



Summons and Agenda for the
Council Meeting

to be held on

**Tuesday, 18 September
2018**

at

6.00 pm





To: All District Councillors

cc: Chief Officers

You are hereby summoned to a meeting of the Council to be held in the Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT on **TUESDAY, 18 SEPTEMBER 2018** starting at **6.00 pm**. The Agenda for the meeting is set out below.

Janet Waggott

Janet Waggott
Chief Executive

Recording is allowed at Council, committee and sub-committee meetings which are open to the public, subject to:- (i) the recording being conducted under the direction of the Chairman of the meeting; and (ii) compliance with the Council's protocol on audio/visual recording and photography at meetings, a copy of which is available on request. Anyone wishing to record must contact, prior to the start of the meeting, Palbinder Mann – Democratic Services Manager via pmann@selby.gov.uk or 01757 292207. Any recording must be clearly visible to anyone at the meeting and be non-disruptive.

AGENDA

Opening Prayers.

1. **Apologies for Absence**

To receive 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 (Pages 1 - 8)**

To approve as a correct record the minutes of the meeting of the Council held on 17 July 2018.

4. **Communications**

The Chairman, Leader of the Council or the Chief Executive will deal with any communications which need to be reported to the Council.

5. **Announcements**

To receive any announcements from the Chairman, Leader or Members of the Executive.

6. **Petitions**

To receive any petitions.

7. **Public Questions**

To receive and answer questions, notice of which has been given in accordance with rule 10.1 of the Constitution.

8. Councillors' Questions

To receive and answer questions submitted by councillors in accordance with rule 11.2 of the Constitution.

The following questions have been submitted by Councillor Mike Jordan:

1. The government have announced that councils will only be able to be members of a single LEP (Local Enterprise Partnership). Could I ask the Executive if they have decided which to remain a member of and, if so, the reason for their decision. I am referring to the Leeds LEP and the North Yorkshire, York and East Riding LEP.
2. Earlier this year, in Full Council, it was decided that at some point we would be providing free parking for the first hour in Selby. Can I ask when that is likely to occur?

The following questions have been submitted for the Leader by Councillor Mary McCartney:

1. Could you please give an update on the progress being made to introduce a Public Space Protection Order to stop all vehicles, including motor cycles, quad bikes, cars, vans and caravans from going on and parking on our parks, playing fields, sports fields and other public green spaces? The reaction from Parish Councils and residents show that they are supportive of the proposal.
2. Could you also say whether you are confident that North Yorkshire Police will get behind such a scheme and will be prepared to, along with SDC officers, enforce any such order?

9. Reports from the Executive (Pages 9 - 24)

The Leader of the Council, and other members of the Executive, will report on their work since the last meeting of the Council and will respond to questions from Councillors on that work.

10. Reports from Committees (Pages 25 - 30)

To receive reports from the Council's committees which need to be brought to the attention of Council. To receive questions and provide answers on any of those reports.

11. Motions

To consider any motions.

12. Medium Term Financial Strategy (Pages 31 - 78)

To consider a report which asks Council to approve the Medium Term Financial Strategy.

13. Urgent Action

The Chief Executive will report on any instances where she has acted in urgent or emergency situations under the functions delegated to her in the Constitution.

Agenda Item 3



Minutes

Council

Venue: Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT

Date: Tuesday, 17 July 2018

Time: 6.00 pm

Present: Councillor D Buckle in the Chair

Councillors D White (Vice-Chair), K Arthur, I Chilvers, J Chilvers, M Crane, J Deans, S Duckett, K Ellis, M Hobson, D Hutchinson, M Jordan, C Lunn, D Mackay, J Mackman, B Marshall, M McCartney, C Metcalfe, R Musgrave, R Packham, C Pearson, I Reynolds, B Sage, J Shaw-Wright, R Sweeting, J Thurlow and P Welch

Officers Present: Janet Waggott (Chief Executive), Karen Iveson (Chief Finance Officer (s151)), Barry Khan (Assistant Chief Executive, Legal and Democratic Services, North Yorkshire County Council, Keith Cadman (Head of Commissioning, Contracts and Procurement) and Palbinder Mann (Democratic Services Manager)

Press: 0

Public: 2

10 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Casling, Cattanach, Peart and Nichols.

11 DISCLOSURES OF INTEREST

Councillor Arthur declared a personal interest in agenda item 9 – Reports from the Executive as he worked for Network Rail.

Councillor Pearson declared a personal interest in agenda item 12 – Community Governance Review – Thorpe Willoughby Parish Council as he was a member of Hambleton Parish Council and the District Councillor for Hambleton.

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Councillor Lunn declared a personal interest in agenda item 12 – Community Governance Review – Thorpe Willoughby Parish Council as he was a member of Thorpe Willoughby Parish Council and the District Councillor for Thorpe Willoughby.

12 MINUTES

The Council considered the minutes of the meeting of meeting held on 15 May 2018.

RESOLVED:

To approve the minutes of the Council meeting held on 15 May 2018 for signing by the Chairman.

13 COMMUNICATIONS

The Chairman informed Council that he would be attending a memorial service for the former Lord Lieutenant of North Yorkshire, Barry Dodd this Friday at York Minister.

14 ANNOUNCEMENTS

The Chairman informed Council that his Civic Service would be taking place on Sunday 2 September at All Saints Church in Sherburn.

The Chairman also informed Council that he would be holding a Charity Concert on Saturday 29 September at Selby Abbey. He stated that there were a few tickets remaining.

15 PETITIONS

There were no petitions received.

16 PUBLIC QUESTIONS

There no public questions received.

17 COUNCILLORS' QUESTIONS

There were no questions from Councillors received.

18 REPORTS FROM THE EXECUTIVE

Councillor M Crane - The Leader of the Council

The Leader of the Council reported on the work he had recently undertaken, as outlined in his report.

In response to a query concerning the costs for the step free access at Selby railway station, the Leader of the Council explained that the current situation was unacceptable to passengers however the costs being quoted were very significant which meant the Council could only make a small contribution towards the overall cost.

Concern was raised that customers who had withdrawn from the swimming programme were unable to cancel their direct debits therefore still paying towards the costs. The Leader of the Council agreed to look into this issue and email a response to all Councillors.

Councillor J Mackman, Deputy Leader of the Council and Executive Lead Member for Place Shaping

Councillor Mackman, Deputy Leader of the Council and Lead Executive Member for Place Shaping, provide an update on the work he had recently undertaken, as outlined in his report.

Information was requested on the number of applications being received on major schemes. It was agreed that this information would be provided to Councillors.

In response to a query concerning staffing in the planning team, it was agreed that the current list of staff at the Council would be circulated to Members.

It was queried when the next report for the five year land supply would be ready as following the base date of 31 March 2018. The Lead Executive Member for Place Shaping explained that it was likely the report would be ready at the end of July and considered by the Executive following this.

Councillor C Lunn, Lead Executive Member for Finance and Resources

Councillor Lunn, Lead Executive Member for Finance and Resources presented his update on the work he had recently undertaken, as outlined in his report.

The Lead Executive Member for Finance and Resources explained that the Council was currently looking at arguments to pool resources so that it could get better investment. Council was informed that this would mean greater risks involved however it could lead to getting better returns.

It was noted that the accounts would be considered at the next meeting of the Audit and Governance Committee.

Concern was raised at the lack of car parking space when the Police moved onto the site. The Lead Executive Member for Finance and Resources explained that an extra 41 car parking spaces had been proposed on the site and this was above the number that was required by the Police following an analysis of the usage of their current car park.

In response to a query concerning the £34k shortfall in General Fund savings, the Lead Executive Member for Finance and Resources explained that this had been due to a lack of savings however the increase in cash income had gone some way to making up some of the shortfall.

A query was raised around the reasons for the £523k underspend in the HRA Capital Programme. The Lead Executive Member for Finance and Resources explained that some residents had declined to have their boilers replaced which had contributed to the underspend however there was some slippage in some work which would be completed in the next financial year.

Councillor C Metcalfe, Executive Lead Member for Communities and Economic Development

Councillor Metcalfe, Lead Executive Member for Communities and Economic Development provided an update on the work he had recently undertaken, as outlined in his report.

With regard to member communication, the Lead Executive Member for Communities and Economic Development explained that he had been part of a member communication working group looking into the issue and that one of the recommendations from the group had been to create an electronic bulletin for members which would hopefully be coming out in September.

In response to a query concerning infrastructure, the Lead Executive Member for Communities and Economic Development explained that areas in Selby would have a chance to feed into any proposals. Council was informed that the work being undertaken was about creating a long term vision and looking at how the Council could shape the district. It was noted that work was being undertaken with North Yorkshire County Council on this.

A query was raised on what types of business would be working on the Sherburn2 site and whether the issue of lorry parking in the Sherburn2 area could be addressed through designated land for parking. The Lead Executive Member for Communities and Economic Development explained that the first occupier of the Sherburn2 site was a business from the Sherburn1 site who wished to expand and that there were potentially two more businesses looking to go on the site. With regard to lorry parking, Council was informed that any allocation of land would have to be justified through a business case and that further discussions were needed on this.

In response to a query around the development of the Community Engagement Forums (CEFs), the Lead Executive Member for Communities and Economic Development informed Council that a discussion had been held with CEF Chairs and meetings had also taken place with North Yorkshire County Council Stronger Communities on this issue. Additionally a workshop would be taking place to have further discussions.

A query was raised around unemployment in Selby. The Lead Executive Member for Communities and Economic Development explained that work had been done on tackling unemployment in Selby and that levels of unemployment in the district were now minimal.

Councillor C Pearson, Executive Lead Member for Housing, Health and Culture

Councillor Pearson, Lead Executive Member for Housing, Health and Culture, provide an update on the work he had recently undertaken, as outlined in his report.

The Lead Executive Member for Housing, Health and Culture explained that a Mental Health Forum would be launched on 24 July 2018 to establish local community networks to deliver services differently.

A query was raised whether Yorkshire Wildlife Trust gave the Council a yearly programme of work they would undertake at Barlow Common. The Executive Lead Member for Housing, Health and Culture agreed to provide a response on this.

RESOLVED:

To receive and note the reports from the Executive.

19 REPORTS FROM COMMITTEES

Councillor W Nichols, Chairman of the Overview and Scrutiny Committee

Councillor S Duckett on behalf of Councillor W Nichols, Chairman of the Overview and Scrutiny Committee provided an update on the work of the Committee as outlined in her report. There were no questions for Councillor Duckett.

Councillor J Deans, Chairman of the Policy Review Committee

Councillor Deans, Chairman of the Policy Review Committee provided an update on the work of the Committee as outlined in his report. In relation to the update on universal credit, it was noted that the Child Poverty Action Group had published a report for Selby.

Councillor K Arthur, Chairman of the Audit and Governance Committee

Councillor Arthur, Chairman of the Audit and Governance Committee provided an update on the work of the Committee as outlined in his report. There were no questions for Councillor Arthur.

RESOLVED:

To receive and note the reports from Committees.

20 MOTIONS

There were no motions submitted for discussion.

21 COMMUNITY GOVERNANCE REVIEW - THORPE WILLOUGHBY PARISH COUNCIL

Councillor Crane, Leader of the Council presented the report which outlined a request from Thorpe Willoughby Parish Council to amend the parish boundary to include the land up to the Selby Bypass.

The Leader of the Council explained that previously Council had resolved to approve the request from Thorpe Willoughby Parish Council subject to confirmation of final agreement from Hambleton Parish Council. Council were informed however that Hambleton Parish Council had not agreed to the proposals that had been submitted.

It was proposed and seconded to refuse the request from Thorpe Willoughby Parish Council as the proposals did not meet the criteria outlined in section 2.8 of the report.

An amendment was proposed and seconded to approve the request from Thorpe Willoughby Parish Council as it was felt it met the criteria as outlined in section 2.8 of the report and as stated in the submission the bypass was the natural barrier to the parish and the residents in the area used the facilities provided by Thorpe Willoughby Parish Council. Upon being put to the vote, this motion was lost.

The motion to refuse the application was put to the vote and carried.

RESOLVED:

To refuse the request from Thorpe Willoughby Parish Council as the Council feel that the proposals do not meet the criteria as outlined in section 2.8 of the report.

REASON FOR DECISION:

To ensure Selby District Council complies with legislation.

22 SCRUTINY REVIEW 2018

Councillor Crane, Leader of the Council presented the report which outlined actions to be approved as part of the scrutiny review.

The Leader of the Council explained that role profiles had been developed for the different chairs of the scrutiny committees which had been approved by the respective chairs and that it was also recommended to review the scrutiny

arrangements again following the election next year.

Council discussed the scrutiny function and it was felt that the actions outlined at 2.4 of the report should also be progressed as soon as possible.

RESOLVED:

- i) **To adopt the role profiles for the Chairs of the Scrutiny Committee, Policy Review Committee and Audit and Governance Committee as set out in the appendices to the report for inclusion in the Council's Constitution at Part 3 – Responsibility for Functions.**
- ii) **To review the arrangements for scrutiny at Selby after the 2019 elections, following work to improve scrutiny during the 2018-19 year, for implementation in the 2019-20 municipal year.**

REASON FOR DECISION:

To ensure that the work to improve scrutiny, as recommended by the Peer Challenge Team and set out in the Council's Peer Challenge Improvement Plan and agreed by the Executive on 24 May 2018, is progressed.

23 REVIEW OF BYELAWS FOR PLEASURE GROUNDS, PUBLIC WALKS AND OPEN SPACES

Councillor Pearson, Lead Executive Member for Housing, Health and Culture, presented the report which outlined a review of byelaws for pleasure grounds, public walks and open spaces.

The Lead Executive Member for Housing, Health and Culture explained that the new byelaws would cover four sites as outlined in the report. In response to a query concerning byelaws for other sites, it was clarified that the current project was designed to update the old pre-existing byelaws.

It was noted that the byelaws used were based on a set developed by the Department of Communities and Local Government (DCLG).

RESOLVED:

- i) **To approve and adopt the new set of Byelaws for Pleasure Grounds, Public Walks and Open Spaces.**
- ii) **To revoke the existing Byelaws adopted by the Council in 1899 including the amendment on 21 January 1925, upon the new Byelaws coming into effect.**

REASON FOR DECISION:

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To ensure that the Council has byelaws in place which are fit for purpose and reflect how the parks are currently used.

24 URGENT ACTION

The Chief Executive informed Council that the following urgent action had been taken by her since the last Council meeting under her delegated authority:

- On 12 June 2018, to cancel the Kirk Smeaton Community Governance Review following the withdrawal of the request by Kirk Smeaton Parish Council.
- On 5 July 2018, to appoint Councillor Karl Arthur as Chairman of the Audit and Governance Committee to replace Councillor Mike Jordan for the municipal year 2018/19 with immediate effect.

The meeting closed at 7.19 pm.

Councillor Mark Crane

Leader of the Council

Report to Council on Tuesday 18th September 2018

Firstly please accept apologies for my absence at tonight's Council meeting. This report covers the period from the Council meeting on 17 July 2018. During this period I have attended Executive and regional meetings reporting on key items:

Devolution

There have been a number of meetings to discuss devolution proposals during this period. Members will recall that in March a proposal was submitted to Government for a One Yorkshire Devolution deal involving 18 of the 20 local authorities in the region.

At this stage the proposals are in outline only so there is nothing for this Council to make decisions on. What we have been concentrating on is our collective 'asks' of central government – focussing on the freedoms and resources that we want Government to agree to devolve.

The Government's current position is that the Sheffield City Region deal already approved should go ahead in its current form rather than replacing it with a Yorkshire Wide deal but the Chief Exec and I will continue to work with our partners to lobby for the best regional outcome. If Government agreement can be secured in principle we will then move to consider how the governance arrangements will work.

LEP Review

A review of LEPs was announced in the Industrial Strategy White Paper, the deadline for response is 28 September 2018. The review has been led by a Ministerial group Jake Berry (MHCLG), Margot James (BEIS) and Andrew Jones (HMT) and included engagement with local authorities, business representation organisation and others through working groups

A significant change outlined in the review is that there will be no overlapping geographies as this is a red line for Treasury. This is presented as necessary to remove an obstacle to the aim of UK Shared Prosperity Fund for delivering a flexible single pot for each LEP to replace ESIF and Growth Deal.

As members are aware Selby is part of the York, North Yorkshire and East Riding LEP and within the foot print of the Leeds City Region LEP. If the proposal in the review is accepted Selby will have to decide which arrangements are best for Selby. A number of options have been put forward the most relevant to Selby are a York and North Yorkshire LEP or a North and West Yorkshire LEP. The implication of the options will be presented to the Executive.

Programme for Growth

At the Executive meeting on 6 September we received a Quarter 1 update on the Programme for Growth.

The update highlighted that although the spend level was lower than profiled a number of projects were well advanced and that spend had been committed and would be likely to show an increase in quarter 2.

In particular, the Council has now completed the purchase of the former Nat West Bank in Tadcaster and the process of buying the former bank in Selby was progressing. Officers are now working on proposals to bring the buildings into productive use.

Olympia Park, Selby

Following the bid for funding from the Homes and Communities Agency's (now Homes England) Housing Infrastructure Fund to support the delivery of the Olympia Park strategic mixed use development site, officers have been working through the due diligence required to finalise the grant arrangements.

The Council is also continuing to work closely with landowners and stakeholders such as the Environment Agency and the County Council to develop a comprehensive masterplan for the whole site as the previous masterplan covered only the western part of the site.

A revised planning application for the comprehensive development of the whole site is still expected later this year.

Leisure

Two leisure apprentices have recently been recruited with a further post due to be recruited for the wellbeing service.

A street games project supported by Sainsbury involving supervised skate park sessions with free lunch has recently been introduced during school holidays between 1 and 3 pm. Building on positive feedback it is planned to introduce evening sessions in October on a Friday between 6 and 8 pm.

IHL supported the Selby Three Swans Sportive the first weekend of September with registration and planned activities taking place at the leisure centre and sponsored by Yorkshire Cancer Research. Over 1110 cyclists took part in the Sportive which has raised over £25,000 for the charity

Councillor Mark Crane
Leader



Councillor John Mackman

Deputy Leader of the Council

Report to Council on Tuesday 18 September

This report covers the period from the Council meeting on 17 July 2018. During this period I have attended Executive and Executive Briefings and represented the Council at local and regional meetings including deputising for the Leader as required.

Reporting on the key items:-

1) Planning Service Review

Good progress has been made in the following areas:

In the period between 01.07.2018 to 29.08.2018, 100% of majors were determined within the statutory period or agreed extension of time. This equates to 3 determined, 2 within the statutory 13 weeks and 1 within the extension of time period agreed. This is compared with 75% in the same period last year. This equates to 4 determined, 1 within the statutory 13 weeks and 2 within the extension of time period agreed and 1 out of time. The figures are significantly higher than the national designation targets set by the Government for majors which is 60%.

In the period between 01.07.2018 to 29.08.2018, 69% of non-majors (minors and others) were determined within the statutory period or agreed extension of time. This equates to 80 determined, 37 within the statutory 8 weeks and 18 within the extension of time period agreed and 25 out of time. This is compared with 87% in the same period last year. This equates to 101 determined, 69 within the statutory 8 weeks, 19 within the extension of time period agreed and 13 out of time. The latest performance is one percent below the 70% national designation targets set by the Government target for non-majors. We have now filled the majority of vacant posts in the team and would expect performance to return to last year's levels, a staff structure chart is included for your reference.

5 appeals were determined in the period between 01.07.2018 to 29.08.2018 of which 50% were allowed and 50% dismissed. This equates to 2 allowed, 2 dismissed and 1 split decision.

Furthermore, we are continuing to consistently meet and exceed our pre-application fee income target and overall planning fees are increasing reflecting the number of applications and major schemes that have been submitted.

Pre-application discussions have continued to take place on major strategic schemes and we continue to work on the joint Planning Performance Agreement with North Yorkshire County Council for the Drax NSIP, in addition there are a number of major strategic applications that have been submitted which include Church Fenton Media Village and Gascoigne Wood.

Currently we have 22 Parishes who are consulted electronically; this has risen from the initial 4 Parishes. We will continue to work with the remaining Parishes who have not yet signed up so that eventually all Parish Councils can be electronically consulted.

We are continuing to strengthen our planning enforcement team. We now have a full time Senior Planning Enforcement Officer. We are also in the process of recruiting for extra resources to help manage the backlog and hope to resolve this shortly. We are currently advertising for an additional Planning Enforcement Officer on a fixed term for 12 months.

Work is continuing to install a new IT case load management tool/package which will be of great benefit to Planning Officers in managing their workloads. We have visited Leeds City Council to look at how they use Enterprise and particularly how this can help to support the Planning Enforcement Section.

We are continuing to finalise our Validation Checklist and Conditions manual. We will also be providing training to new starters on the use of planning conditions.

2) PLAN Selby – next steps

The Site Allocation Local Plan has been deferred in order to complete further technical work and consultation which will inform the final version of the Site Allocations Local Plan.

Neighbourhood Plans

The Planning Policy Team are continuing to provide support to the five designated Neighbourhood Plan Areas of Selby Town, Brayton, Church Fenton, Escrick and Ulleskelf. This includes attendance at meetings, reviewing documents and providing evidence to inform the preparation of the plans.

3) Eggborough Power Station DCO

The independent Examination for Eggborough Power Station DCO has been completed and it is expected that a decision will be issued by the Planning Inspectorate in September 2018. We have worked collaboratively with North Yorkshire County Council on a joint PPA.

4) Drax Power Station DCO

The Drax Repower project that was received by the Planning Inspectorate (PINS) on 29 May has now been 'accepted' (26 June) by PINS for 'Examination'.

The examining authority (a Planning Inspector or Inspectors) will now be appointed to 'Examine' the application...to basically hold a series of meetings almost in the form of a Public Inquiry. The applicant must now publicise that the application has been accepted and this authority will be given the opportunity, with the County Council to register as a relevant authority that wishes to make representations to and take part in the Examination.

PINS have a period of three months to make arrangements for the Examination and to arrange the 'pre-examination meeting' which also must be convened within that first three month period. The timescale requires that the Examining Authority must have concluded its Examination within six months of acceptance so we now know that all Examination hearings will have concluded by the end of December 2018. We have worked collaboratively with North Yorkshire County Council on a joint PPA.

5) Ferrybridge Station

SSE is proposing to develop a new gas-fired power station and associated gas supply pipeline (together 'the project') at and near Ferrybridge, Knottingley, to be known as Ferrybridge D. The project will be located on and within the administrative boundaries of Wakefield Metropolitan District Council (WMDC), Selby District Council (SDC) and North Yorkshire County Council (NYCC).

The power station will be capable of producing up to 2,200 megawatts (MW). This means that the power station will be a nationally significant infrastructure project. SSE will require a Development Consent Order (DCO) under the Planning Act 2008.

The Council has been consulted on the Statement of Community Consultation for the project which it will provide comments on. This sets out how SSE will consult with the local community, including residents living within the vicinity of the project, the general public, community groups and local businesses. We intend to work collaboratively with North Yorkshire County Council on a joint PPA.

6) 5YHLS Appeals

The Council has updated its 5 year housing land position to reflect the position at 31st March 2018. The updated 5 Year Housing Land Supply report is now available on the Council's website and concludes that the district has a 6.5 years deliverable supply of housing.

This position reflects the improvements the Council has made to monitor the progress of sites across the District with residential planning permission. The Council has not received any further appeals which relate to the 5 year supply of deliverable land.

7) Judicial Review of the approval for Lidl Supermarket and Pub on Staynor Hall

Planning Committee granted approval for a Lidl Supermarket and pub on Bawtry Road near the Staynor Hall development in October 2017. The decision was challenged by way of Judicial Review. A hearing was scheduled in the High Court in Leeds in July. However in advance of that hearing the Claimant has agreed to withdraw the claim and pay the Council's costs.

This now means that works can commence including infrastructure works to Bawtry Road to accommodate the development which will be partly funded by the Council through the use of CIL receipts.

8) Selby and District Housing Trust

The scheme to construct 5 family homes for the Trust at Landing Lane, Riccall is progressing well and in accordance with the 37 week build-out period. The Trust is working with Selby District Council to identify tenants for these properties, which are on target to be handed over in September 2018.

The construction of 12 affordable homes at Ousegate in Selby is progressing in accordance with the agreed programme and these homes are due to be handed over to the Trust in January 2019.

The Council's Executive on the 12th July noted that a second phase of development on smaller sites owned by the Council was being procured and that Detailed Business Cases for these sites would be submitted to the Executive for approval in October 2018 with a view to the next tranche of development starting on site in early 2019. The Trust is working closely with the Council to determine the amount of properties that will be constructed on its behalf

The Trust has agreed to acquire 12 family homes on a site at Orchard Park Ulleskelf that is now under construction. The first three properties are due to be handed over by September, with the remaining homes completed by December 2018.

John Mackman
Deputy Leader of the Council

Councillor Cliff Lunn

Executive Member for Finance and Resources

Report to Council on 18 September 2018

Medium Term Financial Strategy

Over the summer my Executive colleagues and I have been considering the future of the Council's finances as we reviewed the Medium Term Financial Strategy. The overarching thrust of the strategy remains unchanged but the challenges are growing as there is further funding uncertainty ahead with the Government continuing its review of Local Government Funding and planning an alternative to New Homes Bonus. Our recommendations which at the time of writing, are subject to consultation with Policy Review Committee, are elsewhere on tonight's agenda.

Business Rates

The Government has announced another round of business rates pilots for 2019/20. Unlike the current pilots which are 100% retention the next round will be 75% - with no 'no detriment clause', which means greater risk for local government.

At the time of writing, officers from North Yorkshire, East Riding and the North Yorkshire Districts are assessing the options and the Executive has delegated authority for the Chief Finance Officer to submit an application as part of a wider North Yorkshire pool, on behalf of the Council, should this present a favourable outcome.

I will update Council on progress at the meeting.

Treasury Management

Treasury performance continues to produce relatively positive returns compared to our benchmarks and approved interest budget. We have seen an increase in the Bank Base Rate (from 0.5% to 0.75%) which will improve returns over the remainder of the year.

Conscious of the need to improve returns further this report also sought approval for the adoption of a procurement process undertaken by our NYCC Treasury Team, to select a number of property funds for investment purposes.

This is in line with our approved strategy and we look forward to placing the funds – we will report on performance through the quarterly treasury updates.

The fees associated with the Property Funds are to be funded from the Property Acquisition Fund within the Programme for Growth.

Financial Results and Budget Exceptions Report to 30th June 2018

At the end of quarter one, the forecast outturn is a £30k deficit on the General Fund and a £386k surplus on the HRA, although at this early stage in the year these forecasts are only indicative.

The General Fund is made up of a number of variances, the most significant being the shortfall on planned savings and changes to the lifeline service. These are offset by staff savings and higher investment income. The HRA surplus is driven by lower external borrowing requirements.

Planned savings are expected to fall short of target, in particular in planning and asset rationalisation. Work to identify mitigation for the shortfalls is underway, with vacancies being held where possible to generate a saving in year.

The capital programme has small forecasted underspends in the General Fund, principally due to projects rolling over into the following year. Retained receipts from the sale of houses under right to buy are lower than anticipated but sales will continue to be monitored.

Programme for Growth projects are well underway. There is an underspend indicated for the current year, but this is where projects are expected to be delivered over multiple years.

Purchase of Nat West Banks in Tadcaster and Selby

SDC have finalised the purchase of the former Nat West Bank in Tadcaster. Officers are now preparing a business case for the Executive to refurbish it and bring it back into use as soon as possible. Our offer on the former bank at Selby has been accepted and completion is expected within the next few weeks. Both purchases are funded from the Commercial Property Acquisition Fund which is part of the Programme for Growth.

Cliff Lunn

Councillor Chris Metcalfe

Executive Member for Communities and Economic Development

Report to Council on Tuesday 18 September

This report covers the period from the Council meeting on 17 July 2018

Communities, Partnerships & Customers:

Selby Town Centre Pop Up Realm

The Selby Town Enterprise Partnership comprises of representatives from local high street businesses, the Abbey, Selby College, Inspiring Healthy Lifestyles, Selby Town Council and Selby District Council. The pop up realm project that the group have worked on with PWP Design since November 2017 has now come to fruition with the first installations delivered on 16th August. The project has been funded through the Programme For Growth 'Retail Experience' initiative and cost £20,000. It offers a small series of "Pop Up", temporary street furniture consisting of planters, seats and giant plant pots, currently positioned along Gowthorpe high street. They test how people use high street spaces and encourage shoppers to dwell on the high street as well as offer very different and eye catching furniture for local residents to interact with. The furniture will move in a few weeks to other locations in the town and we will look at how to complement plans for next year's celebration of the Abbey's 950th anniversary.

There has been a wide range of both positive and constructive comments towards the installations with some really good ideas coming from residents as to 'what next' for the town centre. A particular fun favourite is introducing Selby Swans like the Berlin Bears or the Liverpool Superlambananas as well as a serious note about considering seating on the high street for those less able to walk. A survey is in circulation through our social media channels and in local shops to understand what people would like to see more of. We've also seen a positive response from local businesses who are helping to maintain the planters and looking at how they can get more involved in the upkeep and vibrancy of the high street.

Economic Development:

Strategic Employment Sites

Following on from the last update to Council, significant progress continues to be made to bring forward 'strategic employment sites' in Selby District:

Sherburn2

The planning application for Cromwell Polythene's new premises on Sherburn2 has been submitted. Subject to planning approval, construction is scheduled to start during

October with completion in the spring of 2019. Cromwell Polythene is the first occupier to be signed for Sherburn2 and will be relocating from their current site on the existing enterprise park.

The developer Glentool is in detailed discussions with a number of investors interested in occupying the site, with a second occupier expected to be signed imminently. The Council's Economic Development team is continuing to work closely with the developer to attract new investors to the District.

Inward Investment

P3P, Camblesforth

A significant new investment is being made by P3P at their Food Technology Park in Camblesforth. The £25m investment at the former English Village Salads site means that Selby District will be at the forefront of innovation and new technology in the Agri-Tech sector, creating new employment opportunities in what is a priority growth sector for the District.

Employment figures at this early stage are being forecasted at around 370, 117 of which are expected to be high skilled, high value jobs. The Council's Economic Development team will lead a Steering Group for the planning development of the site, with the first phase of development scheduled to be completed by the end of 2018.

Whitworth Limited, Eggborough

Another significant investment is taking place at Whitworth Limited's flour mill site at Northside Industrial Park in Eggborough. Estimated as being a £20-30m investment, Whitworth's existing mill will be demolished and replaced by a "world leading" flour production facility creating 25 new jobs.

A planning application has been submitted for the development with the demolition works scheduled to take place early 2019.

SME Support

Since the last report to Council, 16 SMEs have been supported through face to face meetings – these are businesses who we have not previously engaged with.

In total, 36 SMEs have been supported to date in 2018/19.

Business Support Programmes

The Escapologist has been awarded a £15,000 grant from Ad:Venture to support further expansion of this successful Selby-based business.

5 businesses have been placed on Leeds City Region's Ad:Venture support programmes, with another 4 on Strategic Business Growth Programme.

A SME grant application is in the pipeline for both Let's Grow and Business Growth Programme, with another grant application submitted for PAPI (Product and Process Innovation) which is delivered by the University of York in conjunction with YNYER LEP.

Since 2015, a total of £169k of external grant funding has been paid to SMEs in Selby District creating 29 new jobs.

Events

The Council's Enterprise Café, our monthly SME networking event, is well attended with an average attendance of 25 SMEs over the last couple of months.

17 delegates attended the Council's Cyber Crime event which took place in July in partnership with Barclays Bank, and 14 delegates attended Ad:Venture's marketing workshop in August.

There are a number of SME support events taking place across Selby District this autumn:

- Leadership Skills workshop is being delivered by the Strategic Growth Programme - 11th September;
- Two-day Digital Advantage workshop – 27th September and 3rd October;
- HR workshop delivered by Ad:Venture – 4th October;
- Social Selling via LinkedIn workshop to be delivered by Digital Knowledge Exchange – 18th October;
- Networking Skills workshop delivered by Ad:Venture – date to be confirmed;
- The Council is delivering a fraud and cyber-security event titled "What Keeps You Awake" in conjunction with Clive Owen LLP, Trading Standards and North Yorkshire Police – 31st October.

In addition to the above, a wide range of workshops have been agreed with Selby College to provide training support to SMEs looking to upskill existing staff. Delivered through YNYER LEP's Skills Support for the Workforce ESF programme, these workshops will start in September and run through until March 2019.

Partnership Working

North Yorkshire County Council

Discussions with the County Council on how we can work closer together on our respective economic growth plans and the development of infrastructure and transport related solutions have progressed well.

A joint SDC/NYCC officer/lead-Member workshop will take place in early October to drive forward this work.

The aim of this work is to develop a joint Selby District Development & Transport Prospectus that sets out our key strategic development opportunities and identifies a set of high level transport and infrastructure asks to enable these opportunities to be realised. This would provide a starting point for establishing the detailed transport measures/infrastructure improvements that will then be further developed through appropriate business cases and funding bids.

Chris Metcalfe

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Councillor Christopher Pearson - Executive Member for Housing, Health, & Culture

Report to Council on Tuesday 18 September 2018

Housing Delivery Programme

Work continues to bring forward several sites as part of the Housing Delivery Programme, approved by the Executive on the 4th January 2018

- Work continues to progress on the construction of 13 new homes for Selby District Council at Byram Park Road in Byram, and in accordance with the agreed programme that will see the properties handed over in January 2019.
- The construction of 5 new family homes, delivered in partnership with the Selby and District Housing Trust on a former Council owned garage site at Landing Lane Riccall are progressing well and will be handed over to the Trust in September 2018
- The acquisition of 12 s106 properties from Private Developer Berkeley DeVeer for Selby and District Housing Trust is progressing at Ulleskelf with exchange of contracts expected to take place in the next few weeks and the first handovers estimated in late October 2018.
- The construction of 12 family homes for the Selby and District Housing Trust is progressing at Ousegate in Selby. These properties are due to be handed over in January 2019
- As part of an updated report to the Council's Executive on the 12th July on the Housing Development Programme a preferred approach is outlined for the Council to enter into a Joint Venture Agreement with a development partner to develop the Edgerton Lodge site in Tadcaster site for housing. As a first stage the Housing and Regeneration Team has sought Expressions of Interest in developing the site on a joint venture basis. The proposals received are currently being assessed to determine a preferred developer. The Council's Executive on the 12th July noted that a second phase of development on smaller sites owned by the Council was being procured and that Detailed Business Cases for these sites would be submitted to the Executive for approval in October 2018 with a view to the next tranche of sites starting on site in early 2019
- The Housing and Regeneration Team is working closely with Homes England to develop proposals for land in the Council's ownership at Portholme Road as part of the Accelerated Construction Programme. Final due diligence is being carried out with a view to agreeing a marketing strategy for the site in the autumn of 2018.

Empty Homes

Tackling empty homes can assist in meeting housing need; improve housing conditions and regenerate blighted areas and thereby supporting the growth agenda. A key consideration when working to bring empty homes back into use is the reason why a

particular property has been left empty and each situation requires an individual response. The Empty Property Strategy looks to address the issue through a range of responses including the Empty Homes Officer offering advice and assistance to owners, or providing financial support through grants or loans to bring the properties back in to use. The council will also consider voluntary direct purchase and compulsory purchase as a last resort to tackle the most problematic empty properties.

Grant funding has been secured through the Homes England Shared Ownership and Affordable Housing Programme to support the options of voluntary and compulsory purchase. A total of £390,000 has been secured, subject to individual business cases for the properties, to purchase and repair the empty homes, bringing them to a habitable standard. This indicative funding is to bring back in to use 10 empty properties up to 2020, providing up to £39,000 per property.

Arts, Heritage and Culture

Selby District Council hosted a joint event with the Heritage Lottery Fund in July to celebrate local projects who have benefitted from the fund. 45 participants from across the district representing 12 historical groups. Feedback has been fantastic and there is a clear message from representatives that further group engagement to develop our heritage links will be welcomed.

Heritage Action Zone application

Through our urban design and external funding coordinator support are exploring a potential application to Historic England for Selby Town Centre to be designated a Heritage Action Zone (HAZ). To be considered for HAZ status, an area needs to have significant historic interest, with potential to make greater use of its heritage to support social, economic and environmental needs of the place. Through the HAZ, Historic England aims to aid the lead organisation, to breathe new life into old places that are rich in heritage and full of promise - unlocking their potential and making them more attractive to residents, businesses, tourists and investors. Historic buildings that have deteriorated through decades of neglect have the potential to be restored and put back into use; conservation areas improved to kick-start regeneration and renewal; and unsung places could be recognised and celebrated for their unique character and heritage, helping instil a sense of local pride.

There is no direct funding attached to becoming a HAZ, however the advantage of being named a HAZ is to have a raised profile that enables access to Grant Funding, Research, Listing, Planning Advice and Training and Outreach services offered by Historic England. This in turn will improve the quality and depth of information we have about Selby and enable SDC and its partners, to submit more informed applications for external funding opportunities or commercial prospectus. If the concept of a HAZ works in Selby, then again in partnership SDC will work with Historic England and its partners to look at developing projects in the District's other townships.

Air Quality Action Plan

Environmental Health at Selby District Council together with its partners from Transport Planning, Highways and Public Health at North Yorkshire County Council have been developing an Air Quality Action Plan in respect to the Air Quality Management Area declared on New Street, Selby. The plan must set out what measures the authority intends to introduce in pursuit of the Air Quality Objectives. Local authorities are not obliged to meet the objectives, but the plans show that they are working towards them.

The report and Action Plan, which was discussed and approved by Executive on 6th September 2018 shows that Selby District Council is committed to reducing the exposure of people in the Selby district to poor air quality in order to improve health.

Councillor Christopher Pearson
Executive Member for Housing, Health and Culture

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Agenda Item 10



Councillor Wendy Nichols – Chair of Scrutiny Committee

The Scrutiny Committee has not met since the previous update given to Council in July 2018.

However, I will take this opportunity to update Members on the progress of the review and improvements to scrutiny at the Council.

Members may recall that at their last meeting on 17 July 2018 that they agreed to adopt role profiles for the Chairs of Scrutiny, Policy Review and Audit and Governance Committee for inclusion in the Constitution, and also agreed that the arrangements for scrutiny at Selby be reviewed again after the 2019 elections. These role profiles now appear in the Constitution as published on the Council's website.

The quarterly liaison group set up between the Executive and the Chairs of the Scrutiny Committees, to discuss work programming, met for the first time in late July; it was a productive meeting with a number of ideas and topics for scrutiny being discussed. The work plans of the committees have now been updated to reflect the suggestions made at the meeting. The next meeting of the liaison group will be in November.

Training for scrutiny Members is being arranged by officers, with two sessions scheduled to be delivered on 23 October (one in the morning, one in the afternoon). The content will include some 'back to basics' information, looking at how scrutiny is done at Selby and how to ensure it is effective, and analysing information. Those Members on Scrutiny, Policy Review and Audit and Governance Committees who have not already done so are asked to let Democratic Services know which session they would like to attend – morning or afternoon.

The Scrutiny Committee has agreed that a representative of the committee will be present at each Executive meeting; it was also agreed that Executive Members would be invited to attend Scrutiny Committee when appropriate, but could also attend without a formal invite if they so wished.

Work to strengthen scrutiny at Selby is progressing steadily and will be ongoing throughout the rest of the 2018-19 municipal year.

The next meeting of the Committee will be on 27 September 2018.

Councillor W Nichols
Chair, Scrutiny Committee

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Councillor Jim Deans – Chair of Policy Review Committee

The Policy Review Committee has met once, on 24 July 2018 since the previous update given to Council on 17 July 2018.

The Committee is scheduled to meet again on 11 September 2018; however, an update from this meeting will not be ready in time for publication of the Council agenda on 10 September 2018.

24 July 2018

The main items of business on the agenda for this meeting were the planning enforcement management plan and the Committee's Work Plan for 2018-19.

Planning Enforcement Management Plan

The Committee discussed a range of issues across the planning enforcement item. The Executive Member for Place Shaping, Councillor John Mackman, was also in attendance at the meeting.

- The Committee noted that the development of a specific Planning Enforcement Management Plan (PEMP) was to improve the performance of planning enforcement, enable the embedding of policy and practice to improve responses and output, whilst at the same time setting clear standards for delivery.
- The current planning enforcement service was underpinned by Selby District Council's Corporate Enforcement Policy which formed the overarching general approach to enforcement of planning, licensing, housing and environmental issues.
- Members agreed that when the PEMP had been drafted it would be brought back to the Committee in November 2018 for further comment and consideration.
- It was noted that work had already begun to improve the Planning Enforcement service in a number of ways, such as active management of the case load and improving levels of communication. Members acknowledged that around 20% of the cases causing a backlog were either non-planning matters, duplicates or out of time, and emphasised the importance of these cases being filtered out appropriately, in order for the legitimate enforcement matters to be dealt with.
- Officers explained the importance of work being undertaken to build a clearer picture of the current situation, and subsequently formulate a strategy of how to move forward work more efficiently.

- Members were concerned that prioritisation of enforcement matters was not working, and that better information about enforcement procedures and processes would be useful to both the public and Members. Reporting and monitoring of enforcement was a key element of the service that required improvement.
- The Committee noted that recruitment to the Enforcement Team had been an issue in the past, but that the team would be fully staffed from October. The provision of additional resource and ways of integrating the work of the Enforcement Team with that of Development Management was being explored in order to begin clearing the backlog of cases.
- Staff training had been identified as another area requiring attention, particularly on the effective use of software and existing workflow/project management systems.
- Officers were expecting the PEMP to be in force by the end of 2018, and for the service to begin to demonstrate improvements by then. It was suggested by the Executive Member for Place Shaping that an all-Member briefing on planning enforcement could be arranged when the PEMP was in place; the Committee were supportive of this suggestion.

Work Programme 2018-19

The Committee also considered and agreed the work plan for 2018/19.

The Chair emphasised the importance of Officers preparing and submitting reports to the Committee at the meetings for which their items were scheduled on the work programme. The Committee agreed that their work programme required further development.

The Committee also asked the Democratic Services Officer to contact Officers who had items under the 'potential items for 2018/19' section at the end of the work programme, in order to ascertain which committee meetings these would be presented at.

Councillor J Deans
Chair, Policy Review Committee



Councillor Karl Arthur – Chair of Audit and Governance Committee

Update to Council 18th September 2018

The Audit and Governance Committee has met once since the last update provided to the council on 17th July 2018. This meeting took place on Wednesday 25th July 2018.

Audit and Governance Committee Meeting – 25th July 2018

The Audit and Governance Committee agenda was very busy on 25th July 2018 - with no fewer than fifteen items on the agenda - and I would like to take this opportunity to thank committee members and officers for their support and comments during the course of the meeting.

Items covered during this meeting included the Risk Management Annual Report 2017/18, the Annual Governance Statement 2017/18 and the Statement of Accounts 2017/18.

The committee was satisfied that the Statement of Accounts was a true reflection of the financial position of the council for the financial year 2017/18 and following a discussion and the approval of the Statement of Accounts by the committee were signed off by both myself (in my role as Chair of Audit and Governance) and the Chief Finance Officer, Mrs Karen Iveson.

As promised at the last meeting of the committee in April, the committee received a further update on the General Data Protection Regulation (GDPR) Act 2018 and specifically on how the authority was dealing with implementation following the enforcement of the GDPR Act at the end of May.

The committee was saddened to hear that this would be the last meeting of Mr. Gavin Barker (External Audit Manager) as he would be moving to a new position prior to our next meeting in October and took the opportunity to thank him for his efforts over recent years following the presentation of his External Audit Completion Report for 2017/18. I would like to take this opportunity to wish him well for the future and look forward to working with his successor.

The committee also considered an Internal Audit Report relating to the Payment Card Industry Data Security Standard, following an internal audit which identified that arrangement's for managing the risk required improvement. Management are developing an action to address the issues and the committee was satisfied that appropriate action is being taken.

The committee agreed to stay with the current times for holding meetings over the coming municipal year (i.e. 5pm) and confirmed the Audit and Governance Committee Work Programme for 2018/19 following its approval at the previous meeting.

Changes to Committee Membership

Since the committee last met in April there has been a change to the membership of the committee. Cllr. Mike Jordan has left the committee and been replaced by Cllr. John Cattnach. I would like to take this opportunity to thank Cllr. Jordan for all of his hard work whilst on the committee and in particular the fine way in which he chaired the committee over the several years that I have sat on it and would also like to take this opportunity to welcome Cllr. Cattnach and look forward to working with him over the coming year.

Councillor Karl Arthur
Chair, Audit and Governance Committee



Report Reference Number: C/18/04

To: Council
Date: 18 September 2018
Ward(s) Affected: All
Author: Karen Iveson, Chief Finance Officer
Lead Executive Member: Councillor C Lunn, Lead Executive Member for Finance & Resources
Lead Officer: Karen Iveson, Chief Finance Officer

Title: Medium Term Financial Strategy

Summary:

This report presents an update to the Medium Term Financial Strategy (MTFS) covering both the General Fund and Housing Revenue Account (HRA). At the time of writing this report Policy Review Committee is due to be consulted on 11 September – Council will be updated verbally on any comments from the committee.

The key assumptions that underpin the strategy have been updated. The MTFS highlights the potential for New Homes Bonus to be withdrawn after 2019/20 and the additional renewable energy business rates receipts expected in this final year before the system is reset.

The MTFS identifies risk and uncertainty around business rates retention and on-going reductions to Government funding for the General Fund and on-going reductions to HRA rents as the key issues for the Council. The MTFS confirms the Council's strategic approach to reducing its base revenue budget and investing 'one-off' or finite resources to stimulate local economic growth and achieve sustainable income through Council Tax and Business Rates growth.

The MTFS also sets out the Council's reserves strategy which seeks to set aside sums to cover known commitments and cover financial risk as well as earmarking resources to support delivery of the Council's Corporate Plan.

Taking into account prudent forecasts in Business Rates income, alongside our on-going savings plans, a target net General Fund revenue budget of £17.8m and £11.6m for the HRA are proposed for the 2018/19 budget, which includes a savings target of £1.5m for the General Fund.

Based on the assumptions within the MTFS the savings requirement is estimated to

rise to £2.9m over the next 3 years.

Recommendations:

It is recommended that:

i) The Medium Term Financial Strategy be approved.

Reasons for recommendation

To set the framework for the 2019/20 budget and Medium Term Financial Plan to 2021/22.

1. Introduction and background

- 1.1 This report presents an update taking into account changes to the key assumptions within the strategy. The draft MTFS including associated appendices is attached at **Appendix 1**.
- 1.2 The strategy covers both the General Fund and HRA to provide a holistic view of the Council's finances.
- 1.3 Comments on the MTFS will be invited from Policy Review Committee. At the time of writing this report Policy Review Committee is due to be consulted on 11 September – Council will be updated verbally on any comments from the committee.

2. The Report

- 2.1 The attached update paper models the Council's revenue budgets over the next 10 years although major risk and anticipated changes within the financing system mean that meaningful future forecasting is extremely difficult. A mid-range forecast is the scenario that is proposed as the basis for the budget round for 2019/20.
- 2.2 Significant changes to the Business Rates Retention Scheme were previously anticipated following the Government's announcement that in future 100% of Business Rates will be retained by Local Government and Revenue Support Grant will be phased out. However since the General Election, plans for 100% rates retention are uncertain as bids for 75% pilots in 2019/20 have been invited. The Executive delegated authority for the Chief Finance Officer to submit an application as part of a wider North Yorkshire pool, on behalf of the Council, should this present a favourable outcome.
- 2.3 The MTFS takes account of the multi-year settlement offer confirmed last year, which sees settlement funding reducing by around £1m by 2019/20. We await the outcome of the Fair Funding Review, which is anticipated in 2019, to clarify funding from 2020/21 and beyond.

- 2.4 For the HRA the MTFs models the on-going 1% reduction in housing rents (2019/20 being the final year of the Government's 4 year reduction plan).
- 2.5 The MTFs mid-case scenario assumes a Council Tax rise of £5, which is in line with the current approved strategy, although a maximum of 3% (£5.25) is allowable under proposed referendum principles.
- 2.6 The Council's approach to the management of its reserves is also re-confirmed in the MTFs – earmarking resources to cover commitments, manage risk and support growth, with £1.5m retained as a minimum general working balance for both the General Fund and HRA.
- 2.7 Based on the assumptions updated within the MTFs, taking the forecast resources available and assuming costs are contained within the net revenue budget, savings of £1.5m p.a. (General Fund) are still anticipated for 2019/20 and the deficit rises to £2.9m by 2021/22. Over the 4 years including this current year a total shortfall of around £7m is estimated.
- 2.8 Given the risk within our savings programme it is proposed to hold back £7m in the Business Rates Equalisation Reserve in addition to 3 years safety net top up per current policy. It must be stressed however that using reserves to support the revenue budget in this way is not sustainable and failure to deliver the savings target would undermine the Council's long term financial resilience and therefore work to deliver and identify further savings to bridge any gap must continue.
- 2.9 In-year HRA surpluses are transferred to the Major Repairs Reserve to support enhancements to the Council's housing stock although reductions to rent levels will mean diminishing resources available for investment.
- 2.10 Whilst revenue resources are challenging, capital receipts remain relatively buoyant which will enable the Council's General Fund capital programmes to be sustained as we consider opportunities to further invest in housing related schemes alongside the Programme for Growth and other reserve programmes which aim to deliver more sustainable income streams whilst improving outcomes for citizens and delivering internal efficiencies.

3. Legal/Financial Controls and other Policy matters

3.1 Legal Issues

None as a direct result of this report.

3.2 Financial Issues

- 3.2.1 The financial issues are highlighted within the body of the report. Based on the updated key assumptions within the paper, the target net revenue budget

for 2018/19 is £17.8m for the General Fund and £11.6m for the HRA.

- 3.2.2 The estimated deficit for 2019/20 totals approximately £1.5m and rising to £2.9m by 2021/22. Work is progressing towards the target but there is a shortfall forecast in 2018/19. This can be off-set by one-off savings in-year but focussed effort is needed to bring this back on track.
- 3.2.3 Further opportunities for savings will be brought forward for consideration as part of the forth coming budget round.

3.3 Impact Assessment

- 3.3.1 There are no equality impacts as a result of this report – individual savings ideas will be subject to assessment as they are brought forward for consideration/implementation.

4. Conclusion

- 4.1 The key assumptions which underpin the MTFs have been updated based on the latest intelligence available however there remains much uncertainty around public sector finance.
- 4.2 There remains risk within the Business Rates retention scheme and at this stage a cautious stance has been taken regarding the system reset after 2019/20.
- 4.3 For the HRA the MTFs models the on-going 1% reduction in housing rents.
- 4.4 There is also uncertainty over New Homes Bonus, the economic situation, income generation and delivery of savings. The Council's longer term financial position is heavily reliant upon resources keeping pace with inflation and costs being contained within base budget.
- 4.5 Currently, New Homes Bonus is crucial to our financial resilience and to our capacity to invest in Selby District. The government has indicated a review of New Homes Bonus and stated that the current funding is only secured to 2019/20 and consequently the MTFs tapers this out of the revenue budget over the next 2 years – a loss of around £800k to our revenue budget.
- 4.6 The target net revenue budget for 2019/20 is £17.8m for the General Fund and £11.6m for the HRA. This requires savings of £1.5m General Fund savings for the year. Over the subsequent 2 years this requirement is expected to rise to £2.9m p.a. Given the size of the deficit and risk within the savings programme it is proposed that reserves are held to mitigate this risk although this is not a sustainable solution.
- 4.7 Additional income from Council Tax and Business Rates as a result of our investment in economic growth will help to bridge the funding gap in the long

term but in the meantime we must strive to be as efficient as possible and additional savings targets are proposed. We will need to keep this under review as the future for Local Government funding becomes clearer.

- 4.8 The on-going risk to the Council's General Fund and HRA funding means that a careful balance between savings and investment will need to be struck.

5. Background Documents

Approved MTFs Update September 2017
Approved Budget February 2018

Appendices

Appendix 1 - Medium Term Financial Strategy Update September 2018

Contact Details

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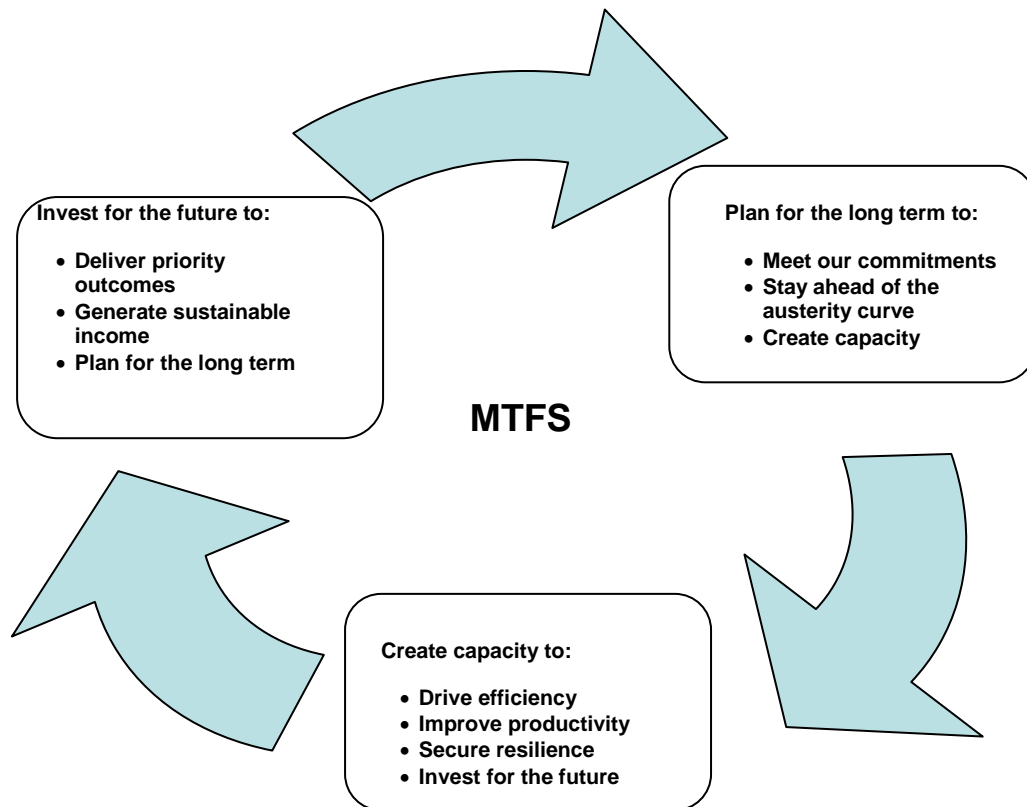
Selby District Council

Medium Term Financial Strategy Update September 2018

1. Introduction and Background

- 1.1 This paper presents an update to the General Fund Medium Term Financial Strategy approved by Council in September 2017 along with an overview of the Housing Revenue Account. It considers the budget pressures and issues facing the Council over the next 3 years and beyond. It provides the framework for the forthcoming budget round and the longer term outlook to inform funding and investment decisions. A refresh of the full HRA Business Plan is in progress and this strategy will provide the financial framework for this work.
- 1.2 At this stage the impacts of the UK's exit from the European Union, on public sector finances are still not clear. The Government's proposals for a reviewed Local Government funding system are emerging but there is still much to be settled. A number of consultations have taken place and the latest closes on 18th September with the closing date for the next round of Business Rates Pool pilots a week later. We continue to await the outcome of the consultation on the fairer funding review to throw further light on the outlook for public sector finances.
- 1.3 As this strategy is being written, the outlook for the devolution agenda remains uncertain and at this stage the financial implications of devolution for Selby are not known and therefore cannot be taken into account in this update. It will be important to understand the on-going implications as part of any future decisions on forming a combined authority with other partners should this ultimately be an option.
- 1.4 Against this backdrop the key drivers for the financial strategy remain unchanged as the pressure on Local Government finance continues. Whilst there is talk that austerity is over, until this is evident in funding settlements for Local Government, we must assume that austerity in some form will continue.
- 1.5 In 2017/18 we refreshed our new Corporate Plan and with it restated the Council's priorities through to 2019/20. The Council has a clear and ambitious growth agenda – aiming **to make Selby a great place to do business, enjoy life and make a difference whilst delivering great value**. The financial strategy aims to provide financial sustainability, resilience and capacity for the Council in pursuing its objectives.
- 1.6 This update once again emphasises financial self-sufficiency as our economic growth agenda develops. This strategy aims to secure the

resources necessary to deliver the Corporate Plan, whilst managing the funding cuts we are facing – ultimately over the long term achieving a self-sustaining financial model which sees the Council free from reliance on central government funding by raising income locally through Council Tax and Business Rates as well as through charging appropriately for services and maximising its investments.



- 1.7 To support this paper and due to the significant volatility within the General Fund, three scenarios ('best', 'mid' and 'worst' case) for the General Fund and a separate mid-case only, forecast for the HRA have been modelled over the 10 years from 2019/20 to 2028/29 and are attached at **Appendix A**. More detailed best and worst case scenarios will be modelled for the HRA when the whole HRA Business Plan is refreshed later this year. The mid-case scenarios are the proposed as the frameworks for the forthcoming budget. However, given the uncertainty for public sector finances, we remain ready to cope with a worst case scenario whilst staying focussed on our Corporate Plan objectives - using our strong financial position to carefully balance savings and investment.

2 Update on financial assumptions

Economic Assumptions

Interest Rates

- 2.1 The bank base rate was raised by 0.25% to 0.5% in November 2017 and then raised again to 0.75% in August 2018. In the latest forecasts received from Link (the Council's treasury management advisors) in May 2018, the bank rate was projected to remain at 0.50% through to December 2018 when a rise to 0.75% was predicted followed by a further rise to 1.00% in September 2019. We await an updated forecast following the August rate rise but have made some broad assumptions for the purpose of this MTFS.
- 2.2 The approved strategy includes provision for a £300k cap on the amount of investment interest used to support the General Fund revenue budget and an equivalent cap of £135k for the HRA is proposed. As a result of the latest interest rate rise and the level of Council balances, it is anticipated that these will be reached in 2019/20:

	2018/19*	2019/20	2020/21	2021/22
Average rate %	0.66	1.10	1.25	1.35
GF Interest £000's	249	300	300	300
HRA Interest £000's	112	135	135	135
Total Interest £000's	261	435	435	435

**2018/19 Quarter 1 Treasury Management Report*

- 2.3 Any surplus receipts above the cap will be transferred to the Contingency Reserve. Rates will be kept under review and forecasts updated as necessary.

Inflation

- 2.4 As at May 2018 CPI inflation was running at 2.4% in contrast to average weekly earnings which rose by 2.5% in the three months to April 2018. The Bank of England forecast CPI to decline through 2018 to 2020 to just above their 2% target. However, it remains to be seen how the UK's exit from the European Union will impact on the outlook for the economy and inflation. Given the continued cuts to central Government funding, the MTFS assumption on inflation has been maintained at 2% although a provision for inflation will only be provided on contractual budgets, which builds in a level of risk mitigation. Relatively minor price rises above this level will be managed within the overall net budget.

General Fund Assumptions

Settlement Funding

- 2.5 This element of funding has seen the most significant changes in recent years following the localisation of Business Rates and Council Tax Support.
- 2.6 The 2017/18 Local Government Finance Settlement provided figures for Settlement funding through to 2019/20. Settlement Funding includes Revenue Support Grant (RSG), Business Rates Baseline Funding (BRBF) and in addition Rural Services Delivery Grant (RSDG) and Transitional Grant (TG) were included in the settlement:
- 2.7 The Government has provided a multi-year settlement (2017/18 – 2019/20) to Local Authorities although has reserved the right to alter the figures due to unforeseen circumstances or ‘shocks’ in the system. The Government have confirmed their intention to honour the multi-year settlement in its final year and are currently consulting on negative RSG, suggesting this may be removed from the 2019/20 settlement. At this stage it is assumed that this will be rolled into the new settlement from 2020/21 so any benefit would be for one year only.

Local Government Finance Settlement	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's*
RSG	1,756	1,121	593	265	0	0
BRBF	2,232	2,250	2,294	2,365	2,418	2,466
Tariff adjustment					-101	-103
SFA	3,988	3,371	2,887	2,630	2,418	2,363
RSDG	0	134	108	135	108	0
TG	0	11	11	0	0	0
Total	3,988	3,516	3,006	2,765	2,526	2,363

**Multi-Year Settlement runs to 2019/20 – 2020/21 Estimated (+2% inflation) and subject to Fair Funding Review and Business Rates Reset*

- 2.8 The settlement shows a funding reduction of approximately £1.5m from 2015/16 to 2019/20 with RSG being completely phased out over the period.
- 2.9 The Government has now shelved plans for Local Government to retain 100% of Business Rates in future and plans to pilot a 75% retention system in 2019/20. The Government’s ‘Fair Funding Review’ is still expected to move forward but without an agreed mechanism to redistribute resources there is the potential for further uncertainty and risk.

Business Rates Retention

- 2.10 The current approach to Business Rates Retention income is to set aside gains above our baseline funding (per settlement) into the Business Rates Equalisation reserve to off-set potential future losses. A rolling balance of 3 years cover down to the safety net plus funds to back fill planned savings will be maintained in this reserve. Balances above this level will be available for investment.
- 2.11 The Council is currently at the 'safety net' for the purposes of rates retention but in receipt of a large windfall from renewable energy (£7.8m p.a. in 2018/19). It is anticipated that this financial situation will continue for a further year until the system is reset from 2020/21.
- 2.12 At the time of updating this strategy the Government has announced a further pilot for Business Rates Retention (75% rather than 100%) prior to the system reset. Work is underway to assess the issues and impacts with colleagues within the potential pilot (North Yorkshire County Council, East Riding of York Council and the Districts within North Yorkshire). The deadline for applications is 25th September and at this stage the financial implications are not known – it is assumed however that if it is decided that Selby should be part of any application, the impacts will be for one year only and as such will not be included within the Council's base budget assumptions.
- 2.13 Our forecast for 2018/19 is based on our NNDR1 return taking account of the 2017 revaluation, latest intelligence on appeals, business growth and closures known at that time:

Business Rates Income	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Selby's share of retained income	-761			
Safety-Net Payment	2,949			
Safety-Net	2,188			
Transfer from BRER	177			
= Baseline	2,365	2,418	2,363	2,410
Assumed growth	0	0	0	0
Renewable Energy/Surplus*	7,820	7,980	0	0

- 2.14 These forecasts do not include any provision for new significant appeals or closures beyond those already known at NNDR1 stage and therefore they should be treated with extreme caution. Since our 2018/19 forecast we have had notification of a downward revaluation for Eggborough Power Station which will reduce Selby's retained income by a further £416k. As Selby is already £2.9m below the safety net (with £761k negative business rates through the retention system in 2018/19) no growth above our baseline funding is anticipated for the foreseeable future. Following the system reset, any subsequent

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additional growth will be factored into our plans once a clear trend can be established and decisions on future allocations will need to be taken in light of the overall funding available and risk at that time.

New Homes Bonus

- 2.15 New Homes Bonus (NHB) is an incentive scheme which rewards housing growth. The scheme is funded partly by the Government and also by top-slicing the Local Government funding settlement. Selby achieved £2.4m p.a. when the scheme reached maturity for 2016/17 (year 6 of the scheme).
- 2.16 The approved strategy provides that £880k p.a. is used to support the Programme for Growth. A new Programme was established as part of the refresh of the Council's Corporate Plan and the current budget assumes that £880k p.a. continues to be transferred to reserves whilst NHB income continues, although funds have not been allocated to projects beyond those approved to date.
- 2.17 The Government's evaluation of NHB and consultation early in 2016 resulted in it being scaled back to a 4 year scheme with a 0.4% growth threshold. New Homes Bonus funding is only secured to 2019/20 and latest intelligence suggests that this scheme will be replaced in its entirety from 2020/21 with the Government considering alternative ways to incentivise housing growth. Assuming a similar level of growth in 2019/20 New Homes Bonus forecasts are:

New Homes Bonus	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
Year 1	445				
Year 2	435				
Year 3	303	303			
Year 4	542	542			
Year 5	353	353	353		
Year 6	368	368	368	368	
Year 7		400	405	405	0
Year 8			415	415	0
Year 9				427	0
Year 10					0
Total	2,446	1,966	1,541	1,615	0

- 2.18 Given the uncertain nature of NHB it is not advisable to rely on this to support the revenue budget and therefore the previous mid-case scenario assumed that the anticipated reductions impacted on the allocation to the revenue budget in the first instance. This allows a managed reduction in resources to help mitigate the risk of loss should the scheme ultimately be brought to a close.

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2.19 The following is therefore proposed for 2019/20 and 2020/21 onwards:

NHB	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
P4G	880	880	880	1,248	0
GF	1,566	1,086	661	367	0
Total	2,446	1,966	1,541	1,615	0

2.20 Growth in receipts above these levels or receipts from any new scheme is assumed to be allocated to the Programme for Growth.

Special and Specific Grants

2.21 The Council is in receipt of a number of additional grants for 2018/19 which may continue into the future. For 2018/19 the Local Government Finance Settlement included the following which are assumed to continue to 2019/20 in line with the multi-year finance settlement:

Grants	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Rural Services Delivery Grant	135	108	0	0
Transition Grant	0	0	0	0
Total Grants	135	108	0	0

2.22 Future funding is dependent upon the outcome of the new Business Rates Retention system - beyond 2020 it is assumed that these grants will be rolled into Business Rates funding. Non-service grants are not ring-fenced and are applied to finance the General Fund revenue budget. In addition there are various service specific grants which are included within the Net Revenue budget – they are not listed here as it is assumed that there is corresponding expenditure for these elements.

Council Tax

2.23 A Council Tax Base of 30,837 is estimated for 2018/19 with a 1% rise forecast thereafter included in the Council's current Medium Term Financial Plan. Every 0.5% increase above this level would add approximately 150 Band D equivalents to our Tax Base which equates to around £27k p.a. at the current Band D charge (£175.22).

2.24 At this stage the Government has not proposed changes to the council tax referendum principles that were used in 2018/19 although an update will be provided alongside the provisional local government finance settlement. The current principles are to allow district councils to increase their Band D charge by £5 or 3% (whichever is the higher) without triggering a referendum. A £5 p.a. increase has been factored into our current MTFs for 2019/20.

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- 2.25 A £5 increase equates to an increase of 2.85% or 10p per week for 2019/20. A 1.99% rise (in line with inflation assumptions) has been modelled for 2020/21 onwards:

	2018/19	2019/20	2020/21	2021/22
Tax Base with 1% growth	30,837	31,145	31,456	31,771
Band D Charge £	175.22	180.22	183.80	187.46
% Increase	2.94	2.85	1.99	1.99
Council Tax Income £000's	5,403	5,613	5,782	5,956
Collection Fund Surplus/(Deficit)	(95)	0	0	0

- 2.26 Should the Council wish to consider an alternative policy on Council Tax:
- a 3% increase would take the Band D charge to £180.47 (an increase of £5.25) and raise an additional £8k in 2019/20 – £80k over the life of the MTFS,
 - and a freeze in 2019/20 would reduce income by £157k – a loss of circa £1.6m over the life of the MTFS.

The best case scenario incorporates the 3% increase and the worst case a freeze.

Council Tax Support Grant for Parishes

- 2.27 In accordance with the approach adopted in the current Medium Term Financial Plan, it is assumed that support for parishes will be discontinued from 2019/20 by which time Tax Base growth will have more than compensated for the impact of Council Tax Support. The strategy forecasts the grant amount reducing in line with the reduction in the Council settlement funding (RSG/NNDR). On-going engagement has been undertaken with the Parishes to ensure that they are preparing for this change and this will continue through the forthcoming budget round. It should be noted that Parishes are not subject to Council Tax referendum rules and consequently are able to increase their precept to meet their spending needs.

Service Income

- 2.28 The Council approved an Income Strategy in 2016 which established full cost recovery as the default for all discretionary charges unless a specific decision to subsidise has been taken. A review of fees and charges is planned as part of our savings programme and within the context of a self-sustaining financial model.
- 2.29 This strategy assumes that service income raised through discretionary fees and charges will increase in line with inflation although opportunities to maximise income will be sought as part of our overall approach to savings and efficiency – currently a £185k target for additional income is included within our approved savings plan for

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2019/20. Prescribed planning fees increased by 20% from 17th January 2018 - the additional income generated being used to reinvest in the service. Other grants and subsidies are assumed to remain flat – any subsequent reductions will be managed within the overall base budget/savings requirement.

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2.30 The table below shows the main service related income streams:

Service Income	2018/19	2019/20	2020/21	2021/22
	£000's	£000's	£000's	£000's
General Fund				
Waste Collection & Recycling	1,533	1,564	1,595	1,627
Planning	1,050	1,050	1,050	1,050
Car Park Income	350	350	350	350
Selby Leisure Centre / Summit	407	398	398	406
Commercial Property Rental	319	482	491	501
Lifeline Private Clients	319	357	364	371
Court Fees / Summons Costs	155	158	162	165
Land Charges Search Fees	148	151	154	157
Miscellaneous Fees & Charges	332	368	375	382
Licences	133	136	138	141
Total Service Income	4,746	5,014	5,077	5,150
Current Income Growth Target (per savings plan)	0	185	185	185
Total Target Income GF	4,746	5,199	5,262	5,335

Housing Revenue Account Assumptions

2.31 The core assumptions which impact the HRA include: inflation and interest rates; rent levels; void properties; bad debts; right to buy sales; and new build/acquisitions. The economic assumptions applied to the General Fund will also be applied to the HRA.

Dwelling Rents

2.32 2019/20 will be the final year of the Government's 4 year plan to reduce Social Housing rents by 1% year on year. This squeeze on rental income reduces the amount available to invest in improving our housing stock and new build housing. From 2020/21 a CPI + 1% rise is expected for the period through to 2024/25 although there could be further government policy change in this period so rental assumptions should be treated with caution. Assumptions on void properties and bad debts remain unchanged with 1% and 1% applied respectively.

Council House Sales and New Builds/Acquisitions

- 2.33 Right to buy sales are estimated at 20 per annum which accords with recent experience but such sales are sensitive to economic change and therefore these will be kept under close review.
- 2.34 New builds and acquisitions are currently forecast in line with the Council's approved Housing Development Programme. (£3.48m over the next 2 years). However as our plans are being brought forward there may be some flex required and consequently these assumptions are subject to change. Any such change will be subject to business cases which will consider the impact on the long term financial outlook for the HRA and seek to strengthen and improve the long term sustainability/viability of the HRA.

Rent Forecasts	2018/19	2019/20	2020/21	2021/22
Number of dwellings (mid-year average)	3,040	3,045	3,041	3,027
Average Rent - Rent Restructuring £	83.26	82.43	84.90	87.45
Net Rent Income £000's	11,940	11,840	12,143	12,452

Other Income

- 2.35 In accordance with our fees and charges policy it is assumed that garage rents will increase by CPI inflation each year:

Service Income	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
HRA Garage Rents	100	103	106	107

Debt Charges Assumptions

- 2.36 Management of the Council's debt is governed by the Treasury Management Strategy and Prudential Indicators which aim to ensure the Council's capital expenditure plans are prudent, affordable and sustainable, with decisions on borrowing taken in light of spending plans and available funding, cash flow needs and interest rates (current and future forecasts).
- 2.37 Borrowing enables the Council to spread the cost of capital expenditure over time. Generally speaking it gives rise to two charges against the revenue budget: Minimum Revenue Provision (MRP) and interest payable on debt.

- 2.38 MRP is an amount set aside to repay debt in accordance with the approved policy within the Treasury Management Strategy. As part of the overall savings plan, the Council has maximised General Fund MRP set aside by applying some of the business rates windfalls received. This voluntary set-aside has delivered a corresponding annual revenue saving.
- 2.39 A small amount of MRP charge remains within the General Fund relating to the cost of the 'fit-out' of the Summit which is covered by the trading concession fee received from 'Inspiring Healthy Lifestyles' – this arrangement aims to ensure that the facility remains sustainable by maintaining financial capacity to replace the interior at the end of the 10 year contract should this be required.
- 2.40 The majority of debt charges fall on the HRA as a result of taking on circa £60m of central government debt when the previous HRA subsidy system was abolished in April 2012. MRP is £1.26m p.a. and current interest payable is £2.413m p.a. The amount of borrowing allowable within the HRA is subject to a 'debt cap' of circa £63m – based on current borrowing requirements there is currently approximately £10m available for new borrowing.
- 2.41 The current environment of low returns on cash investments means that it is more favourable to borrow internally (i.e. use available cash earmarked for future spend) than take out new external borrowing. However as interest rates are expected to rise, this will be kept under review as part of monitoring the Council's Treasury activities and corresponding interest charges will be factored into the budget to ensure sufficient capacity to accommodate any necessary borrowing.

Reserves and Balances Assumptions

General Balances

- 2.42 In accordance with the current strategy it is assumed that General balances are **not** used to support the revenue budget.
- 2.43 General Balances remain funding of last resort. The approved minimum working balance is £1.5m for both the General Fund and HRA and resources will be managed to maintain this level over the medium to long term.

Earmarked Reserves

- 2.44 The following has been extracted from the current approved MTFs and updated with the latest available intelligence – it sets out the rationale for each reserve and the proposed contribution where applicable:

Earmarked General Fund Reserves

A review of major earmarked reserves has been undertaken and the following proposed:

- PFI – Based on current forecasts and following an additional lump sum contribution in 2016/17, there is now sufficient balance in this reserve to cover future commitments. The on-going adequacy of this reserve is kept under review in light of interest rates and inflation. Any necessary increases in contributions will form part of the revenue budget and will be funded as a commitment before further service growth is considered.
- ICT Replacement – £141k p.a. General Fund (£150k less £9k saving from the Better Together ICT service) and £50k p.a. HRA contributions are planned to sustain this important reserve, which provides the financial capacity to upgrade and replace our ICT infrastructure, hardware and systems in accordance with our approved ICT Strategy. The use of ICT to support the Council's customer 'self-service' and channel shift agenda means that the financial capacity to invest in modern technologies is crucial to support future services and deliver savings. A review of the Council's ICT strategy was undertaken in 2017/18 and a one-off injection of £500k was included in the approved revenue budget in 2018/19. The level of on-going contribution is confirmed without change. Fixed contributions allow the smoothing of these irregular costs to avoid peaks and troughs in funding requirements. Spending is planned over a 10 year period allowing for known upgrades and systems/replacements.
- Asset Management - £200k p.a. (£178k plus £22k for the Summit Indoor Adventure), is transferred into this reserve to cover our commitments to maintaining our built assets. Major surfacing works to the Council's car parks are planned with £900k committed from this reserve over the 3 years from 2018/19. Accordingly a one-off top-up of this reserve is required and it is proposed that £250k is transferred from General Balances (£150k) and the Pension Equalisation Reserve (£100k). An update to the assessment of works required to maintain our assets over the coming 10 years will be done as part of the next Asset Management Strategy refresh. In the meantime it is proposed that annual contributions be maintained at £200k p.a. pending a more detailed view of future spending needs.

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- Special Projects Reserve - £880k of New Homes Bonus and excess business rates income beyond that required for the Business Rates Equalisation Reserve (see above) are used to top up this reserve for the Council's 'Programme for Growth'. However, **it must be stressed that the use of NHB and Business Rates resources to fund growth is wholly dependent upon achieving the revenue savings targets set.**
- Affordable Housing (s106 commuted sums) – a ring-fenced reserve to support new affordable housing delivery with restrictions on use and requirements to spend within a given timescale. The reserve receives any in-year s106 affordable housing commuted sums which are then applied to our affordable homes programme aiming to deliver more homes 'off-site' than could have been delivered through 'on-site' provision.
- Discretionary Rate Relief – this reserve was established with £300k from the 2012/13 General Fund revenue surplus. Future contributions could come from excess Business Rates income subject to availability and prioritising against the revenue budget and 'Programme for Growth'. A budget of £100k p.a. has been created and will be funded by this reserve – this will enable applications for relief to be considered and awarded promptly. The balance will be kept under review and topped up from in-year savings if required.
- Business Development – the need for on-going savings and efficiencies to achieve the Council's objectives remains a key priority. This reserve provides up-front investment for service improvements and efficiency initiatives, to support the Council's savings plan – in particular commercialisation and income generation. The reserve will be topped up from in-year surpluses, if any, subject to other reserve priorities.
- Pension Equalisation – this reserve receives contributions which provide capacity within the General Fund revenue budget for a rise in employer pension contributions following each triennial valuation. However, the Council has reduced its historic pension fund deficit with a one-off lump sum payment of £9.4m in 2016/17, and therefore contributions to this reserve have been reduced to £100k p.a. This reserve will be reviewed again in light of the next triennial valuation due in 2019.
- Business Rates Equalisation – this reserve was created in 2012/13 in anticipation of localised Business Rates and the funding risk inherent within the scheme. The current strategy assumes that any excess Business Rates above our baseline are transferred into this reserve to mitigate any funding shortfalls prior to the safety net being reached.

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For the purposes of rates retention and whilst receiving the large cash windfalls from renewable energy, the Council is at the safety net and is expected to be in this position until the system is reset from 2020/21. Given the anticipated changes to the rates retention scheme and on-going Local Government funding cuts, the current MTFS provides that 3 years' worth of safety net 'top-up' be held as a minimum balance plus a further sum to back-fill savings targets with the rest transferred to the Special Projects (Programme for Growth) Reserve. This policy will be maintained for 2019/20 and the mid-case forecast on savings requirements suggests that a figure of £8.1m would be prudent to hold back to cover the current savings requirement and safety net 'top-up' for the next 3 years.

The impact of the system reset and the potential for a 75% rates retention pool will be considered and if necessary future changes to this reserve will be brought forward in due course.

- Local Plan Reserve – delivery of a district wide local plan requires a significant and sustained resource input over a relatively long period of time, which can put pressure on in-year budgets when peaks in work occur. £355k was earmarked in 2015/16, with a further £145k from the revenue budget in 2016/17 and then £50k p.a. set aside thereafter. Growing demands in this area suggest it would be prudent to set aside additional funds into this reserve and therefore it is proposed that £250k be transferred from the Contingency Reserve.
- Contingency – this reserve provides resources to cover unforeseen issues beyond those that can be accommodated by in year contingency budgets – for example significant planning appeal costs. The reserve is topped-up using year-end surpluses if available and required.

Housing Revenue Account Reserves

- Major Repairs Reserve – this reserve provides the resources to manage the condition of the Council's housing stock over the long term. It receives depreciation charges along with any in-year surpluses generated through the HRA.

Capital Reserves

- Useable Capital Receipts – generated through the sale of Council assets (General Fund and HRA). The Council's Asset Management Strategy sets out our approach to assets, including review of assets for disposal. These receipts can only be used to fund capital expenditure and are allocated in light of our capital investment plans.

- Retained housing receipts – receipts generated from right to buy sales over and above the Government's assumptions following extension of right to buy discounts can, subject to terms and conditions, be retained for re-investment in new homes.

2.45 A forecast of reserve balances is set out at **Appendix B**.

3 Revenue Budget Outlook 2019/20 to 2021/22

Costs

- 3.1 It is assumed that on average costs will increase in line with inflation. Whilst cuts in general grant continue, demand led cost pressures must be contained within the net revenue budget. The strategy assumes that such cost pressures are managed within the overall base budget and therefore any proposed cost increases must be covered by equivalent savings elsewhere.
- 3.2 There are a number of significant pressures that are currently being monitored:
- Lifeline service – a trial of a reconfigured service has been approved following withdrawal of NYCC supporting people funding. The business case identified an overall net cost of £30k to the Council's General Fund which has been included in the mid-case scenario;
 - Green waste – NYCC are reviewing recycling credits and have consulted on proposals to reduce the amount of credits paid to district councils – a potential loss of £300k. The mid-case scenario assumes a cost neutral position for Selby but as Selby does not currently charge for this service this represents a significant risk;
 - Summit – the facility operator IHL is experiencing lower footfall and approval to amend the service offer has been agreed by the Executive with corresponding one-off funding. The mid-case assumes no change to the income received from IHL for the trading concession.

Whilst we will seek to contain such issues within the revenue budget in 2018/19, given the pressures above it is unlikely this will be achievable going forward and therefore the savings gap is expected to widen from 2019/20.

- 3.3 The single largest cost to the Council is its employees. In 2018/19 the Council's payroll budget is approximately £8.2m including circa £1.0m to directly support the Programme for Growth. This includes the impacts of the 2018/19 pay award which has increased our budgets by approximately £240k and a 2% vacancy factor reducing the payroll budget by £170k. The Council's ambitious growth agenda (an agenda

which is fundamental to the long term sustainability of our vital public services) meant a need to increase our internal capacity over three years from 2017/18. In the shorter term this continues to require support from the Council's reserves and the Council has approved funding through the Programme for Growth through until 2019/20. However, care needs to be taken to ensure that this directly supports an increase in overall cash resources coming into the Council.

- 3.4 The Apprenticeship Levy has also been factored into our future payroll costs – an estimated cost of around £18k p.a.

Income

- 3.5 Service related income levels are improving and helping to support our savings plan. Opportunities for growing income generation remain a priority and proposals for commercialisation will continue to be developed. A strategic review of income generation is planned as part of our savings work which will include opportunities for investment in property and/or other alternatives to achieve an income stream.
- 3.6 The windfall from Business Rates income will have a significant positive impact on our General Fund financial position at least in the short term but we will need to keep this under close review and in accordance with the previously approved MTFS and budget, it is assumed that growth above our baseline funding is transferred into the Special Projects (Programme for Growth) Reserve as it is realised.
- 3.7 Whilst the Government's offer of a multi-year settlement provides a degree of certainty (notwithstanding the impacts of the UK's exit from the EU) this is a diminishing proportion of overall funding. Due to the uncertainty of Business Rates and New Homes Bonus it is difficult to predict the level of resources we can expect beyond 2018/19 with confidence.
- 3.8 Housing rents are subject to the Government's control and forecasts. In 2016/17 a 1% reduction in rents was implemented for a four year period of which the last year will be 2019/20. From 2020/21, CPI + 1% will be applied in line with government policy for a 5 year period but as highlighted in paragraph 2.34 above this could be subject to change.

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Net Budget Forecast (Mid-Case)

- 3.9 The forecasted resources and revenue budgets for 2019/20 to 2021/22 including approved bids and commitments are shown in the table below (mid-case):

General Fund	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Council Tax	5,403	5,613	5,782	5,956
Council Tax Collection Fund Surpluses	(95)	0	0	0
Business Rates Collection Fund Surpluses	7,820	7,980	0	0
RSG	265	0	0	0
Business Rates*	2,188	2,418	2,363	2,410
New Homes Bonus	1,541	1,615	0	0
Other Non-Service Grants	204	191	0	0
Total Resources	17,326	17,817	8,145	8,366
Net Budget Prior to Planned Savings	18,354	19,388	10,490	11,264
Business Rates Equalisation Reserve	668	81	0	0
Forecast Surplus/Deficit (+/-)	-360	-1490	-2,345	-2,897

*2018/19 Safety Net thereafter assumed Baseline

Housing Revenue Account	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Dwellings Rents	11,940	11,840	12,413	12,452
Garage Rents	100	103	106	107
Total Resources	12,040	11,943	12,248	12,559
Net Budget Prior to Planned Savings	11,175	11,664	10,740	12,226
Planned Savings	0	-75	-75	-75
Forecast Surplus/Deficit (+/-) transferred to MRR to fund the capital programme	864	353	1,584	408

- 3.10 The General Fund shows a forecast deficit of £1.5m in 2019/20, £2.3m in 2020/21 and £2.9m in 2021/22.
- 3.11 The on-going risk to the Council's funding (General Fund and HRA) means that we will need to strike a careful balance between savings and investment. We will continue to strive for more efficient and effective services and maximising income where possible and appropriate, which in turn will enable the financial capacity for investment to achieve sustainable cash 'returns' and minimise the impact on front line service outcomes and in the case of the HRA the amount available for investment in our housing stock.

4. Savings

- 4.1 This MTFS emphasises the careful balance that is required between savings and investment in order to ensure the Council's finances remain sustainable. Delivering on-going efficiencies is a key part of the Council's 'Great Value' priority – being as efficient as possible and living within our means, whilst using the financial capacity created to generate long-term gains to improve outcomes for citizens.
- 4.2 Taking the proposals for Council Tax, growth, and reserve transfers and assumptions on Formula Grant, the estimated target for savings on the General Fund is £2.9m by 2021/22.
- 4.3 The Council has a good track record for delivering savings, but in 2018/19 progress is behind profile and 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 long term use of balances to support on-going spending which is unsustainable. The Council's approach to savings covers three key strands:
- **Growing** our resources through charging for services, trading externally and importantly investing in economic growth to drive growth in Council Tax and Business Rates;
 - **Transforming** our business through the use of technology and flexible working to meet citizen and customer needs;
 - **Commissioning** from and with partners to achieve shared efficiencies and reduce the demand for public sector services.
- 4.4 A number of 'technical' savings have also been delivered which involved the set-aside of one-off sums to reduce the on-going base budget – these included a £1.5m contribution to the Private Finance Initiative (PFI); £3.3m voluntary minimum revenue provision in relation to outstanding debt; and a £9.391m lump sum payment to the North Yorkshire Pension Fund to reduce employer contributions. Council agreed that resources earmarked in a number of reserves would be redirected in 2016/17 with the potential for these to be replenished in 2017/18 (subject to business rates income) – which was done in 2017/18.
- 4.5 The General Fund savings in progress and forecast for 2018/19 currently total £175k - £185k short of the expected deficit. Looking ahead to 2019/20 much of the identified savings are considered high risk. The previous MTFS provided £2.4m to support the revenue budget pending delivery of saving but given the high risk within the savings programme it would be prudent to hold back sufficient funds to cover the current year and following 3 years deficit – a total of around £7m.

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- 4.6 In approving the plan and it must be acknowledged that **failure to deliver the savings target would require the use of further reserves to balance the budget which would undermine the Council's long term financial resilience and therefore work to deliver and identify further savings to bridge any gap must continue.**
- 4.7 Taking into account the updated forecasts in the MTFS and progress on the current savings plan the estimated position on savings is:

GF Savings Summary	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Estimated Deficit (mid-case)	360	1,490	2,345	2,897
Low risk	45	45	45	45
Medium risk	60	319	319	319
High risk	70	1,212	1,212	1,212
Total per plan	175	1,257	1,257	1,257
Further Shortfall	185	233	1,088	1,640

HRA Savings Summary	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Assumed residual target	0	84	84	84
Medium risk	0	194	194	194
High risk	0	20	20	20
Total per plan	0	214	214	214
Current Shortfall / (Surplus)		(130)	(130)	(130)

Note HRA is in surplus but resources are required for capital programme so an assumed savings target is applied

- 4.8 Opportunities for additional savings will be explored as part of the forthcoming budget round.

5 Capital Programmes

- 5.1 The Council's Capital Programmes contain the 'business as usual' capital projects planned – for the General Fund these include Disabled Facilities Grants (DFGs), ICT replacements, major works to the Council's assets and loans/grants to Selby and District Housing Trust to support affordable housing delivery; and for the HRA the various enhancement works to the Council's housing stock as well as new build schemes. Expenditure is funded by earmarked reserves set aside for these specific purposes, or through capital receipts from Council House and other asset sales. For information, the approved programmes are attached at **Appendix D**.

- 5.2 There is currently around £5.7m available in usable capital receipts estimated over next 3 years from right to buy receipts, and land/property sales. In recent years low level receipts have been used to cover the cost of Disabled Facilities Grants, however increases in Council House sales and the Council's agreement with the Government to retain extra receipts to achieve one for one replacement of Council homes, means that going forward, receipts retained from council house sales can be used to support the Council's affordable homes development strategy and deliver new build homes across the district.
- 5.3 In addition s106 affordable housing commuted sums are anticipated (£8.5m over the next 7 years with £4.88m outstanding at April 2018) which provide the potential to extend our house building/acquisition programme further. Plans are already in progress on the £22m development programme approved by the Executive in January 2018, but with rising right to buy receipts and s106 commuted sums, there is potential to increase our existing programme further. A review of the HRA Business Plan will be undertaken in the coming months and proposals will be brought forward for approval in due course should this be appropriate.
- 5.4 For the purpose of this strategy it is assumed that new acquisitions (purchased or built) will be subject to business cases and at least self-financing through the rental income achieved. Capital Programme proposals will be considered as part of the forthcoming budget round and borrowing requirements will be kept under review.

6 Programme for Growth

- 6.1 The 'Programme for Growth' is the Council's strategic programme to support delivery of its Corporate Plan. The programme comprises a range of cross cutting projects designed to '**make Selby a great place**' by investing in jobs; housing; infrastructure/economic development; and the tourism economy. The approved programme, which aligns to the new Corporate Plan, is set out at **Appendix E**.
- 6.2 The programme is now in its fourth incarnation, with an initial suite of projects approved as part of the 2018/19 budget:

Programme for Growth 3	Projects £000
Total Allocated to projects	7,511
Internal capacity	3,000
Assumed remaining project delivery fund (subject to available resources)	423
Funding from Special Projects Reserve	10,934

- 6.3 These resources could increase further subject to the future of New Homes Bonus and Business Rates and delivery of savings. **The mid-case scenario shows the potential for a further £8.7m receipts in 2018/19.** The Council's treasury management strategy proposes to invest £5m in property funds with entry fees and the investment being financed through the Programme for Growth which would leave £3.7m for future allocation.
- 6.4 At this stage however, given the risk within the savings plan the remaining £3.7m will be held within the Business Rates Equalisation reserve to mitigate the shortfall in our savings plan.
- 6.5 The resources available to fund the programme will be reviewed annually in light of announcements on Local Government funding and the Council's financial outlook. However the Council's strategic approach to its future financial sustainability is reliant upon investment to stimulate housing and business growth which in turn will generate local funds through Council Tax and Business Rates to mitigate losses in central Government funding and provide the capacity for further reinvestment.
- 6.6 There may be opportunity to extend the programme for growth further through bids for funding from external partners (such as the LEP and HCA).

7 Conclusions

- 7.1 The key assumptions which underpin the Financial Strategy have been updated based on the latest intelligence available however there remains much uncertainty around public sector finance.
- 7.2 There is risk within the Business Rates retention scheme as we approach the system reset from 2020/21 - at this stage a cautious stance has been taken and whilst we anticipate further renewable energy receipts in 2019/20 these will only be allocated when they are confirmed although we will keep the potential in mind as we develop our plans.
- 7.3 There is also uncertainty over New Homes Bonus, the economic situation, income generation and delivery of savings. The Council's longer term financial position is heavily reliant upon overall resources keeping pace with inflation and costs being contained within base budget.
- 7.4 Currently, New Homes Bonus is crucial to our financial resilience and to our capacity to invest in Selby District. However recent indications from central government suggest that this scheme is only secured to 2019/20. To plan for the potential loss it is proposed that the amount

Appendix 1

used to support the revenue budget is phased out over the next 2 years - a loss of nearly £800k to our on-going revenue budget.

- 7.5 Based on the assumptions in this strategy the Council's target General Fund Net Revenue Budget for 2019/20 is £17.8m, including a savings target of £1.5m and net contributions to reserves of £7.8m (which includes £8m non-recurring renewable energy business rates).
- 7.6 By 2020/21 the savings requirement is anticipated to rise to £2.3m and £2.9m by 2021/22 (although this does not take into account growth beyond the standard assumptions contained in this MTFS).
- 7.7 The additional income from Council Tax and Business Rates as a result of our investment in economic growth will help to bridge the funding gap in the long term but inevitably this will take time to come to fruition and therefore in the meantime we must strive to be as efficient as possible and deliver the additional savings targets that have been proposed. We will need to keep these targets under review as the future for Local Government funding becomes clearer.
- 7.8 The target HRA budget for 2019/20 is £11.6m including a savings target of £75k. Over the next 10 years there is capacity within the HRA Business Plan to support additional capital expenditure - balancing investment in our current stock with acquisition of new homes. For the purpose of this strategy it is assumed that new acquisitions (purchased or built) will be subject to business cases and at least self-financing through the rental income achieved. As plans for the Housing Development Programme are established this budget will be updated as required.
- 7.9 Meeting the on-going savings challenge features strongly in the Council's strategic and operational plans and this work will continue. Our collaboration with North Yorkshire County Council and other partners, progressing our digital strategy and reducing demand for services, the commercialisation of our business, income generation and efficiency savings are important to this work.
- 7.10 However achieving financial self-sufficiency will mean that a careful balance between savings and investment will need to be struck. We will continue to strive for more efficient and effective services which in turn will provide the financial capacity for investment in delivering local economic growth – replacing central Government funding with sustainable cash returns in the form of income from services, Council Tax and Business Rates.

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SELBY DISTRICT COUNCIL - 10 YEAR FINANCIAL PLAN Mid Case

GENERAL FUND	← Medium Term Financial Plan →				← Long Term Forecast →					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2026/27
KEY ASSUMPTIONS										
Growth/Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates	0.50%	0.65%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%
Tax Base Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Government Grant (SFA) change	-24.21%	10.51%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	£5	£5	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
COUNCIL TAX										
Tax Base (Number of Band D Equivalents)	30,837	31,145	31,457	31,771	32,089	32,410	32,734	33,061	33,392	33,726
Council Tax @ Band D (£)	175.22	180.22	183.81	187.47	191.20	195.00	198.88	202.84	206.88	211.00
Council Tax Income (£000's)	5,403	5,613	5,782	5,956	6,135	6,320	6,510	6,706	6,908	7,116
Precept (£000's)	5,403	5,613	5,782	5,956	6,135	6,320	6,510	6,706	6,908	7,116
REVENUE FINANCING	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Local Income										
Council Tax	5,403	5,613	5,782	5,956	6,135	6,320	6,510	6,706	6,908	7,116
Council Tax Collection Fund Surplus/Deficit (+/-)	-95	-	-	-	-	-	-	-	-	-
Business Rates Collection Fund Surplus/Deficit (+/-)	7,820	7,980	-	-	-	-	-	-	-	-
Gov't Grants										
Settlement Funding - Business Rates	2,188	2,418	2,363	2,410	2,458	2,508	2,558	2,609	2,661	2,714
Settlement Funding - Revenue Support Grant	265	-	-	-	-	-	-	-	-	-
New Homes Bonus	1,541	1,615	-	-	-	-	-	-	-	-
Rural Services and Transitional Grants	135	108	-	-	-	-	-	-	-	-
Other Specific Grants	69	84	-	-	-	-	-	-	-	-
TOTAL EXTERNAL RESOURCES	17,326	17,817	8,145	8,366	8,594	8,828	9,068	9,315	9,569	9,830
REVENUE BUDGET	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Approved Operational Budget - Net (Per Council Feb 18)	10,880	11,271	10,919	11,137	11,360	11,740	11,819	12,055	12,297	12,542
New Growth - Lifeline	-	30	31	31	32	32	33	34	34	35
New Growth - Recycling Credits	-	-	-	-	-	-	-	-	-	-
New Growth - Summit	-	-	-	-	-	-	-	-	-	-
Investment Interest	-165	-300	-300	-300	-300	-300	-300	-300	-300	-300
Capital Financing	1,049	581	506	350	357	364	371	379	386	394
Partnership Grant	70	-	-	-	-	-	-	-	-	-
Net Budget Before Contributions to/from reserves	11,834	11,582	11,156	11,219	11,449	11,837	11,924	12,168	12,417	12,672
Contributions to Reserves:										
PFI Scheme (incl SDC's contribution & interest)	292	295	303	310	316	321	326	330	333	333
Building Repairs	200	200	200	200	200	200	200	200	200	200
Computer Development	141	141	141	141	141	141	141	141	141	141
District Election	34	34	34	38	38	38	38	38	38	38
Pension Equalisation	100	100	100	100	100	100	100	100	100	100
Special Projects/P4G (New Homes Bonus)	880	1,248	-	-	-	-	-	-	-	-
Special Projects/P4G (Business Rates)	4,120	6,067	-	-	-	-	-	-	-	-
Local Plan	50	50	50	50	50	50	50	50	50	50
Business Rates Equalisation	3,700	1,913	-	-	-	-	-	-	-	-
Contributions from Reserves:										
Business Development/Spend to Save	-84	-	-	-	-	-	-	-	-	-
ICT	-474	-220	-149	-150	-153	-156	-159	-162	-166	-169
PFI	-418	-427	-435	-444	-453	-462	-471	-481	-491	-491
Building Repairs	-575	-361	-357	-200	-204	-208	-212	-216	-221	-225
Special Project/P4G Salaries	-1,114	-1,000	-386	-	-	-	-	-	-	-
S106 Affordable Housing Commuted Sums	-	-	-	-	-	-	-	-	-	-
District Election	-	-136	-	-	-	-153	-	-	-	-
Discretionary Rate Relief	-100	-	-	-	-	-	-	-	-	-
Local Plan	-55	-98	-167	-	-	-	-	-	-	-
Business Rates Equalisation (Internal safety net top-up)	-177	-	-	-	-	-	-	-	-	-
Net Contributions to/from reserves (+/-)	6,520	7,806	-666	45	35	-129	13	-1	-15	-23
Forecast Net Revenue Budget	18,354	19,388	10,490	11,264	11,484	11,708	11,936	12,167	12,402	12,649
Difference between resources and forecast budget (a - b)	-1,028	-1,571	-2,345	-2,897	-2,890	-2,880	-2,868	-2,852	-2,833	-2,818
Planned drawdown from Business Rates Equalisation Reserve	668	81	-	-	-	-	-	-	-	-
Net Surplus/Deficit within MTFP (+/-)	-360	-1,490	-2,345	-2,897	-2,890	-2,880	-2,868	-2,852	-2,833	-2,818

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

GENERAL FUND	← Medium Term Financial Plan →				← Long Term Forecast →					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2026/27
KEY ASSUMPTIONS										
Growth/Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates	0.50%	0.65%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%
Tax Base Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Government Grant (SFA) change	-24.21%	10.51%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	£5	3%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
COUNCIL TAX										
Tax Base (Number of Band D Equivalents)	30,837	31,145	31,457	31,771	32,089	32,410	32,734	33,061	33,392	33,726
Council Tax @ Band D (£)	175.22	180.48	184.07	187.73	191.47	195.28	199.16	203.13	207.17	211.29
Council Tax Income (£000's)	5,403	5,621	5,790	5,965	6,144	6,329	6,519	6,716	6,918	7,126
Precept (£000's)	5,403	5,621	5,790	5,965	6,144	6,329	6,519	6,716	6,918	7,126
REVENUE FINANCING	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Local Income										
Council Tax	5,403	5,621	5,790	5,965	6,144	6,329	6,519	6,716	6,918	7,126
Council Tax Collection Fund Surplus/Deficit (+/-)	-95									
Business Rates Collection Fund Surplus/Deficit (+/-)	7,820	7,980								
Gov't Grants										
Settlement Funding - Business Rates	2,188	2,418	2,363	2,410	2,458	2,508	2,558	2,609	2,661	2,714
Settlement Funding - Revenue Support Grant	265									
New Homes Bonus	1,541	1,615								
Rural Services and Transitional Grants	135	108								
Other Specific Grants	69	84								
TOTAL EXTERNAL RESOURCES (a)	17,326	17,825	8,153	8,375	8,602	8,837	9,077	9,325	9,579	9,840
REVENUE BUDGET	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Approved Operational Budget - Net (Per Council Feb 18)	10,880	11,271	10,919	11,137	11,360	11,740	11,819	12,055	12,297	12,542
New Growth - Lifeline		30	31	31	32	32	33	34	34	35
New Growth - Recycling Credits		-300	-306	-312	-318	-325	-331	-338	-345	-351
New Growth - Summit										
Investment Interest	-165	-300	-300	-300	-300	-300	-300	-300	-300	-300
Capital Financing	1,049	581	506	350	357	364	371	379	386	394
Parental TS Grant	70	-	-	-	-	-	-	-	-	-
Net Budget Before Contributions to/from reserves	11,834	11,282	10,850	10,906	11,131	11,512	11,592	11,830	12,073	12,320
Contributions to Reserves:										
PFI Scheme (incl SDC's contribution & interest)	292	295	303	310	316	321	326	330	333	333
Building Repairs	200	200	200	200	200	200	200	200	200	200
Computer Development	141	141	141	141	141	141	141	141	141	141
District Election	34	34	34	38	38	38	38	38	38	38
Pension Equalisation	100	100	100	100	100	100	100	100	100	100
Special Projects/P4G (New Homes Bonus)	880	1,248	-	-	-	-	-	-	-	-
Special Projects/P4G (Business Rates)	4,120	6,067	-	-	-	-	-	-	-	-
Local Plan	50	50	50	50	50	50	50	50	50	50
Business Rates Equalisation	3,700	1,913								
Contingency										
General Balances										
Contributions from Reserves:										
Business Development/Spend to Save	-84									
ICT	-474	-220	-149	-150	-153	-156	-159	-162	-166	-169
PFI	-418	-427	-435	-444	-453	-462	-471	-481	-491	-491
Building Repairs	-575	-361	-357	-200	-204	-208	-212	-216	-221	-225
Special Project/P4G Salaries	-1,114	-1,000	-386							
S106 Affordable Housing Commuted Sums										
District Election		-136				-153				
NYCC Collaboration										
Discretionary Rate Relief	-100									
Local Plan	-55	-98	-167							
Contingency										
Business Rates Equalisation (Internal safety net top-up)	-177									
Net Contributions to/from reserves (+/-)	6,520	7,806	-666	45	35	-129	13	-1	-15	-23
Forecast Net Revenue Budget (b)	18,354	19,088	10,184	10,951	11,166	11,383	11,605	11,829	12,057	12,297
Difference between resources and forecast budget (a - b)	-1,028	-1,263	-2,030	-2,577	-2,563	-2,547	-2,528	-2,505	-2,479	-2,457
Planned drawdown from Business Rates Equalisation Reserve	668	81								
Current Net Surplus/Deficit within MTFP (+/-)	-360	-1,182	-2,030	-2,577	-2,563	-2,547	-2,528	-2,505	-2,479	-2,457

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

GENERAL FUND	← Medium Term Financial Plan →				← Long Term Forecast →					
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2026/27
KEY ASSUMPTIONS										
Growth/Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates	0.50%	0.65%	1.00%	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.50%
Tax Base Increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Government Grant (SFA) change	-24.21%	10.51%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Increase	£5	£0	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
COUNCIL TAX										
Tax Base (Number of Band D Equivalents)	30,837	31,145	31,457	31,771	32,089	32,410	32,734	33,061	33,392	33,726
Council Tax @ Band D (£)	175.22	175.22	178.71	182.27	185.89	189.59	193.37	197.21	201.14	205.14
Council Tax Income (£000's)	5,403	5,457	5,622	5,791	5,965	6,145	6,330	6,520	6,716	6,919
Precept (£000's)	5,403	5,457	5,622	5,791	5,965	6,145	6,330	6,520	6,716	6,919
REVENUE FINANCING	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Local Income										
Council Tax	5,403	5,457	5,622	5,791	5,965	6,145	6,330	6,520	6,716	6,919
Council Tax Collection Fund Surplus/Deficit (+/-)	-95									
Business Rates Collection Fund Surplus/Deficit (+/-)	7,820	7,980								
Gov't Grants										
Settlement Funding - Business Rates	2,188	2,418	2,363	2,410	2,458	2,508	2,558	2,609	2,661	2,714
Settlement Funding - Revenue Support Grant	265									
New Homes Bonus	1,541	1,615								
Rural Services and Transitional Grants	135	108								
Other Specific Grants	69	84								
TOTAL EXTERNAL RESOURCES (a)	17,326	17,661	7,985	8,201	8,424	8,652	8,887	9,129	9,378	9,633
REVENUE BUDGET	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Approved Operational Budget - Net (Per Council Feb 18)	10,880	11,271	10,919	11,137	11,360	11,740	11,819	12,055	12,297	12,542
New Growth - Lifeline		30	31	31	32	32	33	34	34	35
New Growth - Recycling Credits		300	306	312	318	325	331	338	345	351
New Growth - Summit										
Investment Interest	-165	-300	-300	-300	-300	-300	-300	-300	-300	-300
Capital Financing	1,049	581	506	350	357	364	371	379	386	394
Parish CTS Grant	70	-	-	-	-	-	-	-	-	-
Net Budget Before Contributions to/from reserves	11,834	11,882	11,462	11,531	11,767	12,162	12,255	12,506	12,762	13,023
Contributions to Reserves:										
PFI Scheme (incl SDC's contribution & interest)	292	295	303	310	316	321	326	330	333	333
Building Repairs	200	200	200	200	200	200	200	200	200	200
Computer Development	141	141	141	141	141	141	141	141	141	141
District Election	34	34	34	38	38	38	38	38	38	38
Pension Equalisation	100	100	100	100	100	100	100	100	100	100
Special Projects/P4G (New Homes Bonus)	880	1,248	-	-	-	-	-	-	-	-
Special Projects/P4G (Business Rates)	4,120	6,067	-	-	-	-	-	-	-	-
Local Plan	50	50	50	50	50	50	50	50	50	50
Business Rates Equalisation	3,700	1,913								
Contingency										
General Balances										
Contributions from Reserves:										
Business Development/Spend to Save	-84									
ICT	-474	-220	-149	-150	-153	-156	-159	-162	-166	-169
PFI	-418	-427	-435	-444	-453	-462	-471	-481	-491	-491
Building Repairs	-575	-361	-357	-200	-204	-208	-212	-216	-221	-225
Special Project/P4G Salaries	-1,114	-1,000	-386							
S106 Affordable Housing Commuted Sums										
District Election		-136				-153				
NYCC Collaboration										
Discretionary Rate Relief	-100									
Local Plan	-55	-98	-167							
Contingency										
Business Rates Equalisation (Internal safety net top-up)	-177									
Net Contributions to/from reserves (+/-)	6,520	7,806	-666	45	35	-129	13	-1	-15	-23
Forecast Net Revenue Budget (b)	18,354	19,688	10,796	11,576	11,802	12,033	12,267	12,505	12,747	13,000
Difference between resources and forecast budget (a - b)	-1,028	-2,027	-2,811	-3,375	-3,379	-3,380	-3,380	-3,376	-3,369	-3,367
Planned drawdown from Business Rates Equalisation Reserve	668	81								
Net Surplus/Deficit within MTFP (+/-)	-360	-1,946	-2,811	-3,375	-3,379	-3,380	-3,380	-3,376	-3,369	-3,367

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SELBY DISTRICT COUNCIL - HRA 10 YEAR FINANCIAL PLAN

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
← Medium Term Financial Plan →											
KEY ASSUMPTIONS											
Inflation	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Interest Rates	0.40%	0.50%	0.75%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Estimated Sales	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20	-20
Demolitions											
Estimated New Build	23	19	13								
Void Loss	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Provision for Bad Debts	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Fees & Charges	2.00%	2.90%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Rent Increase CPI + 1%	-1.00%	-1.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Number of Dwellings (Mid Year Average)	3,044	3,045	3,041	3,027	3,007	2,987	2,967	2,947	2,927	2,907	2,887
Average Rent - Rent Restructuring	83.26	82.43	84.90	87.45	90.07	92.77	95.56	98.42	101.38	104.42	107.55
Rent Weeks	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
REVENUE FINANCING											
Dwellings Rents	11,940,000	11,840,000	12,142,864	12,451,618	12,740,428	13,035,360	13,336,522	13,644,022	13,957,968	14,278,472	14,605,644
Garage Rents	99,700	102,591	105,566	107,678	109,831	112,028	114,269	116,554	118,885	121,263	123,688
Total Resources (£)	12,039,700	11,942,591	12,248,431	12,559,296	12,850,259	13,147,388	13,450,791	13,760,575	14,076,853	14,399,735	14,729,332
REVENUE BUDGET											
Operational Services	1,756,150	1,711,391	1,665,666	1,698,980	1,732,959	1,767,619	1,802,971	1,839,030	1,875,811	1,913,327	1,951,594
Commissioning Contracts & Procurement	105,900	109,290	112,360	114,607	116,899	119,237	121,622	124,055	126,536	129,066	131,648
Debt Management Costs	6,000	6,000	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030
Contingency	75,000	75,000	75,000	76,500	78,030	79,591	81,182	82,806	84,462	86,151	87,874
Net Service Costs	1,943,050	1,901,681	1,859,026	1,896,207	1,934,131	1,972,814	2,012,270	2,052,515	2,093,566	2,135,437	2,178,146
CEC Recharge from General Fund	2,741,123	2,810,182	2,883,750	2,941,425	3,000,254	3,060,259	3,121,464	3,183,893	3,247,571	3,312,522	3,378,773
Net Operational Budget	4,684,173	4,711,863	4,742,776	4,837,632	4,934,385	5,033,072	5,133,734	5,236,408	5,341,137	5,447,959	5,556,919
Major Repairs Reserve Contribution	909,360	1,363,360	718,360	2,125,427	2,894,624	1,561,230	1,188,475	2,888,405	2,516,773	1,477,568	1,447,780
Depreciation (Dwellings)	1,189,940	1,189,940	1,189,940	1,213,739	1,238,014	1,262,774	1,288,029	1,313,790	1,340,066	1,366,867	1,394,204
Depreciation (All other Assets)	106,700	106,700	106,700	108,834	111,011	113,231	115,496	117,805	120,162	122,565	125,016
Repayment of HRA Reform Loan (Interest)	2,787,103	2,821,630	2,544,580	2,497,750	2,497,750	2,497,750	2,497,750	2,497,750	2,497,750	2,497,750	2,497,750
Loan Principal (Based on 50 Years)	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000	1,260,000
Provision for Bad & Doubtful Debt	262,680	260,480	267,143	273,936	280,289	286,778	293,403	300,168	307,075	314,126	321,324
Investment Interest - Notional Sum	- 74,700	- 99,500	- 139,600	- 140,996	- 142,406	- 143,830	- 145,268	- 146,721	- 148,188	- 149,670	- 151,167
Net Budget Before Contributions to/from Reserves	11,125,256	11,614,473	10,689,899	12,176,322	13,073,666	11,871,005	11,631,619	13,467,606	13,234,774	12,337,166	12,451,826
<u>Contributions to Reserves:</u>											
Computer Development	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Forecast HRA Net Revenue Budget	11,175,256	11,664,473	10,739,899	12,226,322	13,123,666	11,921,005	11,681,619	13,517,606	13,284,774	12,387,166	12,501,826
Difference between Resources and HRA Net Revenue Budget	864,444	278,118	1,508,531	332,974	- 273,407	1,226,383	1,769,172	242,970	792,080	2,012,569	2,227,506
Savings Target	-	- 75,000	- 75,000	- 75,000	- 75,000	- 75,000	- 75,000	- 75,000	- 75,000	- 75,000	- 75,000
Difference between resources and Net Revenue Budget Transferred to Major Repirs Reserve	864,444	353,118	1,583,531	407,974	- 198,407	1,301,383	1,844,172	317,970	867,080	2,087,569	2,302,506
Revenue Capital Programme Funding	909,360	1,363,360	718,360	2,125,427	2,894,624	1,561,230	1,188,475	2,888,405	2,516,773	1,477,568	1,447,780
Surplus Prior to Funding Capital Programme	1,773,804	1,716,478	2,301,891	2,533,401	2,696,217	2,862,613	3,032,647	3,206,374	3,383,852	3,565,138	3,750,286

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Reserve Balances 2018 - 2021															
Description	Estimated Balance 31 March 18	Use	Transfers	Contribs	Estimated Balance 31 March 19	Use	Contribs	Estimated Balance 31 March 20	Use	Contribs	Estimated Balance 31 March 21	Use	Contribs	Estimated Balance 31 March 22	Comments
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Revenue Reserves															
General Fund															
Reserves to fund future commitments:															
PFI Scheme	3,643,442	- 418,430		292,169	3,517,181	- 427,000	295,081	3,385,262	- 435,323	302,656	3,252,595	- 449,460	309,645	3,112,780	
ICT	573,571	- 1,118,272	500,000	191,000	146,299	- 220,000	191,000	117,299	- 149,000	191,000	159,299	- 191,000	191,000	159,299	
Asset Management	1,004,960	- 1,095,848	250,000	200,000	359,112	- 361,430	200,000	197,682	- 356,520	200,000	41,162	- 200,000	200,000	41,162	Future commitments require top up of £250k
Election	113,934			34,000	147,934	- 136,000	34,000	45,934		34,000	79,934		34,000	113,934	
	5,335,908	- 2,632,550	750,000	717,169	4,170,527	- 1,144,430	720,081	3,746,178	- 940,843	727,656	3,532,991	- 840,460	734,645	3,427,176	
Reserves to fund growth and improvement:															
Special Projects/Unallocated	-	- 5,000,000		5,000,000	-		3,852,250	3,852,250			3,852,250			3,852,250	Assumes £5m of renewable energy income is allocated to Property Funds in 2018/19 and remainder to BRER to support savings plan. Subject to confirmation of receipts in 2019/20 the remainder of renewable energy receipts (after £4.1m is held in BRER to support the revenue budget and £25k is allocated to P4G), is available for allocation.
Special Projects / Programme for Growth	7,307,569	- 8,064,794		880,000	122,775	- 1,251,249	1,273,414	144,940	- 144,940		-			-	P4G resources/spend 2018/19 to 2019/20 = £9.461m
S106 Affordable Housing Commuted Sums	3,490,610	- 540,000		1,218,744	4,169,354	- 750,000	2,437,488	5,856,842	- 210,000	1,223,266	6,870,108			6,870,108	Funds ring-fenced and spend subject to progress on housing developments
Discretionary Rate Relief Fund	268,492	- 100,000			168,492			168,492			168,492			168,492	
NYCC Collaboration	50,000				50,000			50,000			50,000			50,000	
Spend to Save (Business Development)	498,452	- 313,924	150,000		334,528			334,528			334,528			334,528	
	11,615,123	- 9,018,718	150,000	2,098,744	4,845,149	- 2,001,249	7,563,152	6,554,802	- 354,940	1,223,266	7,423,128			7,423,128	
Reserves to mitigate financial risk:															
Pensions Equalisation Reserve	741,643		- 750,000	100,000	91,643		100,000	191,643		100,000	291,643		100,000	391,643	
NDR Equalisation	1,604,415	- 845,751		2,820,000	3,578,664	- 81,000	4,102,336	7,600,000			7,600,000			7,600,000	£7.6m held to support revenue budget to 2021/22 - drawdown is subject to savings delivery
Local Plan	550,231	- 479,360	250,000	50,000	370,871	- 97,500	50,000	323,371	- 167,500	50,000	205,871		50,000	255,871	
Contingency	497,600		- 250,000		247,600			247,600			247,600			247,600	
General Fund	1,653,222		- 150,000		1,503,222			1,503,222			1,503,222			1,503,222	Minimum working balance £1.5m
	5,047,111	- 1,325,111	- 900,000	2,970,000	5,792,000	- 178,500	4,252,336	9,865,836	- 167,500	150,000	9,848,336		150,000	9,998,336	
Total GF Revenue reserves	21,998,142	- 12,976,379	-	5,785,913	14,807,676	- 3,324,179	12,535,569	20,166,816	- 1,463,283	2,100,922	20,804,455	- 840,460	884,645	20,848,640	
HRA															
HRA Unallocated Balance	2,266,697				2,266,697			2,266,697			2,266,697			2,266,697	
C/fwd Budgets (HRA)	1,651,796	- 1,651,796			-			-			-			-	
Major Repairs Reserve - Capital Programme	4,330,024	- 4,083,796		3,070,443	3,316,671	- 2,725,000	3,013,118	3,604,789	- 2,080,000	3,598,531	5,123,320	- 3,000,000	3,855,974	5,979,294	
Sub Total	8,248,517	- 5,735,592	-	3,070,443	5,583,368	- 2,725,000	3,013,118	5,871,486	- 2,080,000	3,598,531	7,390,017	- 3,000,000	3,855,974	8,245,991	
Total Revenue Reserves	30,246,659	- 18,711,971	-	8,856,356	20,391,044	- 6,049,179	15,548,687	26,038,302	- 3,543,283	5,699,453	28,194,472	- 3,840,460	4,740,619	29,094,631	
Capital Reserves															
General Fund Receipts (after P4G removed)	1,220,043				1,220,043			1,220,043			1,220,043			1,220,043	
HRA Receipts	3,205,327	- 625,000		500,000	3,080,327	- 370,000	500,000	3,210,327	- 310,000	500,000	3,400,327	- 310,000	500,000	3,590,327	
Other Capital Receipts	493,000	- 325,000			168,000			168,000			168,000			168,000	
Capital Receipts (HRA Reserved)	23,205	- 253,205		230,000	0	- 250,000	250,000	0			0			0	
Total GF Capital Receipts	4,941,575	- 1,203,205	-	730,000	4,468,370	- 620,000	750,000	4,598,370	- 310,000	500,000	4,788,370	- 310,000	500,000	4,978,370	

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Appendix C : Savings Plan

General Fund - Potential Saving	Sponsor	2018/19 Forecast £000's	2019/20 Target £000's	Update
Income generation	SR	0	185	Proposals to be developed for additional income streams for 2019/20 and beyond - including potential opportunities to maximise income streams through better understanding of our asset base, following asset management system implementation.
Process improvements /on-line transactions	JS	70	91	Business Case for 'channel shift' project approved - implementation of first two phases scheduled for early 2018/19 but savings are still to be defined. The new housing system will be fully implemented by early 19/20. Potential savings are currently being collated but the savings remain at risk until these are confirmed.
Planning service review	JC	60	200	This saving is currently under review following the Government's increase of planning fees and with it the requirement to reinvest in the service. Some internal efficiencies are planned in 2018/19 but further work is required to confirm the level of savings that can be achieved next year and beyond.
Asset rationalisation	JS	14	140	Ex Profiles Gym has been let to a tenant generating £28k in 18/19. The remainder of this saving is dependent upon the contact centre move from Market Cross. This will require redevelopment of the Civic Centre to accommodate. This remains under discussion but works are unlikely to be completed in the current financial year. Police co-location is now expected in February 2019 and this income is included in the forecast at £13k.
Commissioning & collaboration	JS	30	80	The savings expected in 2019/20 are still to be identified but additional income has been generated in 2018/19 through agreements to deliver work for another local District Council.
New SDHT Loans	DC	1.3	71	Loans currently made to the Selby District Housing Trust will generate £18.3k of interest returns in 2018/19. A number of schemes are currently in progress, with negotiations taking place with developers with a scheme to acquire 12 S106 affordable housing properties recently agreed between SDC and the SDHT at Ulleskelf. The revised and expanded Housing Development Programme agreed by Executive in January 2018 identifies a significant role for the SDHT in delivery which will provide further loan opportunities for SDC. Forecast has been retained at the level of current existing loans, but there is scope for new loans to be made during the year.
Lending to third parties	DC	0	40	This work will be considered as adoption of the Economic Development Strategy is achieved, and the Programme 4 Growth is developed. However, this is not currently a high priority within the Economic Development Framework and consequently this saving will be reviewed as part of the next budget round.
Programme for Growth	DC	0	250	The current programme above indicates that approximately £3.5m of the projects (the Commercial Property Acquisition projects) will generate a direct ROI, so a direct ROI of circa 7% is required on these projects to achieve the £250k target. We are in the process of acquiring two former bank buildings which are targeted to achieve £100k of income per annum from 19/20 but the purchases are not yet finalised and redevelopment proposals are being formulated.
Business Rates Growth	DC	0	200	The Economic Development team will deliver the Council's Economic Development Strategy and proactively foster new inward investment and indigenous business growth. This is however very high risk due to uncertainties regarding the BRR system reset from 20/21.
To be delivered not budgeted		175	1,257	

Low Risk	45	-
Medium Risk	60	302
High Risk	70	955
Total	175	1,257

HRA - Potential Saving	Sponsor	2018/19 Forecast £000's	2019/20 Target £000's	Q1 June 2018
Process improvements /on-line transactions	JS		194	Business Case for 'channel shift' project approved - implementation of first two phases scheduled for early 2018/19. Quick wins already being delivered in Revs & Bens. Implementation of Housing Management System has commenced - first module due Jan 2018. Full implementation expected by July 2019. Project brief for 'Modern Office Project' to support a more flexible and mobile workforce currently being developed.
Commissioning & collaboration	JS		20	
To be delivered not budgeted		-	214	

Low Risk	-	-
Medium Risk	-	194
High Risk	-	20
Total	-	214

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Appendix D : 2018/19 – 2020/21 CAPITAL PROGRAMME

<u>GENERAL FUND</u>	Estimated Programme 2018/19	Estimated Programme 2019/20	Estimated Programme 2020/21
	£	£	£
PROJECTS			
Asset Management Plan Leisure Centres & Park	22,700	20,080	27,800
Asset Management Plan - Leisure Village	7,510	18,350	5,720
Enhancement of Car Parks	300,000	300,000	300,000
Collapsed Culvert - Portholme Road	207,000		
Housing Development (Loans to SDHT)	4,908,700	7,560,000	
Grants			
Disabled Facilities Grants	346,958	346,958	346,958
Repair Assistance Loans	30,000	30,000	30,000
ICT Hardware & Systems Within ICT Strategy			
DIP Upgrade			
Virtual Servers, Software & Storage		25,000	
Benefits & Taxation	15,000	15,000	15,000
Transactional Services in Bens & Taxation	50,000		
Customer Portal	18,000		
Portal / Digital Platform - to Housing Mgmt System	18,000		
Disaster Recovery Improvements	40,000	20,000	
Microsoft Licensing	85,000	85,000	85,000
Laptop Refresh	60,000	40,000	33,000
Juniper Firewall	1,500		
Citrix Software Licences	30,000		
Implementation & Infrastructure Costs	317,500	185,000	133,000
Desktop Replacement Programme	36,000		
Mobile Working Solution	40,000	60,000	16,000
TOTAL	6,216,368	8,520,388	859,478
SUMMARY OF FUNDING			
Capital Receipts	30,000	30,000	30,000
Grants & Contributions	346,958	346,958	346,958
Reserves	930,710	583,430	482,520
S106 Commuted Sums	360,000	220,000	
Borrowing	4,548,700	7,340,000	
TOTAL	6,216,368	8,520,388	859,478

<u>HRA</u>	Estimated Programme 2018/19	Estimated Programme 2019/20	Estimated Programme 2020/21
	£	£	£
PROJECTS			
Current Projects			
Electrical Rewires	240,000	240,000	240,000
Central Heating - Gas	295,000	470,000	470,000
Central Heating - Solid Fuel	0	75,000	75,000
Roof Replacements	220,000	400,000	
Damp Surveys & Works	220,000	220,000	220,000
Door & Window Replacements	120,000	120,000	120,000
Kitchen Replacements	130,000	130,000	130,000
Pre Paint & Cyclical Repairs	160,000	160,000	160,000
Void Property Repairs	80,000	80,000	80,000
Asbestos Condition Survey			
Fencing & Gates	40,000	40,000	40,000
Bathroom Replacements	30,000	30,000	30,000
Pointing Works	300,000	300,000	300,000
New Projects			
Garage Sites	10,000		
Community Centre Refurbishment	48,000	30,000	
Sheltered Homes Adaption	180,000	165,000	150,000
Empty Homes Programme	600,000	700,000	700,000
Estate Enhancements	133,000	100,000	
St Wilfrids Court Refurbishment		100,000	
Aids & Adaptations Programme	125,000		
New Build Projects	1,200,000	2,280,000	
TOTAL	4,131,000	5,640,000	2,715,000
SUMMARY OF FUNDING			
Revenue Contributions	909,360	1,363,360	718,360
Major Repairs Reserve	1,296,640	1,296,640	1,296,640
Borrowing	1,000,000	1,900,000	
Capital Receipts	565,000	340,000	280,000
HCA Grant Funding	180,000	210,000	210,000
S.106 Commuted Sums - affordable housing subsidy	180,000	530,000	210,000
TOTAL	4,131,000	5,640,000	2,715,000

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Appendix E : Programme for Growth Projects

Project	Lead Officer	Spend to Date / Budget	Update
Towns Masterplanning	Angela Crossland	0	Project paused as part of the review of existing P4G3 projects. A proposal will be brought back to re-focus the project onto specific known regeneration priorities and projects in the town centres rather than broader strategy development. Request to carry-over funding to allow us to develop Business Cases to fund specific Regeneration plans and projects in the towns: * Selby Heritage Action Zone bid proposed for October 2018 linked to Selby Abbey HLF bid and Selby 950 Celebrations * Tadcaster Heritage-led Regeneration masterplan - potential HLF bid and Heritage England collaboration to address known issues to help Tadcaster reach its potential. * Sherburn Infrastructure-focussed review - to better understand gaps to delivery
Visitor Economy	Angela Crossland	204,938	Tour de Yorkshire Tadcaster project successfully delivered. Make it York successfully completed their commission to produce the Visitor Economy Strategy and Action Plan. This was agreed by Executive in March 2018 including a £460k delivery pot for the first phase of work to support Visitor Economy Strategy and Action Plan delivery. The remaining £66k in this Visitor Economy project should be carried forward to allow some early win projects in the Action Plan to be delivered.
'Stepping Up' Housing Delivery	Chris Kwasniewski	138	Brief developed. Project superseded by significant work on the Council's new Housing Development Programme approved by Executive in January 2018. Carry forward to allow further work to be undertaken on how the Council could step-up its strategic enabling role in housing delivery including exploring options for investment in market housing to rent and for sale.
Olympia Park	Chris Kwasniewski	5,000	The Council was successful in securing circa £9m funding from Homes England through their 'Housing Infrastructure Fund'. This means significant work is now required to complete 'due diligence' to unlock the HIF funding and prepare for the case to prove deliverability for the Site Allocation Local Plan (summer 2018) and planning application (December 2018). HIF and the landowners will fund the majority of work going forward but we need funding to provide ongoing legal, property and delivery strategy advice and technical studies to support the strategic allocation in the Local Plan.
Strategic Sites Masterplanning	Chris Kwasniewski	145,142	Funded due diligence work on Olympia Park, Portholme Road, Edgerton Lodge, Selby Station Masterplan and Kellingley Colliery. Likely future projects will include strategic infrastructure response to Sherburn Employment sites, Gascoigne Wood Strategic Rail Freight Interchange, and enabling work to help deliver our strategic housing and employment sites.

Project	Lead Officer	Spend to Date / Budget	Update
Access to Employment	Iain Brown	0	Liaison with local businesses has emphasised the increasing severity of labour market challenges at Sherburn-in-Elmet. This will likely be exacerbated by the impending development of S2. A Business Forum has been established by the Council's new Senior Inward Investment Officer to fully understand the scope of the issue - this project will then fund a response (along with, it is envisaged, private sector contributions). No spend forecast for 17/18.
Green Energy	Iain Brown	0	Further diligence work on project to be undertaken to produce robust cost/benefit analysis. This was to enable Burn Airfield to be connected to the national grid network so that renewable energy generation could be promoted once the tariffs allow us to achieve grid parity. Burn is a strategic acquisition for Selby District for the next Local Plan period (post 2027) and there is a proposed new P4G project to consider future development options for any new development. Ensuring sustainable energy supply will be a key consideration so it is proposed to carry this funding over to allow further work to be carried out. No spend forecast in 17/18.
Growing Enterprise	Iain Brown	5,239	Match funding contributions paid to EU Leeds City Region business support programmes - AD:Venture & Digital Enterprise. This project will fund small business support activity. An SME Support Programme is being developed, in close consultation with the portfolio holder, by the Council's Senior Business Advisor which will set out the scope of the project in detail. The project is also seeking to develop income streams from support provision, which may mean that delivery from this project can extend into the next financial year. EDF conference and Launch fees covered from this budget.
Church Fenton Studios	Dave Caulfield / Iain Brown	0	Liaison is ongoing with the site owners, key regional stakeholders and potential investors as to the site's future. Until these discussions have concluded, the scope of any potential project cannot be clarified. Positive progress has been made, with a planning application for the 'Create Yorkshire' site submitted, and currently there is no indication that public money will be required to bring the scheme forward (pending further discussions). Expecting to make partnership contribution to Business Plan work and specialist industry advice for the scheme.
Business Space & Accommodation Review	Iain Brown	12,848	CoStar software has been purchased that provides live commercial data around the District's available/soon-to-be-available commercial stock. Advanced nature of software means that analysis can be undertaken as a project by a member of the Council's graduate programme, reducing overall project costs significantly. May also need to commission specialist advice to advise on any gaps in provision for key sectors.
Healthy Living Concepts Fund	Angela Crossland	3,037	Park Run initiated and now sustained. Drafts for Active Travel projects due. A multi-agency Health Action Plan is almost completed and this will identify specific projects that may need funding. Potential commission for an active travel project of £25k factored in to expected outturn.

Project	Lead Officer	Spend to Date / Budget	Update
Marketing Selby's USP	Mike James	39,806	Working directly with our businesses, we've created a series of case studies that tell the story of investment the district. These stories are told by businesses themselves and cover the key business assets for the area – for example road and rail connectivity, affordability of business space and quality of life to attract the best staff. These are the issues that businesses themselves have told us are selling points for the district. During the second half of the year we worked with the business community and partners such as the LEPs to push out this material using a wide variety of channels. The remaining funding – brought forward to 2018/19 - is being used to fund targeted regional and national advertising. We've negotiated with a number of publications and online platforms to create paid-for material supported by 'free' editorial. These are all now set up for the period up to September 2018. All of the remaining project fund has been allocated to this final priority of maximising the reach of the material we've been producing throughout the project.
Retail Experience - Tadcaster Linear Park	Angela Crossland	19,997	This project has now been paused until early 2018 subject to Environment Agency work and current winter season.
Retail Experience - STEP	Angela Crossland	15,360	Grants given to support Selby Arts Festival and Selby Food Festival. Small Business Saturday and Shop Local initiatives delivered Christmas 2017. Heart of Yorkshire Book retailing well. Commission in place to develop public realm work. Due for completion Summer 2018. Developing business case for town centre coordination role. Budget reprofiled with the partnership to span a 2 year initiative.
Empty Homes	June Rothwell / Simon Parkinson	0	The Council has adopted the York and North Yorkshire Empty Homes Strategy 2017-2020 and A Selby District Empty Homes Action Plan which we are currently delivering. A full data base of Empty Home has been developed. All owners of empty properties have been contacted. The Empty Homes Officer has provided advice and assistance to owners of empty properties, and what enforcement action we will consider. The Executive has approved a new Housing Assistance Policy, which includes a scheme to provide grants and loans to enable empty property to be brought back into use. During 2017/18 18 Empty Homes have been brought back into use, exceeding the target of 12.
Selby District Housing Trust	Julie Slatter / Chris Kwasniewski	14,200	This fund previously paid for half of the Housing Development Manager post, which has now been deleted from the new corporate structure. A revised resource request from the P4G was included within the Council's newly adopted Housing Development Programme. Underspent but discussions required with SDHT to support SDHT's role in the more ambitious HDP approved by Executive in January 2018.
Sherburn All-Weather Pitch	Angela Crossland	200,000	Project completed.
Spend in 17/18		665,705	

Project	Lead Officer	Spend to Date / Budget	Update
Healthy Living Concepts Fund	Angela Crossland	82,176	Developing scope for health initiatives to tackle local health priorities in line with health action plan. Projects likely to include active travel and family engagement activities in line with IHL. Further year of available spend on agreed budget- multi-year project.
Visitor Economy (Tourism & Culture)	Angela Crossland	542,193	Recruitment to Culture, Visitor and Creative Economy Manager post and Tourism Development Officer post completed. Awaiting starts end September. Workstream Interdependent with Selby 950 planning. Multi-year project
Celebrating Selby 950	Angela Crossland	200,000	£150k allocated for potential TdY stage. Awaiting decision. Selby 950 steering group in place with key contributing partners. Schedule of events in development. Project on target.
Retail Experience - Tadcaster Linear Park	Angela Crossland	160,003	Awaiting fee proposal from Amey PLC to complete schedule of works. Also expecting to draw down grant from YorVenture (£27k). Current forecast for project is above the budget allocation although work is underway to mitigate this.
Growing Enterprise	Iain Brown	111,761	Match funding contributions paid to EU Leeds City Region business support programmes - AD:Venture & Digital Enterprise. Phase 2 of the programme is scheduled to be discussed end July '18 with LCR (current programme runs to June '19). year 2 contract of LCR Growth Programme has been signed which contributes 25% of the salary for the Business Growth Adviser role (£8,500pa)
Marketing Selby's USP	Mike James	78,108	First priority has been to create the series of 'case studies' that tell the story of the district. These are based on the issues businesses themselves have said are reasons for their success in the district, as well as data gathered as part of the development of the new Economic Development Framework. We have 20 case studies in the initial batch, in which we focus on an existing business in the district and link this back to a specific business or quality of life issue on our list of 'key messages'. Feedback from business is that this will work best if the material sits within an independent place brand, rather than this just being linked back to the brand of the Council: this is about branding the place, rather than branding a single organisation. Creating a brand concept has, therefore, become part of the overall project. We're working on the concept of branding the area as being 'at the heart of Yorkshire', as this helps to tell the story of our connectivity (a key business attribute) as well as helping to create an emotional connection: if we're to influence perceptions then we need to develop this type of emotional connection. 500 copies of the Heart of Yorkshire book produced and proceeds from the sale to be reimbursed to the project.
Retail Experience - STEP	Angela Crossland	108,340	Commission in place to develop public realm work. Due for completion Summer 2018. Scoping town centre coordination role. Projected completion of spend this financial year.
Towns Masterplanning (Regeneration)	Angela Crossland	150,000	Brief in draft for approval to next stage. Brief to include 2 phases of approach. Phase 1 - stakeholder and literature review of work/data to date. Phase 2 deliverables plan.

Project	Lead Officer	Spend to Date / Budget	Update
Strategic Sites Masterplanning	Chris Kwasniewski	246,613	Funded due diligence work on Olympia Park, Portholme Road, Edgerton Lodge, Selby Station Masterplan and Kellingley Colliery. Likely future projects will include strategic infrastructure response to Sherburn Employment sites, improvements to the area around the railway station in Selby and the Crosshills site.
Access to Employment	Iain Brown	100,000	Liaison with local businesses has emphasised the increasing severity of labour market challenges at Sherburn-in-Elmet. This will likely be exacerbated by the impending development of S2. Collaboration managed by ED between Arriva, WYCA, and Sherburn based businesses is close to a transport solution to improve scheduled transport solutions. The option for SDC to underwrite short term risk is being considered if necessary to achieve a collective agreement between all stakeholders.
Green Energy	Iain Brown	50,000	The work is currently on hold until a major study has been completed by the YNYER LEP to determine the regions long term energy strategy.
Church Fenton Studios	Iain Brown	300,000	Collaboration in a stakeholder sector study project currently being developed. No other specific activity in support of the CF development will be committed until the outcome of the consultants report is known. Total project costs forecast to be £70K shared between partners.
Business Space & Accommodation Review	Iain Brown	17,152	Licence fee due Q3 (£4k) we will review cost/benefits ahead of next years subscription. Further professional reporting may be required to support future investment in Commercial acquisitions.
Empty Homes	June Rothwell Simon Parkinson	115,475	Delivery of the Empty Homes Action Plan has resulted in 18 properties being brought back into use during 2017/18. All owners of empty properties have been identified and owners have been contacted. Work is progressing, with the 'top twenty' empty properties we provide advice, assistance through the recently approved private sector assistance scheme and to purchase either voluntarily or through CPO properties. A bid has been submitted to the HCA for grant contribution to assist with the purchase of 10 properties
Selby District Housing Trust	Chris Kwasniewski	38,300	This fund previously paid for half of the Housing Development Manager post, which has now been deleted from the new corporate structure. A revised resource request from the P4G was included within the Council's newly adopted Housing Development Programme. Discussions required with SDHT to support SDHTs role in the more ambitious HDP approved by Executive in January 2018.
Stepping Up' Housing Delivery	Chris Kwasniewski	49,862	The Project will support the implementation of the Housing Development Programme approved by the Executive in January 2018, by working as a facilitator with the private sector to unlock sites for mixed tenure housing development.

Project	Lead Officer	Spend to Date / Budget	Update
Olympia Park	Chris Kwasniewski	435,000	The Council has submitted a significant (circa £9m) funding application to the Homes & Communities Agency through their 'Housing Infrastructure Fund'. A decision on this is expected in July 2018 -this will clarify the potential use of this funding in 2018-19 but there is already committed expenditure in relation to the engagement of external legal and property advisers, the employment of a project manager to drive the site forward and contributions towards survey work
Making our Assets work	Chris Kwasniewski	230,000	The budget is targeted at funding due diligence work to bring the Council's assets to the market. These include small garage sites, Portholme Road, Edgerton Lodge, Barlby Road depot and Bondgate. The Executive has recently autorised the former Barlby Road Depot site to be marketed for employment use.
Commercial property acquisition fund	Gill Marshall / Iain Brown	3,500,000	Offers for both the NatWest Bank at Tadcaster and Selby have been accepted. The purchase of Tadcaster was completed 10/08/18. The opportunity to acquire two industrial units is being developed and will be considered subject to the business case delivering an appropriate return and meeting all criteria.
High Street shop fronts	Angela Crossland	100,000	Scope in place and workshop arranged with Heritage England to explore Heritage Action Zone and impact on design. Initiative also interdependent with towns brief. Fund allocated to spend within next 2 financial years and as such £50k is to be carried forward to support year 2.
New lane - Public Realm	Chris Kwasniewski	230,000	This project has been delayed. The budget forecasts have been reduced for 2018/19 to reflect this until timelines are determined.
Projects 2018/19		6,844,983	
Total Projects		7,510,688	