



Meeting: **POLICY REVIEW COMMITTEE**
Date: **THURSDAY 12 SEPTEMBER 2013**
Time: **5.00PM**
Venue: **MEETING ROOM 2**
To: **Councillors M Jordan (Chair), I Reynolds (Vice Chair), Mrs M Davis, K Ellis, Mrs E Metcalfe, R Musgrave, I Nutt, R Packham, and Mrs A Spetch.**

Agenda

- 1. Apologies for absence**
- 2. Disclosures of Interest**

A copy of the Register of Interest for each Selby District Councillor is available for inspection at www.selby.gov.uk.

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

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

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

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

- 3. Chair's Address to the Policy Review Committee**
- 4. PR/13/4 –Selby Affordable Housing Supplementary Planning Document**

To consider the report from the Democratic Services Officer, (pages 1 to 79 attached).

5. PR/13/5 – Medium Term Financial Strategy Update

To consider the report from the Executive Director (s151) (pages 80 to 110 attached).

Martin Connor
Chief Executive

Enquiries relating to this agenda, please contact Palbinder Mann on:
Tel: 01757 292207 or email pmann@selby.gov.uk.

Next meetings
15 October 2013
19 November 2013 (provisional)
17 December 2013 (provisional)
14 January 2014



Report Reference Number: PR/13/4 Agenda Item No: 4

To: Policy Review Committee
Date: 12 September 2013
Author: Palbinder Mann, Democratic Services Officer
Lead Officer: Karen Iveson, Executive Director (S151)

**Title: Selby Affordable Housing Supplementary Planning Document
(Covering Report)**

Summary:

The Policy Review Committee considered the Affordable Housing Supplementary Planning Document (AHSPD) at their last meeting on 16 July 2013. They agreed to defer consideration of the report until all the consultation responses had been received. The responses to the consultation will be sent out to the Committee as soon as they are available. .

Recommendations:

The Policy Review Committee is asked to consider the Draft AHSPD and provide any comments.

Reasons for recommendation

To progress the statutory procedures for approval of the AHSPD in order to assist in the implementation of the Council's policies in the Core Strategy for delivery of affordable housing to meet identified need in the District. This will ensure the SPD is in place to allow the Core Strategy to be fully implemented upon adoption which is envisaged for October 2013.

1. Introduction and background

The Policy Review Committee considered the Affordable Housing Supplementary Planning Document (AHSPD) at their last meeting on 16 July 2013 however decided to defer the item until all the consultation responses had been received.

2. The Report

The previous report is attached at Appendix A and the consultation responses will be circulated as soon as they are available.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

N/A

3.2 Financial Issues

N/A

4. Conclusion

The Policy Review Committee is asked to consider the Draft AHSPD and provide any comments.

5. Background Documents

N/A

6. Appendices

Previous Committee Report – Appendix A
Consultation Responses – Appendix B (To Follow)

Contact Officer:

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Report Reference Number: PR/13/2

Agenda Item No: 6

To: Policy Review Committee
Date: 16th July 2013
Author: Julia Jennison
Lead Officer: Keith Dawson – Director of Community Services

Title: Selby Affordable Housing Supplementary Planning Document

Summary:

An Affordable Housing Supplementary Planning Document (AHSPD) will support policy implementation by informing negotiations on schemes to deliver a proportion of affordable housing on all market housing sites following the adoption of the Core Strategy later this year. The draft document was approved for consultation (until mid August) by Executive on 6th June.

Recommendation:

- i) To consider the draft AHSPD and provide comments to feed into the consultation process.

Reasons for recommendation

- i) To progress the statutory procedures for approval of the AHSPD in order to assist in the implementation of the Council's policies in the Core Strategy for delivery of affordable housing to meet identified need in the District. This will ensure the SPD is in place to allow the Core Strategy to be fully implemented upon adoption which is envisaged for October 2013.

1. Introduction and background

- 1.1 The Affordable Housing Supplementary Planning Document (AHSPD) will set out the Council's approach to delivering affordable housing in accordance with the NPPF and the Selby District Core Strategy.
- 1.2 There is a Draft Affordable Housing SPD 2010 which was subject to public consultation in 2011 but not finalised pending the outcome of the Core Strategy work. The Draft AHSPD 2010 requires reviewing and updating in the light of changes in national policy (the cancellation of

Planning Policy Statement 3 (PPS3) and the publication of the NPPF in 2012) and changes to Core Strategy and must be based on the latest robust evidence.

- 1.3 The AHSPD has been developed in accordance with the Core Strategy Policy CP5 (Affordable Housing) and Policy CP6 (Rural Exceptions). It aims to assist a range of stakeholders on the Council's approach, standards and mechanisms required to deliver affordable housing which meets local needs.
- 1.4 It will support delivery of affordable housing and planning policy implementation by informing negotiations with developers and provide:
 - clarity on Selby District Council's (SDC) approach for stakeholders (e.g. public, applicants, developers, Registered Provider (RP)s, landowners and valuers)
 - clear guidance to ensure a consistent approach to enquiries and negotiations
 - guidance on the definition of quality; affordable; 'balanced housing market', and 'clear benefits to the community'.
- 1.5 The report outlines the key policy issues and provides a draft document for consideration as part of the public consultation stage. The consultation draft of the AHSPD is attached at Appendix A.

2. The Report

Summary of Scope of AHSPD

- 2.1 The emerging Core Strategy, Policy CP5 will apply to all new developments. For developments of 10 dwellings or more the Council will negotiate for on-site provision of affordable housing up to a target of 40% of the total new dwellings on-site as an integral part of market schemes. In line with national and local policy, the affordable housing should be provided on-site, and as such the SPD provides guidance on such topics as siting and design and model s106 agreements as well as detailing the information required as part of a planning application, and advice on the scope of any financial appraisal, if less than the target of 40% affordable housing contribution is proposed by applicants on viability grounds.
- 2.2 Off-site provision is only acceptable in exceptional circumstances, and the AHSPD clarifies the Council's approach.
- 2.3 For sites of fewer than 10 dwellings 'commuted sums' will be sought equivalent to up to 10% affordable units. The SPD therefore provides for example guidance on model s106 agreements and the methods used to calculate the commuted sums figure.
- 2.4 Policy CP6 provides support to Rural Exceptions Sites for both 100% affordable housing for locally identified needs as well as the potential

support for cross subsidised market/affordable schemes in line with the National Planning Policy Framework (NPPF). The AHSPD provides advice on 100% affordable rural exceptions sites and provides some guidance on the Council's approach to cross-subsidised rural exception schemes in the interim period whilst further policy detail is considered regarding this new aspect in the next local plan documents.

Process to progress the AHSPD

- 2.5 A scoping note was prepared in January 2013 to inform a tender process, the outcome of which was that Ove Arup & Partners (Arup) were appointed to lead this piece of work which includes the development of standard Section 106 Agreements.
- 2.6 Arup met with a small officer working group in March and April to discuss the current Draft AHSPD 2010, and debate possible amendments and additions to it. A further internal working group was established including Executive members to further consider and develop the draft.

Key issues

- 2.7 The revised draft AHSPD has been updated to take account of the National Planning Policy Framework 2012 and emerging Selby Core Strategy, but a number of topics require further detailed consideration and are highlighted in the consultation.

The following key issues and questions are contained within the draft document.

- 2.8 Section 7 of the draft policy provides guidance on the type, size and tenure of affordable housing to be negotiated as part of the Section 106 Agreement. The type and size of housing will be based on the latest evidence of need in the district, with the tenure split of 30-50% intermediate tenure to 50-70% social rent as evidenced in the Strategic Housing Market Assessment (SHMA) 2009. Where they are charged, any service charges should be considered in the context of overall affordability.

Question 1: Are there any other factors/evidence that should be considered in relation to the type, size and tenure of affordable housing provided in Selby District?

- 2.9 Design and layout requirements are that the affordable housing should be indistinguishable from the market housing on a site, and the scheme should meet the design requirements set out in the Core Strategy or any future policy. However, Registered Providers are also required to meet the latest Homes and Communities Agency Design and Quality Standards. The Core Strategy also notes that the Council is keen to encourage all new housing development to attain Lifetime Homes Standards, Code for Sustainable Homes and support the key principles

of the Building for Life scheme. The government is keen to simplify the process in the future, but in the meantime –

Question 2: Are there any other factors/evidence that should be considered in relation to the design and layout of affordable housing in Selby District?

- 2.10 In order to create mixed and balanced communities, the affordable housing should be dispersed through the site, generally in small groups of units. The affordable units should be indistinguishable from market units on the site. On occasions however, some may need to be grouped together eg for flatted schemes.

Question 3: Are there any other factors/evidence that should be considered in relation to the distribution of affordable housing within an overall development scheme?

- 2.11 In line with national policy, the Core Strategy sets out a preference for the affordable housing to be provided on site as completed units on schemes of 10 units or more. It is good practice for the Local Authority to set out Transfer Prices for the affordable units to ensure that Registered Provider partners are not bidding against each other. Transfer Prices are collated from Registered Providers working in the district, but may be presented either as a range or as an average.

Question 4: Transfer prices have been provided by a number of Registered Providers and differ depending on providers. The transfer prices will be set out as an average per house type for social and for intermediate tenure. Do you agree with this approach? Please state your reasons.

- 2.12 On certain sites development viability may be affected by a range or combination of factors which could not have been identified prior to purchase (e.g. genuine abnormal costs), and a reduction in the level of affordable housing provided may be considered. The applicant will need to identify these issues and submit a financial appraisal to the Council which will be referred to an expert advisor. Where development viability is proven to be affected, negotiation may take place around the numbers, type, size or tenure mix.

Question 5: Do you agree with this approach to viability?

- 2.13 With reference to the glossary

Question 6: Are there any other definitions that should be included in the glossary?

- 2.14 In order to calculate the Transfer price of an affordable unit to a Registered Provider (ie the actual amount that the RP will pay to a developer), a market value of the units will need to be agreed.

Appendix 1 of the SPD sets out that for schemes of 10 units of over, either

- 3 separate estate agent/surveyor valuations or
- average value of past sales for equivalent dwelling types proposed as affordable housing. Values should originate from average sales within the last 12 months within the same settlement as the application site, and should be provided for each individual dwelling type proposed.

Question 7: Do you agree with the parameters we have included in relation to calculating affordable value?

- 2.15 The Council works with RP partners to set Transfer prices for the affordable housing provided for a range of property types, and this reduces the possibility of RPs bidding against one another. These are linked to property prices in an area.

Question 8: The information set out in Table A3.1 is based on three Registered Provider responses to questions regarding the calculation of Transfer Prices, which offered separate values for affordable rent and shared ownership, Other local authorities have demonstrated that these figures could be averaged to offer a single value for each, and this is the approach the Council will take. Do you agree with this approach?

- 2.16 The proposed mechanism for calculating fixed commuted sums on smaller sites is set out in Appendix 1 at 'Proposed Options for calculating Commuted sums' section 1.

Question 9a: Do you have any further comments on our approach to calculating commuted sums for smaller sites (1—9 dwellings)

Question 9b: Do you agree that commuted sums for small sites should be required for single dwellings, or for schemes of two dwellings or more?

Question 9c: Do you consider that 'cost to applicant' should be composed of different elements to the size and type of units to be developed?

Question 9d: Do you consider that the mechanism for determining the maximum fixed commuted sum should be published alongside the fixed commuted sums?

- 2.17 The document goes on to set out the commuted sum calculations on schemes of 10 units or more. This includes allowance for the added value of the site to be taken into account where off site provision is agreed (as the scheme would deliver fewer or no affordable units, and give the opportunity to deliver additional market units).

Question 10: Do you have any comments on the proposed approach to calculating commuted sums on schemes of 10 units or more?

- 2.18 Appendix 4 sets out the information required within the Financial Appraisal submitted as part of the planning application, where 40% affordable housing is not offered on site.

Question 11: Do you agree with the proposed level of information that should be provided to inform a viability assessment? Is there any additional information that you think should be provided?

- 2.19 Appendix 5 sets out definitions for 'Balanced Housing Market' and 'Clear Benefit to the Community'. These definitions would be used to consider whether it is appropriate for affordable housing to be provided off site.

Question 12: Do you think there are any other factors/circumstances that should be taken into account when the Council is assessing whether a proposal might be considered to deliver a balanced housing market of clear benefits to the community? If so, how could they be evidenced?

- 2.20 Appendix 6 sets out the information required to accompany a planning application.

Question 13: Should the Affordable Housing Plan include any further requirements?

- 2.21 Question 14 asks: Do you have any other comments on the AHSPD or Section 106 Agreements?
- 2.22 Following approval of this draft AHSPD at Executive on 6th June, a press release was circulated with consultation running from early July to mid August, including this report to Policy Review and awareness raising to partners on our LDF consultation list including developers and Registered Providers.
- 2.23 Following analysis of the responses, it is proposed to take a report back to Executive in October; the same meeting will consider the Core Strategy.

Timescale

- 2.24 The time line for the AHSPD is scheduled below.

Date	Event	Action
18 February 2013	Inception meeting	Agreement reached on work required and final timetable
6 June	Executive	Draft recommended to Council to be approved for consultation
25 June	Annual Council	Draft approved
Early July – mid August		Consultation
16 July	Policy Review	As part of consultation
3 October	Executive	To consider a summary of responses received and officers recommendations
October	Council	To consider Executive recommendations and adopt SPD

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

The report has been prepared to set out the Council's approach to negotiations for affordable housing.

3.2 Financial Issues

All costs associated with the production of the Affordable Housing SPD can be met from current budgets.

Once the SPD is adopted, it will be transparent to developers the formula used to ensure there is a balance between viability and the need to support affordable housing provision throughout the district, upfront expression on the Council's expectations will be set out, enabling the planning process to be streamlined. The cost of the viability assessments lies with developer/applicant.

The SPD also proposes the collection of commuted sums in lieu of on-site contributions on smaller sites (and potentially in cases of commuted sums on larger developments) and that these monies could be used for the provision of more affordable housing across the

District. Consideration will need to be made of the mechanisms for this to be effected in a way which meets the requirements of each S106, and allows the Council to meet its own aims and objectives for the district.

4. Conclusion

The AHSPD will form the basis for successful negotiation to maximise affordable housing provision within the scope of the Council's policy set out in the Core Strategy.

5. Background Documents

Draft Affordable Housing SPD 2010
Selby District Submission Draft Core Strategy

Contact Details

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Appendix A

Selby District Council

Draft

Affordable Housing Supplementary Planning Document

July 2013



Consultation on the Draft Affordable Housing Supplementary Planning Document (AHSPD) begins on Thursday 4 July 2013 and representations should be submitted by 5pm on Friday 16 August 2013.

Copies of the documents are available at 'Access Selby' contact centre in Selby and at local libraries during normal opening hours.

Further detail on the consultation can be found on the Council's website at www.selby.gov.uk

A comments form is available from the Supplementary Planning Documents page on our website and comments can be submitted by email to ldf@selby.gov.uk or by post to the Policy and Strategy Team, Selby District Council, Doncaster Road, Selby YO8 9FT; or by fax to (01757) 292229

If you require any further help or advice or if you need this document in a different format, for example large print, audio, Braille or in another language, please contact the Policy and Strategy Team on (01757 292034) or email ldf@selby.gov.uk

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Draft Affordable Housing Supplementary Planning Document July 2013

Section 1: Introduction

- 1.1 The Council believes that everyone should have the opportunity of a decent home which they can afford in a community in which they want to work or live. Selby District Council is committed to providing high quality affordable housing for people who cannot access or afford market housing in the Council's administrative area ("the District")
- 1.2 Housing affordability is one of the biggest challenges facing the District. House prices are higher than regional average, and almost tripled over the period 1996 to 2011¹ from £66,362 in 1996 to £182,442 in 2011. However average house prices in Selby are lower than the North Yorkshire average of £128,113.
- 1.3 Affordability ratios (house price to earnings) are also significantly higher than the 'Affordable Definition' of 3.5 (an affordable mortgage being three and a half times annual income)² particularly in the northern part of the District. In 2011 the affordability ratio for Selby District was 6.02³. This means that house prices are 6 times the annual income for Selby District.
- 1.4 The latest Strategic Housing Market Assessment (2009) ("SHMA") identifies the scale of the need for affordable housing in the District over the Local Plan period. The SHMA establishes an overall target of 30-50% intermediate housing and 50-70% social rented housing. To meet the identified demand, the affordable housing needs to be the right kind of housing in the right locations. Following the introduction of the Government's affordable rent category, the Council will be gathering evidence to establish the identified need and tenure split of rented housing. This will be set out through a combination of this SPD and future development plan documents (as appropriate) based on the Council's latest evidence of need.

Section 2: Purpose and Status of this Supplementary Planning Document

- 2.1 Supplementary Planning Documents ("SPD") were introduced by the Planning and Compulsory Purchase Act 2004, amended by the Localism Act 2011.
- 2.2 Central Government requires local planning authorities to help tackle the shortage of affordable housing by securing provision of affordable housing as a proportion of the total housing on residential and mixed use development

¹ DCLG Live Table 585 Housing market: mean house prices based on Land Registry data, by district, from 1996 - 2011

² DCLG (2007) Strategic Housing Market Assessment- Practice Guidance (Version 2)

³ DCLG Live Table 576 Ratio of lower quartile house price to lower quartile earnings by district, from 1997 - 2011

sites. Affordable housing provision will be required where site size thresholds, set out in this SPD are reached or exceeded, in accordance with Policy CP5 of the Selby District Core Strategy (“the Core Strategy”).

- 2.3 The purpose of this SPD is to set out the Council’s approach to delivering affordable housing in accordance with the Local Plan and national policy. It includes the range of approaches, standards and mechanisms required to deliver affordable housing which meets local needs and contributes towards attaining mixed sustainable communities and a balanced housing market.



- 2.4 It provides a clear and consistent approach to assist development management officers, the Planning Committee, landowners, developers, applicants, Registered Providers, Parish and Town Council and members of the public in understanding the requirements for the provision of affordable housing on all residential and mixed use development sites in the District.
- 2.5 Following the guidance contained in this SPD and discussing proposals with the Council at an early stage, so that affordable housing requirements are taken into account at site acquisition and scheme design stages, means applications are more likely to be validated expediently as the need for the Council to request additional information (which inevitably delays progress) would be minimised.
- 2.6 As set out in Policy LP1 of the Core Strategy, when considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained within the National Planning Policy Framework (NPPF). It will always work proactively with applicants to find solutions which mean that proposals can be approved (and affordable housing need can be delivered) wherever possible.

Section 3: National Planning Policy

- 3.1 The National Planning Policy Framework (NPPF) was issued in March 2012. This provides the national planning policy guidance for the preparation of Local Plans and provision of affordable housing. The affordable housing policies contained within the Core Strategy (CP5 and CP6) align with the NPPF guidance on affordable housing.
- 3.2 The NPPF Glossary definition of SPDs states that they add further detail to the policies in the Local Plan and *‘they can be used to provide further guidance for development on specific sites, or on particular issues, such as design⁴’*. The NPPF also confirms that SPDs are capable of being a material consideration in planning decisions, but are not part of the development plan.
- 3.3. Paragraph 204 sets out the National Policy on planning obligations. This paragraph is relevant as planning obligations are a mechanism for delivering affordable housing. Paragraph 204 states that *‘planning obligations should only be sought where they meet all of the following tests:*
- *necessary to make the development acceptable in planning terms;*
 - *directly related to the development; and*
 - *fairly and reasonably related in scale and kind to the development’.*
- 3.4 These tests are also contained in Regulation 122 of the Community Infrastructure Regulations 2010 (“the CIL Regulations”).
- 3.5 The affordable housing policies included in the Core Strategy are consistent with guidance set out in the National Planning Policy Framework.

Section 4: Affordable Housing

Affordable Housing Definition

- 4.1 The Council’s definition of affordable housing is set out in the Core Strategy (para 5.80), and is in accordance with the definition in national guidance. The current national guidance definition is contained within National Planning Policy Framework and provided in the Glossary of the NPPF, the Core Strategy and this SPD as follows:

⁴ Annex 2: Glossary, page 56

'Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Affordable Rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as "low cost market" housing, may not be considered as affordable housing for planning purposes.'

Rural Exception Sites Definition

- 4.2 A Rural Exception Site is a site where planning permission will only be granted for small scale rural affordable housing, as an exception to normal planning policy to meet an identified local need. Rural Exception Sites must be in scale and keeping with the settlement they are within or adjoining, and its setting. The Council's (and the NPPF) definition of Rural Exception Sites is:

'Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural Exception Sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding (NPPF, Glossary).'

- 4.3 Core Strategy Policy CP6 provides the criteria that must be met for a site to be considered a Rural Exception Site. Local need has to be evidenced by the results of a local (parish) housing needs survey, and the proposed scheme must demonstrate that it meets the evidenced local needs, as well as being in line with the Selby evidence base (set out in Section 6: Evidence).



- 4.4 The Rural Housing Enabler is a resource available to Selby District Council, to work with landowners, local communities and Registered Providers to enable rural affordable housing schemes. Landowners that wish to develop their land as a rural exception site should seek the advice of the Rural Housing Enabler.
- 4.5 Specific allocations of rural exception sites within and adjoining Development Limits in Secondary Villages and Designated Service Villages will be considered through the forthcoming site and policies local plan.
- 4.6 The Selby District Council policy on allowing a small number of market units on rural exception sites is set out in Policy CP6 of the Core Strategy (see section 5 below). Further detailed policies and proposals will be considered as part of the sites and policies plan. In the interim, the Council's approach on mixed market / affordable housing rural exception sites is set out in Section 7 of this SPD (in line with the NPPF and Core Strategy).

Section 5: Local Plan Context

Selby District Core Strategy

Overview

- 5.1 The Council has published the Inspector's Report following the completion of the Examination in Public of the Core Strategy.

- 5.2 The Core Strategy includes two policies on affordable housing provision. These being Policies CP5 and CP6.

Affordable Housing Policy

- 5.3 The two main aims of the Core Strategy affordable housing policy are:

- To establish the overall target for the provision of affordable housing in the District in accordance with national guidance on the definition and provision of affordable housing; and
- To set the broad framework within which developer contributions towards meeting affordable housing need will be sought in association with normal market housing.

- 5.4 Policy CP5 in the Core Strategy sets a requirement for up to 40% affordable housing on housing schemes of 10 units or above (or on housing schemes comprising 0.3 hectares or more). In exceptional circumstances, commuted sums may be acceptable where there are clear benefits in relocating all or part of the affordable housing dwellings.

- 5.5 For small sites below the 10 dwellings threshold a commuted sum in lieu of on-site provision of affordable housing will be sought. The basis of the calculation for the commuted sum is set out in this SPD (at Section 7 and Appendix 1).

- 5.6 The exact wording of Policy CP5 is set out below:

Policy CP5 Affordable Housing

A. The Council will seek to achieve a 40/60% affordable/general market housing ratio within overall housing delivery.

B. In pursuit of this aim, the Council will negotiate for on-site provision of affordable housing up to a maximum of 40% of the total new dwellings on all market housing sites at or above the threshold of 10 dwellings (or sites of 0.3 ha) or more.

Committed sums will not normally be accepted on these sites unless there are clear benefits to the community/or delivering a balanced housing market by re-locating all or part of the affordable housing contribution.

C. On sites below the threshold, a commuted sum will be sought to provide affordable housing within the District. The target contribution will be equivalent to the provision of up to 10% affordable units.

D. The tenure split and the type of housing being sought will be based on the Council's latest evidence on local need.

E. An appropriate agreement will be secured at the time of granting planning permission to secure the long-term future of affordable housing. In the case of larger schemes, the affordable housing provision will be reviewed prior to the commencement of each phase.

The actual amount of affordable housing, or commuted sum payment to be provided is a matter for negotiation at the time of a planning application, having regard to any abnormal costs, economic viability and other requirements associated with the development. Further guidance will be provided through an Affordable Housing SPD.

- 5.7 The requirement for an affordable housing contribution also applies to refurbishment and conversions where additional units are added to the housing stock. For example, if a house was converted to provide 3 flats, contributions would apply to the additional 2 units. However, it does not apply to new agricultural workers dwellings.

Future Local Plan Documents

- 5.8 The required tenure split of affordable housing is currently set out in the Core Strategy through the Strategic Market Housing Assessment. This will be updated through future development plan documents (as appropriate) based on the Council's latest evidence of need. (See section 7)

Rural Housing Exceptions Sites

- 5.9 The Core Strategy also includes a policy on Rural Housing Exceptions Sites. This enables small sites to be developed specifically for affordable housing in small rural communities. The policy is set out below:

Policy CP6 Rural Housing Exceptions Sites

In the Designated Service Villages and the Secondary Villages, planning permission will be granted for small scale 'rural affordable housing' as an exception to normal planning policy provided all of the following criteria are met:

- i) The site is within or adjoining Development Limits in the case of Secondary Villages, and adjoining development limits in the case of Designated Service Villages;
- ii) A local need has been identified by a local housing needs survey, the nature of which is met by the proposed development; and
- iii) The development is sympathetic to the form and character and landscape setting of the village and in accordance with normal development management criteria.

An appropriate agreement will be secured, at the time of the granting of planning permission to secure the long-term future of the affordable housing in perpetuity.

Small numbers of market homes may be allowed on Rural Exception sites at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding in accordance with the NPPF. Future Local Plan documents will consider introducing a detailed policy and / or specific allocations for such sites.

- 5.10 Exception sites must be in scale and keeping with the settlement they are within or adjoining and its setting. Rural Exception sites will seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. See Paragraph 7.17 for more detail.

Future Local Plan Documents

- 5.11 The sites and policies local plan will consider further detailed policies and the allocation of Rural Exceptions Sites in line with the Core Strategy. Any rural exception allocations would be in Designated Service Villages or Secondary Villages as per Core Strategy Policy CP6. Any allocations will also consider the national requirements set out in the NPPF.

Section 6: Evidence

- 6.1 The SHMA and other relevant evidence base documents (existing and emerging) should be consulted for information on the latest evidence of housing need (see also paragraph 7.4).

Section 7: Detailed Affordable Housing Requirements

- 7.1 Applicants should consider this SPD in tandem with the Council's website which will contain the most up to date affordable housing guidance and appendices to this SPD, as the financial information and other data contained within this SPD is subject to change in conjunction with changes to housing need.

Site Size and Suitability

- 7.2 In accordance with the Core Strategy, Policy CP5, the Council will seek a maximum of 40% affordable housing on all market housing sites at or above the threshold of 10 dwellings (or sites of 0.3ha) or more.

For example for a planning application of 150 new dwellings, the Council will seek on-site affordable housing of a maximum of 60 affordable units.

- 7.3 On sites below the threshold of 10 dwellings (or sites of less than 0.3ha) a commuted sum in lieu of on site provision of affordable housing will be sought

to provide affordable housing within the District. The contribution sought will be equivalent to the provision of up to 10% on-site affordable housing units. For example, a 9 unit scheme would pay the cost of 0.9 of an affordable unit.

A commuted sum will be sought for planning applications for between one and nine residential units. For details on how it is proposed to calculate the commuted sum for schemes between one unit and nine units, please see Appendix 1.

Type, Size and Tenure

- 7.4 The exact type, size and tenure of affordable housing will be based on an assessment of need in the District. It will be based on the Council's latest evidence, which may include information from the most up to date Strategic Housing Market Assessment (SHMA), current information from the Selby District / North Yorkshire Housing Register, and evidence of existing affordable housing provision in the locality, including the Census 2011.
- 7.5 The starting point for negotiation on the type, size and tenure of affordable housing will be based on the current evidence base (SHMA 2009), until superseded by the Council's new evidence. The current evidence base indicates the following approach:
- A tenure split of 30 – 50% intermediate tenure (shared ownership, discounted sale and fixed equity products and intermediate rented options) and 50 – 70% social rent; and
 - A focus on 2-3 bed family housing to meet a range of need in flexible housing solutions in the longer term.
- 7.6 On developments where the affordable housing provision is subject to a service charge, most likely relating to shared communal areas, the charge should not be so great as to make occupancy unaffordable. The preferred approach by Registered Providers is to have limited shared areas within new developments, therefore resulting in no requirement for service charges to be payable. The Council will consider the levels of service charges in the context of prices, rents and overall affordability in relation to the findings of the latest SHMA.

Question 1: Are there any other factors / evidence that should be considered in relation to the type, size and tenure of affordable housing provided in Selby District?

Design and Layout

- 7.7 The Council expects affordable housing to be built to the same high standard of design and amenity as market housing. Affordable housing units within new residential developments should be of a similar size and quality to the open market housing and should be visually indistinguishable.



- 7.8 Any proposed affordable units are required to meet the latest Homes and Community Agency Design and Quality Standards (including the Code for Sustainable Homes Level 3 as this is a requirement for Registered Providers.)
- 7.9 Applicants should meet the design requirements set out in the Core Strategy (Policies CP12, CP13 and CP16), and any other future Selby District Council Development Management policies and guidance relating to design. Applicants should work with Registered Providers early to ensure that design standards meet their requirements.
- 7.10 Core Strategy Policy CP16 states that *'development schemes should seek to reflect the principles of nationally recognised design benchmarks to ensure that the best quality of design is achieved'*. The Core Strategy notes the Council is keen to encourage all new housing developments to attain Lifetime Homes standards and meet the Code for Sustainable Homes as well as supporting the key principles of the Building for Life scheme.

Question 2: Are there any other factors / evidence that should be considered in relation to the design and layout of affordable housing provided in Selby District?

Distribution of Affordable Housing

- 7.11 In order to create mixed and balanced communities, affordable housing should be dispersed through the application site, which depending on the scale of the scheme, may mean in small groups of units. There may be circumstances where Registered Providers have management reasons for seeking a proportion of the affordable housing to be sited together e.g. flatted schemes, but this should not prevent the remainder of the provision being distributed across the development.

Question 3: Are there any other factors / evidence that should be considered in relation to the distribution of affordable housing within an overall development scheme?

Registered Providers

- 7.12 In order to ensure the long term retention and management, perpetuity and availability of the affordable housing the Council's preferred model is that applicants work in partnership with Registered Providers.
- 7.13 The Council recommends that applicants put forward proposals with a partner Registered Provider in order that they can be involved in the negotiation at the earliest possible stage and preferably be party to the Section 106 Agreement which will be required (see below).
- 7.14 A list of approved Registered Providers (RPs) currently operating in the Selby District is provided at Appendix 2 and on the Council's website, in order to assist applicants. The list is not restricted and applicants may work with an RP that is not included in Appendix 2. However, the proposed RP must be approved in advance by the Council before any contract with the RP is entered into. All affordable housing units must be able to be allocated through the Council's allocation scheme (North Yorkshire HomeChoice or future arrangement approved by the Council).
- 7.15 The Council's preferred approach as set out in Core Strategy Policy CP5 is that the applicant builds and transfers the completed units to an RP at the transfer price (see section 8) for that particular dwelling. In some circumstances the applicant may transfer serviced land to the RP to enable the building of each affordable unit. This will be considered by the Council on a case by case basis. The key requirement will be that the Council must be satisfied that the affordable housing scheme will be delivered to meet the need and retained in perpetuity.

Local Connection

- 7.16 Selby District Council is part of North Yorkshire sub-regional Choice Based Lettings Partnership ("the North Yorkshire Homechoice"). This sets an agreed

North Yorkshire wide approach for partner Councils and Registered Providers for selecting new occupiers for their properties.

- 7.17 Rural Exception Sites by their nature will require a local (parish) connection for applicants in the first instance,(see Section 5.9) prior to the property being allocated on a cascade eg with adjacent parishes in the wider Selby district next and North Yorkshire partnership area last. Details will be contained in the Section 106 Legal Agreement (see below)

Section 106 Legal Agreement

- 7.18 The provision of affordable housing is a requirement for all housing and mixed use developments to contribute to meeting the shortage of affordable housing in the District.
- 7.19 Affordable housing will be secured through planning obligations under Section 106 of the Town and Country Planning Act 1990.
- 7.20 The Council's model Section 106 Agreements for sites of 10 units and above (or of 0.3 hectares or more) and sites under 10 units are included in Appendix 3 of the SPD. The model agreements detail affordable housing obligations only. Therefore, the model agreement will need to be tailored to individual site specific requirements and include other non-affordable housing planning obligations (including, for example, recreational open space, education, transport and highways and enhancement of the public realm) as may be required to make the proposed development acceptable in planning terms.
- 7.21 Applicants must submit a draft Section 106 Agreement, based on the appropriate model agreement with the planning application.

Small Number of Market Dwellings on Rural Exception Sites

- 7.22 In line with the National Planning Policy Framework and Selby Core Strategy Policy CP6, the Council may also consider rural exception sites that have a cross-subsidy from a small number of open market sales on the same site.
- 7.23 In considering such schemes the applicant would need to demonstrate to the Council's satisfaction that the open market element is essential to the delivery of the affordable housing development. This would need to be confirmed through dialogue with the Council's Rural Housing Enabler, with consideration of whether the scheme would meet local needs demonstrated through a local (parish) needs survey. The forthcoming sites and policies local plan will consider the allocation of Rural Exception Sites and the need for further detailed policy.

Section 8: Transfer Prices

- 8.1 The NPPF and Core Strategy Policy CP 5 sets out a clear preference for affordable housing to be provided as completed units on site, for schemes of 10 dwellings (or 0.3ha) or more.
- 8.2 Selby District Council work closely with Registered Providers to set transfer prices by property type, size and tenure. The transfer prices will be updated annually and can be found on the Selby District Council website at:
[include link – when available]
- 8.3 The transfer prices at the date of publication of this SPD (2013) are included in Appendix 1.

Question 4: Transfer prices have been provided by a number of Registered Providers and differ depending on providers. The transfer prices will be set out as an average per house type for social and for intermediate tenure. Do you agree with this approach? Please state your reasons.

Section 9: Development Viability

- 9.1 The Council expects that applicants have considered the overall cost of development, including the required planning obligations and any abnormal costs, prior to negotiating the purchase of land or the acquisition or sale of an option.



- 9.2 On certain sites, development viability may be affected by a range or combination of factors not identified prior to purchase, such as high abnormal costs⁵ and/or competing or existing land values.
- 9.3 Where the applicant considers that development viability is affected, the applicant should identify these issues and associated costs and submit a financial appraisal (at the applicant's own expense) to the Council at the earliest opportunity, and at the latest as part of any submitted planning application. The Appraisal should cover all of the costs and expected receipts arising from the development to provide a net residual valuation.
- 9.4 The Council will refer the submitted financial appraisal to a viability expert advisor ("the Valuer") for consideration and will require an open and co-operative approach between the applicant, the Council and the Valuer. The Valuer's costs will be met by the applicant. Further guidance on Financial Appraisals is set out in Appendix 4 of this SPD.
- 9.5 The Council will consider the Valuer's report and where the Council decides that development viability is proven to be affected to a critical point by the provision of affordable housing or a commuted sum, the Council may consider a reduction to either the overall numbers of affordable housing or changes to mix (unit types, sizes and tenures) or the commuted sum (as the case may be).

Question 5: Do you agree with this approach to viability?

Section 10: Commuted Sums

- 10.1 The Core Strategy Affordable Housing Policy CP5 requires all developments to contribute in some way towards meeting housing need.

Residential schemes of less than 10 dwellings

- 10.2 For schemes providing less than 10 dwellings Core Strategy Policy CP5 requires a commuted sum. The target contribution is equivalent of up to 10% affordable units. The commuted sum calculation for schemes of less than 10 dwellings is included in Appendix 1 of this SPD and the mechanism for payment will be secured through the Section 106 Agreement based on the Standard S106 Agreements in Appendix 3.

⁵ Abnormal costs can broadly be described as site conditions which a competent purchaser, having undertaken the necessary investigation, could not have reasonably foreseen prior to the acquisition of a site.

Residential schemes of 10 dwellings or more

- 10.3 For schemes providing 10 or more dwellings, Core Strategy Policy CP5 clearly states that Selby District Council's preference is for those units to be provided on site, in line with national policy. The relocation of all or some of the affordable housing provision, or commuted sums will not normally be accepted.
- 10.4 The Council will only accept a case for the affordable housing to be provided off-site in exceptional circumstances and if an applicant can demonstrate that the provision of a commuted sum rather than on-site provision will result in clear benefits to the community/or delivering a balanced housing market.
- 10.5 Core Strategy Policy CP5 makes provision for applicants to provide a commuted sum only in exceptional circumstances. Applicants must make a case to the Council regarding the provision of a commuted sum of some or all off-site provision, as a better alternative to on site provision. A key factor will be that off-site provision is not merely an alternative, but provides a better solution, a clear benefit or betterment than provision of on-site built units would deliver.
- 10.6 Selby District Council plan to update their Strategic Housing Market Assessment (SHMA) in 2013/2014. The new SHMA will seek to provide a detailed definition of what constitutes a balanced housing market. In the interim; for the purposes of implementing Core Strategy Policy CP5 and to provide applicants with guidance, Appendix 5 sets out some examples of the factors which might be considered to deliver clear benefits to the community and support the delivery of a balanced housing market. However, existing evidence in the 2009 SHMA considers the whole District to be a single housing market area and as such the contribution of schemes anywhere in the District will help meet the District wide affordable housing requirements and will deliver a balanced housing market. The Council does not accept that there are settlement based or sub-area based local housing markets which need balancing within themselves or against each other. The requirement for affordable housing is District wide and provision to meet that need is appropriate District-wide.
- 10.7 A financial contribution will be only be acceptable in-lieu of on-site provision if both the applicant and the Council agree that this is the preferred approach e.g. where the management of the affordable housing on site cannot be effectively secured. The commuted sum calculation can be found in Appendix 1 of this SPD and the mechanism for payment will be secured through the section 106 agreement.

Pooling of Commuted Sums

- 10.8 Contributions received in lieu of affordable housing on site will be held in a fund and used to meet the provision of affordable housing in the District.

Section 11: Procedures for Applications

- 11.1 Applicants are advised to reflect the Council's affordable housing requirements at the earliest opportunity within the site development process and identify these in proposed heads of terms. This should be prior to the land acquisition stage and prior to the submission of a planning application.
- 11.2 All relevant planning applications must be accompanied by an indicative layout plan, showing the location of the proposed affordable housing, a Affordable Housing Phasing Plan (if the site is proposed to be developed in phases), an Affordable Housing Plan (detailing the number, types, size, location and tenures of the affordable housing) and any financial viability appraisal information (if applicable). The Council will not validate a planning application where there is a requirement to provide an element of affordable housing, unless the application is supported by these documents. The definitions of these documents are included in the Glossary and Appendix 6 provides more information on their expected content.
- 11.3 All applications which include affordable housing will only be validated if they are also accompanied by a draft of the Section 106 Agreement (see Appendix 3) and for sites delivering 10 dwellings or more, a financial appraisal, if the applicant considers that the 40% on site affordable housing requirement cannot be achieved (see Appendix 4).
- 11.4 The Council's model Section 106 agreements for the provision of affordable housing for schemes of 10 dwellings or more (or of 0.3 hectares or more) and schemes of less than 10 dwellings can be found in Appendix 3.
- 11.5 A key element of this proactive approach is the provision of this SPD to guide applicants. In addition it is expected that applicants ensure that sufficient information is provided with applications and as such the Council requires that outline planning applications must be accompanied by an indicative layout plan showing the location of the proposed affordable housing.
- 11.6 Full planning applications and (in the context of outline planning applications) applications at the reserved matters stage must be accompanied by the following for the Council's consideration and approval:
- An 'Affordable Housing Plan' detailing the proportion, mix (unit types, sizes and tenures) and locations (specific plot numbers) of the affordable housing. An indicative layout plan showing the proportion and location of the affordable housing is required to be included.

- A 'Phasing Plan' identifying the phases of the development (if the development is intended to be developed in phases).
- 11.7 For single phase developments the proportion, mix (unit types, sizes and tenures) and locations (specific plot numbers) of affordable housing will be agreed at the time of a full application or at the time of reserved matters application for outline applications.
- 11.8 For multi-phase developments, the maximum and minimum amounts of affordable housing will be agreed at the time of the outline application. The proportion, mix (unit types, sizes and tenures) and locations (specific plot numbers) of affordable housing on each individual phase will then be agreed at the commencement of each phase.
- 11.9 Planning applications that accord with the policies in the Local Plan and the guidance included in this SPD will be determined without delay, unless material considerations indicate otherwise.

Glossary

Affordable Housing: The Council defines AH in the Core Strategy and uses the national policy definition. Currently this is provided in NPPF (2012) as follows: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Affordable Housing Plan: a detailed scheme confirming that the Applicant is providing 40% affordable housing and providing details of the proportion, mix (unit types, sizes and tenures) and location of the affordable housing, as well as the nominated Registered Provider. An Affordable Housing Plan will need to accompany any full or reserved matter planning application for 10 or more dwellings (or a site of 0.3 ha or more).

Where development is proposed in phases, the application will need to be accompanied by a **Phasing Plan:** a drawing to be submitted to the Council identifying the phases of the proposed development

Affordable Rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

Index Linked: The Commuted Sum will be adjusted in accordance with upwards changes in the All In Tender Price Index published by the Building Cost Information Service of Chartered Surveyors (or any other index as the Council may determine from time to time) from the date of adoption of this SPD to the date of payment

Indicative Layout Plan: an indicative plan setting out the location of the affordable housing units confirming that the Applicant is providing 40% affordable housing (for outline applications where the detail is reserved)

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Homes that do not meet the above definition of affordable housing, such as “low cost market” housing, may not be considered as affordable housing for planning purposes.’

Local Housing Needs Survey: a local (parish) housing needs survey will need to accompany a planning application for a Rural Exception Site. The survey will need to set out the identified local needs and how the proposed development will meet these identified needs. This will normally be carried out in partnership with the Rural Housing Enabler and relevant Parish Council.

Rural Exception Sites: Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current or former residents or those who have an existing family or employment connection. Small numbers of market homes may be allowed as part of a scheme at the local authority's discretion, for example where essential to enable the delivery of affordable units without grant funding.

Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.

Supplementary Planning Documents: Documents which add further detail to the policies in the Local Plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary Planning Documents are capable of being a material consideration in planning decisions but are not part of the development plan.

Question 6: Are there any other definitions that should be included in the glossary?

Appendix 1

Market Value, Transfer Prices and Commuted Sums

- A1.1 The NPPF and Core Strategy Policy CP5, set out a clear preference for the delivery of affordable housing on site. CP5 states that ‘commuted sums will not normally be accepted on these sites unless there are clear benefits to the community / or delivering a balanced housing market by relocating all or part of the affordable housing contribution’.
- A1.2 Only in those exceptional circumstances, where clear benefits to the community/ or delivering a balanced housing market can be demonstrated, will a commuted sum in lieu of on-site affordable housing be considered.
- A1.3 The following sets out the methodology which would be used to calculate the commuted sums in those exceptional circumstances.

a) Determining the Market Value Methodology

Market Value for schemes of 1-9 dwellings or more

- A.1.4 Transfer Prices and Commuted Sum provisions require a market value to be determined, except for schemes of 1-9 units where the SPD sets out a fixed sum. This is contained in Table 2 in this Appendix 1.

Market Value for schemes of 10 dwellings or more

- A.1.5 For schemes of 10 dwellings or over (or of 0.3 hectares or more), applicants will be required to demonstrate the market value of the types of housing equivalent to the types proposed as affordable housing for the Council to consider and approve.
- A.1.6 Valuation for schemes of 10 or more dwellings (or of 0.3 hectares or more) may be achieved by:
- Three separate estate agent/ surveyor valuations; or
 - Average value of past sales for equivalent dwelling types proposed as affordable housing. Values should originate from average sales within the last 12 months within the same settlement as the application site, and should be provided for each individual dwelling type proposed.

Question 7: Do you agree with the parameters we have included in relation to calculating market value?

b) Establishing Transfer prices – Methodology

A1.7 The Council works with Registered Providers to set transfer prices for a range of property types. Transfer prices are the amount of money that an RP pays to the developer to buy the affordable unit which will be built. Transfer prices vary by property type and size and also relate to the final tenure type to be provided. Transfer prices offered by Registered Providers are founded on an individual, Selby District basis; however they are linked to house prices and incomes in a given area.

Properties for rent

A1.8 RPs provide information on prices that could be paid based on the projected rental income and borrowing limits.

Intermediate properties

A1.9 A District average of 50% of market values calculated based on an affordable mortgage being 3.5 times a district average annual salary.

Table 1: Transfer Prices

Unit Type	Size Sq M	Price to Applicant – Affordable Rent	Price to develop – Shared Ownership
1 bed flat	50	£23,000/ £40,000	£36,000 / £40,500 / £44,539 ⁶
2 bed flat	65	£33,000/ £52,000	£46,000 / £50,800 / £44, 539
2 bed house	75	£56,000 / £56,400 / £56,250	£53,000 / £52,800 / £65,978 ⁷
3 bed house	85	£73,000 / £68,500 / £63,750	£65,000 / £62,200 / £65,978
4 bed house	100	£82,000 / £76,900 / £75,000	£74,000 / £72,000 / £65,978

[Note: figure in table based on three RP responses]

A1.10 For all schemes, these values provide an indicative benchmark for transfer prices. Registered Providers have the flexibility to offer slight increases in transfer prices on a scheme by scheme basis.

⁶ 1 Bed and 2 Bed Flats Shared Ownership prices to developer are based on 50% of Market Value of the 2013 Zoopla Z-Index for flats

⁷ 2 Bed House and 3 Bed House Shared Ownership prices to developer are based on 50% of Market Value of 2013 Zoopla Z-Index for detached houses

Question 8: The information set out in Table 1 is based on three Registered Providers responses to questions regarding the calculation of Transfer Prices, which offered separate values for affordable rent and shared ownership. Other local authorities have demonstrated that these figures could be averaged to offer a single value for each, and this is the approach the Council will take. Do you agree with this approach?

Proposed Options for Calculating Commuted Sums

A1.11 The Council has developed the following approach to the calculation of commuted sums based on the size of the proposed scheme. These are set out as follows:

- 1) Approach for Small Sites (for schemes of 1 to 9 dwellings);
- 2) Approach for Larger Sites (for schemes of 10 dwellings or more). This requires the implementation of a mechanism to make on-site provision more attractive than providing a commuted sum by capturing the market gain achieved.

1) Approach for Small Sites (Schemes of 1 to 9 units) Commuted Sum Calculation

A1.12 Fixed commuted sums will be required for small sites of 1 to 9 units. The commuted sum will be payable prior to commencement of the development.

A1.13 The commuted sum required is based on transfer prices and a market value specific to 2013. The values used are detailed below in Table 2. These values will be Index Linked upwards from adoption of the SPD to the date of payment of the commuted sum.

Applications for a single dwelling will be required to contribute only a nominal commuted sum. The calculation of a contribution of 10% affordable housing on a single dwelling results in a potential maximum payment of £9,225, but the Council propose a reduced sum of £5,000. This is because the Council, whilst seeking to ensure the provision of affordable housing also wish to reduce any additional burdens on individual developments of just one dwelling in order to support such developments which address the needs of different groups in the community such as but not limited to, people wishing to build their own homes.

A1.14 The following table represents the total fixed commuted sums payable to Selby District Council for each scheme size from 1- 9 dwellings.

Table 2: Maximum Commuted Sum for Schemes of 1-9 units (and less than 0.3 hectares)

Scheme Size	Required contribution	Cost to applicant for scheme
1 unit	nominal	£5,000
2 units	0.2	£18,450
3 units	0.3	£27,675
4 units	0.4	£36,900
5 units	0.5	£46,125
6 units	0.6	£55,350
7 units	0.7	£64,575
8 units	0.8	£73,800
9 units	0.9	£83,025

[The values used are based on 2013- specific transfer prices of £70,750⁸ and market value of £163,000⁹¹⁰].

The following calculation has been used for schemes of 2-9 dwellings

(A-B) x10% proportion of total dwellings

A is the market value of a dwelling (or sq m)

B is the transfer value of a dwelling (or sq m) to RP

Question 9a: Do you have any further comments on our approach to commuted sums for smaller sites (1 to 9 dwellings)?

Question 9b: Do you agree that a smaller fixed sum should be required for single dwelling?

Question 9c: Do you consider that 'cost to applicant' should be composed of different elements to the size and type of units to be developed?

Question 9d: Do you consider that the calculation for determining the maximum fixed sum should be published?

⁸ Based on Zed-Index for Selby. The Zed- Index is the average property value in a given are based on current Zoopla Estimates.

⁹ Based on two Selby District Registered Social Landlord responses for an average affordable rent 3 bedroom dwelling

¹⁰ Figures will be revised annually.

2) Approach to Larger Sites (10 dwellings or more) Commuted Sum Calculation

A1.15 For schemes of 10 dwellings or more, where the Applicant has demonstrated to the Council that there are clear community benefits to provide some units on site and some as a commuted sum, the following calculation will be used.

A1.16 The following calculation captures the market gain achieved from the provision of fewer affordable dwellings on any given site.

Part 1: Calculate On-site/ Commuted Sum contribution as percentage

$$\text{Proposed on-site provision} \div 100 = X$$

$$\text{Proposed off-site provision} \div 100 = Y$$

$$\text{Note: } X + Y = 0.4$$

Part 2: Calculate On- Site/ Commuted Sum contribution as actual number of Total Dwellings

$$(C \times D) = R$$

$$(X \times D) = S$$

$$(Y \times D) = O$$

Part 3: Calculate market housing gain

$$D - S = U$$

$$U - (D - R) = \text{Additional Market Dwellings on-site}$$

$$(C \times \text{Additional Market Dwellings on-site}) = \text{Additional Commuted Sum}$$

$$\text{Additional Commuted Sum} + O = F$$

Part 4: Calculate Affordable Housing Commuted Sum Contribution

$$(A - B) \times (F)$$

A is the market value of a dwelling

B is the transfer value of the dwelling

C is the total affordable housing percentage (Policy CP5: 40%)

D is the total number of dwellings

X is the proposed on-site contribution (as percentage of total dwellings)

Y is the proposed commuted contribution (as percentage of total dwellings)

R is the required number of affordable houses (of total dwellings)

S is the actual number of dwellings from proposed on-site contribution

O is the actual number of dwellings from proposed commuted sum contribution

U is the total number of market houses on site

F is the final commuted provision

Example 3, where the calculation is based on:

- *Market value of a dwelling is £163, 000¹¹*
- *Transfer value of a dwelling is £70,750¹²*
- *The Council's requirement for affordable housing is 40% or 0.4.*
- *The planning application includes 150 new residential units.*
- *The proposed on-site contribution is 0*
- *The proposed commuted sum contribution is 60 dwellings.*

Part 1: Calculate On-site/ Commuted Sum contribution as percentage of Total Dwellings

$$0 \div 100 = 0$$

$$40 \div 100 = 0.4$$

Part 2 : Calculate On- Site/ Commuted Sum contribution as actual number of Total Dwellings

$$(0.4 \times 150) = 60$$

$$(0 \times 150) = 0$$

$$(0.40 \times 150) = 60$$

Part 3: Calculate market housing gain from off-site provision proposal

$$150 - 0 = 150$$

$$150 - (150 - 60) = 60$$

$$(0.4 \times 60) = 24$$

$$60 + 24 = 84$$

Part 4: Calculate Affordable Housing Commuted Sum Contribution

$$(163,000 - 70,750) \times (84) = £7,749,000$$

The commuted sum calculation will result in the following maximum payments in relation to affordable housing. The table below is based on a transfer price of £70,750 and a Market Value of £163,000. It does not factor in a range of housing units and has been used to provide an indication of the required level of commuted sums and to explain the calculation

¹¹ Based on Zed-Index for Selby. The Zed- Index is the average property value in a given area based on current Zoopla Estimates.

¹² Based on two Selby District Registered Social Landlord responses for an average affordable rent 3 bedroom dwelling

Table 3: Resulting Maximum Commuted Sums for schemes of 10 units or above, using market gain capture approach at 2013 prices.

Scheme Size	Number of Units Required – as part of Commuted Sum Calculation	Cost to developer (Market Gain Capture)
50 units	28	£2,583,000
100 units	56	£5,166,000
200 units	112	£10,332,000
400 units	224	£20,664,000
1000 units	560	£51,660,000

Question 10: Do you have any comments on the proposed approach to calculating commuted sum on schemes of 10 units or more?

Appendix 2 – List Registered Providers currently operating in the Selby District

<p>Broadacres Housing Association</p> <p>Broadacres House Mount View Standard Way Northallerton DL6 2YD</p>	<p>Jephson Housing Association</p> <p>Jephson House Lowfields Business Park Old Point Way Elland HX5 9DE</p>
<p>Home</p> <p>Knight House 2 Sandbeck Court Wetherby LS22 7BA</p>	<p>Chevin Housing Group</p> <p>Harrison St Wakefield WF1 1PS</p>
<p>Yorkshire Housing</p> <p>6 Innovation Close Heslington York YO10 5ZF</p>	<p>Hanover (Elderly persons accommodation)</p> <p>The Wave 1 View Croft Road ShIPLEY BD17 7DU</p>
<p>York Housing Association</p> <p>2 Alpha Court, Monks Cross Drive, Huntington, York YO32 9WN</p>	<p>The Guinness Partnership Ltd</p> <p>Guinness Northern Counties 1 Tudor Court Tue Greenway Thorntree Middlesborough TS3 9PZ</p>
<p>South Yorkshire Housing Association</p> <p>43-47 Wellington Street Sheffield S1 4HF</p>	<p>Connect Housing</p> <p>205 Roundhay Road Harehills Leeds LS8 4HS</p>

Appendix 3

Standard S106 Agreements

Dated

201[]

(1) SELBY DISTRICT COUNCIL

and

(2) [OWNER]

and

[(3) [DEVELOPER]]

and

[(4) [MORTGAGEE]]

DEED PURSUANT TO

**Section 106 of the Town and Country Planning Act 1990
relating to land at [Site]**

INFORMATIVE:

This document is the Council's model form of section 106 Agreement detailing affordable housing planning obligations only.

It is to be used for residential developments of between 1-9 dwellings or a site which is less than 0.3 hectares.

This model form of section 106 Agreement may need to be amended by the Council to be tailored to individual site specific requirements and include other non-affordable housing planning obligations as may be required by the Council.

Scheme Size	Required contribution	Cost to applicant for scheme
1 unit	nominal	£5,000
2 units	0.2	£18,450
3 units	0.3	£27,675
4 units	0.4	£36,900
5 units	0.5	£46,125
6 units	0.6	£55,350
7 units	0.7	£64,575
8 units	0.8	£73,800
9 units	0.9	£83,025

to be used by the Council towards the provision of Affordable Housing in Selby District in lieu of provision of Affordable Housing on the Site

- “Affordable Housing SPD”** means the Affordable Housing Supplementary Planning Document adopted by the Council on [XXXX] 2013
- “Application”** means the application for [full] or [outline] planning permission registered by the Council on [date] and allocated planning application reference number [insert number]
- “Commencement of Development”** means the date on which any material operation (as defined in Section 56(4) of the Act) forming part of the Development is begun other than (for the purposes of this Deed and for no other purpose) operations consisting of site clearance, demolition work, archaeological investigations for the purpose of assessing ground conditions, remedial work in respect of any contamination or other adverse ground conditions, diversion and laying out of services, erection of any temporary display of site notices or advertisements and **“Commence Development”** shall be construed accordingly
- “Development”** means the development of the Site by the erection of [XX] Dwellings and [insert full description] as set out in the Application
- “Dwelling”** means a unit of residential accommodation (including a house, flat or maisonette) that may be built on Site as part of the Development pursuant to the Planning Permission and **“Dwellings”** shall be construed accordingly
- “Index”** means in relation to construction the All In Tender Price Index published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or any successor organisation
- “Index Linked”** means that wherever reference in this Deed is made to a sum being Index Linked it shall mean that at the date when the said sum becomes due it shall be adjusted in accordance with upwards changes in the Index from the date of the adoption of the Affordable Housing SPD and

until the date upon which the payment becomes due

“Interest”	means 4% over the base lending rent for the time being of Barclays Bank Plc compounded quarterly from the date the payment is due until the date of actual payment
“Monitoring Fee”	means the sum of [£] to be used towards the Council’s administration and monitoring costs associated with this Agreement
“Notice of Commencement”	means written notification from the Owner to the Council [addressed to the Head of Planning] of the Commencement Date in accordance with the provisions of Paragraph 1 of the First Schedule hereof
“Occupation”	means occupation for the purposes authorised by the Planning Permission but not including occupation by personnel engaged in construction or fitting out or occupation in relation to marketing or display or security operations
“Plan”	means the plan attached to this Deed and marked [<i>insert number/drawing reference</i>]
“Planning Permission”	means the [full] <i>or</i> [outline] planning permission subject to conditions granted by the Council pursuant to the Application
“Selby District”	means the administrative area of the Council
“Site”	means the land known as [<i>address</i>] and registered at Land Registry under title number [<i>insert number</i>] against which this Deed may be enforced as shown edged red on the Plan

2. CONSTRUCTION OF THIS DEED

2.1 Where the context so requires:

- 2.1.1 Reference to any clause, paragraph or schedule or recital such reference is a reference to a clause, paragraph or schedule or recital in this Deed
- 2.1.2 Words importing the singular meaning include the plural meaning and vice versa
- 2.1.3 Words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner
- 2.1.4 Wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can be enforced against all of them jointly and against each individually unless there is an express provision otherwise
- 2.1.5 Any reference to an Act of Parliament shall include any modification, extension or re-enactment of that Act for the time being in force and shall include all

instruments, orders, plans regulations, permissions and directions for the time being made, issued or given under that Act or deriving validity from it

- 2.1.6 References to any party shall include the successors in title to that party and to any deriving title through or under that party and in the case of the Council the successors to its statutory functions
- 2.1.7 The clause headings in this Deed are for reference only and shall not affect construction of this Deed
- 2.1.8 Any reference to any officer of the Council shall include such officer for the time being of the Council as appropriate or anyone authorised by him or the Council to act on his behalf
- 2.1.9 Any reference to a working day shall exclude any day between 27th and 31st December in any year
- 2.1.10 Where any expiry date falls on a Saturday or Sunday then the period concerned shall actually expire on the next business day
- 2.1.11 Any covenant by the Owner not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing by any person authorised by them

3. LEGAL BASIS

- 3.1 This Deed is made pursuant to the following statutory provisions:
 - 3.1.1 Section 106 of the Act;
 - 3.1.2 Section 111 of the Local Government Act 1972;
 - 3.1.3 Section 2 of the Local Government Act 2000;
 - 3.1.4 Section 1 of the Localism Act 2012
- 3.2 The covenants, restrictions and requirements imposed upon the Owner under this Deed create planning obligations pursuant to Section 106 of the Act and are enforceable by the Council as local planning authority against the Owner and shall bind any successors in title to the Site.
- 3.3 To the extent that any of the obligations are not planning obligations within the Act they are entered into pursuant to the powers contained in section 111 of the Local Government Act 1972 and section 1 of the Localism Act 2012 and all other enabling powers.
- 3.3 The parties hereto agree that the obligations contained in this Agreement satisfy the requirements of regulation 122 of the Community Infrastructure Levy Regulations 2010.

4. CONDITIONALITY

- 4.1 The covenants within Clause 5 shall come into effect upon the grant of the Planning Permission.
- 4.2 The covenants within Clause 7 (Costs), Clause 10 (Change in Ownership), Clause 14 (Jurisdiction), Clause 15 (Delivery), Clause 16 (Notices), Clause 18 (Disputes) and Clause 19 (warranty) shall come into effect immediately upon completion of this Deed.

5. THE OWNER'S COVENANTS

- 5.1 The Owner [*add any other party with an interest in the Site*] covenants with the Council as set out in the First Schedule.

6. THE COUNCIL'S COVENANTS

- 6.1 The Council covenants with the Owner as set out in the Second Schedule.

7. COSTS

- 7.1 The Owner shall pay to the Council on completion of this Deed:

7.1.1 the reasonable legal and planning costs of the Council incurred in the negotiation, preparation and execution of this Agreement; and

7.1.2 the Monitoring Fee.

8. MISCELLANEOUS

- 8.1 No provisions of this Deed shall be enforceable under the Contracts (Rights of Third Parties) Act 1999.

- 8.2 This Deed shall be registerable as a local land charge by the Council.

- 8.3 Insofar as any clause or clauses of this Deed are found (for whatever reason) to be invalid illegal or unenforceable then such invalidity illegality or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Deed.

- 8.4 This Deed shall cease to have effect (insofar only as it has not already been complied with) if the Planning Permission shall be quashed, revoked or otherwise withdrawn or (without the consent of the Owner) it is modified by any statutory procedure or expires prior to the Commencement of Development.

- 8.5 No person shall be liable for any breach of any of the planning obligations or other provisions of this Deed after it shall have parted with its interest in the Site but without prejudice to liability for any subsisting breach arising prior to parting with such interest.

- 8.6 Nothing contained or implied in this Deed shall prejudice or affect the rights, powers, duties or obligations of the Council in the exercise of its functions as Local Planning Authority and its rights, powers, duties and obligations under all public and private statutes, byelaws and regulations may be fully and effectually exercised as if the Council were not a party to this Deed.

- 8.7 Nothing in this Deed shall be construed as granting planning permission or any other approval, consent or permission required from the Council in the exercise of any other statutory function.

9. WAIVER

- 9.1 No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default.

10. CHANGE IN OWNERSHIP

- 10.1 The Owner agrees with the Council to give the Council immediate written notice of any change in ownership of any of its interests in the Site occurring before all the obligations under this Deed have been discharged such notice to give details of the transferee's full name and registered office (if a company or usual address if not) together with the area of the Site or unit of occupation purchased by reference to a plan.

11. INDEXATION

- 11.1 Any sum referred to as due in the First Schedule shall be increased by an amount equivalent to the increase in the Index from the date of adoption of the Affordable Housing SPD until the date of payment of the sum payable.

12. INTEREST

- 12.1 If any payment due under this Deed is paid late Interest will be payable from the date payment is due to the date of payment.

13. VAT

- 13.1 All consideration given in accordance with the terms of this Agreement shall be exclusive of any value added tax properly payable.

14. JURISDICTION

- 13.1 This Deed is governed by and interpreted in accordance with the law of England and the parties submit to the non-exclusive jurisdiction of the Courts of England.

15. DELIVERY

- 15.1 The provisions of this Agreement (other than this clause which shall be of immediate effect) shall be of no effect until this Agreement has been dated.

16. NOTICES

- 16.1 Any notice or other communication given or made in accordance with this Deed shall be in writing and:

16.1.1 shall be delivered personally or sent by registered or recorded delivery;

16.2.2 shall in the case of a notice or other communication to the Council be served on the Council and addressed to [*details of the appropriate officer*] at the Council's address shown on the first page of this Deed [or such other address as the Council may from time to time notify the Owner and its successors as being its address for service for the purposes of this Deed];

16.2.3 shall in the case of a notice or other communication to the Owner be served on the Owner at the address of the Owner shown on the first page of this Deed [or such other address as it may have from time to time notified to the Council as being its address for service for the purposes of this Deed]; and

16.2.4 shall in the case of a notice or other communication to the Mortgagee be served on the Mortgagee at the address of the Mortgagee shown on the first page of this Deed.

[*Add any other party with an interest in the Site*]

16.2 Notices shall not be sent by email or DX.

17. MORTGAGEE'S CONSENT

17.1 The Mortgagee acknowledges and declares that this Deed has been entered into by the Owner with its consent and that the Site shall be bound by the obligations contained in this Deed and that the security of the mortgage over the Site shall take effect subject to this Deed PROVIDED THAT the Mortgagee shall otherwise have no liability under this Deed unless it takes possession of the Site in which case it too will be bound by the obligations as if it were a person deriving title from the Owner.

18. DISPUTES

18.1 All differences and disputes which may arise between the Parties hereto concerning this Deed shall:

18.1.1 Where the difference or dispute relates to the construction or interpretation of this Deed be referred to the determination (as an expert and not as an arbitrator) of an independent leading planning counsel (of not less than 7 years call) agreed upon by the parties in dispute but in default of such agreement appointed by the President of the Law Society of England and Wales or his Deputy on the application of any of the parties in dispute;

18.1.2 Where any dispute or difference shall arise between the parties hereto as to any works to be done or achieved and the costings thereof pursuant to this Deed the same shall be referred to the determination (as an expert and not as an arbitrator) of a surveyor agreed upon between the parties in dispute but in default of such agreement by the President for time being of the Royal Institution of Chartered Surveyors or his Deputy appointed upon the application of any party hereto

18.2 Any expert appointed pursuant to Clauses 18.1.1 or 18.1.2 shall:

18.2.1 act as an expert and not as an arbitrator;

18.2.2 on his appointment serve written notice thereof on the parties in dispute;

18.2.3 consider any written representations by or on behalf of those parties which are received by him within twenty one (21) working days of such service and immediately to forward a copy of the written representations of one party to the other party;

18.2.4 allow both parties to the dispute an opportunity of commenting in writing on the other party's representations within fourteen (14) days of receipt by the other party thereof;

18.2.5 serve notice of his determination as soon as he has made it;

18.2.6 give full and clear reasons for his decision and whose decision (including the question of who shall pay his fees and outgoings in relation thereto) shall be delivered in writing to the parties hereto and shall be final and binding upon the parties

18.3 If the expert shall die delay or become unwilling or incapable of acting or if for any reason the President or his Deputy appointing the expert shall in his absolute discretion think fit he may in writing discharge the expert and appoint another in his place.

18.4 The provisions of this clause shall not affect the ability of the Council to apply for and be granted any of the following: declaratory relief, injunction, specific performance, payment of any sum, damages, any other means of enforcing this Deed and consequential and interim orders and relief.

18.5 Nothing contained or implied in this Deed shall prejudice or affect the rights powers duties and other obligations of the Council in the exercise of its functions as a local planning authority or under any other statutes byelaws and regulations which may be exercised as if the Council were not a party hereto.

19. WARRANTY

19.1 The Owner warrants that there are no other interests in the Site as at the date of this Deed other than [the Owner] [and *add any other party with an interest in the Site*] as shown on H.M. Land Registry Title No. [*insert title number*]

IN WITNESS whereof the parties hereto have executed this Agreement on the day and year first before written.

THE COMMON SEAL of **SELBY**)
DISTRICT COUNCIL was hereunto)
affixed in the presence of:)

Chairman

Chief Executive

THE COMMON SEAL of)
[])
was affixed to this Deed in the)
presence of:)

Director

Director/Secretary

SIGNED as a Deed by)
[Owner])
acting by a director in the presence of:)

Director

Signature of witness:

Name
(in BLOCK CAPITALS)

Address
.....
.....
.....

THE FIRST SCHEDULE

The Owner's Covenants

Affordable Housing

The Owner covenants with the Council as follows:

1. Notices

1.1 To give the Council seven working days prior written Notice of Commencement.

2. Affordable Housing Commuted Sum

2.1 To pay the Council the Affordable Housing Commuted Sum calculated by the Council in accordance with the Index pursuant to Clause 11 hereof.

2.2 Not to cause permit or allow Commencement of Development unless and until the Affordable Housing Commuted Sum has been paid by the Owner to the Council.

THE SECOND SCHEDULE**The Council's Covenants**

The Council covenants with the Owner as follows:

1. Discharge of obligations

- 1.1 That at the written request of the Owner the Council shall provide written confirmation of the discharge of the obligations contained in this Deed when satisfied that such obligations have been performed.
- 1.2 Following the discharge of the obligations contained in this Deed pursuant to Paragraph 1.1 of this Second Schedule hereof or if pursuant to Clause 8.4 the Planning Permission shall be quashed, revoked or otherwise withdrawn or expires prior to the Commencement of Development the Council shall remove the entry in the Land Charges Register.

2. Affordable Housing Commuted Sum

- 2.1 On receipt of the notice pursuant to Paragraph 1.1 of this Schedule 1 hereof the Council will confirm by written notice to the Owner the Affordable Housing Commuted Sum calculated by the Council in accordance with the Index pursuant to Clause 11.1 of this Deed.
- 2.2 Not to apply the Affordable Housing Commuted Sum for any purposes other than towards those purposes referred to in the definition of Affordable Housing Commuted Sum.
- 2.3 In the event that any of the said Affordable Housing Commuted Sum has not been committed or applied by the Council before the tenth (10th) anniversary of the date of receipt thereof then the Council shall (if required by the person who paid it) repay the unapplied Affordable Housing Commuted Sum or the balance thereof (if any) to the person who paid it.

Dated

201[]

(1) SELBY DISTRICT COUNCIL

and

(2) [OWNER]

and

[(3) [DEVELOPER]]

and

[(4) [MORTGAGEE]]

DEED PURSUANT TO

**Section 106 of the Town and Country Planning Act 1990
relating to land at [Site]**

INFORMATIVE:

This document is the Council's model form of section 106 Agreement detailing affordable housing planning obligations only.

It is to be used for residential developments of 10 or more dwellings or sites of 0.3 hectares or more.

This model form of section 106 Agreement may need to be amended by the Council to be tailored to individual site specific requirements and include other non-affordable housing planning obligations as may be required by the Council

Council as part of the Reserved Matters Approvals]

- “Indicative Layout Plan“** means the indicative plan [marked as *insert*] appended to this Deed showing the location of the Affordable Housing Units [*for Outline Planning Applications with the detail reserved*]
- “Affordable Housing Plan”** means [the detailed scheme set out in Appendix [X] to this Agreement] or [the detailed scheme to be provided for the Council’s approval identifying the number, types, size, location, [phasing] and tenures of the Affordable Housing Units and the timetable for the construction and Practical Completion thereof to satisfy the requirements of the First Schedule hereof] subject to any modifications as may be approved in writing by the Council
- “Affordable Housing Sale Contract”** means a legally binding contract for the transfer of the Affordable Housing Land to a Registered Provider which shall be on substantially the same terms as the transfer of Market Units and shall include the following terms and conditions:
- (a) at a cost that allows the Registered Provider to let the Social Rented Dwellings at a Social Rent [and to let the Affordable Dwellings at an Affordable Rent];
 - (b) at a cost that allows the Registered Provider to sell the Intermediate Housing at a price that is affordable having regard to local incomes and local house prices and the latest Transfer Prices
- “Affordable Housing SPD”** the Affordable Housing Supplementary Planning Document adopted by the Council on [XXXX]
- “Affordable Housing Standards“** the design criteria in addition to level 3 of the Code for Sustainable Homes with which the Affordable Housing Units shall comply, namely:
- to be constructed to HCA Design and Quality Standards (“**DQS**”); and
 - designed to the same external design as the Market Units so as to be indistinguishable from the Market Units
- “Affordable Housing Units”** means the units of Affordable Housing which shall comprise 40% of the total number of Dwellings on the Site (rounded up to the nearest whole Dwelling) and of which:
- [%] shall be Intermediate Housing [*the percentage to be between 30-50% as may be agreed by the Council on a case by case basis and the number to be rounded up to the nearest whole dwelling*]; and
- [%] shall be Rented Housing [*the percentage to be between 30-70% as may be agreed by the Council on a*

case by case basis and the number to be rounded up to the nearest whole dwelling]

and “**Affordable Housing Unit**” shall be construed accordingly

- “**Affordable Rent**” means an Affordable Housing Unit which is let at a rent of no more than 80% of the local market rent and using the Royal Institution of Chartered Housing Surveyors approved valuation methods such rent shall not exceed Local Housing Allowance levels or equivalent replacement assessment
- “**Affordable Rented Unit**” means an Affordable Housing Unit let by the Registered Provider at an Affordable Rent and which meets the criteria of “affordable rented housing” in the definition of “affordable housing” in Annex 2 to the National Planning Policy Framework and “**Affordable Rented Units**” shall be construed accordingly
- “**Application**” means the application for [full] *or* [outline] planning permission registered by the Council on *date* and allocated planning application reference number *insert number*
- “**Commencement of Development**” means the date on which any material operation (as defined in Section 56(4) of the Act) forming part of the Development is begun other than (for the purposes of this Deed and for no other purpose) operations consisting of site clearance, demolition work, archaeological investigations for the purpose of assessing ground conditions, remedial work in respect of any contamination or other adverse ground conditions, diversion and laying of services, erection of any temporary display of site notices or advertisements and “**Commence Development**” shall be construed accordingly
- “**Development**” means the development of the Site by the erection of [XX] Dwellings and [*insert full description*] as set out in the Application
- “**Dwelling**” means a unit of residential accommodation (including a house, flat, bungalow or maisonette) that may be built on the Site as part of the Development pursuant to the Planning Permission and “**Dwellings**” shall be construed accordingly
- “**Fully Serviced**” means the relevant Dwelling has proper connections within its boundary so as to connect it to surface water drainage facilities and to mains foul drainage water gas electricity and telecommunications (or such of the aforesaid services, if any, the provision of which is anticipated to be required) and enjoys direct access to the public highway or a roadway constructed to adoptable standards which is connected to the public highway and which is adequate for the purpose of its prospective use

“HCA”	means the Homes and Communities Agency constituted pursuant to the Housing and Regeneration Act 2008 and any successor or successors for the time being and any future organisation carrying on substantially the same grant making functions
“Index“	means [in relation to Transfer Prices the House Price Index published by the Office of National Statistics] and [in relation to construction the All In Tender Price Index published by the Building Cost Information Service of the Royal Institution of Chartered Surveyors or any successor organisation] [in relation to
“Index Linked“	means that wherever reference in this Deed is made to a sum being Index Linked it shall mean that at the date when the said sum becomes due it shall be adjusted in accordance with upwards changes in the Index from the date of this Deed until the date upon which the payment becomes due
“Initial Market Sale“	means the first disposal of a Shared Ownership Unit [or a Shared Equity Unit]
“Initial Market Value“	means the market value of the Dwelling at the time of the Initial Market Sale of a Shared Ownership Unit [or Shared Equity Unit] such valuation having either been determined by three separate estate agents/surveyors being members of the Royal Institution of Chartered Surveyors <i>or</i> being the mean average of overall sales values of equivalent dwellings to the Dwelling within the same settlement as the Site over the previous 12 months from the date of the valuation as may be agreed by the Council.
“Intermediate Housing”	means Affordable Housing which meets the criteria of “intermediate housing” in the definition of “affordable housing” in Annex 2 to the National Planning Policy Framework and intended for those who cannot afford to purchase a Dwelling on the open market without assistance or subsidy which must include Shared Ownership Units [and may include Shared Equity Units or any other form or forms of intermediate affordable housing products which may be approved by the Council]
“Interest”	means 4% over the base lending rate for the time being of Barclays Bank PLC compounded quarterly from the date the payment is due until the date of actual payment
“Local Connection”	means a prospective occupier of the Affordable Homes who: <ul style="list-style-type: none"> • is registered with the North Yorkshire HomeChoice; and • currently lives in the Selby District and have been for at least 6 months; or • has lived in the Selby District for at least 3 years out of the last 5 years; or • has been employed in the Selby District for the last 6

months; or

- has close family member (parent, son, daughter, brother, sister) residing in the Selby District who has done so for at least 6 months

“Local Housing Allowance“	means the rent rate set annually by the Valuation Office (or any successor body thereto) for the area the Affordable Housing Units are located and which is used to calculate the maximum housing benefit entitlement for each tenant thereof
“Market Units“	means Dwellings which are not Affordable Housing Units and “Market Unit“ shall be construed accordingly
“Monitoring Fee“	means the sum of £ to be used towards the Council’s administration and monitoring costs associated with this Agreement
“National Planning Policy Framework“	means the National Planning Policy Framework dated 27 March 2012 (and any future guidance or initiative that replaces or supplements it)
“Nomination Deed“	means the nomination deed substantially in the form of the draft annexed as Appendix 1
“Notice of Commencement“	means written notification from the Owner to the Council [addressed to the Head of Planning] of the Commencement Date in accordance with the provisions of Paragraph 1 of the First Schedule hereof
“North Yorkshire HomeChoice“	means the North Yorkshire HomeChoice choice based lettings scheme (or any replacement or successor scheme having the same or similar functions from time to time)
“Occupation“	means occupation for the purposes authorised by the Planning Permission but not including occupation by personnel engaged in construction or fitting out or occupation in relation to marketing or display or security operations
“Phase“	means a phase of the Development as shown on the Phasing Plan and “Phases“ shall be construed accordingly
“Phasing Plan“	means the drawing approved by the Council pursuant to 2.1 of the First Schedule and identifying the Phases (subject to any variations to phasing that may be agreed in writing by the Council)
“Plan“	means the plan attached to this Deed and marked [<i>insert number/drawing reference</i>]
“Planning Permission“	means the [full] or [outline] planning permission subject to conditions granted by the Council pursuant to the Application

“Practically Completed”	means constructed, fitted out and Fully Serviced so as to be available for immediate Occupation and “Practical Completion” shall be construed accordingly
“Qualifying Person”	means a person or persons with a Local Connection who may be selected by the Council or by a Registered Provider to Occupy an Affordable Housing Unit and who are registered with North Yorkshire HomeChoice
“Registered Provider”	means a private registered provider of Affordable Housing as defined in Section 80 of the Housing and Regeneration Act 2008 which is registered with and regulated by the HCA or any similar future authority carrying substantially the same regulatory or supervisory functions body whose function
“Rented Housing”	means Affordable Housing Units let by a Registered Provider as Social Rented Units [and Affordable Rented Units as may be approved by the Council]
[“Reserved Approvals”	Matters means the relevant approvals by the Council of a reserved matters application made pursuant to the Planning Permission [<i>for outline applications</i>]
“Selby District”	means the administrative area of the Council
“Shared Equity Lease”	means the lease of an Affordable Housing Unit where 75% of the equity is sold on a long lease to a Qualifying Person and the remainder of the equity is retained in perpetuity by the Registered Provider and registered as such pursuant to the Shared Equity Sale Restriction
“Shared Equity Restriction”	means the following restriction to be entered in the Proprietorship Register at H.M.Land Registry in relation to each and every Shared Equity Unit (subject to any amendments thereto required by H.M.Land Registry and agreed between the parties hereto): “No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge is to be registered without a certificate signed by the solicitor of the disponor or the disponent that the provisions of the First Schedule of the Section 106 Agreement dated [<i>date</i>] containing planning obligations relating to [<i>Site</i>] between (1) the Council and (2) [<i>the Owner</i>] [<i>add any other party with an interest in the Site</i>] have been complied with”
“Shared Equity Unit”	means an Affordable Housing Unit which is available on a Shared Equity Lease in accordance with the First Schedule and which is disposed of to Qualifying Persons subject to the Shared Equity Restriction and “Shared Equity Units” shall be construed accordingly
“Shared Ownership Lease”	means a shared ownership lease in the model form approved by the HCA the premium being no less than 25% and not more than 75% of the Initial Market Value as

defined in the model lease (PROVIDED THAT all reasonable endeavours shall be used to procure a lease share of 50% on such disposals) with the rent at or below 2.75% of the outstanding equity

- “Shared Ownership Unit”** means an Affordable Housing Unit which is disposed of by way of a Shared Ownership Lease granted by the Registered Provider to Qualifying Persons and **“Shared Ownership Units”** shall be construed accordingly
- “Site”** means the land known as [address] [and registered at H.M.Land Registry under title number [number]] against which this Deed may be enforced as shown edged red on the Plan
- “Social Rent”** means social rented housing owned by the approved Registered Provider to be occupied by Qualifying Persons on an assured tenancy agreement or an equivalent rental arrangement as approved by the Council at a rent not exceeding the guideline target rent determined through the national rent regime
- “Social Rented Unit”** means an Affordable Housing Unit which is let subject to a Social Rent and **“Social Rented Units”** shall be construed accordingly
- “Transfer Prices”** means the transfer prices (Index Linked) detailed in the Council’s Affordable Housing Supplementary Document adopted on [XXXX]

2. CONSTRUCTION OF THIS DEED

2.1 Where the context so requires:

- 2.1.1 reference to any clause, paragraph or schedule or recital such reference is a reference to a clause, paragraph or schedule or recital in this Deed;
- 2.1.2 words importing the singular meaning include the plural meaning and vice versa;
- 2.1.3 words of the masculine gender include the feminine and neuter genders and words denoting actual persons include companies, corporations and firms and all such words shall be construed interchangeable in that manner;
- 2.1.4 wherever there is more than one person named as a party and where more than one party undertakes an obligation all their obligations can be enforced against all of them jointly and against each individually unless there is an express provision otherwise;
- 2.1.5 any reference to an Act of Parliament shall include any modification, extension or re-enactment of that Act for the time being in force and shall include all instruments, orders, plans regulations, permissions and directions for the time being made, issued or given under that Act or deriving validity from it;
- 2.1.6 references to any party shall include the successors in title to that party and to any deriving title through or under that party and in the case of the Council the successors to its statutory functions;

- 2.1.7 the clause headings in this Deed are for reference only and shall not affect the construction of this Deed;
- 2.1.8 any reference to any officer of the Council shall include such officer for the time being of the Council as appropriate or anyone authorised by him or the Council to act on his behalf;
- 2.1.9 any reference to a working day shall exclude any day between 27th and 31st December in any year;
- 2.1.10 where any expiry date falls on a Saturday or Sunday then the period concerned shall actually expire on the next business day; and
- 2.1.11 any covenant by the Owner [*add any other party with an interest in the Site*] not to do any act or thing includes a covenant not to permit or allow the doing of that act or thing by any person authorised by them.

3 LEGAL BASIS

- 3.1 This Deed is made pursuant to the following statutory provisions:
- 3.1.1 Section 106 of the Act;
- 3.1.2 Section 111 of the Local Government Act 1972;
- 3.1.3 Section 2 of the Local Government Act 2000; and
- 3.1.4 Section 1 of the Localism Act 2012.
- 3.2 The covenants, restrictions and requirements imposed upon the Owner [*add any other party with an interest in the Site*] under this Deed create planning obligations pursuant to Section 106 of the Act and are enforceable by the Council as local planning authority against the Owner and shall bind any successors in title to the Site.
- 3.3 To the extent that any of the obligations in this Deed are not planning obligations within the Act they are entered into pursuant to the powers contained in Section 111 of the Local Government Act 1972 and Section 1 of the Localism Act 2012 and all other enabling powers.
- 3.3 The parties hereto agree that the obligations contained in this Agreement satisfy the requirements of Regulation 122 of the Community Infrastructure Levy Regulations 2010.

4. CONDITIONALITY

- 4.1 The covenants within Clause 5 shall be conditional on the grant of the Planning Permission.
- 4.2 The covenants within Clause 7 (costs), Clause 10 (change in ownership), Clause 14 (jurisdiction), Clause 15 (delivery), Clause 16 (notices), Clause 18 (disputes) and Clause 19 (warranty) shall come into effect immediately upon completion of this Deed.

5. THE OWNER'S COVENANTS

- 5.1 The Owner [*add any other party with an interest in the Site*] covenants with the Council as set out in the First Schedule.

6. THE COUNCIL'S COVENANTS

6.1 The Council covenants with the Owner as set out in the Second Schedule.

7. COSTS

7.1 The Owner shall pay to the Council on completion of this Deed:

7.1.1 the reasonable legal and planning costs of the Council incurred in the negotiation, preparation and execution of this Deed; and

7.1.2 the Monitoring Fee

8. MISCELLANEOUS

8.1 No provisions of this Deed shall be enforceable under the Contracts (Rights of Third Parties) Act 1999.

8.2 This Deed shall be registered as a local land charge by the Council.

8.3 Insofar as any Clause or Clauses of this Deed are found (for whatever reason) to be invalid illegal or unenforceable then such invalidity illegality or unenforceability shall not affect the validity or enforceability of the remaining provisions of this Deed.

8.4 This Deed shall cease to have effect (insofar only as it has not already been complied with) if the Planning Permission shall be quashed, revoked or otherwise withdrawn or (without the consent of the Owner) it is modified by any statutory procedure or expires prior to the Commencement of Development.

8.5 No person shall be liable for any breach of any of the planning obligations or other provisions of this Deed after it shall have parted with its interest in the Site unless they hold an interest in the part of the Site in respect of which such breach occurs but without prejudice to liability for any subsisting breach arising prior to parting with such interest.

8.6 Nothing contained or implied in this Deed shall prejudice or affect the rights, powers, duties or obligations of the Council in the exercise of its functions as Local Planning Authority and its rights, powers, duties and obligations under all public and private statutes, byelaws and regulations may be fully and effectually exercised as if the Council were not a party to this Deed.

8.7 Nothing in this Deed shall be construed as granting planning permission or any other approval, consent or permission required from the Council in the exercise of any other statutory function.

9. WAIVER

9.1 No waiver (whether expressed or implied) by the Council of any breach or default in performing or observing any of the covenants terms or conditions of this Deed shall constitute a continuing waiver and no such waiver shall prevent the Council from enforcing any of the relevant terms or conditions or for acting upon any subsequent breach or default.

10. CHANGE IN OWNERSHIP

- 10.1 The Owner agrees with the Council to give the Council immediate written notice of any change in ownership of any of its interests in the Site occurring before all the obligations under this Deed have been discharged such notice to give details of the transferee's full name and registered office (if a company or usual address if not) together with the area of the Site or unit of occupation purchased by reference to a plan.

11. INDEXATION

- 11.1 Any sum referred to as due in the First Schedule shall be increased by an amount equivalent to the increase in the Index from the date of adoption of the Affordable Housing SPD until the date of payment of the sum payable.

12. INTEREST

- 12.1 If any payment due under this Deed is paid late, Interest will be payable from the date payment is due to the date of payment.

13. VAT

- 13.1 All consideration given in accordance with the terms of this Deed shall be exclusive of any value added tax properly payable.

14. JURISDICTION

- 14.1 This Deed is governed by and interpreted in accordance with the law of England and the parties submit to the non-exclusive jurisdiction of the Courts of England.

15. DELIVERY

- 15.1 The provisions of this Deed (other than this clause which shall be of immediate effect) shall be of no effect until this Deed has been dated.

16. NOTICES

- 16.1 Any notice or other communication given or made in accordance with this Deed shall be in writing and:

16.1.1 shall be delivered personally or sent by registered or recorded delivery;

16.1.2 shall in the case of a notice or other communication to the Council be served on the Council and addressed to [*details of the appropriate officer*] at the Council's address shown on the first page of this Deed [or such other address as the Council may from time to time notify to the Owner and its successors as being its address for service for the purposes of this Deed];

16.2.3 shall in the case of a notice or other communication to the Owner be served on the Owner at the address of the Owner shown on the first page of this Deed [or such other address as it may have from time to time notified to the Council as being its address for service for the purposes of this Deed]; and

16.2.4 shall in the case of a notice or other communication to the Mortgagee be served on the Mortgagee at the address of the Mortgagee shown on the first page of this Deed.

[*Add any other party with an interest in the Site*]

16.2 Notices shall not be sent by email or DX.

17. MORTGAGEE'S CONSENT

17.1 The Mortgagee acknowledges and declares that this Deed has been entered into by the Owner with its consent and that the Site shall be bound by the obligations contained in this Deed and that the security of the mortgage over the Site shall take effect subject to this Deed PROVIDED THAT the Mortgagee shall otherwise have no liability under this Deed unless it takes possession of the Site in which case it too will be bound by the obligations as if it were a person deriving title from the Owner.

18. DISPUTES

18.1 All differences and disputes which may arise between the parties hereto concerning this Deed shall:

18.1.1 where the difference or dispute relates to the construction or interpretation of this Deed be referred to the determination (as an expert and not as an arbitrator) of an independent leading planning counsel (of not less than 7 years call) agreed upon by the parties in dispute but in default of such agreement appointed by the President of the Law Society of England and Wales or his Deputy on the application of any of the parties in dispute;

18.1.2 where any dispute or difference shall arise between the parties hereto as to any works to be done or achieved and the costings thereof pursuant to this Deed the same shall be referred to the determination (as an expert and not as an arbitrator) of a surveyor agreed upon between the parties in dispute but in default of such agreement by the President for time being of the Royal Institution of Chartered Surveyors or his Deputy appointed upon the application of any party hereto.

18.2 Any expert appointed pursuant to Clauses 18.1.1 or 18.1.2 shall:

18.2.1 act as an expert and not as an arbitrator;

18.2.2 on his appointment serve written notice thereof on the parties in dispute;

18.2.3 consider any written representations by or on behalf of those parties which are received by him within twenty one (21) working days of such service and immediately to forward a copy of the written representations of one party to the other party;

18.2.4 allow both parties to the dispute an opportunity of commenting in writing on the other party's representations within fourteen (14) days of receipt by the other party thereof;

18.2.5 serve notice of his determination as soon as he has made it; and

18.2.6 give full and clear reasons for his decision and whose decision (including the question of who shall pay his fees and outgoings in relation thereto) shall be delivered in writing to the parties hereto and shall be final and binding upon the parties.

18.3 If the expert shall die delay or become unwilling or incapable of acting or if for any reason the President or his Deputy appointing the expert shall in his absolute discretion think fit he may in writing discharge the expert and appoint another in his place.

18.4 The provisions of this clause shall not affect the ability of the Council to apply for and be granted any of the following: declaratory relief, injunction, specific performance, payment of any sum, damages, any other means of enforcing this Deed and consequential and interim orders and relief.

18.5 Nothing contained or implied in this Deed shall prejudice or affect the rights powers duties and other obligations of the Council in the exercise of its functions as a local planning authority or under any other statutes byelaws and regulations which may be exercised as if the Council were not a party hereto.

19. WARRANTY

19.1 The Owner warrants that there are no other interests in the Site as at the date of this Deed other than [the Owner [and *add any other party with an interest in the Site*]] [as shown on the H.M.Land Registry Title Number [*insert title number*]].

IN WITNESS whereof the parties hereto have executed this Deed on the day and year first before written.

THE COMMON SEAL of **SELBY**)
DISTRICT COUNCIL was hereunto)
affixed in the presence of:)

Chairman

Chief Executive

THE COMMON SEAL of)
[*Owner*])
was affixed to this Deed in the)
presence of:)

Director

Director/Secretary

SIGNED as a Deed by)
[Owner])
acting by a director in the presence of:)

Director

Signature of witness:

Name
(in BLOCK CAPITALS)

Address
.....
.....
.....

THE FIRST SCHEDULE

The Owner's covenants Affordable Housing

The Owner *[add any other party with an interest in the Site]* covenants with the Council as follows:

Part I

1. Notices

- 1.1 To give the Council seven working days' prior written Notice of Commencement.
- 1.2 To give the Council seven working days' prior written notice of first Occupation and seven working days' prior written notice of Occupation of [] % of the Market Units.

2. Phasing

- 2.1 [Not to Commence Development in any Phase] *or* [Not to submit an application for the Reserved Matters Approvals] until a Phasing Plan has been submitted to and approved by the Council and not to carry out the Development other than in accordance with the approved Phasing Plan.

3. Distribution

- 3.1 [Not to Commence Development] [in any Phase] *or* [Not to submit an application for the Reserved Matters Approvals] until the Affordable Housing Detailed Plan [for that Phase] has been submitted to and approved by the Council.

4. Affordable Housing Land

- 4.1 The Owner for and behalf of itself and its successors in title to the Affordable Housing Land covenants with the Council with the intention that the following provisions shall bind the Affordable Housing Land and every part of it into whosoever's hand it may come):

Quantum

- 4.1.1 The number of Affordable Housing Units [shall be] [are] identified in the Affordable Housing Plan and shall be not less than 40% of the total number of Dwellings on the Site.

Distribution

- 4.1.2 The location of the Affordable Housing Units shall be in accordance with the Affordable Housing Plan (or any subsequent modification of the same approved by the Council).
- 4.1.3 To ensure the creation of mixed and integrated communities the Affordable Housing Units shall not be visually distinguishable from the Market Units and unless the Council agrees otherwise it shall be in accordance with and shown on the Affordable Housing Plan and each group of Dwellings shall contain a mix of Affordable Housing Units and Market Units.

Tenure

4.1.4 The Affordable Housing Units shall be in the numbers and percentages set out in the Affordable Housing Plan which shall comply with the following tenure split:

(a) [%] Intermediate Housing *[to be between 30-50% as approved by the Council]*; and

(b) [%] *[to be between 50-70% Rented Housing as approved by the Council]*

Mix

4.1.5 The mix of Affordable Housing Units shall be as set out in the Affordable Housing Plan [appended at Appendix X of this Deed] [to be submitted and approved by the Council].

Construction

4.1.6 Not to construct the Affordable Housing Units otherwise than in accordance with the Affordable Housing Standards approved by the Council.

4.1.7 Not to construct the Affordable Housing Units otherwise than in accordance with the Affordable Housing Plan approved by the Council.

4.1.8 Not to Occupy more than [%] of the Market Units (rounded down to the nearest whole Market Unit) [in any Phase] until all of the Affordable Housing Units (comprising 40% of the total number of Dwellings) have been Practically Completed.

Rented Units

4.1.9 The rent payable by the occupant of any Social Rented Unit shall be the Social Rent.

4.1.10 The rent payable by the occupant of any Affordable Rented Unit shall be the Affordable Rent.

Occupation

4.1.11 The Affordable Housing Units shall be occupied only by Qualified Persons as their sole and main residence.

4.1.12 Not to Occupy or cause or permit the Occupation of the Affordable Housing Units otherwise than in accordance with this Schedule 1 hereof and the tenure split in the Affordable Housing Plan approved by the Council.

4.1.13 The Affordable Housing Units shall be advertised and allocated by the Registered Provider to Qualifying Persons.

4.1.14 The Affordable Housing Units shall only be Occupied by Qualifying Persons selected through the Council's Allocation Scheme, currently North Yorkshire HomeChoice.

4.1.15 Not to Occupy or cause or permit the Occupation of the Affordable Housing Units other than under the management and supervision of a Registered Provider as

landlord and/or freeholder in accordance with usual and normal terms and conditions of the type and style recommended by the HCA in such form as shall be appropriate for the Rented Housing and Intermediate Housing and as shall be approved in advance of its first use by the Council (which approval shall not be withheld or delayed in the case of drafting which is in accordance with the requirements of the HCA and amended as may be necessary as to take account of this Deed).

- 4.1.16 Not to Occupy or cause or permit the Occupation of more than [%] of the Market Units (rounded down to the nearest whole Market Unit) until all of the Affordable Housing Units have been transferred to the Registered Provider approved by the Council.

5 Registered Provider

- 5.1 The Owner shall appoint a Registered Provider approved by the Council and enter into the Affordable Housing Sale Contract prior to Practical Completion of [XX] Market Units on the Site PROVIDED THAT if such approved Registered Provider cannot or will not proceed to enter into the Affordable Housing Sale Contract then the provisions of Part II of this First Schedule shall take effect SUBJECT ALWAYS to the Council first confirming that such provisions may come into effect.
- 5.2 Within two (2) months of the Commencement of Development the Owner shall notify one or more Registered Providers to the Council for approval.
- 5.3 The Owner shall only be entitled to dispose of the Affordable Housing Dwelling to a Registered Provider approved in advance in writing by the Council
- 5.4 Immediately upon receiving confirmation of the Council's approval in accordance with Paragraph 5.3 of this Part I to the First Schedule (above) the Owner shall offer to enter into negotiations with the approved Registered Provider and use reasonable endeavours to enter into the Affordable Housing Sale Contract with the approved Registered Provider.
- 5.5 The Owner shall leave the offer open for acceptance by the approved Registered Provider for a period of two (2) months and will during that period use reasonable endeavours to agree the Affordable Housing Sale Contract with the approved Registered Provider
- 5.6 In the event that the nominated Registered Provider declines to accept a transfer of the Affordable Housing Units or no sale of the Affordable Housing Units has been effected within four (4) calendar months of the date when the Owner notified the Registered Provider in accordance with paragraph 5.2 of this Part I to the Second Schedule (whichever is the later) then Part II of this Second Schedule shall become operable.
- 5.7 Not to cause or permit the Commencement of Development until the Owner has:
- (a) first submitted to the Council the details of the proposed Registered Provider with whom it intends to enter an Affordable Housing Sale Contract; and
 - (b) obtained the Council's approval of the Registered Provider proposed.
- 5.8 Not to dispose of the Affordable Housing Land to anyone other than to a Registered Provider approved in advance in writing by the Council.
- 5.9 Not to Practically Complete the first 10% of the Market Units on the Site until the Affordable Housing Sale Contract has been entered into with the Registered Provider approved by the Council.

- 5.10 Not to complete the Affordable Housing Sale Contract referred to in Paragraph 5.9 of this Part I to the First Schedule (above) unless such transfer contains covenants which comply with this Schedule 1 hereof.
- 5.11 Prior to Occupation of the Affordable Housing Units the approved Registered Provider shall enter into a Nominations Deed substantially in the form annexed hereto at Appendix 1.
- 5.12 The approved Registered Provider shall obtain the Council's approval in advance of any changes to its nominations requirements or its criteria for selection of occupants for the Affordable Housing Units.

Appendix 1

Form of Nominations Deed

[Part II

Appointment of Alternative Registered Provider

- 6.1 In the event that the Affordable Housing Sale Contract with the approved Registered Provider has not been secured before the expiry of the four month period ("the Expiry Date") specified in paragraph 5.6 of Part I to this First Schedule then the Owner shall within five (5) days of the Expiry Date submit to the Council in writing:
- (a) evidence as to why despite taking reasonable steps to do so it has been unable to enter into the Affordable Housing Sale Contract; and
 - (b) evidence from the nominated Registered Provider that they are not willing to purchase the Affordable Housing Units

and thereupon with the prior written approval of the Council the Owner shall be entitled to nominate an alternative Registered Provider PROVIDED ALWAYS THAT the Owner shall nominate an alternative Registered Provider within 10 days of the Expiry Date.

- 6.2 Immediately upon receiving confirmation of the Council's approval to the alternative Registered Provider pursuant to Paragraph 6.1 of this Part II to the First Schedule (above) the Owner will offer to enter into negotiations with the alternative Registered Provider and use reasonable endeavours to enter into the Affordable Housing Sale Contract with the alternative Registered Provider PROVIDED THAT the terms of any transfer shall accord with the provisions in Paragraph 5 of Part I of this First Schedule.

Part III

7. EXCLUSIONS

- 7.1 The provisions of Parts I and II to this First Schedule and the Nominations Deed at Appendix 1 shall not be binding against any tenant Occupying the Affordable Housing Units (or person claiming title from such person) or any mortgagee charge or receiver of such Affordable Housing Units in the event of such person mortgagee chargee or receiver having acquired 100% of the equity of any such dwelling whether this is acquired pursuant to the rights granted by the lease of such dwelling or pursuant to the right to buy provisions of the Housing Act 1985 or the Housing Act 1996 (or any legislation amending

or replacing the same) or any future legislation conferring such a right to buy which is binding on any Registered Provider.

SECOND SCHEDULE

The Council's Covenants

The Council covenants with the Owner as follows:

1. Discharge of obligations

- 1.1 At the written request of the Owner the Council shall provide written confirmation of the discharge of the obligations contained in this Deed when satisfied that such obligations have been performed.
- 1.2 Following the discharge of the obligations contained in this Deed pursuant to Paragraph 1.1 of this Second Schedule (above) or if pursuant to Clause 8.4 the Planning Permission shall be quashed, revoked or otherwise withdrawn or expires prior to the Commencement of Development the Council shall remove the entry in the Land Charges Register.

Appendix 4 - Financial Appraisals

- A4.1 To justify the provision of less than the target for affordable housing, the Council requires a Financial Appraisal to be submitted with the planning application. The information contained in the Appraisal will only be made available to the Planning Officer and the viability expert advisor. It will not be placed on the public file nor made available to any third party.
- A4.2 The information to be supplied should include the value of the completed development proposed by this application, and all costs incurred or expected to be incurred in order to achieve this value. The information should ideally include the following as a minimum guide, but may also cover other items specific to the proposed development.

Value

- Gross internal area of units excluding garages and conservatories. Habitable roof-space should be listed separately.
- The value used per unit of area. Alternatively, valuations of the completed buildings.
- The cost of sales or lettings, broken down into marketing/estate agents' fees and legal fees.
- Affordable housing should be shown at the value to be paid by a Housing Association/Registered Provider as published on the Selby District Council website (and shown in Appendix 1 of this SPD).
- The physical state and use of the site, which are authorised and require no consent to continue.

Costs

- Build costs. Give the gross external area multiplied by the unit cost per square metre or square foot. State whether this is a tendered sum or an estimate.
- Preliminaries allowed for. State what is included.
- External works where applicable. Broken down, e.g. X ms of road @ £Y per m. Include boundary treatment, landscaping, demolition and site preparation costs as appropriate.
- Standard Planning Costs – Planning and Building Regulation fees, commuted sums.
- Professional fees – Architects, QS, CDM supervisor etc.

- Contingency allowance.
- Cost of finance. Indicate the period and interest rate.
- Community Benefits. If the scheme includes any exceptional benefits such as the restoration of a listed building or the provision of public open space above what is required, please state the cost of providing this.
- Abnormal costs if any, found since acquisition of site. What are these (e.g. contaminated land remediation) and when you became aware that there were potentially abnormal costs and what the costs are anticipated to be?
- Developers Profit – the amount or percentage included.
- Acquisition price as appropriate

Any other relevant items should be clearly defined and costed.

Question 11: Do you agree with the proposed level of information that should be provided to inform a viability assessment? Is there any additional information that you think should be provided?

Appendix 5: Exceptional Off-site provision

A5.1 This Appendix provides a broad review of the criteria which the Council would take into account when considering whether there is justification for all or part off-site provision of affordable housing or a commuted sum calculation. As set out in Core Strategy Policy CP5, Selby District Council's clear preference is for the delivery of affordable housing on site in accordance with the NPPF. It states that 'commuted sums will not normally be accepted on these sites [ten dwellings or more] unless there are clear benefits to the community / or delivering a balanced housing market by relocating all or part of the affordable housing contribution'.

Defining a Balanced Housing Market and Clear Benefit to the Community

a) Justification of a proposal delivering a Balanced Housing Market

A5.2 Selby District Council plan to update their Strategic Housing Market Assessment (SHMA) in 2013/ 2014. The new SHMA will seek to provide a detailed definition of what constitutes a balanced housing market.

A5.3 However, existing evidence in the 2009 SHMA considers the whole District performs as a single housing market area and as such the contribution of schemes anywhere in the District will help meet the District-wide affordable housing requirement and will deliver a balanced housing market. The Council does not accept that there are either settlement based or sub area based local housing markets which need balancing within themselves or against each other. The requirement for affordable housing is District wide and provision to meet that need is appropriate District wide.

A5.4 In the interim; for the purposes of implementing Core Strategy Policy CP5 the Strategic Housing Market Assessment (SHMA) confirms that the Selby District constitutes a single housing market area. It is therefore not possible to set criteria to assess if a commuted sum would result in a balanced housing market, as the District can only be assessed as a whole.

A5.6 Therefore based on current evidence, the Council cannot foresee that the exceptional circumstances for off-site provision can be demonstrated within the context of the balanced housing market test within Policy CP5. As such the only potential justification for off-site provision or commuted sum would be for an applicant to demonstrate a clear benefit to the community, as set out below.

b) Justification of a proposal delivering a clear benefit to the community

A5.7 As set out in the main part of this SPD (see section 10) a key factor will be that off-site provision is not merely an alternative but provides a better

solution, clear benefits or betterment compared to the provision on-site built would deliver.

A5.8 For the purposes of implementing Core Strategy Policy CP5 and to provide Applicants with guidance on the situations when partial off-site, off-site or commuted sum contributions might be considered, the Council would consider the following factors might form part of the assessment of any case put forward in terms of possible indicators of whether an off-site solution might deliver a clear benefit to the community.

A5.9 This is not a checklist against which proposals will be tested – i.e. just because it falls within one of the categories below it does not automatically qualify for being an acceptable alternative to on-site provision. The alternative must provide an improved offer in comparison to on-site provision; and:

- The proposal would support the Core Strategy development strategy, aims, objectives and policies, which seek to focus development in Selby Town, then LSC and then DSVs.
- The proposal results in the provision of affordable units in a location that is considered to have good access local services, facilities and access to public transport.
- If the proposal results in empty homes being brought back into use for affordable rent on an identified site.
- The proposed development would allow affordable housing to be delivered on an identified site, which would otherwise not be delivered by other means.
- The delivery of affordable units is within the same timescale as the provision of market units on site, defined in the S106 agreement.
- If a mechanism for delivery / delivery partner is identified to provide the affordable housing.

Question 12: Do you think there are any other factors / circumstances that should be taken into account when the Council is assessing whether a proposal might be considered to deliver a balanced housing market or clear benefits to the community? If so how could they be evidenced?

Appendix 6

Information to accompany a planning application – the Affordable Housing Plan

- A6.1 The Council require all planning applications for schemes of 10 dwellings or more to be submitted with an indicative layout plan, a Phasing Plan (as necessary) and an Affordable Housing Plan for full applications (or at reserved matters stage for outline applications). The detail will be dependent on the scheme.
- A6.2 The information submitted should at least comprise the following:
1. The proportion of dwellings provided to be affordable (target of 40% on schemes of 10 units or more).
 2. The proportion of affordable dwellings to be provided as affordable rent and intermediate housing (outline and full planning application).
 3. Identify the affordable dwellings by number, type, size, location, phasing (as applicable) and tenure (for full or reserved matter planning applications).
 4. Details of the Registered Provider who will be partnering on the site.
 5. Timing/trigger arrangement for the transfer of the affordable dwellings to the identified Registered Provider.
 6. Details of open market valuations of the affordable dwellings.
 7. Draft section 106 agreement (using the Council's relevant model section 106 Agreement).
 8. A financial appraisal if the 40% target is not achieved.
 9. Off-site or commuted sum details if the applicant has agreed with the Council that this is acceptable, with the justification meeting the criteria set out at Appendix 5.
- A6.3 For schemes of between 1 and 9 units, it is not considered necessary to provide a separate Affordable Housing Plan due to the more narrowly focussed scope for affordable housing on smaller sites. Instead, where a commuted sum is payable, the Design and Access Statement should include a statement to confirm the applicant's approach to the payment of the commuted sum.

Question 13: Should the Affordable Housing Plan include any further requirements?

Question 14: Do you have any other comments on the AHSPD or Section 106 Agreements?



For further information please contact:

Policy and Strategy
Selby District Council
Civic Centre
Doncaster Road
Selby
YO8 9FT

Email: ldf@selby.gov.uk
Website: www.selby.gov.uk
Tel: 01757 292034
Fax: 01757 292229

To: Policy Review Committee
Date: 17 September 2013
Author: Karen Iveson, Executive Director (s151)
Lead Officer: Karen Iveson, Executive Director (s151)

Title: Medium Term Financial Strategy Update

Summary: This report allows Policy Review Committee the opportunity to comment on the Medium Term Financial Strategy as proposed by the Executive.

Recommendation:

That councillors scrutinise the proposed Medium Term Financial Strategy and feedback comments to the Executive.

Reason for recommendation

The Committee ensures the contribution of scrutiny is effective in supporting service improvement and delivery against district wide and Council priorities.

1. Introduction and background

- 1.1** At its meeting on 5 September 2013, the Executive will discuss the Medium Term Financial Strategy (MTFS) - the Executive report and MTFS paper attached at appendix A.
- 1.2** The MTFS sets the framework for the 2014/15 budget and the 2014 – 2016/17 Medium Term Financial Plan. As part of the Budget and Policy Framework of the Council, the Constitution sets out that Policy Review Committee be given the opportunity review and comment on the document.

2. The Report

- 2.1** The report asks the Policy Review Committee to review the MTFS and forward any comments to the Executive.
- 2.2** To aid Policy Review Committee, the Executive report and MTFS document and update are attached.

2.3 At the time of writing this report the Executive had not met and therefore the relevant minutes of the meeting will follow.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

None arising from the report.

3.2 Financial Issues

As set out in the report and the strategy

4. Conclusion

That Policy Review contributes to the consultation on Financial Strategy and feedback any comments to the Executive.

5. Background Documents

None

Contact Officer:
Karen Iveson
Executive Director (s151)
kiveson@selby.gov.uk

Appendices:

Appendix A – Executive Report with Strategy 5 September 2013

Appendix B – Extract from Executive Minutes 5 September 2013 (to follow)

Selby District Council

REPORT

Reference: E/13/14

Item 5 - Public



To: The Executive
Date: 5 September 2013
Status: Key Decision
Report Published: 28 August 2013
Author: Karen Iveson – Executive Director (s151)
Executive Member: Councillor C Lunn – Lead Member for Finance & Resources
Lead Officer: Karen Iveson – Executive Director (s151)

Title: Medium Term Financial Strategy Update

Summary:

This report presents an update to the revised Medium Term Financial Strategy (MTFS) approved by full Council in December 2012. Taking into account anticipated cuts to public sector funding a target net revenue budget of £10.7m is proposed for the forthcoming budget round (£9.9m excluding New Homes Bonus resources diverted to the 'Programme for Growth').

Anticipated cuts to Revenue Support Grant will mean total savings of £732k are required over the coming 3 years – with £516k of this required for 2014/15. Plans are in place to deliver around £300k of these savings.

Beyond 2016/17 there is still much uncertainty and opportunities for additional savings will continue to be sought.

Proposals to top-slice New Homes Bonus can be accommodated without impacting on the General Fund revenue budget but this will mean significantly less resource for any future 'Programme for Growth'.

There remains the potential for additional Business Rates income and there may be the potential to pool business rates with other North Yorkshire authorities. However the risk to this income means that it

would not be prudent to rely on this to support the revenue budget at this stage. However additional receipts could be used to extend the 'Programme for Growth'.

Further exploration of the potential for Business Rates pooling is proposed.

Recommendations:

It is recommended that:

- i) subject to comments from the Policy Review Committee the draft update to the Medium Term Financial Strategy be submitted to Council for approval;**
- ii) a report on proposals for Business Rates pooling be submitted to the next Executive meeting.**

Reasons for recommendation

To set the framework for the 2014/15 budget and 2014 – 2016/17 Medium Term Financial Plan.

1. Introduction and background

- 1.1 The Council's latest Medium Term Financial Strategy was approved by full Council in December 2012 – this report presents an update taking into account changes to the key assumptions within the strategy following the 2013 Spending Review.

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. The mid-range forecast is the scenario that is proposed as the basis for the forthcoming budget round.
- 2.2 The Executive had intended to consider the potential for charging for green waste to meet its target for savings in 2014/15 but have since decided to defer proposals and alternative savings will be required for the coming year.
- 2.3 Assuming a further cut of 12% on Government funding in 2015/16, a 1% increase in Council Tax for the next 2 years and achievement of current savings targets, a budget deficit of £363k is forecast for 2015/16, and a deficit of £429k for 2016/17.
- 2.4 This deficit position combined with savings already planned but not

yet delivered, means total savings of £732k are required over the coming 3 years – with £516k of this required for 2014/15.

- 2.5 The on-going risk associated with the economic climate, public sector funding, and delivery of savings, means that it would be prudent to continue to look for additional savings wherever possible. The Executive will work with Access Selby to identify further opportunities for savings as part of the forthcoming budget round.
- 2.6 The planned top-slice of the national New Homes Bonus (NHB) pot to provide funding for the LEPs from 2015/16 will reduce future contributions to the 'Programme for Growth' – thereby helping to protect funding for the base revenue budget.
- 2.7 There also remains the potential for additional growth in Business Rates income and the potential to retain additional receipts locally through pooling with other authorities in North Yorkshire. Such additional receipts could be used to extend the 'Programme for Growth' or should income consistently achieve above our baseline funding then it could be used to support the revenue budget if required. Any such decisions would need to be taken in light of the overall funding risk at that time.
- 2.8 It is proposed that further work to explore the potential for Business Rates pooling be undertaken and that a report be submitted to the Executive in October 2013, recommending the way forward.

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 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 2014/15 is £10.7m (or £9.9 excluding NHB for the 'Programme for Growth').
- 3.2.2 This will add a further £429k savings requirement to the Council's Core, taking the total savings to be delivered over the next 3 years to £732k, with £516k of this to be delivered for 2014/15.

4. Conclusion

- 4.1 There remains significant risk and uncertainty to public sector funding. The mid-case forecast suggests a funding gap of £732k by 2016/17.
- 4.2 Given the on-going risk to resources and spending, additional savings

will be sought wherever possible in order to provide headroom and additional capacity to mitigate future financial risk. The Executive will work with Access Selby to identify further opportunities for savings as part of the forthcoming budget round.

- 4.3 Subject to the assumptions and by using NHB achieved from 2013/14 onwards to help back fill funding cuts, there should be sufficient resources to continue to divert £880k p.a. from NHB to the 'Programme for Growth' up to 2014/15. Although this is highly dependent upon achieving the savings targets set.
- 4.4 Any decision to extend the programme beyond 2014/15 will need to be taken in light of the Council's overall financial position, NHB achieved, any additional Business Rates income available and progress against savings targets.

5. Background Documents

Approved MTFS December 2012

Appendices

Appendix A - Medium Term Financial Strategy Update September 2013

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Selby District Council

Medium Term Financial Strategy Update September 2013

1. Introduction and Background

- 1.1 This paper presents an update to the revised Medium Term Financial Strategy approved by Council in December 2012. It considers the budget pressures and issues facing the Council over the next 3 years and provides the framework for the forthcoming budget round.
- 1.2 The strategic context for the financial strategy remains unchanged although the pressure on Local Government finance is increasing and the strategy aims to forecast, in broad terms, the impact of the June 2013 Spending Review.
- 1.3 The Council's work on its corporate objectives (the 5 Big Things) is progressing and the 'Programme for Growth' is well underway. The financial strategy aims to deliver financial sustainability and resilience for the Council in delivering its objectives and secure the resources necessary to deliver the 'Programme for Growth', in spite of the additional funding cuts we are facing.
- 1.4 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 round.

2 Update on financial assumptions

Interest Rates

- 2.1 The bank base rate remains at 0.5% with a rise not forecasted until late 2016. The approved strategy assumes investment rates will rise to 2.5% by 2015/16.
- 2.2 Current returns are just below 1.25% and the 2013/14 budget assumes this level along with assumptions of 1.5% for 2014/15, and 1.75% for 2015/16. The MTFs has been updated to reflect this profile.
- 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 2 - 3 years.

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Inflation

- 2.4 The approved strategy took a cautious stance on inflation projections with 3% included for all years – no changes are proposed at this stage.

Government Grants

- 2.5 This element of funding has seen the most significant changes following the localisation of Business Rates and Council Tax Support.
- 2.6 The 2013/14 Local Government Finance Settlement included a provisional settlement for 2014/15 – the table below summarises the settlement for Selby:

Local Government Finance Settlement February 2013	Actual 2013/14 £000's	Provisional 2014/15 £000's
Revenue Support Grant (RSG)	3,229	2,479
Business Rates Baseline Funding (BRBF)	2,148	2,214
Start-Up Funding Assessment (SUFA)	5,377	4,693

- 2.7 The Chancellor's 'Budget 2013' included a further 1% cut to Local Government resources in 2014/15 (in addition to those previously planned) and the 'Spending Review 2013' announced a further headline 10% cut in 2015/16.
- 2.8 Excluding Business Rates growth above the Retail Price Index (the index used to inflate the Business Rates Multiplier), and taking into account further technical detail announced on 25th July 2013, the impact of these cuts on the Council's Start-Up Funding Assessment (SUFA) over the next 2 years, is estimated as follows:

	2013/14 £000's	2014/15 £000's	2015/16 £000's
RSG	3,229	2,426	1,791
BRBF	2,148	2,214	2,280
SUFA	5,377	4,640	4,071
% Change		-13.71%	-12.26%
Previous MTFP assumptions		4,693	4,434
Reduction in Income		53	363

- 2.9 The current approach to excess Business Rates retained above the Baseline Funding, is to set it aside 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.

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- 2.10 The 2013/14 Budget report highlighted this potential additional income but also stressed the risk within the new funding system and recommended that initially, any additional receipts be set aside in the new Business Rates Equalisation Reserve to off-set any losses before reaching the safety net.
- 2.11 Should the additional Business Rates receipts continue at the 2013/14 level, then there may be opportunity to divert these resources towards spending priorities such as a future 'Programme for Growth' or the base revenue budget. However such decisions would need to be taken in light of the overall funding risk at that time.
- 2.12 There may also be the opportunity to pool Business Rates with other authorities in North Yorkshire in order to retain additional receipts locally and it is proposed that further work be undertaken to establish the preferred way forward.

New Homes Bonus

- 2.13 The approved strategy assumes that Years 1 and 2 New Homes Bonus (NHB) is used to support the 'Programme for Growth' up to 2014/15 – i.e. £880k p.a. No decisions have yet been taken on future support for the programme beyond 2014/15 although the current budget assumes that £880k p.a. continues to be transferred to reserves.
- 2.14 The approved MTFs also assumes that receipts above £880k p.a. are used to support the revenue budget, effectively helping to back fill further grant cuts.
- 2.15 The Government's announcement in the 2013 Spending Review that from 2015/16 £400m will be top-sliced from the national NHB pot and be allocated to the LEPs means that there is likely to be a significant reduction in the NHB resources directly available to the Council.
- 2.16 Based upon the levels of NHB awarded to date, a 35% reduction in 2015/16 is anticipated. Our latest assumptions on NHB are therefore:

	2011/12 £000's	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
Year 1	445	445	445	445	445	445
Year 2		435	435	435	435	435
Year 3			303	303	303	303
Year 4*				357	357	357
Year 5*					364	364
Year 6*						364
Top-slice*					-667	-794
Total	445	880	1,183	1,483	1,237	1,474

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

* Estimate and top-slice subject to Government consultation

- 2.17 A reduction in NHB of up to £880k can be accommodated without impacting on the revenue budget but this would mean significantly less

Appendix A

resources for any future 'Programme for Growth', unless resources can be diverted from elsewhere. Using the above projections, the NHB resources are assumed to be allocated as follows:

Allocation of 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
Programme for Growth	445	880	880	880	213	86
GF Revenue Budget			303	603	1,024	1,388
Total NHB	445	880	1,183	1,483	1,237	1,474

- 2.18 It should be noted that the projections for NHB do not take into account any additional bonus awarded as a result of the Programme for Growth.

Special and Specific Grants

- 2.19 The Council is in receipt of a number of additional grants for 2013/14 which may continue into the future. Current allocations and the Provisional Local Government Finance Settlement include:

	2013/14 £000's	2014/15 £000's
Transitional Council Tax Support	15	0
Efficiency Support	13	0
Community Right to Bid	8	8
Community Right to Challenge	9	9
CTS New Burdens	44	67
New Homes Bonus Adjustment	18	0
Total Special and Specific Grants	107	84

- 2.20 These grants are not ring-fenced and have been assumed in the current MTFP although no awards are included beyond 2014/15.

Council Tax

- 2.21 The approved strategy assumes that Council Tax will increase in line with inflation. However, the Government's continuing policies on restricting Council Tax rises via the referendum rules and offering Council Tax Freeze Grant to those Councils that do not increase Council Tax, means that this assumption is no longer realistic over the medium term.
- 2.22 The latest MTFP assumes Council Tax rises of 1% to 2015/16:

	2013/14	2014/15	2015/16
Tax Base	27,824	28,102	28,383
Band D Charge	£158.88	£160.47	£162.07
Council Tax Income	£4,420,621	£4,509,480	£4,600,118

Appendix A

- 2.23 Should the Council take the offer of Council Tax Freeze Grant in 2014/15 and 2015/16, then the impact on Council Tax charges and income would be:

	2013/14	2014/15	2015/16
Tax Base	27,824	28,102	28,383
Band D Charge	£158.88	£158.88	£158.88
Council Tax Income	£4,420,621	£4,464,846	£4,509,491
Council Tax Freeze Grant		£44,648	£45,095
Total Income	£4,420,621	£4,509,494	£4,554,586
Difference from MTFP		0	£45.5k

- 2.24 The Council Tax Freeze Grants currently suggested for 2014/15 and 2015/16 are 'one-off' grants which means that in 2016/17 when the grant drops out, the income level would be around £91k lower than it would have been if the Council had applied a 1% increase in both 2014/15 and 2015/16. Over a 10 year period this would mean around £1m less income for the Council. The mid case scenario assumes that Council Tax is increased by 1% in 2014/15 and 2015/16 and by 2% in 2016/17.

General Balances

- 2.25 In accordance with the current strategy it is assumed that General Fund balances are **not** used to support the revenue budget from 2013/14 onwards.
- 2.26 General Balances remain funding of last resort. Currently there is a balance of £1.5m on this fund which is the approved minimum working balance.

Earmarked Reserves

- 2.27 An initial review of earmarked reserves suggests:
- Asset Management - £130k p.a. is transferred into this reserve to cover our commitments to maintaining our build assets. However, following the move to the new Civic Centre and the fire at Abbey Leisure Centre this amount needs to be reviewed.
 - ICT Replacement – £150k p.a. General Fund 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. Fixed contributions allow the smoothing of these irregular costs to avoid peaks and troughs in funding requirements.

Appendix A

- Special Projects Reserve - £880k of New Homes Bonus in 2012/13 – 2014/15 is earmarked to top up this reserve for the Council's 'Programme for Growth'. Contributions beyond 2014/15 are subject to sufficient NHB and/or Business Rates growth.

It must be stressed that the use of NHB resources to fund growth is wholly dependent upon achieving the revenue savings targets set.

- Spend to Save Reserve – the need for on-going savings and efficiencies to achieve the Council's objectives remains a key priority and therefore this reserve, which provides up front investment for improvements and efficiency initiatives, is a crucial part of the financial strategy. An annual contribution of £119k up to 2015/16 is included within the budget in line with previous Council Tax Freeze grant awarded. The reserve has also in the past, been sustained through in-year revenue savings in excess of set targets and through Council Tax Freeze Grant.
- Pension Equalisation – there may be the potential to release funds from this reserve subject to changes in pension rules and the next triennial valuation. Initial indications suggest that employers' pension contribution rates could rise by around 2% from 2014/15 – an increase of £100k p.a. based on the current pay bill.

Furthermore, changes to the National Insurance Contribution rates with effect from April 2017, for employers with their own pension schemes (currently NIC rates are discounted) will add a further £120k p.a. to our payroll costs.

The £200k p.a. that is currently set aside and the £600k balance expected on this reserve at the end of 2013/14 will be reviewed following the final results of the valuation due late in 2013.

- Business Rates Equalisation – this reserve was created in 2012/13 in anticipation of the new rules governing 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, until greater experience of the scheme is gained.

Notwithstanding any future decision on Business Rates pooling, the safety net threshold means losses of up to £161k would be borne by the Council – therefore the maximum requirement for say a 3 year period would be £483k.

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The fund has been established with £300k and therefore a top up £183k would provide enough resources to give a minimum 3 years' worth of cover.

The latest estimate for Business Rates income suggests additional receipts of circa £700k (after the payment of a levy to central Government) in 2013/14.

- Discretionary Rate Relief – this new reserve has been 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 'Programme for Growth'.
- PFI – the on-going adequacy of this reserve will be reviewed 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.
- 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. No changes are proposed.

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

3 Revenue Budget

Costs

- 3.1 It is assumed that on average costs will increase in line with inflation.
- 3.2 Whilst cuts in general grant continue, any demand led cost pressures must be contained within the net revenue budget.

Income

- 3.3 Income budgets continue to be under pressure although shortfalls are being managed within Access Selby's net cost envelope – being offset by cost savings where necessary. Opportunities for growing income generation remain a priority and proposals for the planning service are currently in development.

Savings

- 3.4 The latest versions of the savings action plans are set out at **Appendix C**. Access Selby has made good progress against its savings target

Appendix A

over the last year and has up to £512k headroom within its savings plan (i.e. savings identified in excess of target). This headroom is reliant on achieving the savings identified but provides the potential for crucial resources to sustain and develop the Council's service delivery arm for the ultimate benefit of the customers it serves.

3.5 The Core savings target has been achieved for 2013/14 but £304k is required for 2014/15 onwards – largely the result of localised Planning Fees not being implemented by central Government. The Executive considered charging for green waste collection to meet its target but have since decided to defer the proposals and further opportunities will be sought over the coming 2 years.

3.6 In summary the savings plans show:

Current Savings Summary	2013/14 £000's	2014/15 £000's	2015/16 £000's
Access Selby savings to be delivered	277	299	258
Core savings to be delivered	0	217	45
Total savings still to be delivered to meet targets per current plan	277	516	303

3.7 These savings are assumed within the current budget and are prior to any additional savings needed as a result of the further cuts to Government funding set out in paragraph 2.9.

4 Capital Programme

4.1 There is currently around £0.5m available in usable capital receipts over next 3 years after Disabled Facilities Grants and other capital project commitments. The approved programme is attached at **Appendix D**.

4.2 The fire at Abbey Leisure Centre and the resulting temporary gym arrangements mean that receipts from the sale of land at the former Civic Centre site will be delayed to 2015. These receipts have been earmarked for the 'Programme for Growth' should they be realised within the life of the programme.

4.3 As at 31 March 2013 there is £493k of capital receipts allocated to the 'Programme for Growth'. It is also proposed that balances related to Planning Delivery Grant and other small balances are transferred to the Programme for Growth to help mitigate the risk to the land sale receipts.

4.4 At this stage there are no plans to take out further prudential borrowing although this will be kept under review as the 'Programme for Growth' develops.

5 Programme for Growth

- 5.1 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 '**build a stronger Selby district**' by investing in jobs; housing and infrastructure; retail; and the leisure economy.
- 5.2 The programme is funded largely by New Homes Bonus (up to £880k p.a.) and unallocated capital receipts. The latest programme is set out in the table below:

	Capital £000	Revenue £000	2012/13 £000	2013/14 £000	2014/15 £000
Prog management	0	93	3	40	40
Housing	100	229	4	81	108
Infrastructure	0	105	0	105	0
Jobs	0	118	0	54	47
Retail	0	500	0	500	0
Leisure	2,004	0	0	4	2,000
Strategic sites	1,750	0	5	1,652	93
Total	3,854	1,045	12	2,436	2,288
Funding					
Balance B/Fwd			0	2,441	885
Reserve - revenue		3,716	1,960	880	880
Capital Receipts	1,266		493	0	769
Project spend			-12	-2,436	-2,288
Commitments C/Fwd					-163
Balance			2,441	885	83

- 5.3 It should be noted that the programme funds include estimated capital receipts of £1m in 2014/15 which may not be realised. To help mitigate this risk £231k has been allocated from the 2012/13 revenue budget surplus and it is proposed that surplus Planning Delivery Grant and other small capital balances are allocated to the programme, although this still leaves £541k capital funding at risk.
- 5.4 The risk to capital receipts has been identified as part of the programme's outline business brief and the potential for prudential borrowing has been recognised in the leisure project brief. There may also be further potential to mitigate the risk by allocating other funds to the Programme (e.g. excess Business Rates).
- 5.5 Based on the assumptions at paragraph 2.17 NHB contributions could be £213k and £86k in 2015/16 and 2016/17 respectively.
- 5.6 At this stage no decisions have been taken on the programme beyond 2015/16 but subject to priorities there may be opportunity to extend the programme through excess Business Rates receipts or bids for funding from the LEP.

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6 Revenue Budget Outlook 2014/15 to 2016/17

6.1 The forecasted resources available to support the revenue budget for 2014/15 to 2016/17, based on the mid case scenario, are shown in the table below:

General Fund Revenue Resources	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
SUFA	5,377	4,640	4,071	3,664
NHB	1,183	1,483	1,237	1,474
Special and Specific Grants	107	84	0	0
Council Tax	4,421	4,510	4,600	4,739
Council Tax Freeze Grant	49	45	0	0
Collection Fund Surplus	60	0	0	0
Total Resources	11,037	10,766	9,909	9,877
Core	4,859	4,571	4,123	4,095
Access Selby	6,049	6,045	6,030	6,211
Total Net Budget	10,908	10,735	10,272	10,306
Surplus/(Deficit)	129	31	(363)	(429)

6.2 Based on the mid-range scenario, the gap between projected expenditure and funding is forecast at £429k by 2016/17 (subject to assumptions), which is in addition to the current savings targets set out at paragraph 3.6. Therefore in total, on-going savings of £516k are to be delivered in 2014/15 followed by a further £150k in 2015/16 and then a further £66k in 2016/17 – giving a total of £732k by 2016/17.

Savings Summary	2014/15 £000's	2015/16 £000's	2016/17 £000's
Access Selby savings to be delivered	299	258	258
Core savings to be delivered	217	45	45
Additional Core Savings	0	363	429
Total savings still to be delivered	516	666	732

6.3 Due to the uncertainty of Government grant/Business Rates it is extremely difficult to predict the level of resources we can expect for 2014/15 and beyond. The strategy assumes that NHB is used to help backfill funding cuts but should the cuts be more severe, then additional savings may be needed. It is therefore proposed that further efficiencies are pursued in order to create additional financial capacity and resilience wherever possible.

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- 6.4 An announcement on funding levels for 2014/15 and 2015/16 is expected in December and any changes can be incorporated into the Executive's budget proposals before they are considered by full Council in February 2014.
- 6.5 Based on the indicative budget, within the current Medium Term Financial Plan (3 year budget) and amended for the updated assumptions in this paper, the net revenue budget is expected to total no more than £10.735m for 2014/15 and then drop to £9.909m for 2015/16 and £9.877m for 2016/17.

7 Conclusions

- 7.1 Forecasted revenue resources for 2014/15 are £10.766m. The target Net Revenue Budget for 2014/15 is £10.735m giving a forecasted surplus of £31k for the year.
- 7.2 Looking ahead to 2016/17 and the additional funding cuts expected in 2015/16 and potentially beyond, the deficit on the General Fund is estimated to be £429k, which when combined with savings already being sought, means a total savings target of £732k will be needed by 2016/17.
- 7.3 The additional savings have been allocated to the Core and proposals for savings will be brought forward as part of the 2014/15 to 2016/17 budget.

Revised Savings Targets	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's
Core	0	217	408	474
Access Selby	277	299	258	258
Total	277	516	666	732

- 7.4 Furthermore, there remains risk with the new business rates retention scheme, the continuing economic recession 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. Subject to assumptions, the funding gap over the next 10 years could be over £1m; therefore it would be prudent to continue to look for other efficiencies and savings wherever possible.
- 7.5 Top-slicing of the national NHB pot to provide funding for the LEPs from 2015/16 means that there will be significantly less resources to fund any future 'Programme for Growth' although based on the assumptions within this paper, funding to support the revenue budget can be protected. There is also the potential to lever LEP funding towards the Council's growth agenda.

- 7.6 And there remains the potential for additional Business Rates income the Business Rates growth and potentially pooling which could be used to extend the Programme for Growth or if income consistently achieves above the base line funding level, it could be used to support the revenue budget should this be necessary.

SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN (August 2013) Mid Case
Appendix A1

	Base 2013/14	← Medium Term Financial Plan →				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
		2014/15	2015/16	2016/17								
KEY ASSUMPTIONS												
Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates		1.50%	1.75%	2.00%	2.00%	2.50%	3.00%	3.50%	4.00%	4.00%	4.00%	4.00%
Tax Base Increase		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Government Grant (SUFA) Increase		-13.70%	-12.26%	-10.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase		1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
COUNCIL TAX												
Tax Base (Number of Band D Equivalents)	27.824	28.102	28.383	28.667	28.954	29.243	29.536	29.831	30.129	30.431	30.735	
Council Tax @ Band D (£)	158.88	160.47	162.07	165.31	168.62	171.99	175.43	178.94	182.52	186.17	189.89	
Council Tax Income (£000's)	4,421	4,510	4,600	4,739	4,882	5,030	5,182	5,338	5,499	5,665	5,836	
Precept (£000's)	4,421	4,510	4,600	4,739	4,882	5,030	5,182	5,338	5,499	5,665	5,836	
REVENUE FINANCING												
	£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	4,421	4,510	4,600	4,739	4,882	5,030	5,182	5,338	5,499	5,665	5,836	
SUFA	5,377	4,640	4,071	3,664	3,738	3,812	3,889	3,966	4,046	4,127	4,209	
Top-slice for Parish CTS	- 160	-	-	-	-	-	-	-	-	-	-	-
Transitional Council Tax Support	15	-	-	-	-	-	-	-	-	-	-	-
Council Tax Freeze Grant	49	49	-	-	-	-	-	-	-	-	-	-
New Homes Bonus	1,183	1,483	1,237	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474	
Special and Specific Grants	92	84	-	-	-	-	-	-	-	-	-	-
Collection Fund Surplus/Deficit (+/-)	60	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXTERNAL RESOURCES	11,037	10,766	9,909	9,877	10,094	10,316	10,544	10,778	11,019	11,266	11,520	

	Base	← Medium Term Financial Plan →									
	2013/14 £000's	2014/15 £000's	2015/16 £000's	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
REVENUE BUDGET											
Operational Budget - Core	3,715	3,437	3,805	3,796	3,909	4,027	4,283	4,272	4,400	4,532	4,821
Operational Budget - Access Selby	6,049	6,045	6,030	6,211	6,397	6,589	6,787	6,990	7,200	7,416	7,639
Investment Interest	- 200	- 250	- 280	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300
Contributions to Reserves:											
PFI Scheme (Updated - incl SDC's contributic	363	383	396	409	435	437	440	442	443	443	443
Building Repairs	130	130	130	130	130	130	130	130	130	130	130
Computer Development	150	150	150	150	150	150	150	150	150	150	150
District Election	30	30	30	34	34	34	34	38	38	38	38
Pension Equalisation	200	200	200	200	200	200	200	200	200	200	200
Spend to Save (C.Tax Freeze Grant)	119	119	119								
Special Projects/P4G (New Homes Bonus)	880	880	213	86	86	86	86	86	86	86	86
Balances	129	-									
Contributions from Reserves:											
Spend to Save	- 150						- 18				
PFI	- 378	- 389	- 401	- 409	- 422	- 434	- 447	- 459	- 472	- 484	- 497
District Election			- 120				- 136				- 153
Forecast Net Revenue Budget	11,037	10,735	10,272	10,306	10,620	10,919	11,209	11,549	11,875	12,211	12,557
Difference between resources and forecast budget (a - b)	- 0	31	- 363	- 429	- 526	- 603	- 665	- 771	- 856	- 945	- 1,037

SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN (August 2013) Best Case

	Base 2013/14	← Medium Term Financial Plan → 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
KEY ASSUMPTIONS											
Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates		1.50%	1.75%	2.00%	2.00%	2.50%	3.00%	3.50%	4.00%	4.00%	4.00%
Tax Base Increase		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Government Grant (SUFA) Increase		-13.70%	-10.00%	-8.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase		2.00%	2.00%	2.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
COUNCIL TAX											
Tax Base (Number of Band D Equivalents)	27.824	28.102	28.383	28.667	28.954	29.243	29.536	29.831	30.129	30.431	30.735
Council Tax @ Band D (£)	158.88	162.06	165.30	168.60	173.66	178.87	184.24	189.77	195.46	201.32	207.36
Council Tax Income (£000's)	4,421	4,554	4,692	4,833	5,028	5,231	5,442	5,661	5,889	6,126	6,373
Precept (£000's)	4,421	4,554	4,692	4,833	5,028	5,231	5,442	5,661	5,889	6,126	6,373
REVENUE FINANCING											
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Council Tax	4,421	4,554	4,692	4,833	5,028	5,231	5,442	5,661	5,889	6,126	6,373
SUFA	5,377	4,640	4,176	3,842	3,919	3,997	4,077	4,159	4,242	4,327	4,413
Top-slice for Parish CTS	- 160	-	-	-	-	-	-	-	-	-	-
Transitional Council Tax Support	15	-	-	-	-	-	-	-	-	-	-
Council Tax Freeze Grant	49	49	-	-	-	-	-	-	-	-	-
New Homes Bonus	1,183	1,483	1,237	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474
Special and Specific Grants	92	84	-	-	-	-	-	-	-	-	-
Collection Fund Surplus/Deficit (+/-)	60	30	30	30	30	30	30	30	30	30	30
TOTAL EXTERNAL RESOURCES	11,037	10,841	10,135	10,180	10,451	10,732	11,023	11,324	11,635	11,957	12,291

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 - Core (excl invest intere	3,715	3,437	3,805	3,796	3,909	4,027	4,283	4,272	4,400	4,532	4,821
Operational Budget - Access Selby	6,049	6,045	6,030	6,211	6,397	6,589	6,787	6,990	7,200	7,416	7,639
Investment Interest	- 200	- 250	- 280	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300
Contributions to Reserves:											
PFI Scheme (Updated - ncl SDC's contribut	363	383	396	409	435	437	440	442	443	443	443
Building Repairs	130	130	130	130	130	130	130	130	130	130	130
Computer Development	150	150	150	150	150	150	150	150	150	150	150
District Election	30	30	30	34	34	34	34	38	38	38	38
Pension Equalisation	200	200	200	200	200	200	200	200	200	200	200
Spend to Save (C.Tax Freeze Grant)	119	119	119								
Special Projects/P4G (New Homes Bonus)	880	880	213	86	86	86	86	86	86	86	86
Balances	129	-									
Contributions from Reserves:											
Spend to Save	- 150						- 18				
PFI	- 378	- 389	- 401	- 409	- 422	- 434	- 447	- 459	- 472	- 484	- 497
District Election			- 120				- 136				- 153
Forecast Net Revenue Budget	11,037	10,735	10,272	10,306	10,620	10,919	11,209	11,549	11,875	12,211	12,557
Difference between resources and forecast budget (a - b)	- 0	106	- 137	- 127	- 168	- 187	- 186	- 225	- 240	- 254	- 266

SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN (August 2013) Worst Case

	Base 2013/14	← Medium Term Financial Plan → 2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
KEY ASSUMPTIONS											
Inflation		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Rates		1.50%	1.75%	2.00%	2.00%	2.50%	3.00%	3.50%	4.00%	4.00%	4.00%
Tax Base Increase		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Government Grant (SUFA) Increase		-13.70%	-14.00%	-12.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase		0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
COUNCIL TAX											
Tax Base (Number of Band D Equivalents)	27.824	28.102	28.383	28.667	28.954	29.243	29.536	29.831	30.129	30.431	30.735
Council Tax @ Band D (£)	158.88	158.88	158.88	162.06	165.30	168.60	171.98	175.42	178.92	182.50	186.15
Council Tax Income (£000's)	4,421	4,465	4,510	4,646	4,786	4,931	5,080	5,233	5,391	5,554	5,721
Precept (£000's)	4,421	4,465	4,510	4,646	4,786	4,931	5,080	5,233	5,391	5,554	5,721
REVENUE FINANCING											
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Council Tax	4,421	4,465	4,510	4,646	4,786	4,931	5,080	5,233	5,391	5,554	5,721
SUFA	5,377	4,640	3,991	3,512	3,582	3,654	3,727	3,801	3,877	3,955	4,034
Top-slice for Parish CTS	- 160	-	-	-	-	-	-	-	-	-	-
Transitional Council Tax Support	15	-	-	-	-	-	-	-	-	-	-
Council Tax Freeze Grant	49	94	45	-	-	-	-	-	-	-	-
New Homes Bonus	1,183	1,483	1,237	1,474	1,474	1,474	1,474	1,474	1,474	1,474	1,474
Special and Specific Grants	92	84	-	-	-	-	-	-	-	-	-
Collection Fund Surplus/Deficit (+/-)	60	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30	- 30
TOTAL EXTERNAL RESOURCES	11,037	10,736	9,752	9,602	9,812	10,028	10,250	10,478	10,712	10,953	11,199

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 - Core	3,715	3,437	3,805	3,796	3,909	4,027	4,283	4,272	4,400	4,532	4,821
Operational Budget - Access Selby	6,049	6,045	6,030	6,211	6,397	6,589	6,787	6,990	7,200	7,416	7,639
Investment Interest	- 200	- 250	- 280	- 300	- 300	- 300	- 300	- 300	- 300	- 300	- 300
Contributions to Reserves:											
PFI Scheme (Updated - ncl SDC's contribu	363	383	396	409	435	437	440	442	443	443	443
Building Repairs	130	130	130	130	130	130	130	130	130	130	130
Computer Development	150	150	150	150	150	150	150	150	150	150	150
District Election	30	30	30	34	34	34	34	38	38	38	38
Pension Equalisation	200	200	200	200	200	200	200	200	200	200	200
Spend to Save (C.Tax Freeze Grant)	119	119	119								
Special Projects/P4G (New Homes Bonus)	880	880	213	86	86	86	86	86	86	86	86
Balances	129	-									
Contributions from Reserves:											
Spend to Save	- 150						- 18				
PFI	- 378	- 389	- 401	- 409	- 422	- 434	- 447	- 459	- 472	- 484	- 497
District Election			- 120				- 136				- 153
Forecast Net Revenue Budget	11,037	10,735	10,272	10,306	10,620	10,919	11,209	11,549	11,875	12,211	12,557
Difference between resources and forecast budget (a - b)	- 0	1	- 520	- 705	- 808	- 891	- 959	- 1,071	- 1,163	- 1,258	- 1,357

											Appendix B
Reserves											
Description	Actual Balance 31 March 13	Use	Contribs	Estimated Balance 31 March 14	Use	Contribs	Estimated Balance 31 March 15	Use	Contribs	Estimated Balance 31 March 16	
	£	£	£	£	£	£	£	£	£	£	
Revenue Reserves											
General Fund											
PFI Scheme	2,422,360	- 378,060	363,480	2,407,780	- 389,400	382,730	2,401,110	- 401,080	396,030	2,396,060	
Building Repairs & Projects*	562,244	- 20,500	130,000	671,744	- 93,000	130,000	708,744		130,000	838,744	
ICT	679,934	- 642,690	200,000	237,244	- 230,000	200,000	207,244	- 100,000	200,000	307,244	
Access Selby	438,310			438,310			438,310			438,310	
Contingency	553,135			553,135			553,135			553,135	
Election	66,954		30,000	96,954		30,000	126,954	- 150,000	30,000	6,954	
Industrial Units	58,119	- 25,000		33,119			33,119			33,119	
Open Space Maintenance	11,158			11,158			11,158			11,158	
Pensions Equalisation Reserve**	400,000		200,000	600,000		200,000	800,000		200,000	1,000,000	
Planning Inquiries	100,000			100,000			100,000			100,000	
Sherburn Amenity Land	9,992			9,992			9,992			9,992	
Special Projects (Programme for Growth)	1,944,000	- 1,943,240	884,242	885,002	- 1,519,453	880,000	245,549	- 162,922		82,627	
Special Projects (Non_PFG commitments)	571,702	- 254,242		317,460			317,460			317,460	
Spend To Save	312,090	- 318,810	119,070	112,350		119,070	231,420		119,070	350,490	
Tadcaster Central Area	466,090	- 250,690		215,400			215,400			215,400	
Wheeled Bins	18,000			18,000			18,000			18,000	
NDR Equalisation	300,000			300,000			300,000			300,000	
Discretionary Rate Relief Fund	300,000			300,000			300,000			300,000	
NYCC Collaboration	250,000			250,000			250,000			250,000	
General Fund	1,544,817		129,055	1,673,872		31,000	1,704,872		-	1,704,872	
Sub Total	11,008,905	- 3,833,232	2,055,847	9,231,520	- 2,231,853	1,972,800	8,972,467	- 814,002	1,075,100	9,233,565	
Capital Reserves											
Capital Receipts***	3,343,534	- 249,720	102,500	3,196,314	- 3,210,000	561,079	547,393	- 205,000	257,500	599,893	
Capital Receipts (Programme for Growth)	493,000	- 493,000	227,636	227,636	- 769,057	541,421	-			-	
Planning Delivery Grant (Capital)	192,750	- 192,750		-			-			-	
LPSA Grant - Balance from 07/08	32,499	- 32,499		-			-			-	
Community Safety Grant - Balance from 08/09	2,387	- 2,387		-			-			-	
	4,064,170	- 970,356	330,136	3,423,950	- 3,979,057	1,102,500	547,393	- 205,000	257,500	599,893	
* Potential for up to £500k to be allocated to Abbey Leisure Centre rebuild - subject to scheme costs											
** Payment to Pension Fund and reserve contributions to be reconsidered following triennial valuation due 2013/14											
*** Includes £3m insurance settlement re Abbey Leisure Centre											

Core & Communities Selby
GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION PLAN
2013/14 - 2015/16
Updated July 2013

Key:

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

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Inflation factor		0.020	0.020	0.020	
Procurement Workstream					
Election software	Green	4,700	4,700	4,700	Completed
Audit Partnership	Green	15,000	15,000	15,000	Completed
		19,700	19,700	19,700	
WTT - Transformation (Core)	Green	50,000	50,000	50,000	Completed
Core Structure	Green	-	82,000	82,000	
Total Transformation		50,000	132,000	132,000	
Asset Management Workstream					
Total Asset Management		-	-	-	
Value for Money Workstream					
Internal Drainage Boards	Green	146,000	146,000	146,000	Completed
Community Safety	Green	15,000	15,000	15,000	Completed
Ward boundary review	Amber	-	-	30,000	To be implemented following next election May 2015 - amount subject to review of allowances
Total Value for Money		161,000	161,000	191,000	
Base Budget Review Workstream					

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
External Audit Fee		31,840	31,840	31,840	Completed
Early Retirements - Strain on Pension Fund	Green	75,000	75,000	75,000	Completed
Corporate and Democratic Core	Green	7,000	7,000	7,000	Completed
Pay Award from 2.5% est to 1% revised	Green	22,230	33,150	48,118	Completed
Car Allowances	Green	2,850	2,850	2,850	Completed
Total Base Budget Review		138,920	149,840	164,808	
Discretionary Service Review Workstream					
External Grants	Green	12,000	12,000	12,000	Completed
Total Discretionary Service Review		12,000	12,000	12,000	
Inflation adjustment		15,417	29,046	42,824	
Total General Fund Savings		397,037	503,586	562,332	
Target		397,037	720,147	574,650	
Headroom/Deficit (+/-)		0	- 216,561	- 12,318	
Green Savings		363,911	469,797	495,395	
Amber Savings		-	-	32,473	
Red Savings**		-	-	-	
To be identified		33,126	250,350	46,782	
Total		397,037	720,147	574,650	

ACCESS SELBY
GENERAL FUND BASE BUDGET
SAVINGS/EFFICIENCIES ACTION PLAN 2013/14 -
2015/16 (V2)
Updated 2nd July 2013.

Key:

Green
Amber
Red

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

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Inflation factor		0.020	0.020	0.020	
Procurement Workstream					
Collaborative corporate contracts through shared procurement service Note: The balance of this target will reduce as individual procurement projects are identified	Red	36,610	61,560	61,560	Delivery of the remaining saving by year end is a risk and the target has therefore been reduced. The target has been impacted by the delay in the delivery of the CCTV Project and the reduction in saving from the green waste project.
Total Procurement		36,610	61,560	61,560	Completed
Transformation					
Spend to save initiatives	Red	0	25,000	25,000	Saving to be reviewed.
CRM Replacement - Capital investment required to achieve revenue savings	Amber	12,620	52,262	52,262	Approval has been given for the CRM replacement project. Realisation of savings is highly dependant on staff efficiencies being achieved
Mobile Working - Capital investment required to achieve revenue savings	Amber	0	134,500	145,500	Approval has been given for the Mobile Working Project. Realisation of savings is highly dependant on staff efficiencies being achieved
Service delivery options	Red	25,000	50,000	50,000	Saving to be reviewed.
Total Transformation		37,620	261,762	272,762	

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Asset Management Workstream					
Running costs of new Civic Centre	Amber	40,000	40,000	40,000	A NNDR appeal date has been set at 17 July 2013. We have now agreed with the PCT the formula for calculating the split of utilities bills resulting in a lower annual bills.
Barlby Depot	Amber	8,380	8,380	8,380	Options for the future of the depot are currently being explored
Total Asset Management		48,380	48,380	48,380	
Value for Money Workstream					
Telecommunications Mast	Red	-	13,000	13,000	There is a proposal to take over the ownership of the mast from the Police with a view to manage in the interim prior to the relocation. There is no set timescale for this. This will generate an income however the figures have not been agreed. There will be no savings achieved during 2013/14.
Negotiation for share of out performance on Council Tax collection	Red	25,000	25,000	25,000	Currently underachieving on the collection of Council Tax. A review of this data is required to establish impact.
Car Park Income	Green	97,500	97,500	97,500	Future estimates have been reflected in the 13/14 budget process.
Total Value for Money		122,500	135,500	135,500	
Base Budget Review Workstream					
Car Allowances	Amber	41,150	41,150	41,150	2013/14 savings will need to be reviewed regularly, on-going changes to service delivery could have a positive knock on effect on mileage claims.
Housing Benefit Overpayments Recovery	Green	125,000	125,000	125,000	Due to the nature of the Debt, on-going review required.
Total Base Budget Review		166,150	166,150	166,150	

Proposed Savings	Status	2013/14 £	2014/15 £	2015/16 £	Progress
Discretionary Service Review Workstream					
New charge for planning advice	Green	30,000	30,000	30,000	Now charging for planning advice, further proposals for additional income generation within Planning are being considered
Maximise current income streams	Amber	50,000	100,000	100,000	Progress against pilot projects in marketing strategy is being made including Civic Centre Room Hire. A process is to be developed with the assistance of the Finance Team to establish where (if any) progress has been made to influence and establish whether this saving is achievable. Going forward, the Programme for Growth will significantly contribute to achieving the target
Redeploy resources to pursue grant funding opportunities	Red	50,000	50,000	50,000	Lead officers considering grant opportunities as part of their budget monitoring.
Policy changes to introduce new income streams	Red	-	-	100,000	Parking Charges can't be considered at Tadcaster until the legal challenge has been heard and we have carried out the improvements, which will be late 2014/15 at the earliest.
Total Discretionary Service Review		130,000	180,000	280,000	
Inflation adjustment		21,867	52,232	79,494	
General Fund Savings in Progress		563,127	905,584	1,043,846	
Completed (GREEN) General Fund Savings		2,633,546	2,773,310	2,925,459	(Maintained on a separate sheet)
Total General Fund Savings		3,196,673	3,678,894	3,969,305	
Target		3,173,668	3,340,335	3,457,103	
Headroom/Deficit (+/-)	**	23,005	338,559	512,202	
Green Savings		2,896,247	3,041,265	3,198,773	
Amber Savings		158,297	399,324	419,217	
Red Savings**		142,129	238,305	351,314	
Total		3,196,673	3,678,894	3,969,305	
Note: Value of savings to be delivered to meet target		277,421	299,070	258,330	

2013/14 – 2016/17 GENERAL FUND CAPITAL PROGRAMME

PROJECTS	Current Programme 2013/14	Estimated Programme 2014/15	Estimated Programme 2015/16	Total	Financing
	£	£	£	£	
Asset Management Plan Leisure Centres & Park	20,500	93,000		113,500	Building Repairs Reserve
ALC All Weather Pitch	250,000			250,000	Special Projects Reserve
Tadcaster Central Area	250,690			250,690	Tadcaster Central Area Project Reserve
Road Adoption - Industrial Units Sherburn	25,000			25,000	Industrial Units Reserve
Mast Relocation	145,210			145,210	Spend to Save Reserve
CCTV	23,600			23,600	Spend to Save Reserve
Grants					
Conservation / Heritage Grants					
Disabled Facilities Grants	350,000	350,000	350,000	1,050,000	Capital Receipts/Grant
Repair Assistance Loans	35,800			5,800	Capital Receipts
Energy & Efficiency Grants	13,640			13,640	Capital Receipts
ICT Hardware & Systems Within ICT Strategy					
Implementation & Infrastructure Costs	546,690	75,000	75,000	696,690	ICT Reserve
Desktop Replacement Programme	15,000	25,000	25,000	65,000	ICT Reserve
Mobile Working Solution	81,000	130,000		211,000	ICT Reserve
TOTAL	1,757,130	673,000	450,000	2,880,130	

SUMMARY OF FUNDING

Capital Receipts	249,720	200,280	200,280	650,280
Grants & Contributions	149,720	149,720	149,720	449,160
Reserves	1,357,690	323,000	100,000	1,780,690 *
Borrowing	0	0	0	0
TOTAL	1,757,130	673,000	450,000	2,880,130

* 113,500 Building Repairs
 250,690 Tadcaster Central Area
 250,000 Special Projects
 168,810 Spend to Save
 972,690 ICT
 25,000 Industrial Units
1,780,690