Programme for Growth in order to stimulate local economic growth in order to generate more sustainable income streams for the Council.
- 2.8 The MTFs also confirms that additional Business Rates income (beyond £2.4m needed to mitigate other funding cuts) is to be allocated to the Programme for Growth. Plans for investing these resources to deliver economic growth, will be brought forward as part of the forthcoming budget round.

- 2.9 The MTFS models Council Tax rises of 1.99% and £5, which is in line with the Government's assumptions for Selby and as such this is the assumption for the mid-case scenario. A £5 increase for the next 3 years would generate additional Council Tax income (above the 1.99%) of £152k p.a. which would make a significant impact on the Council's future savings requirement.
- 2.10 The Council's approach to the management of its reserves is re-confirmed in the MTFS – earmarking resources to cover commitments, manage risk and support growth, with £1.5m retained as a general working balance.
- 2.11 Based on the assumptions updated within the MTFS, taking the forecast resources available and assuming costs are contained within the net revenue budget, savings of £1.7m p.a. are anticipated by 2020/19. The approved savings plan includes savings totalling around £800k over the next 3 years leaving a gap of £900k. For 2017/18 savings totalling £1.1m are anticipated to be required with a current shortfall against this target of nearly £400k.
- 2.12 These forecasts do not take account of additional growth in the Council's Tax Base or Business rates income – a successful Programme for Growth will ultimately reduce the gap between the Council's resources and spending and reduce the savings requirement. However until this growth is achieved it is prudent to plan for further savings.
- 2.13 Whilst revenue resources are challenging, capital receipts remain relatively buoyant which will enable the Council's General Fund capital programme to be sustained as we consider opportunities to further invest in housing related schemes alongside reserve programmes to improve our asset base and ICT systems – improving outcomes for citizens and in turn delivering internal efficiencies.
- 2.14 The MTFS concludes with proposals to extend the Programme for Growth – economic growth is fundamental to achieving financial sustainability for the Council and therefore a careful balance needs to be struck between savings and investment. We will continue to strive for more efficient and effective services to deliver financial capacity for investment in economic growth – replacing central government funding with more sustainable cash returns. Internal capacity to drive this agenda will be crucial to success.
- 2.15 The current Programme for Growth is under review and proposals for a new programme will be considered as part of the budget process.
- 2.16 As the MTFS has been drafted the Government has launched a consultation on 100% business rates retention and a call for evidence on a fairer funding review. The deadline for submission of responses is 26 September and a draft is currently being prepared, which will be

finalised in consultation with Executive members and then accompany the MTFS report when it is considered by full Council on 20 September.

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

#### **3.1 Legal Issues**

None as a direct result of this report.

#### **3.2 Financial Issues**

3.2.1 The financial issues are highlighted within the body of the report. Based on the updated key assumptions within the paper and a mid-range cut to Government grant/business rates, the target net revenue budget for 2017/18 is £10.5m, including a savings target of £1.1m and net contributions to reserves of £1.1m.

3.2.2 The current savings plan for 2017/18 totals approximately £700k leaving a gap of £400k and proposals to bridge this gap will be brought forward as part of the budget.

### **4. Conclusion**

4.1 The key assumptions which underpin the MTFS have been updated based on the latest intelligence available however there remains much uncertainty around public sector finance. The multi-year settlement offer shows a £1m reduction in this funding over the next 3 years.

4.2 There remains risk within the Business Rates retention scheme and in particular it is not known if similar levels of renewable receipts as to those experienced to date can be expected going forward - at this stage a cautious stance has been taken from 2017/18 onwards.

4.3 There is also uncertainty over New Homes Bonus, the economic situation, income generation and delivery of savings. The Council's longer term financial position is heavily reliant upon resources keeping pace with inflation and costs being contained within base budget.

4.4 Currently, New Homes Bonus is crucial to our financial resilience and to our capacity to invest in Selby District. Our longer term forecasts assume a reduction in New Homes Bonus of circa £1m p.a. and whilst this remains a bonus scheme and therefore not part of the Council's core funding it is assumed that £880k p.a. continues to support the Programme for Growth. Although NHB could be wholly diverted to the revenue budget if savings fall short of target.

4.5 Based on the assumptions in this strategy the Council's target Net Revenue Budget for 2017/18 is £10.5m which requires savings of

£1.1m for the year. Over the next 3 years this requirement is expected to rise to £1.7m p.a.

- 4.6 Additional income from Council Tax and Business Rates as a result of our investment in economic growth will help to bridge the funding gap in the long term but in the meantime we must strive to be as efficient as possible and additional savings targets are proposed. We will need to keep this under review as the future for Local Government funding under 100% Business Rates Retention and the future of New Homes Bonus becomes clearer.
- 4.7 The on-going risk to the Council's funding means that a careful balance between savings and investment will need to be struck. The significant receipts from Business Rates income mean that the Council has the financial capacity to invest further in economic growth within the district and plans for the use of these funds will be drawn up for approval by councillors over the coming months. Internal capacity to drive this agenda will be crucial to success.

## **5. Background Documents**

Approved MTFS February 2016

### **Appendices**

Appendix 1 - Medium Term Financial Strategy Update September 2016

Appendix 2 – Draft Policy Review Committee minutes July 2016

### **Contact Details**

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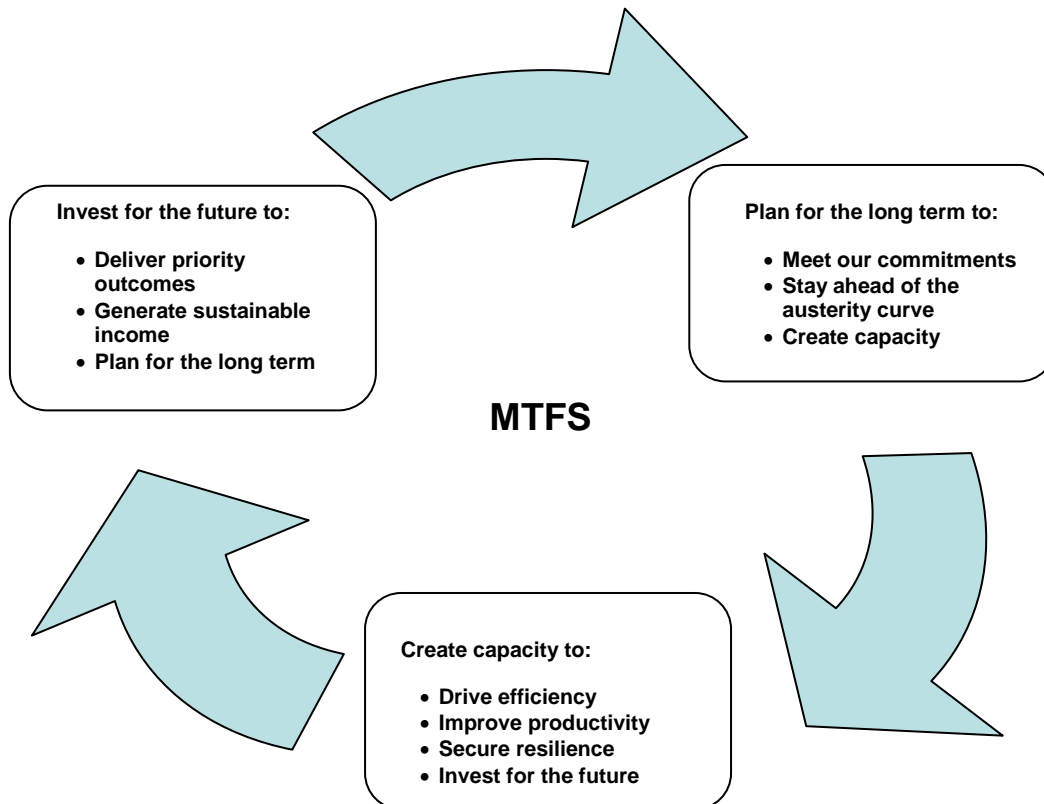


## Selby District Council

### Medium Term Financial Strategy Update September 2016

#### 1. Introduction and Background

- 1.1 This paper presents an update to the revised General Fund Medium Term Financial Strategy approved by Council in February 2016. It considers the budget pressures and issues facing the Council over the next 3 years and beyond, and provides the framework for the forthcoming budget round.
- 1.2 At this stage the impacts of the UK's exit from the European Union and consequential political and economic turmoil, on public sector finances are not known. It appears that the Government has abandoned its target to achieve a surplus by 2020 but we await the outcome of the consultation on the future business rates system and fairer funding review to throw further light on the outlook for public sector finances.
- 1.3 As this strategy is being written, the devolution agenda is progressing nationally and deals for the region/sub-region are in discussion although it is likely that the government's attention will be diverted elsewhere in the shorter term. At this stage the financial implications of devolution for Selby are still not clear and therefore have not been taken into account in this refresh. It will be important to understand the on-going implications as part of any future decisions on forming a combined authority with other partners.
- 1.4 Against this backdrop of uncertainty, the key drivers for the financial strategy remain unchanged as the pressure on Local Government finance continues and austerity in some form is expected to be with us for some time to come.
- 1.5 In 2015/16 we launched a new Corporate Plan and with it the Council's priorities for the coming 5 years. The Council has a clear and ambitious growth agenda – aiming **to make Selby a great place to do business, enjoy life and make a difference whilst delivering great value**. The financial strategy aims to provide financial sustainability, resilience and capacity for the Council in pursuing its objectives and secure the resources necessary to deliver the Corporate Plan, whilst managing the funding cuts we are facing.



1.6 To support this paper three scenarios have been modelled and are attached at **Appendix A**. The mid-case scenario is proposed as the framework for the forthcoming budget although given the uncertainty for public sector finances, now more than ever we must be ready to cope with a worst case scenario whilst staying focussed on our Corporate Plan objectives - using our strong financial position to balance savings and investment.

## 2 Update on financial assumptions

### Interest Rates

- 2.1 The bank base rate was cut by 0.25% to 0.25% on 4 August – a unanimous vote by the Monetary Policy Committee. In the latest forecasts received from Capita (the Council's treasury management advisors) the bank rate is projected to reduce to 0.1% in Q1 of 2017 and remain flat through to Q1 of 2019 when a rise to 0.25% is predicted.
- 2.2 The approved strategy assumes investment rates will rise to 2% by 2019/20 and therefore this latest forecast will impact on the Council's overall financial position. Loans to Selby and District Housing Trust will provide some mitigation, although the pace of these is slower than originally anticipated, so it would be prudent to further reduce our forecasts.

## Appendix 1

- 2.3 The approved strategy includes provision for a £300k cap on the amount of investment interest used to support the revenue budget and as a result of the on-going low rates it is anticipated that this will not be reached in the next 3 years:

	2016/17	2017/18	2018/19	2019/20
Average rate %	0.47%	0.25%	0.40%	0.50%
<b>GF Interest £000's</b>	<b>150</b>	<b>100</b>	<b>130</b>	<b>140</b>
HRA Interest £000's	38	25	32	35
Total Interest £000's	188	125	162	175

*2016/17 Quarter 1 Treasury Management Report*

### Inflation

- 2.4 As at June 2016 CPI inflation was running at 0.5% in contrast to average weekly earnings which rose by 2% in April. The Monetary Policy Committee's judgement is that inflation will rise above the 2% target to about 2.3% in 2018 due to the recent fall in the value of sterling etc. However, it remains to be seen how recent developments will impact on the outlook for the economy and inflation. Given the continued cuts to central Government funding, the MTFs assumption on inflation remains at 2% which builds in a level of risk mitigation. The 1% pay deal agreed for 2016/17 and 2017/18 is included in the budget as is a 1% estimate for 2018/19.

### Settlement Funding

- 2.5 This element of funding has seen the most significant changes in recent years following the localisation of Business Rates and Council Tax Support.
- 2.6 The 2016/17 Local Government Finance Settlement provided figures for Settlement funding through to 2019/20. Settlement Funding includes Revenue Support Grant (RSG), Business Rates Baseline Funding (BRBF) and in addition Rural Services Delivery Grant (RSDG) and Transitional Grant (TG) were included in the settlement:

<b>Local Government Finance Settlement February 2016</b>	<b>2015/16 £000's</b>	<b>2016/17 £000's</b>	<b>2017/18 £000's</b>	<b>2018/19 £000's</b>	<b>2019/20 £000's</b>
RSG	1,756	1,121	593	265	0
BRBF	2,232	2,250	2,294	2,362	2,438
<b>SFA</b>	<b>3,988</b>	<b>3,371</b>	<b>2,887</b>	<b>2,627</b>	<b>2,438</b>
RSDG	0	134	108	83	108
TG	0	11	11	0	0
<b>Total</b>	<b>3,988</b>	<b>3,516</b>	<b>3,006</b>	<b>2,710</b>	<b>2,546</b>

- 2.7 The settlement shows a funding reduction of approximately £1.44m from 2015/16 to 2019/20 with RSG being completely phased out over the period.

- 2.8 The Government has offered a multi-year settlement to Local Authorities although has reserved the right to alter the figures due to unforeseen circumstances or 'shocks' in the system. The strategy assumes that the offer is not withdrawn or amended by the Government in the wake of the UK's vote to leave the EU and that it is accepted by the Council.

### Business Rates Retention

- 2.9 The current approach to Business Rates Retention income is to set aside gains above our baseline funding (per settlement) into the Business Rates Equalisation reserve to off-set potential future losses. In 2013/14 the initial forecast (NNDR1) showed potential Business Rates growth of circa £1.4m (Selby's share) which would mean additional income to the Council of £700k after the payment of the 50% levy.
- 2.10 However a significant successful appeal by (and subsequent refund to) a major business in the district meant that our Business Rates income was below the safety net in 2013/14.
- 2.11 In 2014/15 Selby's fortunes reversed following the withdrawal of a significant appeal, some business growth and a late assessment of renewable energy rates income (which is subject 100% retention by SDC). The renewables income resulted from a change to an existing business and saw the transfer of income from the rates retention scheme (SDC's share = 40%) to renewable energy (SDC's share = 100%). This change resulted in SDC being at the 'safety net' for the purposes of rates retention along with a large windfall (in excess of £5m) from renewable energy. This situation continued for 2015/16 and is anticipated for 2016/17 but forecasts beyond 2016/17 are difficult due to uncertainty over the Government's plans for Business Rates.
- 2.12 The Government has announced that Local Government will retain 100% of Business Rates in future and that RSG will be phased out. A 12 week consultation was launched on 5 July 2016. This outlines a number of service areas which may be candidates to transfer to local government (for example current specific grants such as Council Tax and NNDR Collection Administration Subsidy) to achieve a system which is 'fiscally neutral'. The Government have called for evidence on needs and redistribution to support their 'Fair Funding Review' which signals the potential for further uncertainty and risk.
- 2.13 It is inconceivable to expect that large windfalls from developments such as the bio-mass conversion of Drax Power Station will be sustained going forward and given a successful appeal awarded to a large business in the area in 2015/16 (reducing our rates yield by £1.2m, with Selby's share being £500k - effectively halving our previously assumed growth), our mid-case scenario assumes growth of £200k p.a. from 2017/18 onwards (circa 1%). This downward revision

## Appendix 1

in our previous forecasts has a significant impact on the Council's longer term financial outlook. We will of course update our forecasts as and when the picture becomes clearer.

2.14 The figures below assume a safety net payment in 2016/17:

Business Rates Income	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Safety-Net	2,081			
Transfer from BRER	169			
= Baseline	2,250	2,294	2,362	2,438
Assumed growth	0	200	400	600
Renewable Energy/Surplus*	5,409	0	0	0

\* If the approach to renewable energy continues this surplus could be achieved year on year.

2.15 These forecasts do not include any provision for new significant appeals or closures (e.g. one of the power stations operating in the district) and therefore they should be treated with extreme caution. Nor do they include any assumptions for increasing growth as a result of our investment in local economic development through the Programme for Growth. Any such growth will be factored into our plans once a clear trend can be established and decisions on future allocations will need to be taken in light of the overall funding available and risk at that time.

### New Homes Bonus

2.16 New Homes Bonus (NHB) is an incentive scheme which rewards housing growth. The scheme is funded partly by the Government (£250m p.a.) and the remainder by top-slicing the Local Government funding settlement (£918m for 2015/16). Selby has achieved £2.5m p.a. as the scheme reached maturity for 2016/17 (year 6 of the scheme).

2.17 The approved strategy provides that Years 1 and 2 NHB is used to support the 'Programme for Growth' – i.e. £880k p.a. A new Programme was established as part of the refresh of the Council's Corporate Plan and the current budget assumes that £880k p.a. continues to be transferred to reserves whilst NHB income continues, although funds have not been allocated to projects beyond those approved in 2015/16. The approved MTFS also assumes that receipts above £880k p.a. are used to support the revenue budget.

2.18 The Government's evaluation of NHB up to 2014/15 (published in December 2014) showed that like other district councils, Selby had gained overall by the scheme. The report showed that in net terms Selby had benefitted by £1.53m in 2014/15 i.e. our finance settlement including NHB was £1.53m more than it would have been if NHB had not been paid. Should the scheme be brought to an end and the top-sliced funds 'repatriated', then Selby would see a significant reduction

## Appendix 1

in funding. Based on the trend to date, the gain has risen to £2.2m by year 6 of the scheme, with £1.6m being used to support on-going revenue expenditure.

- 2.19 The report concluded that NHB had been successful and this was likely to increase further over time but the Government's consultation early in 2016 suggests that whilst it will continue, it will be scaled back in future although at this stage it is not known precisely by how much and how this will be achieved – the revised mid-case models NHB reducing to approximately £1.5m p.a. - for example:

Year	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
1	445	445	445	445	445	445		
2		435	435	435	435	435		
3			303	303	303	303	303	
4				542	542	542	542	
5					353	353	353	353
6						368	368	368
7							400	400
8								400
<b>Total</b>	<b>445</b>	<b>880</b>	<b>1,183</b>	<b>1,725</b>	<b>2,078</b>	<b>2,447</b>	<b>1,966</b>	<b>1,521</b>

*Allocated to the Programme for Growth as 'one-off' resources*

- 2.20 Given the uncertain nature of NHB going forward it is not advisable to rely too heavily on this to support the revenue budget and therefore the mid-case scenario assumes that the anticipated reductions impact on the allocation to the revenue budget in the first instance. This should allow a managed reduction in resources and help to mitigate the risk of loss should the scheme ultimately be brought to a close. This effectively protects the contribution to the Programme for Growth which is important to facilitate investment in local economic growth and income generation. Subject to the overall balance of resources this could be flexed to help manage the savings plan if required, being mindful of the risk to these resources in the longer term. However for the purposes of the mid-case scenario the NHB resources are assumed to be allocated as follows:

NHB	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's
P4G	445	880	880	880	880	880	880	880
GF			303	845	1,198	1,567	1,086	641
<b>Total</b>	<b>445</b>	<b>880</b>	<b>1,183</b>	<b>1,725</b>	<b>2,078</b>	<b>2,447</b>	<b>1,966</b>	<b>1,521</b>

- 2.21 Growth in receipts above these levels is assumed to be allocated to the Programme for Growth.

### Special and Specific Grants

- 2.22 The Council is in receipt of a number of additional grants for 2016/17 which may continue into the future. For 2016/17 the Local Government Finance Settlement included the following which are assumed to continue to 2020:

## Appendix 1

	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
New Burdens – Neighbourhood Planning	5	5	5	5
New burdens – CTS Administration	78	78	78	78
New Burdens - Smoke & Carbon Omission Alarm	1	1	1	1
<b>Total Special and Specific Grants</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>84</b>

- 2.23 Future funding is dependent upon the outcome of the new Business Rates Retention system - beyond 2020 it is assumed that these will be rolled into Business Rates funding. These grants are not ring-fenced.

### Council Tax

- 2.24 A Council Tax Base of 30,154 is estimated for 2016/17 with a 1% rise forecast thereafter included in the Council's current Medium Term Financial Plan. Every 0.5% increase above this level would add approximately 150 Band D equivalents to our Tax Base which equates to around £25k p.a. at the current Band D charge (£165.24).
- 2.25 The Chancellor's announcement on the Final Local Government Finance Settlement included provision to allow district councils with a Band D charge of less than £250 to increase their Band D charge by £5 without triggering a referendum and a £5 p.a. increase has been factored into the Government's settlement assumptions for Selby. Given the Council's financial position for 2016/17 the Executive did not recommend that this option be taken but given the on-going risk to Council funding and the growing challenge to deliver revenue savings, this option has now been modelled alongside a 1.99% increase.
- 2.26 A 1.99% increase will take the Council average Band D charge from £165.22 to £168.54 for 2017/18 – a rise of 6p per week. A £5 increase equates to an increase of 3% or 10p per week:

	2016/17	2017/18	2018/19	2019/20
Tax Base with 1% growth	30,154	30,456	30,760	31,068
Band D Charge with 1.99% increase	£165.22	£168.54	£171.91	£175.33
Council Tax Income	£4,982,643	£5,133,123	£5,288,140	5,447,152
Band D Charge with £5.00 increase		£170.24	£175.24	180.24
Council Tax Income		5,184,829	5,390,382	5,599,696
Difference in Council Tax Income		51,716	102,242	152,544

- 2.27 The additional £152k income would make a significant impact on the Council's savings plan, which is currently showing a shortfall and therefore, the mid case scenario assumes that Council Tax Band D Charge is increased by £5 p.a.

### Council Tax Support Grant for Parishes

- 2.28 In accordance with the approach adopted in the current Medium Term Financial Plan, it is assumed that support for parishes will continue to 2018/19 by which time Tax Base growth will have more than compensated for the impact of Council Tax Support. The strategy forecasts the grant amount reducing in line with the reduction in the Council settlement funding (RSG/NNDR). On-going engagement will be undertaken with the Parishes to ensure that they are preparing for this change. It should be noted that Parishes are not subject to Council Tax referendum rules and consequently are able to increase their precept to meet their spending needs.

### General Balances

- 2.29 In accordance with the current strategy it is assumed that General Fund balances are **not** used to support the revenue budget.
- 2.30 General Balances remain funding of last resort. The approved minimum working balance is £1.5m and resources will be managed to maintain this level over the medium to long term.
- 2.31 The budget for 2016/17 includes a transfer to balances of £181k although this is subject to in-year savings.

### Earmarked Reserves

- 2.32 A review of major earmarked reserves suggests:
- PFI – the on-going adequacy of this reserve is kept under review in light of interest rates and inflation. Any necessary increases in contributions will form part of the revenue budget and will be funded as a commitment before further service growth is considered. The reserve is currently above target level but given uncertainty in the economy no changes to contributions are proposed at this time.
  - Asset Management - £130k p.a. plus £22k p.a. for the Summit Indoor Adventure, is transferred into this reserve to cover our commitments to maintaining our built assets. An assessment of works required to maintain our assets over the next 10 years has been done as part of the Asset Management Strategy refresh completed in October 2015. The additional costs of the new Civic Centre and the Leisure Village need to be added to the cost plan but the contributions into this reserve, as highlighted above, are considered adequate. No major surfacing works to the Council's



## Appendix 1

car parks are currently planned although the emerging Car Park Strategy may identify opportunities for investment. The MTFS will be updated if any new requirements emerge.

- ICT Replacement – £141k p.a. General Fund (£150k less £9k saving from the Better Together ICT service) and £50k p.a. HRA contributions are planned to sustain this important reserve, which provides the financial capacity to upgrade and replace our ICT infrastructure, hardware and systems in accordance with our approved ICT Strategy. The use of ICT to support the Council's customer 'self-service' and channel shift agenda means that the financial capacity to invest in modern technologies is crucial to support future services and deliver savings – a review of the Council's ICT strategy is planned in 2016/17. Fixed contributions allow the smoothing of these irregular costs to avoid peaks and troughs in funding requirements. Spending is planned over a 10 year period allowing for known upgrades and system replacements.
- Business Development – the need for on-going savings and efficiencies to achieve the Council's objectives remains a key priority. This reserve provides up-front investment for service improvements and efficiency initiatives, to support the Council's savings plan – in particular commercialisation and income generation.
- Pension Equalisation – this reserve receives contributions which provide capacity within the General Fund revenue budget for a rise in employer pension contributions. Following the last triennial valuation and with it the stabilisation of employers' contribution rates, the £600k balance of this reserve as at 31 March 2014 was released for alternative uses. However, the on-going risk to pensions costs provided good reason to continue to set aside the circa £180k p.a. This reserve will be reviewed in light of the next triennial valuation due later in 2016.
- Business Rates Equalisation – this reserve was created in 2012/13 in anticipation localised Business Rates and the funding risk inherent within the scheme. The current strategy assumes that any excess Business Rates above our baseline are transferred into this reserve to mitigate any funding shortfalls prior to the safety net being reached.

The fund was established with £300k and then added to with budget surpluses and a prior year income adjustment. The available balance on the reserve at 1 April 2016 is £4.8m, which includes an element of renewable energy receipts.

Should the system for renewable energy business rates continue, the Council would be at the safety net for 2017/18. Given the

## Appendix 1

anticipated changes to the rates retention scheme and on-going Local Government funding cuts, 3 years' worth of safety net will be held as a minimum balance plus a further £2.4m to back-fill savings targets and the rest will be transferred to the Special Projects (Programme for Growth) Reserve.

- Contingency – this reserve provides resources to cover unforeseen issues beyond those that can be accommodated by in year contingency budgets – for example significant planning appeal costs. The reserve is topped-up using year-end surpluses if available and required. In 2015/16 £281k was committed to cover the additional costs of Plan Selby. The current forecast balance of £708k at 31 March 2016 is above the recommended balance of £500k to accommodate any potential transitional costs associated with the forthcoming organisational structure review.
- Discretionary Rate Relief – this reserve was established with £300k from the 2012/13 General Fund revenue surplus. Future contributions could come from excess Business Rates income subject to availability and prioritising against the revenue budget and 'Programme for Growth'. A budget of £100k p.a. has been created and will be funded by this reserve – this will enable applications for relief to be considered and awarded promptly.
- Special Projects Reserve - £880k of New Homes Bonus in 2012/13 – 2015/16 has been used to top up this reserve for the Council's 'Programme for Growth'. Contributions beyond 2015/16 are subject to sufficient NHB and/or Business Rates growth. **It must be stressed that the use of NHB and Business Rates resources to fund growth is wholly dependent upon achieving the revenue savings targets set.** The large windfalls from Business Rates have been earmarked for the Programme for Growth to support economic growth within the district. Going forward it is proposed that any revenue surpluses beyond those required to mitigate financial risk are also earmarked for the Programme for Growth.
- Local Plan Reserve – delivery of a district wide local plan requires a significant and sustained resource input over a relatively long period of time, which can put pressure on in-year budgets when peaks in work occur. £355k was been earmarked in 2015/16, with a further £145k to supplement this from the revenue budget in 2016/17 and then £50k p.a. set aside thereafter.

2.33 A forecast of General Fund reserve balances is set out at **Appendix B**.

## 3 Revenue Budget Outlook 2016/17 to 2018/19

### Costs

- 3.1 It is assumed that on average costs will increase in line with inflation. Whilst cuts in general grant continue, demand led cost pressures must be contained within the net revenue budget. For example, the Council's Street Scene contract is subject to review and property growth is putting pressure on rounds (every additional round costs approximately £120k p.a.) - the contractor has indicated an additional cost of £309k p.a. to extend the contract for 3 years although this is still subject to negotiation – the strategy assumes that such cost pressures are managed within the overall base budget and therefore any proposed cost increases must be covered by equivalent savings elsewhere.
- 3.2 The single largest cost to the Council is its employees. In 2016/17 the Council's payroll budget is approximately £6.4m. A 1% pay award is included in our budget forecasts - an increase of around £64k p.a. A senior management restructure was implemented in April 2016 and work is currently underway to establish a revised operating model across the organisation. Given the Council's ambitious growth agenda (an agenda which is fundamental to the long term sustainability of our vital public services) there is a need to increase our internal capacity. However, care needs to be taken to ensure that this directly supports an increase in overall cash resources coming into the Council. In the shorter term this is likely to require support from the Council's reserves and proposals for a new structure and supporting business case will be brought forward for consideration by councillors in due course. For the purposes of this strategy it is assumed that any such capacity increase will not impact on the Council's net base revenue budget.
- 3.3 In addition, the 2016 triennial pension fund valuation is due later this year and at this stage it is not known what impact the current economic uncertainty will have on the long term outlook for employer contribution rates (current service cost 12.7% and deficit 13.8%). The base budget includes capacity of around £180k to accommodate a rate rise which equates to around 2%. Opportunities to mitigate a rate rise will be explored as part of the Council's reserves strategy and investment/cash flow management – for example an annual upfront payment of contributions in return for a discount on the employer contribution rate.
- 3.4 The Apprenticeship Levy has also been factored into our future payroll costs – an estimated cost of around £100k p.a.

# Appendix 1

## Income

- 3.5 Service related income levels are improving and helping to support our savings plan. Opportunities for growing income generation remain a priority and proposals for the commercialisation services will continue to be developed. The Council refreshed its income and charging policy in 2016 and confirmed its default charging policy of full cost recovery (with a number of specific exceptions) with minimum annual uplifts in line with CPI inflation. A strategic review of income generation is planned as part of our savings work.
- 3.6 The windfall from Business Rates income will have a significant positive impact on our financial position at least in the short term but we will need to keep this under close review and in accordance with the previously approved MTFs and budget, it is assumed that growth above our baseline funding is transferred into the Special Projects (Programme for Growth) Reserve as it is realised.

## Net Budget Forecast (Mid-Case Scenario)

- 3.7 The forecasted resources available to support the revenue budget for 2016/17 to 2018/19 are shown in the table below (mid-case):

<b>General Fund Revenue Resources</b>	<b>2017/18 £000's</b>	<b>2018/19 £000's</b>	<b>2019/20 £000's</b>
Council Tax (£5 increase per Band D)	5,184	5,390	5,600
SFA	2,887	2,627	2,438
RSDG	108	83	108
TG	11	0	0
NHB	1,966	1,521	1,551
Special and Specific Grants (not ringfenced)	84	84	84
Council Tax Collection Fund Surplus	62	65	70
Business Rates Collection Fund Surplus	200	400	600
<b>Total Resources</b>	<b>10,502</b>	<b>10,170</b>	<b>10,451</b>
Service base budgets	10,520	10,165	10,753
Planned savings per 16/17 budget	(993)	(993)	(993)
Investment Interest	(100)	(130)	(140)
Parish Grant	77	70	0
Reserves Transfers (Net)	1,077	1,680	1,589
<b>Total Net Budget</b>	<b>10,581</b>	<b>10,792</b>	<b>11,209</b>
<b>Surplus/(Deficit)</b>	<b>(79)</b>	<b>(622)</b>	<b>(758)</b>
Additional savings target proposed	(100)	(700)	(700)

- 3.8 Whilst the Government's offer of a multi-year settlement provides a degree of certainty (notwithstanding the impacts of the UK's exit from the EU) this is a diminishing proportion of overall funding. Due to the uncertainty of Business Rates and New Homes Bonus it is extremely

## Appendix 1

difficult to predict the level of resources we can expect beyond 2016/17.

- 3.9 The on-going risk to the Council's funding means that a careful balance between savings and investment will need to be struck and we will continue to strive for more efficient and effective services. This in turn, will enable the financial capacity for investment to achieve sustainable cash 'returns' and minimise the impact on front line service outcomes.

### 4. Savings

- 4.1 Our collaboration with North Yorkshire County Council and other partners continues to be an important part of this work as is reducing demand for services, the commercialisation of our business, and income generation – we are developing appropriate strategies to ensure delivery of our savings targets.
- 4.2 A review of savings as part of this strategy refresh has identified a number of high risk savings that are now not expected to come to fruition and consequently have been removed from the savings plan. A summary of the latest forecast is shown in the table below and the revised savings action plan is set out at **Appendix C**.

Current Savings Summary	2016/17 £000's	2017/18 £000's	2018/19 £000's
Green	36	36	36
Amber	114	221	221
Red	107	476	576
Shortfall to be identified	313	260	160
<b>Total</b>	<b>570</b>	<b>993</b>	<b>993</b>

- 4.3 It is clear that there is much to do to deliver the identified savings, with nearly £1m savings assumed within the budget for the next three years still to be identified or at either 'amber' or 'red'. The plan contained a level of headroom to allow for some savings to fall by the wayside or to achieve less than originally targeted. However removal of some savings has resulted in a shortfall within the current plan.
- 4.4 Plans for income generation and savings to mitigate the reduction in central Government funding are in progress as are our plans to stimulate local economic growth, which will boost Council Tax and Business Rates income but this will take time to come to fruition and resources diverted to support the revenue budget will mean less is available to invest in growth. Therefore, we must be ready to deliver further savings and efficiencies and therefore, as highlighted in the previous MTFS, an additional £700k p.a. target by 2019/20 is proposed (see 3.7 above).

## Appendix 1

4.5 Given our strategic intent and the progress made on savings to date, it is proposed that our targets are increased as follows:

- Transforming through ICT and flexible working – £600k (currently £350k by 2017/18);
- Growing income through trading – £600k (currently £350k by 2017/18);
- Commissioning to achieve efficiencies and reduce demand for public sector services - £1m (currently £800k by 2017/18).

4.6 In summary this shows an overall savings requirement of:

Revised Savings Summary	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Savings per plan	257	733	833	833
Revised Target	570	1,100	1,700	1,700
<b>Current Shortfall</b>	<b>(313)</b>	<b>(367)</b>	<b>(867)</b>	<b>(867)</b>

4.7 Opportunities for additional savings will be explored as part of the forthcoming budget round although a sum of £2.4m will be held in the Business Rates Equalisation Reserve (see paragraph 2.32) for release to the revenue budget if savings ultimately fall short of target.

## 5 Capital Programme

5.1 The Council's General Fund Capital Programme contains the 'business as usual' capital projects planned – these include Disabled Facilities Grants (DFGs), ICT replacements and major works to the Council's assets. Expenditure is funded by earmarked reserves set aside for these specific purposes, or in the case of DFGs, through capital receipts from Council House and other small asset sales. For information, the approved programme is attached at **Appendix D**.

5.2 There is currently around £5.5m available in usable capital receipts expected over next 3 years from right to buy receipts, and land/property sales. In recent years low level receipts have been used to cover the cost of Disabled Facilities Grants, however increases in Council House sales and the Council's agreement with the Government to retain extra receipts to achieve one for one replacement of Council homes, means that going forward, receipts retained from council house sales can be used to support the Council's affordable homes development strategy and deliver new build homes across the district.

5.3 In addition s106 affordable housing commuted sums are anticipated (£8.5m over the next 7 years) which provide the potential to extend our house building programme further. Plans are already in progress on a £10m development programme but with rising right to buy receipts and

## Appendix 1

s106 commuted sums, the potential to increase our existing programme will require additional detailed feasibility and undoubtedly, land acquisition. This work will be carried out over the coming year and beyond as part of the Programme for Growth and proposals will be brought forward for approval in due course.

- 5.4 Following the closure of the temporary Profiles Gym, plans for the land at Portholme Road are under consideration. Receipts from the sale of this land were originally earmarked for the Programme for Growth although they have been substituted by other resources to mitigate the need for additional borrowing. If they are realised then they will be available for reinvestment in the district or could be used to repay debt if this could achieve a more favourable outcome for the Council.
- 5.5 In 2015/16 further (internal) prudential borrowing was initially planned to cover the purchase of a strategic site at Burn and funding towards the new Leisure Village in Selby (part of the Programme for Growth). However additional Business Rates income in relation to 2014/15 means that these have been funded (in part, re the shell and car park for the Leisure Village) from revenue resources. Borrowing requirements will be kept under review.
- 5.6 Capital Programme proposals will be considered as part of the forthcoming budget round.

### 6 Programme for Growth

- 6.1 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme comprises a range of cross cutting projects designed to '**make Selby a great place**' by investing in jobs; housing; infrastructure/economic development; and the leisure economy. The approved programme, which aligns to the new Corporate Plan, is set out at **Appendix E**.
- 6.2 The programme to the end of 2015/16 is currently sustained by New Homes Bonus (£880k p.a.). In summary, the latest programme is:

Programme	Capital £000	Revenue £000
Leisure	6,075	175
Jobs/skills	0	726
Housing*	100	180
Infrastructure/economic development	1,790	639
Contingency	0	513
<b>Total</b>	<b>7,965</b>	<b>2,233</b>
<b>Funding</b>		
Special Projects Reserves	5,793	2,233
Borrowing	2,172	0
<b>Total Funding</b>	<b>7,965</b>	<b>2,233</b>

*\*Note: The capital cost of the affordable homes is contained within the capital programme*

- 6.3 There currently remains £513k in the programme contingency, which is available for new projects that emerge over the life of the Corporate Plan. These resources could increase further subject to the future of New Homes Bonus and Business Rates and delivery of savings. **The mid-case scenario shows the potential for a further £10m+ over the 4 years from 2016/17 to 2019/20.**
- 6.4 However, this of course relies heavily on no major adverse changes to the New Homes Bonus and Business Rates schemes and delivery of the savings needed to balance the revenue budget.
- 6.5 There may also be opportunity to extend the programme further through bids for funding from external partners (such as the LEP).
- 6.6 The resources available to fund the programme will be reviewed annually in light of announcements on Local Government funding and the Council's financial outlook. However the Council's strategic approach to its future financial sustainability is reliant upon investment to stimulate housing and business growth which in turn will generate local funds through Council Tax and Business Rates to mitigate losses in central Government funding and provide the capacity for further reinvestment.
- 6.7 The current programme is under review and proposals for a new programme from April 2017 will be formulated as part of the forthcoming budget round, with clear project briefs and detailed business cases being drawn up for approval by councillors in due course.

## 7 Conclusions

- 7.1 The key assumptions which underpin the Financial Strategy have been updated based on the latest intelligence available however there remains much uncertainty around public sector finance.
- 7.2 There remains risk within the Business Rates retention scheme and in particular it is not known if similar levels of renewable receipts as to those experienced to date can be expected going forward - at this stage a cautious stance has been taken from 2017/18 onwards.
- 7.3 There is also uncertainty over New Homes Bonus, the economic situation, income generation and delivery of savings. The Council's longer term financial position is heavily reliant upon resources keeping pace with inflation and costs being contained within base budget.
- 7.4 Currently, New Homes Bonus is crucial to our financial resilience and to our capacity to invest in Selby District. Whilst it continues, £880k p.a. is earmarked for the Programme for Growth with the remainder



## Appendix 1

supporting the Council's revenue budget. Our longer term forecasts assume a reduction in New Homes Bonus of circa £1m p.a. and whilst this remains a bonus scheme and therefore not part of the Council's core funding, it is assumed that £880k p.a. continues to support the Programme for Growth. Should the Council's overall financial position worsen NHB could of course be wholly diverted to the revenue budget but in doing so could create a 'cliff edge' if the scheme ultimately comes to an end.

- 7.5 Based on the assumptions in this strategy the Council's target Net Revenue Budget for 2017/18 is £10.5m, including a savings target of £1.1m and net contributions to reserves of £1.1m. By 2019/20 the savings requirement is anticipated to rise to £1.7m (although this does not take into account growth beyond the standard assumptions contained in this MTFS).
- 7.6 The additional income from Council Tax and Business Rates as a result of our investment in economic growth will help to bridge the funding gap in the long term but in the meantime we must strive to be as efficient as possible and additional savings targets are proposed. We will need to keep this under review as the future for Local Government funding under 100% Business Rates Retention and the future of New Homes Bonus becomes clearer.
- 7.7 Meeting the on-going savings challenge features strongly in the Council's strategic and operational plans and this work will continue. Our collaboration with North Yorkshire County Council and other partners, reducing demand for services, the commercialisation of our business, income generation and efficiency savings are important to this work.
- 7.8 The on-going risk to the Council's funding means that a careful balance between savings and investment will need to be struck. We will continue to strive for more efficient and effective services which in turn will provide the financial capacity for investment in delivering local economic growth – replacing central Government funding with sustainable cash returns in the form of income from services, Council Tax and Business Rates. Internal capacity to drive this agenda will be crucial to success.
- 7.9 The significant receipts from Business Rates income mean that the Council has the financial capacity to invest further in economic growth within the district and plans for the use of these funds will be drawn up for approval by councillors over the coming months.

**SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN Best Case**

	Base 2016/17	Medium Term Financial Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<b>KEY ASSUMPTIONS</b>											
Growth/Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates	0.70%	0.40%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%
Tax Base Increase	3.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Government Grant (SFA) change	-15.47%	-14.36%	-9.00%	-7.19%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	1.99%	£5	£5	£5	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
<b>COUNCIL TAX</b>											
Tax Base (Number of Band D Equivalents)	30.154	30.606	31.065	31.531	32.004	32.484	32.972	33.466	33.968	34.478	34.995
Council Tax @ Band D (£)	165.22	170.22	175.22	180.22	183.81	187.47	191.20	195.00	198.88	202.84	206.88
Council Tax Income (£000's)	4,982	5,210	5,443	5,684	5,883	6,090	6,304	6,526	6,756	6,994	7,240
Precept (£000's)	4,982	5,210	5,443	5,684	5,883	6,090	6,304	6,526	6,756	6,994	7,240
<b>REVENUE FINANCING</b>											
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Council Tax	4,982	5,210	5,443	5,684	5,883	6,090	6,304	6,526	6,756	6,994	7,240
SFA	3,371	2,887	2,627	2,438	2,487	2,536	2,587	2,639	2,692	2,746	2,800
New Homes Bonus	2,447	1,966	1,521	1,551	1,582	1,614	1,646	1,679	1,713	1,747	1,782
Rural Services and Transitional Grants	145	119	83	108	-	-	-	-	-	-	-
Other Specific Grants		84	84	84							
Council Tax Collection Fund Surplus/Deficit (+/-)	129	62	65	70	71	73	74	76	77	79	80
Business Rates Collection Fund Surplus/Deficit (+/-)	5,409	200	400	600	612	624	637	649	662	676	689
<b>TOTAL EXTERNAL RESOURCES</b>	<b>16,483</b>	<b>10,528</b>	<b>10,223</b>	<b>10,534</b>	<b>10,635</b>	<b>10,937</b>	<b>11,249</b>	<b>11,569</b>	<b>11,900</b>	<b>12,241</b>	<b>12,592</b>

(a)

REVENUE BUDGET	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Operational Budget	11,289	10,520	10,165	10,753	10,830	11,046	11,267	11,646	11,722	11,957	12,196
Savings	- 590	- 993	- 993	- 993	- 1,013	- 1,033	- 1,054	- 1,075	- 1,096	- 1,118	- 1,141
Additional savings target		- 50	- 600	- 612	- 624	- 637	- 649	- 662	- 676	- 689	- 703
Investment Interest	- 240	- 130	- 140	- 200	- 260	- 300	- 300	- 300	- 300	- 300	- 300
Parish CTS Grant	86	77	70	-	-	-	-	-	-	-	-
Net Budget Before Contributions to/from reserves	10,545	9,424	8,502	8,948	8,933	9,076	9,264	9,608	9,650	9,849	10,052
<b>Contributions to Reserves:</b>											
PFI Scheme (Updated - incl SDC's contribution & interest)	387	394	401	414	426	439	451	452	454	455	455
Building Repairs	149	152	152	152	152	152	152	152	152	152	152
Computer Development	150	141	141	141	141	141	141	141	141	141	141
District Election	34	34	34	34	34	38	38	38	38	38	38
Pension Equalisation	183	183	183	183	183	183	183	183	183	183	183
Special Projects/P4G (New Homes Bonus)	880	880	880	880	880	880	880	880	880	880	880
Special Projects/P4G (Business Rates)	5,409	200	400	600	612	624	637	649	662	676	689
Local Plan	145	50	50	50	50	50	50	50	50	50	50
<b>Contributions from Reserves:</b>											
Spend to Save											
ICT	- 263	- 192	- 33	- 150	- 153	- 156	- 159	- 162	- 166	- 169	- 172
PFI	- 402	- 410	- 418	- 427	- 435	- 444	- 453	- 462	- 471	- 481	- 491
Building Repairs	- 92	- 3	- 20	- 152	- 155	- 158	- 161	- 165	- 168	- 171	- 175
Special Project/P4G	- 413	- 202	- 90								
District Election				- 136				- 153			
NYCC Collaboration	- 100	- 50									
Business Rates Equalisation											
Discretionary Rate Relief	- 100	- 100									
Contingency	- 210										
<b>Forecast Net Revenue Budget (b)</b>	<b>16,302</b>	<b>10,501</b>	<b>10,182</b>	<b>10,537</b>	<b>10,668</b>	<b>10,825</b>	<b>11,022</b>	<b>11,212</b>	<b>11,406</b>	<b>11,603</b>	<b>11,803</b>
<b>Difference between resources and forecast budget (a - b)</b>	<b>181</b>	<b>27</b>	<b>41</b>	<b>- 3</b>	<b>- 32</b>	<b>112</b>	<b>227</b>	<b>358</b>	<b>494</b>	<b>638</b>	<b>789</b>

**SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN Mid Case**

**Appendix A (ii)**

	Base 2016/17	Medium Term Financial Plan									
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
<b>KEY ASSUMPTIONS</b>											
Growth/Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates	0.70%	0.25%	0.40%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%
Tax Base Increase	3.50%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Government Grant (SFA) change	-15.47%	-14.36%	-9.00%	-7.19%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	1.99%	£5	£5	£5	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
<b>COUNCIL TAX</b>											
Tax Base (Number of Band D Equivalentents)	30.154	30.456	30.760	31.068	31.378	31.692	32.009	32.329	32.652	32.979	33.309
Council Tax @ Band D (£)	165.22	170.22	175.22	180.22	183.81	187.47	191.20	195.00	198.88	202.84	206.88
Council Tax Income (£000's)	4,982	5,184	5,390	5,600	5,768	5,941	6,120	6,304	6,494	6,690	6,891
Precept (£000's)	4,982	5,184	5,390	5,600	5,768	5,941	6,120	6,304	6,494	6,690	6,891
<b>REVENUE FINANCING</b>											
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Council Tax	4,982	5,184	5,390	5,600	5,768	5,941	6,120	6,304	6,494	6,690	6,891
SFA	3,371	2,887	2,627	2,438	2,487	2,536	2,587	2,639	2,692	2,746	2,800
New Homes Bonus	2,447	1,966	1,521	1,551	1,582	1,614	1,646	1,679	1,713	1,747	1,782
Rural Services and Transitional Grants	145	119	83	108	-	-	-	-	-	-	-
Other Specific Grants		84	84	84							
Council Tax Collection Fund Surplus/Deficit (+/-)	129	62	65	70	71	73	74	76	77	79	80
Business Rates Collection Fund Surplus/Deficit (+/-)	5,409	200	400	600	612	624	637	649	662	676	689
<b>TOTAL EXTERNAL RESOURCES</b>	<b>16,483</b>	<b>10,502</b>	<b>10,170</b>	<b>10,451</b>	<b>10,520</b>	<b>10,789</b>	<b>11,065</b>	<b>11,348</b>	<b>11,638</b>	<b>11,937</b>	<b>12,243</b>

(a)

REVENUE BUDGET	Base	Medium Term Financial Plan						Appendix A (ii)				
	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	
Operational Budget	11,289	10,520	10,165	10,753	10,830	11,046	11,267	11,646	11,722	11,957	12,196	
Savings	- 590	- 993	- 993	- 993	- 1,013	- 1,033	- 1,054	- 1,075	- 1,096	- 1,118	- 1,141	
Additional savings target		- 100	- 700	- 700	- 714	- 728	- 743	- 758	- 773	- 788	- 804	
Investment Interest	- 240	- 100	- 130	- 140	- 200	- 260	- 300	- 300	- 300	- 300	- 300	
Parish CTS Grant	86	77	70	-	-	-	-	-	-	-	-	
Net Budget Before Contributions to/from reserves	10,545	9,404	8,412	8,920	8,903	9,025	9,171	9,513	9,553	9,750	9,951	
<b>Contributions to Reserves:</b>												
PFI Scheme (Updated - incl SDC's contribution & interest)	387	394	401	414	426	439	451	452	454	455	455	
Building Repairs	149	152	152	152	152	152	152	152	152	152	152	
Computer Development	150	141	141	141	141	141	141	141	141	141	141	
District Election	34	34	34	34	34	38	38	38	38	38	38	
Pension Equalisation	183	183	183	183	183	183	183	183	183	183	183	
Special Projects/P4G (New Homes Bonus)	880	880	880	880	880	880	880	880	880	880	880	
Special Projects/P4G (Business Rates)	5,409	200	400	600	612	624	637	649	662	676	689	
Local Plan	145	50	50	50	50	50	50	50	50	50	50	
<b>Contributions from Reserves:</b>												
Spend to Save												
ICT	- 263	- 192	- 33	- 150	- 153	- 156	- 159	- 162	- 166	- 169	- 172	
PFI	- 402	- 410	- 418	- 427	- 435	- 444	- 453	- 462	- 471	- 481	- 491	
Building Repairs	- 92	- 3	- 20	- 152	- 155	- 158	- 161	- 165	- 168	- 171	- 175	
Special Project/P4G	- 413	- 202	- 90									
District Election				- 136				- 153				
NYCC Collaboration	- 100	- 50										
Business Rates Equalisation												
Discretionary Rate Relief	- 100	- 100										
Contingency	- 210											
<b>Forecast Net Revenue Budget (b)</b>	<b>16,302</b>	<b>10,481</b>	<b>10,092</b>	<b>10,509</b>	<b>10,638</b>	<b>10,774</b>	<b>10,929</b>	<b>11,117</b>	<b>11,309</b>	<b>11,504</b>	<b>11,702</b>	
<b>Difference between resources and forecast budget (a - b)</b>	<b>181</b>	<b>21</b>	<b>78</b>	<b>- 59</b>	<b>- 117</b>	<b>15</b>	<b>136</b>	<b>231</b>	<b>329</b>	<b>433</b>	<b>542</b>	

**SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN Worst Case**

	Base	Medium Term Financial Plan				2020/21	2021/22	<del>2022/23</del>	2023/24	2024/25	2025/26	2026/27
	2016/17	2017/18	2018/19	2019/20								
<b>KEY ASSUMPTIONS</b>												
Growth/Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates	0.70%	0.25%	0.25%	0.40%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%	
Tax Base Increase	3.50%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Government Grant (SFA) change	-15.47%	-14.36%	-9.00%	-7.19%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
<b>COUNCIL TAX</b>												
Tax Base (Number of Band D Equivalentents)	30.154	30.380	30.608	30.838	31.069	31.302	31.537	31.773	32.011	32.252	32.493	
Council Tax @ Band D (£)	165.22	168.51	171.87	175.29	178.77	182.33	185.96	189.66	193.43	197.28	201.21	
Council Tax Income (£000's)	4,982	5,119	5,260	5,406	5,554	5,707	5,865	6,026	6,192	6,363	6,538	
Precept (£000's)	4,982	5,119	5,260	5,406	5,554	5,707	5,865	6,026	6,192	6,363	6,538	
<b>REVENUE FINANCING</b>												
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Council Tax	4,982	5,119	5,260	5,406	5,554	5,707	5,865	6,026	6,192	6,363	6,538	
SFA	3,371	2,887	2,627	2,438	2,487	2,536	2,587	2,639	2,692	2,746	2,800	
New Homes Bonus	2,447	1,966	1,521	1,551	1,582	1,614	1,646	1,679	1,713	1,747	1,782	
Rural Services and Transitional Grants	145	119	83	108	-	-	-	-	-	-	-	
Other Specific Grants		84	84	84								
Council Tax Collection Fund Surplus/Deficit (+/-)	129	62	30	33	34	34	35	36	36	37	38	
Business Rates Collection Fund Surplus/Deficit (+/-)	5,409	100	200	300	306	312	318	325	331	338	345	
<b>TOTAL EXTERNAL RESOURCES</b>	<b>16,483</b>	<b>10,337</b>	<b>9,805</b>	<b>9,920</b>	<b>9,963</b>	<b>10,204</b>	<b>10,451</b>	<b>10,705</b>	<b>10,964</b>	<b>11,230</b>	<b>11,503</b>	

(a)

<b>REVENUE BUDGET</b>	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Operational Budget	11,289	10,520	10,165	10,753	10,830	11,046	11,267	11,646	11,722	11,957	12,196
Savings	- 590	- 967	- 967	- 986	- 1,006	- 1,026	- 1,047	- 1,068	- 1,089	- 1,111	- 1,133
Additional savings target		- 200	- 800	- 1,000	- 1,020	- 1,040	- 1,061	- 1,082	- 1,104	- 1,126	- 1,149
Investment Interest	- 240	- 100	- 130	- 130	- 140	- 200	- 260	- 300	- 300	- 300	- 300
Parish CTS Grant	86	77	70	-	-	-	-	-	-	-	-
Net Budget Before Contributions to/from reserves	10,545	9,330	8,338	8,637	8,664	8,780	8,899	9,195	9,229	9,420	9,614
<b>Contributions to Reserves:</b>											
PFI Scheme (Updated - incl SDC's contribution & interest)	387	394	401	414	426	439	451	452	454	455	455
Building Repairs	149	152	152	152	152	152	152	152	152	152	152
Computer Development	150	141	141	141	141	141	141	141	141	141	141
District Election	34	34	34	34	34	38	38	38	38	38	38
Pension Equalisation	183	183	183	183	183	183	183	183	183	183	183
Special Projects/P4G (New Homes Bonus)	880	880	880	880	880	880	880	880	880	880	880
Special Projects/P4G (Business Rates)	5,409	100	200	300	306	312	318	325	331	338	345
Local Plan	145	50	50	50	50	50	50	50	50	50	50
<b>Contributions from Reserves:</b>											
Spend to Save											
ICT	- 263	- 192	- 33	- 150	- 153	- 156	- 159	- 162	- 166	- 169	- 172
PFI	- 402	- 410	- 418	- 427	- 435	- 444	- 453	- 462	- 471	- 481	- 491
Building Repairs	- 92	- 3	- 20	- 152	- 155	- 158	- 161	- 165	- 168	- 171	- 175
Special Project/P4G	- 413	- 202	- 90								
District Election				- 136				- 153			
NYCC Collaboration	- 100	- 50									
Business Rates Equalisation											
Discretionary Rate Relief	- 100	- 100									
Contingency	- 210										
<b>Forecast Net Revenue Budget</b>	<b>(b) 16,302</b>	<b>10,307</b>	<b>9,818</b>	<b>9,926</b>	<b>10,093</b>	<b>10,217</b>	<b>10,339</b>	<b>10,474</b>	<b>10,654</b>	<b>10,836</b>	<b>11,020</b>
<b>Difference between resources and forecast budget (a - b)</b>	<b>181</b>	<b>30</b>	<b>- 13</b>	<b>- 6</b>	<b>- 129</b>	<b>- 12</b>	<b>112</b>	<b>231</b>	<b>310</b>	<b>395</b>	<b>483</b>

<b>Reserves</b>													
<b>Description</b>	<b>Closing Balance 31 March 16</b>	<b>Use</b>	<b>ContriBs</b>	<b>Estimated Balance 31 March 17</b>	<b>Use</b>	<b>ContriBs</b>	<b>Estimated Balance 31 March 18</b>	<b>Use</b>	<b>ContriBs</b>	<b>Estimated Balance 31 March 19</b>	<b>Use</b>	<b>ContriBs</b>	<b>Estimated Balance 31 March 20</b>
	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Revenue Reserves</b>													
<b>General Fund</b>													
<b>Reserves to fund future commitments:</b>													
PFI Scheme	2,359,450	- 402,190	387,400	2,344,660	- 410,230	394,410	2,328,840	- 418,430	401,330	2,311,740	- 427,000	414,000	2,298,740
ICT	781,852	- 262,500	200,000	719,352	- 192,500	191,000	717,852	- 32,500	191,000	876,352	- 150,000	191,000	917,352
Building Repairs & Projects	374,150	- 92,000	148,560	430,710	- 2,940	152,270	580,040	- 19,700	152,570	712,910	- 152,000	152,570	713,480
Election	45,934		34,000	79,934		34,000	113,934		34,000	147,934	- 136,000	34,000	45,934
Tadcaster Central Area	66,936			66,936			66,936			66,936			66,936
Industrial Units	40,155			40,155			40,155			40,155			40,155
Open Space Maintenance	80,460			80,460			80,460			80,460			80,460
GF Carried Fwd Budgets	1,493,096	- 1,493,096		-			-			-			-
Affordable Housing **	193,554			193,554			193,554			193,554			193,554
	5,435,588	- 2,249,786	769,960	3,955,762	- 605,670	771,680	4,121,772	- 470,630	778,900	4,430,042	- 865,000	791,570	4,356,612
<b>Reserves to fund growth and improvement:</b>													
Special Projects / Programme for Growth ***	1,380,671	- 412,500	8,066,351	9,034,522	- 201,500	1,080,000	9,913,022	- 89,500	1,280,000	11,103,522		1,480,000	12,583,522
Special Projects (Non_PFG commitments)	150,969	- 150,969		0			0			0			0
Discretionary Rate Relief Fund	268,492	- 100,000		168,492	- 100,000		68,492			68,492			68,492
NYCC Collaboration	150,000	- 100,000		50,000	- 50,000		-			-			-
Spend To Save (Business Development)	500,000			500,000			500,000			500,000			500,000
	2,450,132	- 763,469	8,066,351	9,753,014	- 351,500	1,080,000	10,481,514	- 89,500	1,280,000	11,672,014	-	1,480,000	13,152,014
<b>Reserves to mitigate financial risk:</b>													
Pensions Equalisation Reserve	367,230		182,820	550,050		182,820	732,870		182,820	915,690		182,820	1,098,510
Business Rates Equalisation	4,777,087	- 1,777,087		3,000,000			3,000,000			3,000,000			3,000,000
Local Plan	355,231		145,000	500,231		50,000	550,231		50,000	600,231		50,000	650,231
Contingency	708,100	- 210,500		497,600			497,600			497,600			497,600
General Fund	1,466,860			1,466,860			1,466,860			1,466,860			1,466,860
	7,674,508	- 1,987,587	327,820	6,014,741	-	232,820	6,247,561	-	232,820	6,480,381	-	232,820	6,713,201
<b>Total GF Revenue reserves</b>	<b>15,560,227</b>	<b>- 5,000,842</b>	<b>9,164,131</b>	<b>19,723,516</b>	<b>- 957,170</b>	<b>2,084,500</b>	<b>20,850,846</b>	<b>- 560,130</b>	<b>2,291,720</b>	<b>22,582,436</b>	<b>- 865,000</b>	<b>2,504,390</b>	<b>24,221,826</b>
<b>Capital Reserves</b>													
General Capital Receipts*	1,714,279	- 175,000	1,065,020	2,604,299	- 145,000	1,096,060	3,555,359	- 145,000	1,000,000	4,410,359	- 145,000	1,000,000	5,265,359
Capital Receipts (Programme for Growth)	720,636		1,000,000	1,720,636			1,720,636			1,720,636			1,720,636
<b>Total GF Capital Receipts</b>	<b>2,434,915</b>	<b>- 175,000</b>	<b>2,065,020</b>	<b>4,324,935</b>	<b>- 145,000</b>	<b>1,096,060</b>	<b>5,275,995</b>	<b>- 145,000</b>	<b>1,000,000</b>	<b>6,130,995</b>	<b>- 145,000</b>	<b>1,000,000</b>	<b>6,985,995</b>
* Capital receipts include assumptions on right to buy sales													
** £Additional £8.5m anticipated through s106 commuted sums - profile and spending plan to be developed during 2016/17													
*** Proposals for extended Programme for Growth to be developed during 2016/17													
Note: Capital receipts subject to a review of requirements of council house 'one for one replacement'													



General Fund Savings							
Proposed Savings	Lead	Status	2016/17	2017/18	2018/19	Benefits	Comments
			£	£			
<b>IT &amp; Transformation Workstream</b>							
Better Together - CRM Replacement - Phase 1	JR / SR	Green	36,160	36,160	36,160	A shared customer relationship management system with NYCC to enable seamless delivery of services across the two tiers of local government and deliver cost efficiency	Phase 1 completed
Better Together - Digital Transformation - Phase 2	JR / SR	Red	-	30,000	30,000	A shared web portal will enable on-line transactional services and a common customer experience whilst deliver cost efficiency	ICT strategy to be refreshed and business case for shared customer portal (part of Better Together) to be considered.
Mobile Working	SR / JR	Red	-	41,728	41,728	Mobile technology will enable services to be delivered more effectively in the field - delivering a more responsive and efficient service	Savings are subject to a revised business case and dependent on decisions around the new Housing Management System. Aim to re-visit the business case in autumn 2016.
Better Together - Formal amalgamation of District newspaper and County Council publications	SR / MJ	Green	3,000	3,000	3,000	A shared publication brings together news across the two tiers of local government	Completed
Electronic Payments	JR / SR	Red	4,000	15,500	15,500	Savings or income against a discretionary service enables resources to be prioritised on statutory requirements and encourages take up of more cost effective payment methods such as direct debit	Review of potential charges for electronic payments to be undertaken in 2016/17 although government proposals to cap charges may ultimately negate this.
Improved Revs & Bens Value for Money	JR	Amber	25,000	50,000	50,000	Improved team productivity leading to more timely and accurate processing of benefit claims	A service review has recently commenced with a target to deliver savings from 17/18 onwards. Additionally a review of staffing has been undertaken and a decision made to not fill vacant posts upto structure. £21k was saved in 15/16 and this post will not be filled in 16/17, additionally savings of £3k are proposed due to savings on annual billing.
Further Internal Efficiencies (Outside of Better Together)	SR	Red	6,500	9,500	9,500	General efficiency target to deliver improved outcomes for a reduced cost	To date no further efficiencies have been highlighted for 16/17 although there are reviews underway in planning and environmental health.
Access Selby' Commercialisation	JR / SR	Amber	18,000	50,000	50,000	Income generation against discretionary services enables resources to be prioritised on statutory requirements	There has been an increase in chargeable work on the housing repairs and lifeline services. Current forecasts suggest £18k is achievable in 16/17.
<b>Total Transformation</b>			<b>92,660</b>	<b>235,888</b>	<b>235,888</b>		
<b>Commissioning Workstream</b>							
Postage and Mail	KC	Green	8,000	11,000	11,000	Improved cost efficiency through smarter procurement	Initial saving of £5k completed plus a further £6k p.a. from October 2016 subject to Executive approval of new contract on 25 August.
Supplier Engagement	KC	Amber	20,000	20,000	20,000	Improved cost efficiency through smarter procurement	A variety of contracts are to be re-procured and currently on track to deliver savings from April 2017.
Reduce Tail end spend	KC	Amber	14,500	14,500	14,500	Improved cost efficiency through smarter procurement	£8.5k realised already in relation to car park tickets & telephones - £6k additional savings still to be identified in 2016/17 onwards.
Improved Waste / Recycling Value for Money	KC	Red	-	100,000	200,000	Operational efficiencies to contain property growth within thebase contract price	Service under pressure due to growth in property numbers and contract variation under negotiation. 17/18 Target reduced by £100K and to be reassessed once details of variation are established.
Maximise use of Civic Centre Office Space	JR	Red	25,000	71,000	71,000	Partnership working to share office space allows sharing of fixed overheads	£10.5k achieved - longer term savings will be dependant on arrangements with partners such as the police.
<b>Total Commissioning</b>			<b>67,500</b>	<b>216,500</b>	<b>316,500</b>		

Proposed Savings	Lead	Status	2016/17 £	2017/18 £	2018/19	Benefits	Comments
<b>Income Generation Workstream</b>							
General Fund Housing Development	KI	Amber	18,000	50,000	50,000	Interest on loans to build new affordable homes with Selby and District Housing trust - the loans facilitate the new homes and the interest brings a revenue stream to the Council	Interest from loans to SDHT - figures to be updated as new loans are agreed.
Green Energy	JC	Red	-	150,000	150,000	Opportunity to invest in solar energy to generate an income stream for the Council and potentially deliver cheaper energy to users.	The feasibility report confirms that a ground and roof mounted schemes are possible but changes to government subsidies means that detailed business case will be deferred and therefore a scheme will not be delivered to achieve a saving in 16/17.
Policy changes to introduce new income streams	JR / KC	Red	78,783	80,823	80,823	Income generation against discretionary services enables resources to be prioritised on statutory requirements	Charging policy has been updated and approved to allow full cost recovery on discretionary services. Opportunities currently under review.
<b>Total Income Generation</b>			<b>96,783</b>	<b>280,823</b>	<b>280,823</b>		
<b>Total General Fund Savings in Progress</b>			<b>256,943</b>	<b>733,211</b>	<b>833,211</b>		
<b>Savings Target</b>			<b>569,760</b>	<b>992,803</b>	<b>992,803</b>		
<b>Headroom/Deficit (+/-)</b>			<b>** - 312,817</b>	<b>- 259,592</b>	<b>- 159,592</b>		
<b>Green Savings</b>			47,160	50,160	50,160		
<b>Amber Savings</b>			95,500	184,500	184,500		
<b>Red Savings**</b>			114,283	498,551	598,551		
<b>Total</b>			<b>256,943</b>	<b>733,211</b>	<b>833,211</b>		

**2016/17 – 2018/19 GENERAL FUND CAPITAL PROGRAMME**

	Estimated Programme 2016/17 £	Estimated Programme 2017/18 £	Estimated Programme 2018/19 £
<b><u>PROJECTS</u></b>			
Asset Management Plan Leisure Centres & Park Tadcaster Central Area	43,000	2,940	19,700
Road Adoption - Industrial Units Sherburn Mast Relocation	13,660		
Tadcaster Bus Station refurbishment Replacement Car Park Ticket Machines	52,000		
Collapsed Culvert - Portholme Road Housing Development (Loans to SDHT)	356,670		
	2,243,360	1,250,000	1,250,000
<b><u>Grants</u></b>			
Disabled Facilities Grants Repair Assistance Loans	358,870	300,000	300,000
	30,000		
<b><u>ICT Hardware &amp; Systems Within ICT Strategy</u></b>			
Implementation & Infrastructure Costs Desktop Replacement Programme	518,755	175,000	222,000
CRM & Website Mobile Working Solution	17,500	17,500	17,500
	249,800		
<b>TOTAL</b>	<b>3,883,615</b>	<b>1,745,440</b>	<b>1,809,200</b>
<b><u>SUMMARY OF FUNDING</u></b>			
Capital Receipts Grants & Contributions	233,870	145,000	145,000
Reserves Borrowing	155,000	155,000	155,000
	1,251,385	195,440	259,200
	2,243,360	1,250,000	1,250,000
<b>TOTAL</b>	<b>3,883,615</b>	<b>1,745,440</b>	<b>1,809,200</b>

## Programme for Growth

Projects	Exec Lead	Capital £	Revenue £	Actual 15/16 Year End	Budget Remaining	Comments
Programme Management		-	-	3,308	3,308	<b>Completed</b> - Final pay - Programme manager
Healthy living - concepts fund	Richard Musgrave	-	175,000	29,400	145,600	<b>In progress</b> - £29,400 in 2015/16 and £14,700 in 2016/17 committed to a Healthy Schools Programme. Unspent balances remain available for bids.
Leisure Village (Summit Indoor Adventure)	Richard Musgrave	5,979,000	-	4,787,125	1,191,875	<b>In progress</b> - The budget remaining at the end of March 2016 will be carried forward to fund completion of the project in May 2016. Construction was completed and the building was handed over on 6th May 2016 - Public opening was on 28th May 16.
Selby Skate Park	Richard Musgrave	96,000	-	-	96,000	<b>In progress</b> - Work due to complete in co-ordination with the additional parking for Summit Indoor Adventure. Construction scheduled to commence in September 16 and be complete by November.
Ready 4 Work	Chris Metcalfe	-	16,556	16,556	-	<b>Completed</b> - The first graduate programme successfully completed the end of September 2015 and 2 new graduate trainees have been recruited.
Growing enterprise	Chris Metcalfe	-	175,000	17,594	157,406	<b>In progress</b> - Leeds City region has confirmed two further years of funding to continue the Growth Adviser service beyond 2016. The service is providing support to target sector businesses planning on expanding their operations. The evaluation of the Enterprise Cafe programme is almost complete and will highlight how this valuable support to small and micro businesses can continue from 2016/17 onwards. The market incubator retail scheme was in place for the March 2016 Saturday market in Selby; this is being delivered in partnership with Selby Town Council.
Market Selby's USP	Chris Metcalfe	-	62,664	100	62,764	<b>In progress</b> - To ensure this project supports the outcomes of the emerging Economic Development strategy for the district, the project will be held pending the approval of the ED strategy which is expected next year. Spend will then be re-profiled accordingly.
Community skills/capacity building	Chris Metcalfe	-	100,000	-	100,000	<b>In progress</b> - Following discussion of an initial options paper, it has been agreed that this programme will be co-ordinated with the delivery of the Economic Development Strategy. In the meantime, a number of partnership/funding opportunities have been identified in relation to basic skills; these are currently being explored with partners.
Retail experience: Tadcaster Linear Park	Chris Metcalfe		100,000	22,028	77,972	<b>In progress</b> - A delivery plan for the project is in development.

**Appendix E**

Retail experience: STEP	Chris Metcalfe		151,576	2,009	149,567	<b>In progress</b> - The STEP have agreed to focus on three key delivery priorities for 2016: 1. Street scene; 2. Retail mix and markets; and 3. Events and visitors
Retail experience: Sherburn	Chris Metcalfe		100,000	80,000	20,000	<b>In progress</b> - Following the signing of the grant agreement, Groundwork have been commissioned by Sherburn in Elmet Parish Council to manage the project delivery. The project is expected to be completed by the end of the 2016/17 financial year.
Construction skills hub	Chris Metcalfe	-	20,000	-	20,000	<b>In progress</b> - Working group of key stakeholders continues to meet. Pending a contract for Olympia Park development progress is limited and deadlines have been deferred. Selby College has secured funding to extend their engineering and construction skills offer by September 2017.
Empty homes	Richard Musgrave	100,000	15,475	-	115,475	<b>In progress</b> - exploratory work completed in 2015/16 and criteria established. Projects expected from 2016/17.
Housing Trust	Richard Musgrave	-	133,750	30,000	103,750	<b>In progress</b> - The conversion of the former Council Offices in Tadcaster into 3 flats for affordable rent, were completed in 15/16. Phase 1 - Riccall - the land transfer is now expected to take place towards the end of September 2016. The actual date will depend on the procurement route taken. Phase 2 - Awaiting a response from SDHT on the offers made. Remaining funding provides a further 3 years of support for shared resources and a small administration budget for SDHT in order to deliver the approved development programme.
St Josephs St	Richard Musgrave		31,000	31,000	-	<b>Completed</b> - Selby and District Housing Trust have built 2 homes for affordable rent and 1 market house for sale.
Green energy	Cliff Lunn	-	30,000	9,977	20,023	<b>In progress</b> - Exploration of a ground mounted solar farm concluded that it was not possible to deliver a scheme by the end of 2015/16 in order to take advantage of the subsidy regime before changes were implemented and therefore these plans have been deferred until 'grid parity' is reached (anticipated within the next 2-3 years). Proposals to prepare a planning application for a ground mounted scheme are under consideration. Further work on the feasibility of a roof mounted scheme on the Council's general assets and housing stock will be undertaken over the next 3-6 months and revised timescales and savings will be assessed. Preparatory work for schemes (including a grid connection and planning application) are expected to require £50k and therefore an additional £30k will be required if we are to prepare business cases to take schemes forward.

**Appendix E**

Strategic sites	Mark Crane	-	285,000	19,837	265,163	<b>In progress</b> - Fund to bring forward larger sites in the district for development. Study being undertaken at Church Fenton airfield to see how the site will be used in the future and agree a joint direction of travel with the owner. Some work has commenced regarding the future of Eggborough Power Station and some feasibility work regarding Kellingley Colliery as an employment site. Options for Olympia Park are also being formulated. The timing of spend is difficult to predict given the opportunistic nature of this work and the need to engage with partners.	
Town masterplanning	John Mackman	-	250,000	56,180	193,820	<b>In progress</b> - Ongoing piece of work to set a direction of growth for our market towns. Initial work has been completed and Phase 2 will be commissioned following agreement on the approach to the Local Plan and there will be other sub-projects to commence on the back of the Local Plan.	
Green infrastructure	John Mackman	-	20,000	-	20,000	<b>In progress</b> - Consultants historically commissioned to do a Green Infrastructure study with the work used to inform site assessments. Due to under-performance in delivering this piece of work, the Council has now taken the development of the GI strategy in-house and is working with Natural England on key methodological aspects of the work.	
Economic Development	Chris Metcalfe		50,000	45,806	4,194	<b>In progress</b> - strategy developed with support from East Riding of York Council. The strategy identifies priorities for action which will be considered as part of the next round of Programme for Growth.	
Burn Airfield	Mark Crane	1,790,000		1,790,360	-	360	<b>Completed</b> - land acquired in 2015/16.
Improvements to gateways	John Mackman		3,639	-	3,639	<b>Completed</b> - sculptures in place on 2 roundabouts on Selby Bypass and income stream now in place to fund on-going maintenance.	
<b>Total</b>		7,965,000	1,719,660	6,941,081	2,743,579		
		5,793,000	2,233,000				
		2,172,000	-				
		-	-			<b>513,340</b>	

**Extract from Draft Policy Review Committee Minutes 21 July 2016**

**6. MEDIUM TERM FINANCIAL STRATEGY**

The Chief Finance Officer introduced the report and explained that the report provided the Policy Review Committee with the opportunity to comment on the proposals for the developing Medium Term Financial Strategy (MTFS) prior to it being considered by the Executive and Full Council in September 2016.

The Chief Finance Officer provided the Committee with a presentation that set out the key issues and assumptions that underpinned the MTFS.

The following issues were discussed:

- It was highlighted that the MTFS assumed that the 0.5% interest base rate would be cut following the vote to leave the European Union. The Chief Finance Officer explained that a range of scenarios had been modelled to accommodate a change in interest rates. The Committee was advised that it was reasonable to assume that interest rates would remain low for a significant length of time.
- The Chief Finance Officer informed Councillors that it was anticipated that by 2019/20 there would be approximately £1 million per annum reduction to the Council's 'settlement' funding from central government.
- In relation to Business Rates, the Committee was advised that the Council's retention of rates for renewable energy projects was forecast as £5.4 million for 2016/17; however there was some uncertainty regarding future arrangements and whether the Government would continue to allow local authorities to retain 100% of the rates raised by renewable energy projects. Councillors were informed the Department for Communities and Local Government was currently running consultations on business rate retention and fair funding review; the consultations were scheduled to close on 26 September 2016. Councillors queried the impact on Business Rates and Rate Relief in relation to schools converting to academies status.
- With regard to the New Homes Bonus, Councillors were informed that it was expected that the incentives would be reduced and the scheme shortened from 6 years to 4 or 5 years. The MTFS modelled £1.5 million per annum going forward, this represented a £1 million reduction.
- The Chief Finance Officer informed the Committee that Council Tax represented the Council's single largest income stream, equating to 50% of the General Fund resources. The MTFS included, as per the Government's assumptions, a £5 increase in the Band D charge.

- In relation to the Council Tax Support Grant it was noted that the support for parish councils would be reduced as the Council's Settlement Funding reduced. Provision would continue until 2018/19, but it was planned that payments would cease thereafter. Councillors noted that the Council had engaged and would continue to engage with parish councils in order to prepare them for the change.
- The Committee noted there were no changes proposed regarding the existing reserves strategy although queried the application of new homes bonus to the programme for growth when revenue savings were required. The Chief Finance Officer advised that given the risk to this funding it was prudent to not to rely on it to support on-going expenditure but the resources could be diverted if necessary.
- With regard to the budget outlook, Councillors were informed that the Council's structure review aimed to invest in capacity in order to generate sustainable future income streams. The Committee was informed that it would become increasingly challenging for the Council to deliver savings, and therefore it was important that a clear and decisive savings plan was in place.
- Councillors were informed that the Programme for Growth would be crucial to the Council's long term income generation requirements. The current Programme was subject to review and proposals for a future programme would be brought forward as part of the budget process.

The Chief Finance Officer explained that the MTFS would be considered by the Executive on 1 September and submitted to Full Council for approval on 20 September 2016.

**RESOLVED:**

**To note the report and presentation provided.**



# Selby District Council

## REPORT

Reference: E/16/16

Public



**To:** The Executive  
**Date:** 25 August 2016  
**Status:** Key Decision  
**Report Published:** 17 August 2016  
**Author:** Keith Cadman – Head of Commissioning, Contracts and Procurement  
**Executive Member:** Councillor Cliff Lunn – Lead Member for Finance & Resources  
**Lead Director:** Julie Slatter – Director of Corporate Services and Commissioning

**Title:** Postal Services Collection and Delivery Contract Award

### Summary

A consortium of authorities from the Yorkshire and Humber and Greater Manchester regions was formed in 2015 to collaboratively procure mail services. The aim of the procurement was to establish a single postal services provider to the named contracting authorities and secure reduced unit rates through the aggregation of demand across the consortium.

The council's collection and delivery contract was due to expire on 31<sup>st</sup> March 2016 and was extended to December 2016 whilst the wider procurement exercise was conducted. The extension allows for early exit upon award of the regional contract and subsequent call off by the council.

### Recommendations:

**To endorse the award of the call off contract from the CCS/YPO/ESPO Framework: RM1063 resulting from the regional tender exercise conducted for postal services collection and delivery for a period up to 4 years.**

### Reasons for recommendations

The contract procedure rules require Executive approval to award a contract above the European Procurement Threshold of £172,514. The estimated expenditure on postal services collection and delivery over four years is £272,000 and is therefore above threshold.

## **1.0 Introduction and background**

- 1.1 The Council entered a call off contract for postal services using a central government framework on 1<sup>st</sup> April 2013 which was due to expire on 31<sup>st</sup> March 2016. This arrangement was extended in December 2015 for 12 months to ensure service continuity whilst the regional procurement exercise was conducted.
- 1.2 The service provider agreed reduced unit rates as part of the extension arrangement from 32p per item to 29p per item resulting in an estimated saving for the 12 month extended period of £5,000 based on annual mail volumes.
- 1.3 The regional tendering exercise has concluded allowing the council to enter into a call off contract for a period of up to 4 years from date of contract. The regionally procured contract has secured a further unit rate reduction from the negotiated rate of 29p to 27.37p per item.

## **2.0 The Report**

- 2.1 The lead authority for the regional tendering exercise was Kirklees Council with 12 authorities involved in the evaluation of tender submissions. The evaluation was conducted on a price (40%) and quality (60%) basis.
- 2.2 The closing date for tenders was 5<sup>th</sup> April 2016 with 4 tenderers submitting compliant bids and the evaluation being completed in May 2016.
- 2.3 Authorities who do not currently use the winning bidder as their postal provider have the option to undertake a pilot / test phase prior to full implementation. For Selby there will be no change of supplier and is therefore able to implement the new contractual arrangement without the need for a pilot phase.

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

### **3.1 Legal Issues**

A fully compliant regional procurement exercise has been conducted.

### **3.1 Financial Issues**

Based on an annual expenditure of approximately £68,000 the award of the contract will secure an annual saving of £11,000 approximately based on current volumes of collect and delivery mail.

**4. Conclusion**

The award of the call off contract will provide service continuity whilst securing further financial savings.

**5. Background Documents**

N/A

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**Appendices**

N/A

# Selby District Council

## REPORT

Reference: E/16/17

Public



**To:** The Executive  
**Date:** 25 August 2016  
**Status:** Key Decision  
**Report Published:** 17 August 2016  
**Author:** Aimi Brookes, Senior Contract Officer  
**Executive Member:** Richard Musgrave, Lead Member for Housing, Leisure, Health and Culture  
**Lead Director:** Julie Slatter – Director of Corporate Services and Commissioning

**Title:** Green Waste Treatment Procurement

### Summary:

Following a full EU procurement exercise the Council is looking to award a new framework contract and associated call off contracts for the treatment of green waste collected via our kerbside collection schemes, to replace existing contracts upon expiry.

### Recommendations:

- i. **To agree the shortlist of companies who will be formally awarded call off contracts for this framework arrangement to provide the treatment of green waste collected via our kerbside collection schemes.**

### Reasons for recommendation

To ensure the Council has compliant contracts for the treatment and disposal of green waste collected via our kerbside collection schemes, upon expiry of the existing arrangements.

### 1.0 Introduction and background

- 1.1 The Council currently has a framework contract for the treatment (by means of composting) of the green waste collected via our kerbside schemes. There

are four sites on this framework that process approximately 9,000 tonnes of green waste per year. Gate fees are paid to each of the contractors, resulting in a cost to the authority of in the region of £170,000 per year.

The current framework commenced in November 2012 and was for a period of three years with an option to extend for a further year. The Council took up the extension and the framework is now due to expire in November 2016.

- 1.2 A procurement project has been undertaken to secure a new framework contract to enable the Council to operate within the Council's Contract Procedure Rules. As the overall value is over the EU contract value threshold, the award of the contract requires Executive approval.

## 2.0 The Report

- 2.1 The Council's current green waste contracts are due to expire on 3<sup>rd</sup> November 2016. In advance of this a procurement project commenced in March and an OJEU notice was issued on 29<sup>th</sup> April.

Seven companies registered an interest and submissions were received from five companies by the deadline of 10<sup>th</sup> June.

- 2.2 The tender evaluation was completed on 24<sup>th</sup> June. The evaluation has been based on a quality (20%) / price (80%) split.

The quality of the tenders was analysed and assessed using a combination of pass/fail criteria and a weighted scoring system. There are no sub-criteria for the evaluation of the price. Tenders have been evaluated using the proximity principle of combined gate fee and mileage costs to assess overall financial impact.

- 2.3 The tenders have been scored as follows:-

<b>Company</b>	<b>Final Score</b>
Bidder A	67.45%
Bidder B	85.99%
Bidder C	74.13%
Bidder D	93.60%
Bidder E	73.03%

We intend to award the call off contracts to bidders B, C, D and E. Bidder A supplied a compliant bid however due to the gate fee and distance from the district we would not take any green waste to this site and therefore are not recommending a call off contract be awarded.

Awarding call off contracts to the four proposed sites will result in competitive gate fees and a geographically even location of tipping facilities.

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

#### Legal Issues

- 3.1 As the total value of the services is in excess of £172,514 we are required to conduct a compliant EU tender.

#### Financial Issues

3.2

Total actual gate fees per site based on 2015/16 tonnages and disposal points

Disposal Site	Tonnage	Total Gate Fee
Ryedale Organics	1062.82	£18,599.35
Maltings Organics	4588.62	£78,006.54
Yorwaste	2000.26	£38,505.01
Friendship Estates	1504.46	£33,098.12
<b>TOTALS</b>	<b>9156.16</b>	<b>£168,209.02</b>

Total gate fees per proposed site based on 2015/16 tonnes

Disposal Site	Tonnage	Total Gate Fee
Ryedale Organics	1062.82	£20,193.58
Maltings Organics	4964.73	£94,329.87
Yorwaste	2000.26	£38,505.01
C S Backhouse	1128.35	£18,617.69
<b>TOTALS</b>	<b>9156.16</b>	<b>£171,646.15</b>

Actual total expenditure will depend on tonnages collected, which varies from year to year.

For every tonne of green waste disposal of, we also receive a recycling credit from North Yorkshire County Council. This is currently £48.55 per tonne.

### 4.0 Conclusion

- 4.1 The award of the call off contracts will ensure the Council can maintain the green waste collection service to residents across the district.

### 5.0 Background Documents

None

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**Appendices:**

N/A

# Selby District Council

## REPORT

Reference: E/16/18

Public



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**To:** The Executive  
**Date:** 25 August 2016  
**Status:** Non key decision  
**Report Published:** 17 August 2016  
**Author:** Richard Welch - Policy Officer  
**Executive Member:** Councillor John Mackman, Lead Member for Place Shaping  
**Lead Officer:** Dave Caulfield - Director of Economic Regeneration & Place

**Title:** Five Year Housing Land Supply Report (2015-16)

### Summary:

This report presents an overall update on the Council's most recent statement on five-year housing land supply, dated 31<sup>st</sup> March 2016.

### Recommendations:

- i. **Note the main content of the report and appendices, including the implications of the five-year housing land supply .**
- ii. **Endorse the updated Five Year Housing Land Supply Methodology and resultant housing land supply figure as set out in the Statement.**

### Reasons for recommendation

- To enable publication of the latest position on the five-year housing land supply (5YHLS).



## **1. Introduction & Background**

- 1.1 The base date of this 5YHLS is the 31<sup>st</sup> March 2016. The Council has evaluated housing land six months on from the last 5YHLS report (base dated to 1<sup>st</sup> October 2015) to enable the planning authority to have the most up-to-date housing figures to use when formulating the PLAN Selby sites and polices document.
- 1.2 This report also briefly covers some of the implications of the 5YHLS statement in terms of reporting and determining planning applications.

## **2. The 5YHLS Report**

- 2.1 The National Planning Policy Framework (NPPF) states in paragraph 48 that *‘relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites’*. They therefore carry little weight and there is a presumption in favour of sustainable development when considering planning permissions. Upon any refusal of permission there is a real risk that an appeal to the secretary of state will succeed and permission will be granted, possibly with costs.
- 2.2 The NPPF also requires planning authorities to add a buffer to the land supply to ensure flexibility and choice. The normal buffer is 5% but a 20% buffer is recommended where local authorities have a record of persistent under delivery of housing. The Council accepts the 20% buffer is appropriate as it has not met its housing target for 4 of the last 5 financial years of the Core Strategy plan period. The net dwelling completions for the 2015-16 financial year were just under the Core Strategy target at 437. This position with the buffer will be reviewed in future editions of the 5YHLS report if the housing target is exceeded for multiple years.
- 2.3 Recent planning appeals and the publication of the National Planning Practice Guidance (PPG) also place the additional requirement for a shortfall allowance (under delivery of the housing against the target) to be accounted for within the 5-year housing land supply. This is to ensure the housing needs of the adopted plan period are delivered.
- 2.4 The projection of sites in the 5 year housing land supply has been informed by a site assessment methodology from the 2016 Strategic Housing Land Availability Assessment (SHLAA). The methodology was made using a combination of empirical research and consultation with a working group made up of housing developers and planning agents. The SHLAA report will be available online from the 25<sup>th</sup> of August.

### The calculation

- 2.5 Appendix A sets out the 5YHLS methodology and calculations – using a base date of 31st March 2016. Table 4 in the report shows that the district now has a 6.0 year supply of housing land. The increase from last year's figure (5.8) is due to:
- planning permission having been granted on a number of sites in the Market Towns and Designated Service Villages in the 6 months since the last report, much of which is considered deliverable within the reporting period;
  - the remainder of the Olympia Park allocation without permission being added to the supply;
  - per annum dwelling completion figures are still high, supported by the completion of major schemes such as Staynor Hall, Selby and Leeds Road, Thorpe Willoughby; and
  - the reintroduction of the Cross Hills Lane housing allocation from the 2005 Selby District Local Plan, following detailed viability and deliverability information submitted by the site promoters.

### Implications of having a 5YHLS

- 2.6 This means that relevant policies for the supply of housing in the Core Strategy can continue to be considered up-to-date. Paragraph 12 of the National Planning Policy Framework states that: *“Proposed development that accords with an up-to-date Local Plan should be approved and proposed development that conflicts should be refused unless other material considerations indicate otherwise.”*
- 2.7 When determining planning applications, the Council will still need to refer to the full range of policy considerations detailed in the National Planning Policy Framework, including the presumption in favour of sustainable development and the need to maintain the 5-year housing land supply.

## **3. Legal/Financial Controls & Other Policy Matters**

### **Legal Issues**

- 3.1 The Council, as local planning authority, is required to prepare and publish a monitoring report under section 35 of the Planning and Compulsory Purchase Act 2004. That report must contain information relating to implementation of the Local Development Scheme and as to

the extent that the policies within the Local Plan are being achieved. The report must be made available to the public. Information on the 5YHLS position is generally published alongside the annual monitoring report as it is intrinsically linked through the National Planning Policy Framework and National Planning Policy Guidance to the position on achieving the policies in the plans.

### **Financial Issues**

- 3.2 There are no financial implications as a direct result of this report.

### **Equality Impact Assessment**

- 3.3 The impacts of the decision and how these have been mitigated are referenced in an Equality Impact Assessment. No significant impacts have been identified.

## **4. Conclusions**

- 4.1 The monitoring of housing land supply is a key element in the overall Core Strategy monitoring framework. The Council is reporting a positive 5-year housing land supply of 6.0 years. This now means that relevant policies for the supply of housing in the Core Strategy can continue to be considered up-to-date.

## **5. Background Documents**

*National Planning Policy Framework (NPPF)*

*National Planning Policy Guidance (PPG)*

*Selby District Core Strategy (adopted in October 2013).*

## **6. Appendices:**

*Appendix A – Draft 5 Year Housing Land Supply Report*

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Appendix to the Report to the Executive

**Selby District Council**

# **5 Year Housing Land Supply Report 2015-2016**

**Position at 31<sup>st</sup> March 2016**





<b>Contents</b>	<b>Page</b>
1. Introduction	2
2. Background	2
3. Types of sites in the deliverable 5 year supply	4
4. Methodology for calculating the 5 year supply	7
5. Five year housing supply calculation	12
6. Housing trajectory	13
Appendix 1: Deliverability assessment of the Selby District Local Plan/Core Strategy housing allocations	15
Appendix 2: Database of sites contributing to the 5YHLS	
Appendix 3: Maps of sites contributing to the 5YHLS	

# 1 Introduction

1.1 The purpose of this report is to:

- set out an updated methodology used in assessing the 5-year housing land supply (5YHLS);
- provide an updated 5YHLS calculation based upon the revised methodology which uses recent completions and forecast delivery figures; and
- provide a clear position on 5YHLS which supersedes the Council's last public statement on housing land supply, which was published in December 2015.

1.2 The Council has produced a five-year housing land supply report annually since 2010, with the last statement (for 2014/15 financial year) being published in December 2015. That statement set an assessment base date of 1<sup>st</sup> October 2015 (half way through the financial year) to enable the Council to have the most up-to-date evidence base possible in terms of housing supply for on-going work on the preparation of PLAN Selby sites and policies document.

1.3 This statement uses a base date of the 31<sup>st</sup> March 2016, the 5-year supply period within it will run to 31<sup>st</sup> March 2021.

# 2 Background

2.1 This section of the report briefly details the national policy context to housing land supply and the history of 5-year housing land supply as they relate to Selby District.

## National Policy & Guidance

2.2 Paragraph 47 of the National Planning Policy Framework (NPPF) requires local planning authorities to:

- identify and update annually a supply of specific deliverable<sup>1</sup> sites sufficient to provide five years' worth of housing against their housing requirements; and

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



- identify a supply of specific, developable<sup>2</sup> sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15.

2.3 Paragraph 49 of the NPPF states that relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites.

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

2.5 The national guidance is quite clear then that as part of this annual update of its housing supply position, Selby District Council should consider the deliverability of sites in the five year supply very carefully, so that the assessment can be considered robust.

#### 5YHLS Statement – Methodology Update – February 2015

2.6 This report had a base date of the 1<sup>st</sup> April 2014, and detailed that the authority had a 4.3 year supply of housing. This report used windfall completions for the first time and the overall supply and completions levels were improved due to a reinvigorated housing market. However, the Council still had less than a 5-year housing land supply and so paragraph 49 of the NPPF still applied.

#### 5YHLS Statement – Methodology Update – December 2015

2.7 This report had a base date of the 1<sup>st</sup> October 2015 and detailed that the district had a 5.8 deliverable supply of housing land, the increase in supply was largely due to the large number of dwellings approved by the Council when it did not have 5-year supply. This meant that, in line with paragraph 49 of the NPPF, relevant policies that relate to the supply of housing were considered to be up-to-date once again.

#### Strategic Housing Land Availability Assessment (SHLAA) – August 2016

2.8 The Council’s fourth SHLAA contains a methodology for assessing the delivery of sites over time, as well as an assessment of sites contained within the 5YHLS.

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<sup>2</sup> To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.

The assessment and methodology were produced with the help of a working group composed of landowners, professionals from the development industry and key stakeholders such as infrastructure providers and neighbouring authorities.

2.9 The working group helped inform the following key aspects of the SHLAA methodology, following a review of empirical evidence.

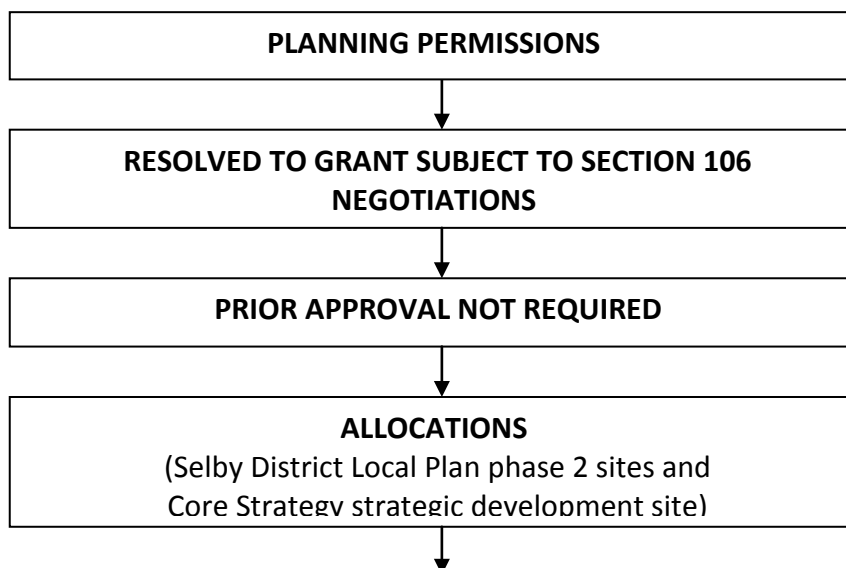
- Varied net developable area ratios – the larger the site, the lower the ratio.
- Varied lead-in times – the less advanced the site is in the planning process, the longer the lead in time.
- Varied build rates – the larger the site, the greater the build rate and number of builders.
- Varied density rates – higher in urban locations and lower in rural locations.
- The inclusion of prior approvals not required as a separate type of site.

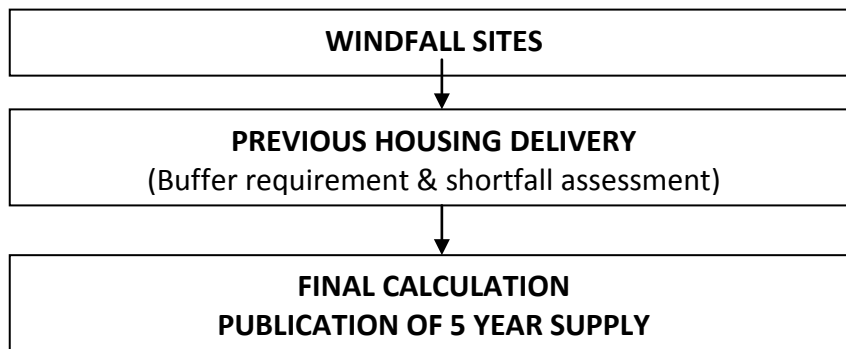
2.10 The application of the SHLAA methodology for the delivery of sites in the 5YHLS can be seen in the supply spread sheet in appendix 2. For more information on the 2016 SHLAA, please see: <http://www.selby.gov.uk/strategic-housing-land-availability-assessment-shlaa>.

### 3 Types of sites in the deliverable 5 year supply

3.1 The flowchart below identifies the process involved in undertaking the annual update and which data sources are used. Further explanation of each stage is outlined in detail later in this section and in section 4.

**Figure 1: The 5-year housing land supply assessment process**





3.2 The Council has carried out a survey of sites with planning permission within the district to ascertain the status of each site to determine what is built and what remains outstanding for future development. All of the planning permissions in the assessment are extant; any that had lapsed on their permission expiry date and had not started on site have been removed from the assessment.

3.3 This list of permissions includes outline planning permissions, as the principle of development has been established, subject to reserved matters. In undertaking the site assessments, small sites and large sites with permission have been classified differently, this is due to the different way they have been assessed in the 2016 SHLAA, with small sites being assessed in less detail than the large sites.

**Smaller sites with planning permission (less than 5 dwellings)**

3.4 As of the 31<sup>st</sup> March 2016, there were **116** dwellings with planning permission (gross) on sites with less than 5 units. All of these dwellings are projected to be built in the first 5 years of the plan period.

**Larger sites with planning permission (5 dwellings or more)**

3.5 As of the 31<sup>st</sup> March 2016, there were 4613 dwellings with planning permission (gross) on sites with 5 units or more. The number that is projected to be delivered in the next 5 financial years is **3406**.

**Sites resolved to grant subject to section 106 negotiations**

3.6 As of the 31<sup>st</sup> March 2016, there were no applications of this type being considered by the authority.

**Prior approval not required**

3.7 The scope of prior approvals can include developments of multiple dwellings. They are not technically planning permissions and so have been included as

their own type of site. As of the 31<sup>st</sup> March 2016, there were **14** dwellings on sites of this type, all of which are projected to be delivered in the first 5 years of the plan period.

### **Selby District Local Plan allocations (phase 2 sites)**

- 3.8 Phase 2 allocations from the Selby District Local Plan (which was adopted in 2005) have been analysed in detail with regards to their deliverability. The landowners (or agents/developers) of all allocated sites have been contacted directly during the writing of this report in order to ascertain whether and when a site will be coming forward.
- 3.9 The viability of each site was discussed with the land owner and/ or the agent. It was also identified whether there are plans to submit a planning application, what the timescale for submission would be and when they would expect to be on site. This information has been used to determine which allocated sites are included within the 5-year housing land supply.
- 3.10 Where no information has been provided by the landowners it is assumed that the site is not available for development and it is therefore not included within the 5-year housing land supply calculations. A summary of the deliverability is shown in appendix 1. As a result of the detailed investigations into the deliverability of the phase 2 allocations, the amount of dwellings these sites can contribute to the 5 year supply is **350**.

### **Core Strategy Olympia Park allocation**

- 3.11 This site is allocated as a strategic mixed use development site in the Core Strategy in policy SP7. This policy states that development within the defined area will be programmed to deliver 1000 new homes, a large part of the allocated site to the west already has permission for 863 dwellings (2012/0541/EIA). The remaining 137 dwellings will occur on site Selby-7, as the remainder of the site below the railway line is stipulated by SP7 to be developed for employment uses. The viability and deliverability of this site is considered in appendix 1, this site contributes 137 dwellings to the supply, **100** of which can be delivered in the first 5 years.

## 4 Methodology for calculating the 5 year supply

4.1 This section explains the different criteria and assumptions which are applied in the calculation of the 5 year supply. For each criteria, it is explained how its application is consistent with the most recent guidance, case law and empirical evidence

### Planning permissions and the non-implementation discount

4.2 A non-implementation discount is applied to all sites with planning permission, prior approvals not required and sites granted subject to section 106 agreements. In the projection of the supply, the discount is used to demonstrate the fact that a proportion of sites may not start in the 5-year period and their permissions will lapse. An analysis of permissions in the SHLAA showed that although the majority of larger permissions are implemented, a greater proportion of smaller sites lapse. The applied 10% discount rate is also consistent with rates applied by other local authorities in their 5-year housing land supply statements.

### Windfall allowance

4.3 Paragraph 48 of the NPPF states that: *‘Local planning authorities may make an allowance for windfall sites in the five year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens’.*

4.4 The Council considers all sites not allocated for housing in the Local Plan to be windfall. In order to quantify the allowance, the Council has:

- considered evidence from historic supply that shows windfalls have consistently made a substantial contribution to the supply; and
- projected the average number of these past windfall plots forward as completions, at a similar rate to which they were being completed in recent years; and
- deducted the average number of windfall plots completed on residential garden land, reflecting policy in the NPPF and Core Strategy.

4.5 Windfalls are expected to continue to be a reliable source of supply, but there are a number of factors which will occur over the next 5 years of the plan period which will influence the rate of its delivery.

- The natural churn of brownfield land which occurs within urban areas will continue, where businesses and non-housing uses relocate and free up land for housing. There may be a slight trend upwards as evolving national planning policy (such as the requirement for a brownfield register) continues to re-focus upon the effective regeneration of brownfield sites.
- The PLAN Selby sites and policies document is due to be adopted in 2018 and will allocate enough housing land for the district to meet its housing needs up to the year 2027. Completions on these sites will not be classed as windfall. This is considered to be a downward driver on larger windfall sites and an uplift factor on small windfalls as settlement development boundaries may be redefined.
- The presumption in favour of sustainable development in the NPPF and Core Strategy (policy SP1) will continue to see applications for housing permitted outside of areas allocated in the Local Plan, providing they are sustainable and comply with relevant policies in the Local Plan. This may be a downward trend as PLAN Selby will clearly define settlement boundaries and less greenfield windfall may come forward.
- The expansion of permitted development rights to enable farm buildings and offices to be converted to housing without planning permission will also boost windfall supply.
- Losses of dwellings inevitably occur year on year, this is due to a variety of reasons including, demolitions, mergers and change of use. This is a downward driver in the net number of windfalls that can come forward.

4.6 There are likely to be both upward and downward windfall trends and on balance the Council is continuing to support a modest windfall allowance in the 5-year housing land supply. This is in line with policy SP4 of the Core Strategy (Management of Residential Development in Settlements).

4.7 Table 1 provides the historic data for gross completions on non-allocated sites (windfalls) in the district since 2005. This shows that there has been a high level of completions on windfall sites.

**Table 1: Gross completions on windfalls**

Financial year	Net completions	Net completions on windfalls	% windfall completions
2005-06	638	580	91
2006-07	874	687	79
2007-08	583	343	59
2008-09	226	163	72
2009-10	270	163	60
2010-11	366	211	58
2011-12	338	176	52
2012-13	248	162	65
2013-14	263	186	71
2014-15	464	150	32
2015-16	437	194	44
<b>Total 2005-2016</b>	<b>4707</b>	<b>3015</b>	<b>64</b>
<b>Average 2005-2016 (11 years)</b>	<b>428</b>	<b>274</b>	<b>62%</b>
<b>Average 2011-2016 (5 years)</b>	<b>350</b>	<b>174</b>	<b>53%</b>
<b>10% garden land reduction</b>		<b>157</b>	

- 4.8 In order to forecast the windfall completions over the next 5 years, the average number of windfall plots completed over the last 5 years (174) was taken as a starting point as this reflects recent trends in the local housing market. The expected completion figure over the next 5 years was reduced from this figure (and rounded) to 160, to take account of the number of dwellings completed on garden land (shown to be 10%), which the NPPF states should not be accounted for.
- 4.9 The average of 160 completions was reduced further to better reflect the factors influencing the rate of delivery windfall described in paragraph 4.5 above. Overall, it is considered that there will be a reduced rate of delivery on windfall sites, as large-scale unallocated sites outside of the development limits are resisted, and the Core Strategy is introduced in 2018, resulting in a number of sites available to develop. Therefore, the average annual rate has been reduced by 25% to 120.
- 4.10 The projection for the predicted average rate of 120 completions per annum can be seen in table 2 below. This method prevents any double counting of windfall plots with existing permissions, as windfall plots are only projected as if

they were first given planning permission in the financial year 2015-16. Lead-in times are also factored into the projection (as per the 2016 SHLAA) so no windfalls are provided in the first 2 years of the plan period. The total cumulative completions from windfalls over the first 5 years is **360**.

**Table 2: Windfall completion projection**

Financial year complete					
16/17	17/18	18/19	19/20	20/21	Total
0	0	120	120	120	<b>360</b>

### Applying the buffer

- 4.11 The NPPF (paragraph 47) requires that local planning authorities should have a 5-year housing land supply with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, Local Planning Authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land”

**Table 3: Housing requirement & annual completions**

Year	Plan period	Net completions	Target	Gap
05-06	Selby District Local Plan Plan Period	638	620	+18
06-07		874	575*	+299
07-08		583	440	+143
08-09		226	440	-214
09-10		270	440	-170
10-11		366	440	-74
Total net provision		<b>2957</b>	<b>2955</b>	<b>+2</b>
11-12	Core Strategy plan period	338	450	-112
12-13		248	450	-202
13-14		263	450	-187
14-15		464	450	14
15-16		437	450	-13
Total net provision		<b>1,750</b>	<b>2,250</b>	<b>-500</b>

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

- 4.12 Table 3 illustrates the completions for the past nine years within the District. The average annual completion is 407 over the last 10 years. The average



number of completions over the Core Strategy plan period (from 2011 onwards) is 350. It can be seen that there was over-delivery in the years before the financial crash in 2008 and under-delivery after it, as a result of the slowdown in the housing market. More recently, there has been an upturn in the market, due to an improving economy.

- 4.13 The National Planning Practice Guidance does not provide any further clarification on what the 'persistent under delivery' in the NPPF equates to. Table 3, however, shows there was under-delivery in 4 out of the previous 5 financial years. This can only reasonably be determined as demonstrating a record of persistent under delivery, meaning that a 20% buffer should be applied.
- 4.14 The Council therefore considers that it is appropriate to demonstrate an additional buffer of 20% within the 5-year housing land supply calculation for 2015/16. However if future housing delivery in the district is consistently above the Core Strategy requirement, this position will be reviewed in future editions of the 5-year housing land supply report.

#### **Dealing with the shortfall**

- 4.15 Table 4 overleaf shows that housing delivery has fallen short of the annual target between 1<sup>st</sup> April 2011 (the base date of the Core Strategy) and 1<sup>st</sup> October 2015 by 500 dwellings.
- 4.16 In dealing with under supply, the National Planning Practice Guidance states that: '*Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible*' (see paragraph: 035, reference ID: 3-035-20140306). The Council has dealt with undersupply by ensuring that the entirety of it to be made up in the first 5 years of the plan period, thus complying with best practice.
- 4.17 In keeping with advice from the Planning Inspectorate and Planning Advisory Service, the buffer has been applied to both the plan requirement and the shortfall combined.

## 5 Five year housing supply calculation

5.1 Tables 4 and 5 show how the sites described in section 3 of the report and the methodology for calculating the supply in section 4 of the report come together to produce a 5 year housing supply figure.

**Table 4: Summary of sites contributing to 5 year supply**

Summary of sites contributing to 5 year supply		Potential yield (dwellings)
A	Planning permissions <ul style="list-style-type: none"> <li>• Dwellings on sites less than 5 units: 116</li> <li>• Dwellings on sites of 5 or more units: 3406</li> <li>• Prior approval not required: 14</li> </ul>	3,536
B	Dwellings approved at committee subject to section 106 agreements	0
C	Sum of permissions with 10% discount for non-implementation (A+B x 0.9)	3,182
D	Selby District Local Plan allocated housing sites: 350 Core Strategy allocation: 100	450
E	Windfall	360
<b>Total plots considered to contribute to 5 year supply (C+D+E)</b>		<b>3,992</b>

**Table 5: Five year housing land supply calculations as at 1st October 2015**

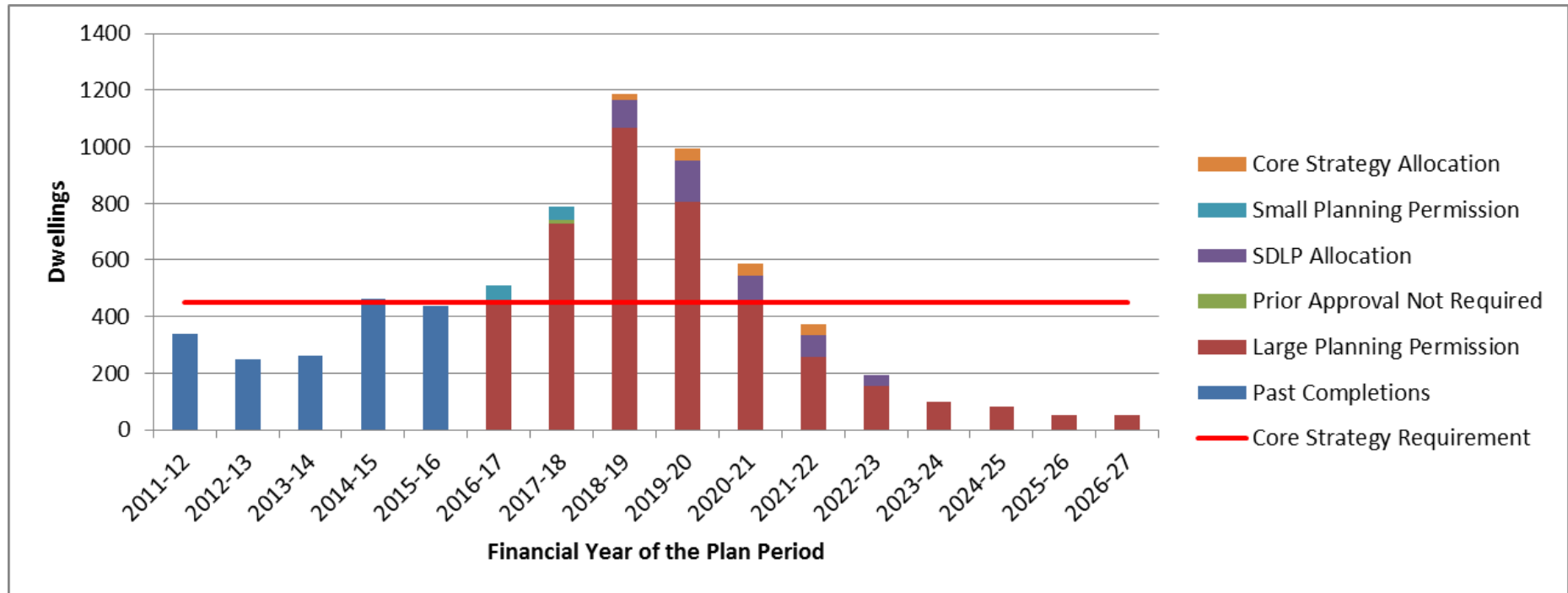
A	Housing target for the plan period (2011-2027)	7,200
B	Annual housing target across plan period (A ÷ 16 years)	450
C	Five year target, no adjustment (B x 5)	2,250
D	Shortfall of housing provision from the plan period (requirement less completions)	500
E	Shortfall + target (C+D)	2,750
F	<b>20% buffer applied (E x 1.2)</b>	<b>3,300</b>
G	Annual target for next five years (F ÷ 5)	660
H	<b>Current expected deliverable supply: (1<sup>st</sup> October 2015 to 1<sup>st</sup> October 2020)</b>	<b>3,992</b>
I	Gap (F - H)	+692
J	Council's housing and supply equivalent to (H ÷ G)	<b>6.0 years</b>

- 5.2 As at 1<sup>st</sup> October 2016, the district has a 6.0 year supply of housing. This now means that in line with paragraph 49 of the NPPF relevant policies that relate to the supply of housing are now considered to be up-to-date once again. Paragraph 12 of the NPPF states that: *“development that accords with an up-to-date Local Plan should be approved and proposed development that conflicts should be refused unless other material considerations indicate otherwise.”*
- 5.3 Appendices 2 and 3 provide a database of sites with maps, which contribute towards the 5-year housing land supply.

## **6 Housing trajectory**

- 6.1 Paragraph 47 of the National Planning Policy Framework (NPPF) states *“for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target”*.
- 6.2 Figure 2 below shows the housing trajectory, for the first 3 years of the Core Strategy plan period there was under provision against targets due to the downturn in the housing market. In the last two financial years, completions were above or near the target, this can be attributed to the build out of the phase 2 allocated sites released by the Council and a gradual recovery in the housing market.
- 6.3 Due to the large numbers of sites permitted by the council since the start of the 2014/15 financial year, the district is projected to have completions above the 450 requirement for the next 5 years. The graph shows that completions are predicted to be below the requirement from the year 2021 onwards.
- 6.4 The introduction of the PLAN Selby allocated housing sites from the year 2018 onwards (not shown in the graph) will ensure the district has housing completions above the Core Strategy target up until the end of the plan period in 2027.

**Figure 2: Housing trajectory**



## Appendices

### Appendix 1: Deliverability assessment of the 2005 Selby District Local Plan/Core Strategy housing allocations

SDLP/CS allocation reference	SHLAA reference	Location	Settlement hierarchy	Area (ha)	Dwelling capacity years 1-5	Deliverability in the 2015-16 5YHLS report
SP7	Selby-7	Olympia Park (Land between A19 and A63 Bypass, Barlby)	Principal Town	5.6	137	Found to be deliverable based on recent response from owner/site promoter. Application submitted on site.
BRY/1	Byram-6	Land South of Byram Park Avenue, Byram	Designated Service Village	0.79	24	Found to be deliverable based on recent response from owner/site promoter. Application submitted on site.
CAR/2	Carlton-5	Land west of Low Street, Carlton	Designated Service Village	1.23	0	Not deliverable – no owner interest
EGG/2	Eggborough-4	Land East of High Eggborough Lane, Eggborough	Designated Service Village	1.43	39	Found to be deliverable based on recent response from owner/site promoter. Application submitted on site.
EGG/3	Eggborough-3	Land south of Selby Road, Eggborough	Designated Service Village	3.14	85	Found to be deliverable based on recent response from owner/site promoter.
H2	Osgodby-5	Land west of South Duffield Road, Osgodby	Designated Service Village	1.56	0	Not deliverable – no owner interest
SEL/1	Selby-15	Land at Cross Hills Lane, Selby	Principal Town	22.75	175	Found to be deliverable based on recent response from owner/site promoter.
SHB/1	Sherburn-26	Land West of A162, Sherburn In Elmet	Local Service Centres - Sherburn	4.85	0	Not deliverable - Remainder of the allocated site without permission assessed to be undeliverable due to flood risk
TAD/2	Tadcaster-18	Land west of Inholmes Lane, Tadcaster	Local Service Centres - Tadcaster	3.47	0	Not deliverable - Land owner has shown no intention of developing the site.

**Appendix 2: Database of sites contributing to the 5YHLS**

**Appendix 3: Maps of sites contributing to the 5YHLS**

For both of the above please visit: <http://www.selby.gov.uk/authorities-monitoring-report>