



Meeting: **POLICY REVIEW COMMITTEE**
Date: **TUESDAY 20 JANUARY 2015**
Time: **5.00PM**
Venue: **COMMITTEE ROOM**
To: **Councillors M Jordan (Chair), Mrs K McSherry (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. Minutes

To confirm as a correct record the minutes of the meeting of the Policy Review Committee held on 16 December 2014 (pages 1 to 4 attached).

4. Chair's Address to the Policy Review Committee

5. PR/14/6 – Welfare Reform – Six Month Update

To receive the report from the Lead Officer, Benefits and Taxation (pages 5 to 9 attached).

6. PR/14/7 - Draft Revenue Budget and Capital Programme 2015/16 and Medium Term Financial Plan

To consider the report from the Executive Director (S151) (pages 10 to 61 attached).

Jonathan Lund
Deputy Chief Executive

Next meetings
17 March 2015 (provisional)
14 April 2015

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

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Policy Review Committee

Venue: Committee Room

Date: 16 December 2014

Present: Councillors M Jordan (Chair), Mrs K McSherry (Vice Chair), Mrs M Davis, K Ellis, Mrs E Metcalfe, R Packham and Mrs A Spetch.

Apologies for Absence: Councillor R Musgrave.

Officers Present: Karen Iveson, Executive Director (s151), Gillian Marshall, Solicitor to the Council and Palbinder Mann, Democratic Services Officer

14. DISCLOSURES OF INTEREST

There were no declarations of interest.

15. MINUTES

It was clarified that the resolution for item 12 should be amended to read as follows:

RESOLVED:

To endorse the draft Housing Revenue Account Business Plan.

RESOLVED:

To receive and approve the minutes of the Policy Review Committee held on 16 September 2014 with the above amendment and they be signed by the Chair.

16. CHAIR'S ADDRESS

The Chair welcomed Councillors and Officers to the meeting and wished them a Merry Christmas and a Happy New Year.

17. PR/14/5 – SECTION 106 AGREEMENTS

The Solicitor to the Council presented the report which outlined the legal powers, local policies and procedures for seeking contributions under a section 106 (s106) agreement, applicable to Selby District Council, as the local planning authority.

The Solicitor to the Council explained that since 2008, the criteria for which s106 money could be used had been tightened up. A further policy change had been the introduction of three legal tests in the Community Infrastructure Levy Regulations 2010 (CIL) with which a planning obligation must comply.

It was explained that the Council had also approved the Affordable Housing Supplementary Planning Document (AHSPD) which set out the Council's approach to affordable housing. It was noted however that there had been a recent change in guidance from the Government which instructed Councils not to request s106 contributions for small developments of 10 dwellings or less. Additionally the Solicitor to the Council informed the Committee of the Developer Contributions Supplementary Planning Document (DCSPD) and explained that this would be reviewed as part of the review of development management policies in Plan Selby. The Committee were also informed of the procedures for planning applications which including the pre application and formal application stages.

The Solicitor to the Council informed the Committee of the recent temporary appointment to an s106 and CIL Monitoring Officer post. It was explained that this officer would be reviewing existing s106 agreements to ensure that information on balances and the purposes for which the money may be spent was up to date. The Committee were supportive of this appointment and felt this would lead to better communication with Parish Councils. The Committee felt it would be beneficial to have an update from the appointed officer at a future meeting.

Councillors discussed the position on Affordable Housing policy whereby the Council sought an overall 60%/40% split between market and affordable housing development subject to viability as set out in Core Strategy Local Plan policy SP9. It was explained that the recent government announcement did not alter the core strategy as that could only be done through a review process including another Examination In Public. It was noted that this target was an aspiration and that each case was subject to detailed negotiation and assessment. Concerns were expressed that the headline figure may have the effect of discouraging development although it was recognised that major developers were very familiar with the viability appraisal process and many major developments had been assessed as requiring a lower than 40% contribution. It was noted that better communication and a review of how the Council assesses viability could ensure that developers were aware of the actual process used and not simply the headline figure.

The Committee felt that there should be more effective communication with Members during the pre-application stage of planning applications as it was felt developers were willing to engage with local Members. It was also felt local Members could offer a better insight into their areas.

In response to a query concerning the 13 week deadline for planning applications and the impact for Ward Councillor involvement, the Solicitor to the Council explained that some developers were happy to extend the deadline however others were not therefore this depended on the specific application and developer involved.

The Committee also discussed the proposed adoption of the CIL and the impact on s106 agreements. It was felt that the most recent proposals adversely impacted on Selby Town despite the fact that the majority of development was to be located there. It was noted that the CIL had not yet been adopted and that the Committee's comments could feed into the decision making process.

RESOLVED:

- i) To ask officers to ensure that the Committee's view that it was inappropriate for any area to receive no CIL money be fed into the decision making process.**
- ii) To recommend that officers seek greater communication with local Members during the planning application process.**
- iii) That the Policy Review Committee recommend (as part of the Plan Selby initial consultation) that a comprehensive review of the DCSPD be undertaken including consideration of collecting sums relating to public realm and community facilities where these were appropriate to the local areas either instead of, or in addition to, the recreational open space contributions.**
- iv) To ensure that the communication and messages relayed concerning affordable housing is tailored towards ensuring that people are aware that the 40% figure is a target which is subject to negotiation on each case.**
- v) That the s106 and CIL Monitoring Officer attend a future Policy Review Committee to provide an update on their work in the role.**

18. WORK PROGRAMME 2014/15

The Committee considered the current work programme.

It was agreed that the update from the s106 and CIL Monitoring Officer should be added to the agenda for the meeting in April.

RESOLVED:

To note the current work programme with the above amendment.

The meeting closed at 6.04pm.

Public Session

Report Reference Number PR/14/6

Agenda Item No: 5

To: Policy Review Committee
Date: 20 January 2015
Author: Ralph Gill
Lead Officer: Ralph Gill – Benefits & Taxation

Title: Welfare Reform – Six Month Update

Summary: To provide a 6 month review detailing the effect of the Welfare Reform changes in Selby district.

Recommendations:

- i. That councillors note the report
- ii. If any significant changes are identified a further report to be brought to Councillors

Reason for recommendation

Officers brought an update on welfare reform issues to the Council meeting on 10th December 2013. Councillors requested that a further six month update be provided to the June 2014 to be kept informed of the impacts of welfare reform.

1. Introduction and background

- 1.1 Welfare Reform introduced significant changes to Housing Benefit from April 2013
- 1.2 Size Criteria in the form of a Spare Room Deduction was introduced for Social Rented Sector tenants to mirror the measures already in place within the Private Rented Sector
- 1.3 An overall Benefit Cap was introduced to limit the amount of state benefits a non-working family can receive

2. The Report

2.1 Housing Benefit Size Criteria/Spare Room Deduction

2.1.1 This change applies the Local Housing Allowance size criteria already used in the Private Rented Sector Private to working-age people living in social housing

2.1.2 The legislation states that one bedroom is permitted for:

- Every adult couple (married or unmarried)
- Any other adult aged 16 or over
- Any two children of the same sex aged under 16
- Any two children aged under 10
- Any other child (other than a foster child or child whose main home is elsewhere)
- A carer (or team of carers) who do not live with at the property but provide a member of the household with overnight care

2.1.3 Any tenant assessed as under-occupying receives a percentage reduction to their Housing Benefit entitlement based on the number of unoccupied bedrooms:

14% if someone is considered to have one extra bedroom.

25% if someone is considered to have two or more extra bedrooms.

2.1.4 The number of people affected by the Spare Room Deduction continues to fall:

Tenure	Bed size	% reduction in benefit	April 13	Nov 13	June 14	Nov 14	Reduction in householders affected.
Council	1 extra bed	14	314	291	249	220	30%
	2 extra bed	25	69	57	59	51	26%
HA	1 extra bed	14	172	172	145	143	15%
	2 extra bed	25	16	16	11	12	31%

The reason for these reductions is likely to be connected to households moving house or to a change of circumstances within the household

2.1.5 Since the HomeChoice Review and the alignment of the lettings policy with the Housing Benefit size criteria properties larger than 2 bed flats have become more difficult to let; although single older people who are currently unaffected by the deduction are choosing 2 bed properties to either allow for friends or family staying

2.1.5 Community Officers continue to support tenants in arrears to ensure they are receiving all the support and guidance that is currently available to them. Where necessary Community Officers visit tenants to help them with their welfare reform queries

2.1.6 Community Officers are also visiting all housing applicants who have indicated a wish to downsize to confirm their requirements

2.2 Discretionary Housing Payments (DHPs)

2.2.1 DHPs are available to people who find themselves in financial hardship due to the welfare reform changes. Additional funding continues to be available in 2014/15 to support the extra demand that has resulted from these changes, although this was reduced by £860 for the year as a whole from 13/14 levels

2.2.2 DHPs should not be regarded as a long term solution and should only be used to support individuals while they look to move house or stabilise their financial position

2.2.3 We continue to promote DHP to those in most need of support. For this financial year we have a total budget of £88,562. Of this we have currently paid £50,515 and have committed a further £12,294

2.3 Benefit Cap

2.3.1 The 'Benefit Cap' introduced a maximum limit on the total amount of benefit that people can receive. The Cap limits benefit to:

- A maximum of £500 a week
 - If the household is made up of a couple (with or without children), or
 - If the recipient is a lone parent and has children living with them who are included in their Housing Benefit entitlement.
- A maximum of £350 a week If the recipient is a single person and
 - has no children; or
 - has children but they don't live with the recipient and are not included in their Housing Benefit calculation.

2.3.2 9 households living in Selby district are currently affected by the Benefit Cap. These can be broken down into the following tenures:

Tenure Type	Households	Reduction	Weekly
Council	2	Highest	£84.17
		Lowest	£62.00
		Average	£73.09
Housing Association	3	Highest	£80.56
		Lowest	£0.50
		Average	£31.08
Private	4	Highest	£146.47
		Lowest	£0.50
		Average	£99.29

2.3.3 There is no evidence of any negative impact from the Benefit Cap.

3. Universal Credit

3.1 On 29th September the Minister for Work and Pensions announced an accelerated timescale for the national roll out of Universal Credit (UC).

3.2 On 17th November the first tranche of Local Authorities going live in February 15 was announced. The affected LAs in our region are:

- Craven
- Hambleton
- Ryedale
- York

3.3 The LAs involved in tranche 2 were announced on 16th December and SDC was not in this number, though City of York and Ryedale were.

3.4 This means that UC is not expected to be rolled out in our area until Autumn 15 at the earliest as indications are that LAs in Tranche 3 will go live between September and December 15; with Tranche 4 being January to May 16

3.4 The national roll-out is on the same basis as the trial currently being undertaken in Harrogate, so only those not currently receiving any of the legacy benefits will be affected; accordingly the numbers affected by UC will be very low

3.5 Under UC all claimants will have their Housing Costs paid directly to themselves, including Council and Trust tenants unless they fall under the “can’t pay; won’t pay” provisions

3.6 Prior to the direct introduction of UC in the Selby area, if anyone already receiving UC moves into the area, they would continue to receive UC even though it is yet to be introduced here; this becomes a particular risk with people moving from York, though the likelihood of this is very low

4. Legal/Financial Controls and other Policy matters

4.1 Legal Issues

- 4.1.1 The provision of financial support to individuals falls within the councils legal responsibilities and will be subject to relevant terms and conditions.

4.2 Financial Issues

- 4.2.1 We continue to monitor the effect on welfare reform changes on the relevant income and expenditure budgets
- 4.2.2 All support incentives are delivered in line with current budget provision
- 4.2.3 Experience from the Direct Payment Pilots suggests that increased rent arrears could be expected amongst UC claimants although the total number of UC claimants within the Selby District Council area is expected to remain low for some time

5. Conclusions

- 5.1 The current welfare reform changes are now well embedded and support measures are in place
- 5.2 The Council continues to monitor the effect of the Spare Room Deduction to identify trends, to ensure the effective use of existing resource and to identify areas where further additional support may be required
- 5.3 There is no evidence of any negative impact in the district from the Benefit Cap

6. Background Documents

There are no background documents associated with this report.

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To: Policy Review Committee
Date: 20 January 2015
Author: Karen Iveson, Executive Director (s151)
Lead Officer: Karen Iveson, Executive Director (s151)

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

Summary: This report allows Policy Review Committee the opportunity to comment on Executive Report E/14/48 on the Draft Revenue Budget and Capital Programme 2015/16 and the Medium Term Financial Plan.

Recommendation:

To offer comments on the Draft Budget, Capital Programme and Medium Term Financial Plan.

Reasons for recommendation

- i. To enable the views of Policy Review to be considered by the Executive when they finalise the budget for submission to full Council.
- ii. 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 4 December 2014, the Executive discussed E/14/48 and approved the draft budget for public consultation and submission to Policy Review Committee for comment. The report sets out the draft budget for the General Fund and Housing Revenue Account for 2015/16 and following two financial years, along with proposals for capital investment and the Programme for Growth. The report proposed an increase in Council Tax of 2% for 2015/16 subject to the referendum rules.

2. The Report

- 2.1** The report asks the Policy Review Committee to review the Executive report and provide comments before the Executive finalise their budget proposals for submission to full Council on 24 February 2015.
- 2.2** To aid Policy Review Committee, the Executive report and minutes are attached as appendices 1 and 2 respectively. It should be noted that the report has been updated to correct some minor typographical errors.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

As shown in the Executive report E/14/48 attached at Appendix 1.

3.2 Financial Issues

As shown in the Executive report E/14/48 attached at Appendix 1.

4. Conclusion

Following comments from Policy Review Committee and public consultation responses, the Executive will consider their final budget proposals on 5 February 2015 and submit these to full Council for approval on 24 February 2015.

5. Background Documents

None

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Appendices:

Appendix 1 – Executive Report E/14/48 (including supporting appendices)

Appendix 2 – Minutes of Executive 4 December 2014

Selby District Council

REPORT

Reference: E/14/48

Public – Item 6



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

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

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

Recommendations:

It is recommended that:

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

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

1. Introduction and background

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

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

2. The Report

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

General Fund Revenue Budget

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

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

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

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

Council Tax

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

Savings

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

Housing Revenue Account

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

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

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

General Fund Capital Programme

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

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

- 2.19 Projects include Selby and District Housing Trust developments, Disabled Facilities Grants and ICT projects. The latter cover a range of replacement and new systems, hardware and infrastructure (including a Mobile Working solution) – funding for ICT replacement projects is covered by the ICT Replacement Reserve.

Housing Investment Programme

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

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

Programme for Growth

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

pending receipt of project briefs. Details of the proposed future programme are set out at **Appendix B(iii)**, a summary of the programme shows:

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

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

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

Reserves

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

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

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

Budget Risk Assessment

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

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

- 3.1.1 None as a result of this report.

3.2 Financial Issues

- 3.2.1 As set out in the report.

4. Conclusions

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

Contact Details:

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kiveson@selby.gov.uk

Appendices:

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

GENERAL FUND SUMMARY 2015/16 - 2017/18

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

*Subject to Local Government Finance Settlement

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

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

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

Access Selby (General Fund)

Objective Summary

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

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

Appendix A

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

HOUSING REVENUE ACCOUNT SUMMARY 2015/16 to 2017/18

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

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

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

2014/15 – 2017/18 GENERAL FUND CAPITAL PROGRAMME

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

Appendix B (ii)

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

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

SUMMARY OF FUNDING

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

Programme for Growth

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

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

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

Key:

Core Savings Plan

Green: Savings likely to be achieved/low risk

Amber: Tentative savings - further work required/medium risk

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

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

Access Selby - General Fund Savings

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

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

Key:

HRA Savings Plan

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

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

New Savings Proposals

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

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

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

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

Core Bids

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

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

Core Bids

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

GENERAL FUND NEW BIDS 2015/16 - 2017/18

New Bids - Core

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

Funding

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

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

Core Bids

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

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

Core Bids

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

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

Core Bids

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

Funding

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

Reserves													
Description	Estimated Balance 31 March 14 £000's	Use £000's	Contribs £000's	Estimated Balance 31 March 15 £000's	Use £000's	Contribs £000's	Estimated Balance 31 March 16 £000's	Use £000's	Contribs £000's	Estimated Balance 31 March 17 £000's	Comments		
Revenue Reserves													
General Fund													
Reserves to fund future commitments:													
PFI Scheme	2,406	-	391	386	2,401	-	400	380	2,381	-	412	399	2,368
ICT	630	-	472	200	358	-	348	200	210	-	263	200	147
Building Repairs & Projects	674	-	524	130	280	-	35	130	375			130	505
Election	97			30	127	-	80	30	77			34	111
	273	-	273		-				-				-
Tadcaster Central Area													-
Industrial Units	60	-	24		36				36				36
Open Space Maintenance	11				11				11				11
	4,151	-	1,684	746	3,213	-	863	740	3,090	-	675	763	3,178
Reserves to fund growth and improvement:													
Special Projects (Programme for Growth)	2,667	-	2,566	2,239	2,340	-	88	999	3,251	-	30	880	4,101
Special Projects (Non_PFG commitments)	317	-	317		-				-				-
Discretionary Rate Relief Fund	300				300				300				300
NYCC Collaboration	250				250	-	100		150	-	100		50
Business Development (Spend To Save)	272			228	500				500				500
	3,806	-	2,883	2,467	3,390	-	188	999	4,201	-	130	880	4,951
Reserves to mitigate financial risk:													
Pensions Equalisation Reserve	600	-	600	186	186			181	367			183	550
NDR Equalisation	3,610	-	3,282	361	689	-	164		525	-	164		361
Planning Inquiries	100	-	100		-				-				-
Access Selby	592	-	342		250	-	92	40	198			114	312
Contingency	553	-	53		500				500				500
General Fund	1,674	-	174		1,500				1,500				1,500
	7,129	-	4,551	547	3,125	-	256	221	3,090	-	164	297	3,223
Other Reserves:													
Sherburn Amenity Land	10	-	10		-				-				-
Wheeled Bins	18	-	18		-				-				-
	28	-	28		-				-				-
Sub Total	15,114	-	9,146	3,760	9,728	-	1,307	1,960	10,381	-	969	1,940	11,352
HRA													
HRA Unallocated Balance	1,188				1,188				1,188				1,188
HRA Access Selby Reserve	911			14	925	-	160	47	812	-	160	59	711
Major Repairs Reserve - Capital Programme	91	-	3,691	3,713	113	-	2,883	3,934	1,164	-	2,164	4,167	3,167
Major Repairs Reserve - Debt Repayment	2,350			1,260	3,610			1,260	4,870			1,260	6,130
Sub Total	4,540	-	3,691	4,987	5,836	-	3,043	5,241	8,034	-	2,324	5,486	11,196
Total Revenue Reserves	19,654	-	12,837	8,747	15,564	-	4,350	7,201	18,415	-	3,293	7,426	22,548



MAJOR BUDGETS RISK ASSESSMENT 2015/16

1.0 BACKGROUND:

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

CORE

2.0 INVESTMENT INTEREST

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

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

Sensitivity: High Impact: Medium Risk: High

ACCESS SELBY, CORE and COMMUNITIES SELBY

3.0 SALARIES AND WAGES

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

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

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

Sensitivity Analysis

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

Sensitivity: Medium Impact: High Risk: Medium

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

Sensitivity Analysis

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

Sensitivity: Low Impact: Medium Risk: Low

ACCESS SELBY

4.0 HOUSING AND COUNCIL TAX SUPPORT:

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

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

Sensitivity Analysis

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

Sensitivity: High

Impact: Low

Risk: High

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

Sensitivity Analysis

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

Sensitivity: Medium

Impact: Low

Risk: Medium

5.0 ENERGY COSTS (various budgets):

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

Sensitivity Analysis

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

Sensitivity: High

Impact: Medium

Risk: Medium

6.0 LEISURE SERVICES CONTRACT:

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

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

Sensitivity Analysis

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

Sensitivity: Low

Impact: Low

Risk: Low

7.0 WASTE COLLECTION:

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

Sensitivity Analysis

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

Sensitivity: Medium

Impact: Medium

Risk: Medium

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

Sensitivity Analysis

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

Sensitivity: High

Impact: Medium

Risk: Medium

8.0 RECYCLING:

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

Table 1

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

* Forecast Outturn

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

Table 2

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

* Forecast Outturn

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

Sensitivity Analysis

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

Sensitivity: Low

Impact: Low

Risk: Medium

9.0 SALE OF RECYCLABLES

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

Sensitivity Analysis

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

Sensitivity: High

Impact: Low

Risk: Medium

10.0 PLANNING APPLICATION FEES:

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

Table 3

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

* Includes a savings target

** Forecast outturn

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

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

Sensitivity Analysis

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

Sensitivity: High

Impact: High

Risk: High

11.0 COUNCIL TAX COURT COSTS (income)

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

Sensitivity Analysis

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

Sensitivity: Medium

Impact: Medium

Risk: Low

12.0 INDUSTRIAL UNIT RENTS

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

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

Table 4

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

* Forecast Outturn

Sensitivity Analysis

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

Sensitivity: Medium

Impact: Medium

Risk: Medium

13.0 CAR PARK PAY AND DISPLAY INCOME

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

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

Table 5

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

* Forecast outturn

Sensitivity Analysis

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

Sensitivity: High

Impact: Medium

Risk: High

14.0 INCOME FROM DOMESTIC AND TRADE WASTE COLLECTION

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

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

Sensitivity Analysis

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

Sensitivity: Low

Impact: Medium

Risk: Medium

15.0 LAND CHARGES INCOME

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

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

Sensitivity Analysis

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

Sensitivity: High

Impact: Low

Risk: Medium

16.0 LICENSING ACT 2003 INCOME

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

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

Sensitivity Analysis

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

Sensitivity: Medium

Impact: Low

Risk: Low

17.0 BUILDING CONTROL

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

Table 6

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

Sensitivity Analysis

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

Sensitivity: Medium

Impact: Medium

Risk: Medium

18.0 SUPPORTING PEOPLE

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

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

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

Sensitivity Analysis

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

Sensitivity: High

Impact: High

Risk: High

19.0 CONTAMINATED LAND

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

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

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

HOUSING REVENUE ACCOUNT

20.0 HOUSING RENTS

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

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

Table 7

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

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

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

Sensitivity Analysis

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

Sensitivity: Medium

Impact: High

Risk: Medium

21.0 MAINTENANCE OF HOUSING STOCK

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

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

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

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

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

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

Sensitivity Analysis

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

Sensitivity: High

Impact: Medium

Risk: Medium

Appendix 2

Extract from Executive Minutes 4 December 2014

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

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

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

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

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

Resolved:

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

Reasons for the decision:

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